

*Benefit the World,
Achieve Success Together*

2023

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG) REPORT



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About This Report

This Report aims to give a true, accurate and complete picture of our efforts and achievements in implementing the concept of high-quality sustainable development to the government and regulators, shareholders and investors, customers, suppliers, employees, the public and other stakeholders.

Reporting Cycle and Period



This Report is made on an annual basis and covers the period from January 1, 2023 to December 31, 2023. To enhance its comparability and integrity, certain contents have been retroactive to previous years in an appropriate manner.

Reporting Scope



This Report covers Xiamen Xiangyu and its subsidiaries. For ease of expression and reading, the subsidiaries herein are referred to as the following abbreviations:

Abbreviation	Full Name
Xiamen Xiangyu, the Company, we, us, our	Xiamen Xiangyu Co., Ltd.
Xiangyu Agricultural	Heilongjiang Xiangyu Agricultural Products Corporation
Xiangyu Superchain	Xiangyu Superchain Supply Chain Development Co., Ltd.
Xiangdao Logistics	Xiangdao Logistics Corporation
Xiangyu SOE	Nantong Xiangyu Shipbuilding & Offshore Engineering Co., Ltd.
Xiangyu New Energy	Xiamen Xiangyu New Energy Co., Ltd.
Fujian Xingda	Fujian Xingda Import & Export Trading Co., Ltd.
Xiangyu Commodities	Xiamen Xiangyu Commodities Co., Ltd.
Xiangyu Resources	Xiamen Xiangyu Resources Co., Ltd.
Hubei Chuxiang	Hubei Chuxiang Supply Chain Group Co., Ltd.
Xiamen Great Corporation	Great Corporation (Xiamen) Co., Ltd.
Zhuoyu Supply Chain	Xiamen Zhuoyu Supply Chain Management Co., Ltd.
Xiangyu Zhengfeng	Tangshan Xiangyu Zhengfeng International Logistics Co., Ltd.
Fujin Xiangyu	Fujin Xiangyu Jingu Agricultural Products Co., Ltd.
Suihua Xiangyu	Suihua Xiangyu Cereals and Oil Technologies Co., Ltd.
Xiangming Oils	Rizhao Xiangming Oils Co., Ltd.
Xiamen Singamas	Xiamen Singamas Import & Export Trading Co., Ltd.
PIL Total Logistics	Xiamen Xiangyu PIL Total Logistics Co., Ltd.
Anyang Xiangdao	Anyang Xiangdao Logistics Co., Ltd.
Shaanxi Xiangdao	Shaanxi Xiangdao Logistics Co., Ltd.
Liangshan Xiangyu	Liangshan Xiangyu Supply Chain Co., Ltd.

Basis for Preparation



- United Nations 2030 Sustainable Development Goals (SDGs)
- Global Reporting Initiative Standards (GRI Standards) issued by Global Sustainability Standards Board
- Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 5.0) issued by the Chinese Academy of Social Sciences (CASS)
- Guidelines No. 1 of Shanghai Stock Exchange for the Application of the Self-Regulation Rules for Main Board Listed Companies - Standardized Operation
- Guidelines No. 14 of Shanghai Stock Exchange for the Application of the Self-Regulation Rules for Listed Companies - Sustainability Report

Currency Unit Description



All the financial data herein are denominated in RMB.

Reliability Assurance



The Company and all members of its board of directors warrant that the information disclosed herein is true, complete and accurate without false records, misleading statements or material omissions.

Access to This Report



We will publish this Report in electronic forms for the purpose of low carbon and environmental protection. If necessary, you can read the electronic version of this Report on our website (www.xiangyu.cn/index.aspx) and www.cninfo.com.cn.

Contact Information



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Chairman's Message

Dear Esteemed Shareholders, Investors, Business Partners, Colleagues, and Friends from all walks of life.

In 2023, the global industrial and supply chains have undergone an unprecedented baptism and reshaping, with the market being as unpredictable as ever, and challenges and opportunities coexisting. Faced with a complex macroeconomic environment, we have remained steadfast in our commitment to high-quality development and long-termism. We have continuously advanced the construction of ESG, enhancing the Company's sustainable development capabilities from the dimensions of environment, society, and corporate governance. We have deeply promoted the transformation and upgrading of our business model, maintaining resilience amidst the ever-changing landscape.

Maintaining robust governance lays a solid foundation for development. We have strengthened modern governance and continuously refined our delegation and management system under the guidance of the national strategy. However, the anomalous events in 2023 remind us that improving corporate governance is a long-term, dynamic and continuous process. Therefore, we have taken active measures to cope with challenges, enhancing our risk management framework and our capability to identify, assess and respond to potential risks. The adaptability and resilience of our risk control system, demonstrated through this process, have proven that our governance structure and risk management strategy remain effective. At the same time, we have further clarified the code of business ethics and supervision mechanism to ensure strict compliance of our business activities with laws, regulations and ethical standards. We are committed to becoming an industry benchmark in corporate governance, always prioritizing the protection of the interests of all investors, especially minority shareholders, with high standards of transparency and fairness, laying a solid foundation for the Company's sustainable development.

Pursuing green development to lead industrial transformation.

We adhere to the development concept that "lucid waters and lush mountains are invaluable assets", complying with the national goals of "carbon peaking and carbon neutrality", and promoting low-carbon transformation and upgrades of industries. In practice, we have reduced carbon emissions in our operations by employing alternative energy and innovative technologies. We have also increased investment in and maintenance of environmental protection facilities to ensure proper treatment of waste gas, wastewater and solid waste, effectively preventing environmental pollution. In addition, we have vigorously explored the application of digital technology in energy conservation and emission reduction. We have built systems such as "Yu Lian Tong" and "Smart Logistics" to innovate on business models and refine service management, so as to further enhance the greenization and intelligence of our supply chain. Through these initiatives, we aim to foster sustainable development through innovation and envision a greener, smarter future for our industry.

Prioritizing people to create a better life together.

Talent is the core driving force of enterprise development. We prioritize people, always focusing on the well-being of employees. We care for the physical and mental health of employees in a comprehensive and multifaceted way through measures such as health check-ups and psychological support. Meanwhile, we have provided diverse career development opportunities and training resources to help employees improve their professional skills and achieve career growth. Moreover, we have established effective incentive mechanisms to acknowledge and reward the efforts of every employee, enhancing their sense of belonging and happiness. Our goal is to grow alongside our employees, enabling every employee to find space for growth at Xiamen Xiangyu, realize their self-worth, and together build a better life.

Contributing to the society to build a harmonious future.

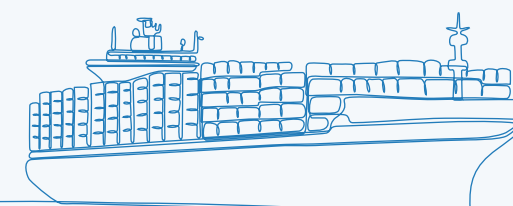
We have always adhered to our corporate mission of "Benefit the World and Achieve Success Together", and actively engaged in various social welfare activities to convey the Company's commitment and social responsibility. In terms of rural revitalization, we have engaged in targeted assistance and support projects to enhance rural infrastructure and improve the quality of life of local residents. We also prioritize contributing to community development through diverse channels such as educational support and cultural exchange, toward building a more harmonious and inclusive society.

As we look ahead to 2024, we are committed to enhancing transparency and fairness in corporate governance, ensuring our steady development by establishing a higher standard of internal control and compliance system. As for green development, we will increase investment in green technologies and innovative practices to further minimize the impact of our operations on the environment and support the long-standing goal of global carbon neutrality. Regarding social responsibility, we will continue to devote ourselves to social welfare and contribute to building a more harmonious society through educational support, community development and cultural activities. We will advance our transformation to high-quality development by capitalizing on the opportunities in the industrial and supply chains. Our goal is not only to become a global leader in supply chain services, but also to integrate our development with environmental protection, social responsibility and excellent governance, fostering sustainable growth in value for our shareholders, investors, employees, business partners and the broader society.



Chairman of Xiamen Xiangyu Co., Ltd.:

Deng Qidong



About Xiamen Xiangyu

Company Profile

Xiamen Xiangyu Co., Ltd. is committed to becoming a world-class supply chain service company serving national strategy and regional economic development, and adheres to the strategic thinking of 'rooted in the supply chains, serving industry chains, and creating value chains'. Quickly responding to customer demands, we integrate global quality resources to provide a diversified service portfolio and customize integrated supply chain solutions through the "Xiangyu Digital Intelligence Supply Chain Integrated Service Platform". We endeavor to build a safe, stable, smooth and efficient industrial and supply chain ecosystem, and create a mutually beneficial and win-win value-added ecosystem. Currently, we offer supply chain services for commodities such as agricultural products, energy chemicals, metal minerals and new energy, and our business volumes in key categories where we hold a competitive edge are among the highest in the industry. Our customers span over 100 countries, and our subsidiaries cover major provincial-level administrative regions in China. We have also established overseas business entities in Singapore, Vietnam, and Indonesia, etc., which serve as hubs for transnational cooperation and bridges for international exchanges, conducive to building a mutually beneficial, diverse, balanced, safe and efficient open economic system.



Business Distribution of Xiamen Xiangyu¹



Main Business

We are committed to becoming a world-class supply chain service company and focus on providing one-stop supply chain solutions for manufacturers. Our core services include procurement and supply of raw and auxiliary materials, distribution of finished goods, shearing and processing, logistics services, supply chain finance, and information consultations. We pursue ongoing self-innovation to ensure supply chain's stability and efficiency, promote industry development in a more efficient and sustainable way, and jointly grow and create value with customers.

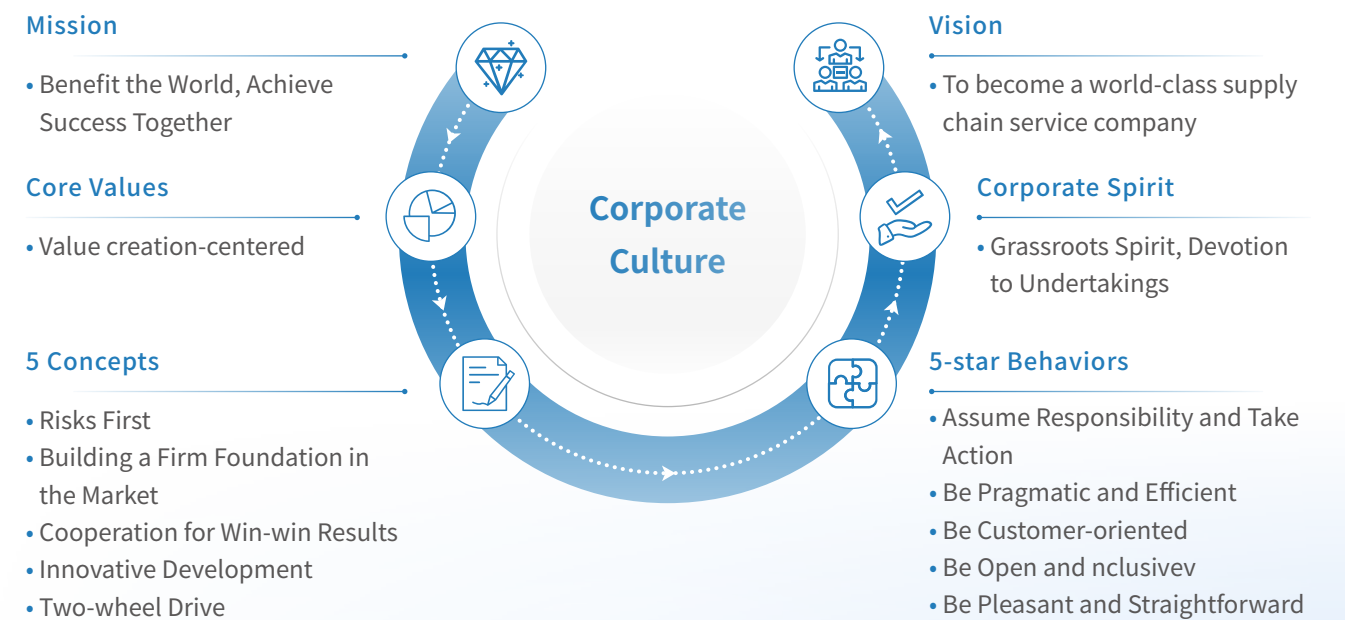
 Commodity Business Including metal minerals, agricultural products, energy chemicals, and new energy, etc.	 Commodity Logistics Including integrated logistics, agricultural products logistics, and railway logistics, etc.	 Production and Manufacturing Including shipbuilding, mineral processing, and grease processing, etc.
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¹This map is indicative in nature and is intended only for an overview of a specific area

Overseas Layout

We have strategically targeted the countries and regions along the "Belt and Road" and vigorously explored the international market by establishing extensive business ties with partners in more than 100 countries. We focus on overseas quality purchase and sales channels, deeply tap the overseas supply chain demands of large Chinese-funded enterprises. To better serve global customers, we have established overseas business entities in Singapore, Vietnam, and Indonesia, etc., to empower our international business network and provide our customers with convenient and efficient localized services as "service stations" for our overseas business.

Corporate Culture



Milestones of 2023

<p>Forbes, USA</p> <p>1,323th</p> <p>among Forbes Global 2000 Listed Companies 2023</p>	<p>Fortune China</p> <p>Top 500</p> <p>Chinese-Listed Companies 2023</p>
<p>China Federation of Logistics & Purchasing</p> <p>2nd</p> <p>among China's Top 50 Logistics Enterprises 2023</p>	<p>China Federation of Logistics & Purchasing</p> <p>China Logistics ESG Model Enterprise</p> <p>2023</p>
<p>China Enterprise Confederation, China Enterprise Directors Association</p> <p>First Prize</p> <p>of 2022-2023 National Corporate Culture Outstanding Achievements</p>	<p>Digital Warehousing Branch of China Federation of Logistics & Purchasing</p> <p>Advanced Unit</p> <p>of Building China's Digital Warehousing Standard System 2023</p>
<p>zhaopin.com, Institute of Social Science Survey of Peking University</p> <p>China's Best Employer</p> <p>2023</p>	

Data-Driven 2023 : A Performance Overview

<p>Economic Performance</p>	<p>Revenue amounted to RMB 459.035 billion</p>	<p>Net profit attributable to shareholders of the listed company was RMB 1.574 billion</p>
	<p>Business volume of metal minerals was 131.27 million tonnes up 12.53% year on year ↑</p>	<p>Business volume of agricultural products was 20.35 million tonnes up 15.33% year on year ↑</p>
	<p>Business volume of energy chemicals was 73.17 million tonnes up 15.32% year on year ↑</p>	<p>Business volume of new energy was 0.37 million tonnes up 71.09% year on year ↑</p>
	<p>Obtained special credit of RMB 10.6 billion for customers through "Yu Lian Tong Digital Supply Chain Service System"</p>	
<p>Governance Performance</p>	<p>Held 6 general meetings of shareholders where 27 proposals were considered and approved</p>	<p>Board of Directors held 15 meetings where 55 proposals were considered and approved</p>
	<p>Board of Supervisors held 8 meetings where 28 proposals were considered and approved</p>	
<p>Social Performance</p>	<p>Invested RMB 6.75 million in energy conservation and emission reduction</p>	<p>Saved 16,406 cubic meters of water annually</p>
	<p>Invested RMB 4.89 million in work safety</p>	<p>Coverage rate of physical examination for positions with occupational disease risks was 100%</p>
	<p>Had a total of 8,565 employees</p>	<p>Employed 74 veterans</p>
<p>Total tax paid: RMB 3,228.61 million</p>		<p>Employed 7 disabled employees</p>
		<p>Carried out 43 volunteer activities for employees</p>

Sustainable Development Management

To become a world-class supply chain service company, we have proactively responded to the 17 Sustainable Development Goals (SDGs) of the United Nations. We have improved our performance in environmental protection, use of resources and social responsibility by utilizing innovative technologies such as digitalization and Internet of Things, and shared our direction and achievements in achieving SDGs with stakeholders through regular information disclosure.

ESG Governance System

We have established a sound ESG management structure, under which the Strategy (Investment and Development) Committee of the Board of Directors and its subordinate ESG Executive Committee are the supervision and guiding bodies, the ESG Management Office is the overall management body for daily ESG work, and subsidiaries are the execution bodies. Each of subsidiaries and functional departments has appointed ESG specialists as the basic unit of ESG management to effectively integrate ESG into our daily operation activities.

ESG Management Structure of Xiamen Xiangyu

Board of Directors Strategy (Investment and Development) Committee

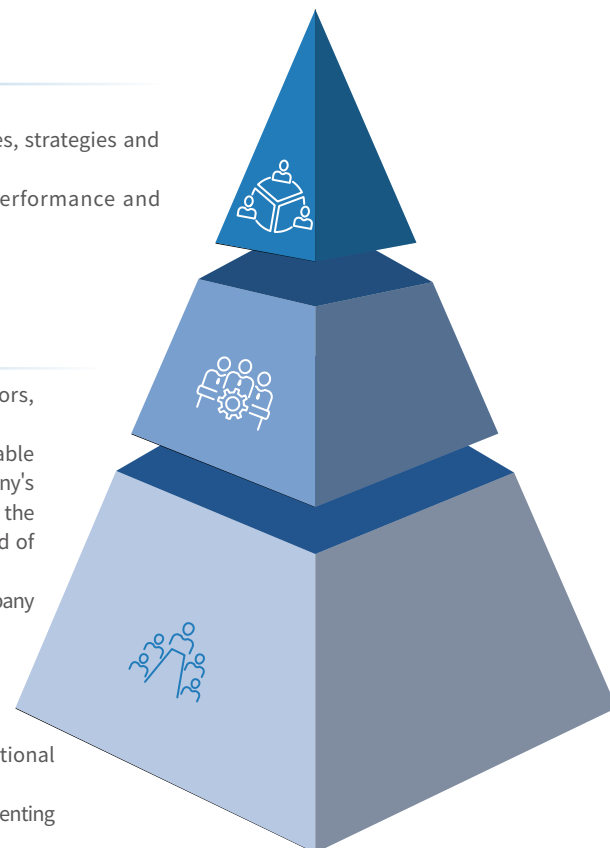
- The top governing body for ESG issues of the Company
- Responsible for the formulation, review and approval of ESG policies, strategies and objectives
- To monitor and review the Company's policies, management, performance and progress on ESG issues

ESG Executive Committee (Senior management members of the Company)

- The decision-making function as authorized by the Board of Directors, responsible for reporting and advising the Board of Directors
- To identify risks and opportunities related to the Company's sustainable development, conduct research, analysis and risk assessment on the Company's ESG issues, guide and supervise the formulation and implementation of the Company's ESG policies and objectives, and submit them to the Board of Directors for consideration and approval
- To review and report to the Board of Directors on the ESG reports of the Company

ESG Working Group (Key members of relevant functional departments)

- Its members are composed of relevant personnel from relevant functional departments and subsidiaries of the Company
- Responsible for providing support to the ESG Executive Committee, implementing ESG initiatives and assisting the ESG Executive Committee in its work



Communication with Stakeholders

We have maintained active communication with stakeholders to identify and evaluate key issues that may affect our reputation, operation results and sustainable development, so as to enhance the transparency and reliability of this Report.

Key Stakeholders	Expectations and Demands	Our Response
Investors	<ul style="list-style-type: none"> · Business Expansion · Economic Returns · Normative Governance · Sustainable Development 	<ul style="list-style-type: none"> · Expand market to achieve business growth · Maintain steady operation to ensure continuous profitability and dividends · Keep high-standard governance to ensure integrate, accurate, and complete information disclosure · Achieve balanced development and contribute to social well-being
Customers	<ul style="list-style-type: none"> · Stable Supply of Goods · Sales Expansion 	<ul style="list-style-type: none"> · Ensure the continuity and reliability of the supply chain · Explore diversified markets and enhance distribution capabilities
Employees	<ul style="list-style-type: none"> · Protection of Rights and Interests · Occupational Health and Safety · Training and Promotion · Remuneration and Benefits 	<ul style="list-style-type: none"> · Safeguard the legitimate rights and interests of employees · Create a safe and healthy working environment · Provide a platform for continuous learning and career growth · Ensure fair remuneration and comprehensive benefits
Suppliers	<ul style="list-style-type: none"> · Performance in Good Faith · Open, Fair and Just Procurement 	<ul style="list-style-type: none"> · Adhere to the spirit of the contract and perform the contract according to law · Regulate the procurement system for transparent procurement
Governments and Regulators	<ul style="list-style-type: none"> · Operation Compliance · Paying Taxes in Accordance with the Law · Compliance with Business Ethics · Driving Economic Development · Boosting Employment 	<ul style="list-style-type: none"> · Abide by regulations and strictly follow industry best practices · Give back to society and fulfill statutory tax obligations · Abide by high standards of business ethics with moral guidance · Motivate ourselves to drive regional economic vitality · Create jobs and help local employment
Partners	<ul style="list-style-type: none"> · Performance in Good Faith · Business Ethics and Transparency 	<ul style="list-style-type: none"> · Adhere to the spirit of the contract and perform the contract according to law · Advocate ethics and commit to information transparency
Community	<ul style="list-style-type: none"> · Community Development · Environmental Protection · Giving Back to Society 	<ul style="list-style-type: none"> · Engage in the community development to promote local prosperity · Advocate green action to protect the future of the earth · Contribute to realizing the common prosperity of the society
The Public and Media	<ul style="list-style-type: none"> · Disclosure of Business Progress · Assuming Environmental and Social Responsibilities 	<ul style="list-style-type: none"> · Make transparent communication and share business progress in a timely manner · Take responsibility for coordinating environmental protection with social and economic development

Material Issues

We analyze material ESG issues through communication with stakeholders to further identify the focus of our ESG work. We preliminarily select material issues with reference to the ESG issues focused by MSCI, GRI Standards issued by the Global Sustainability Standards Board (GSSB), and ESG disclosure of our peers, and comprehensively identify issues related to our environmental, social and governance impact and impact on the evaluation and decision-making of stakeholders.

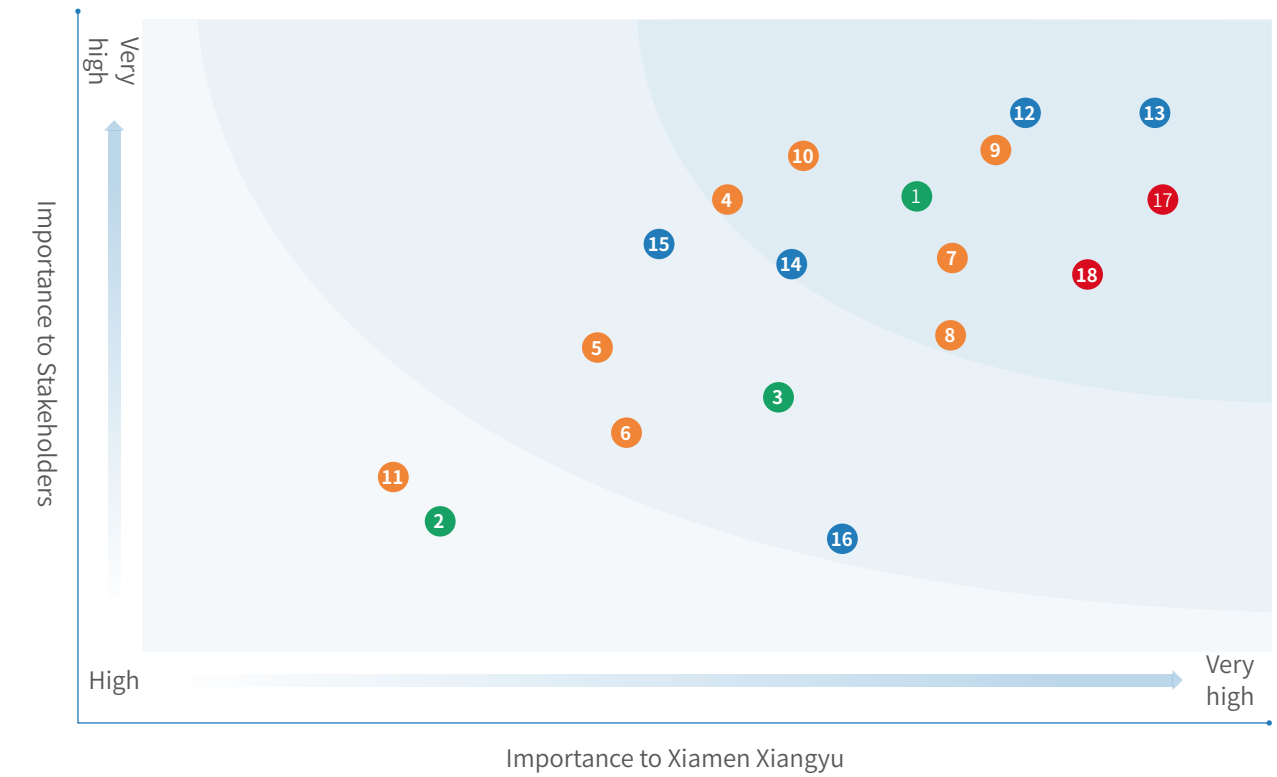
We obtain feedback from stakeholders through questionnaires, and get the questionnaire results through the data from the material issues identification process. Then, we prioritize the importance of material issues by two dimensions, i.e. "importance to stakeholders" and "importance to Xiamen Xiangyu", and finally make a matrix of material ESG issues based on our development strategy and plan by analyzing international and domestic social responsibility standards as well as the policies of national and local governments. This matrix provides an important basis for our future ESG management.

Material Issues Identification Process of Xiamen Xiangyu

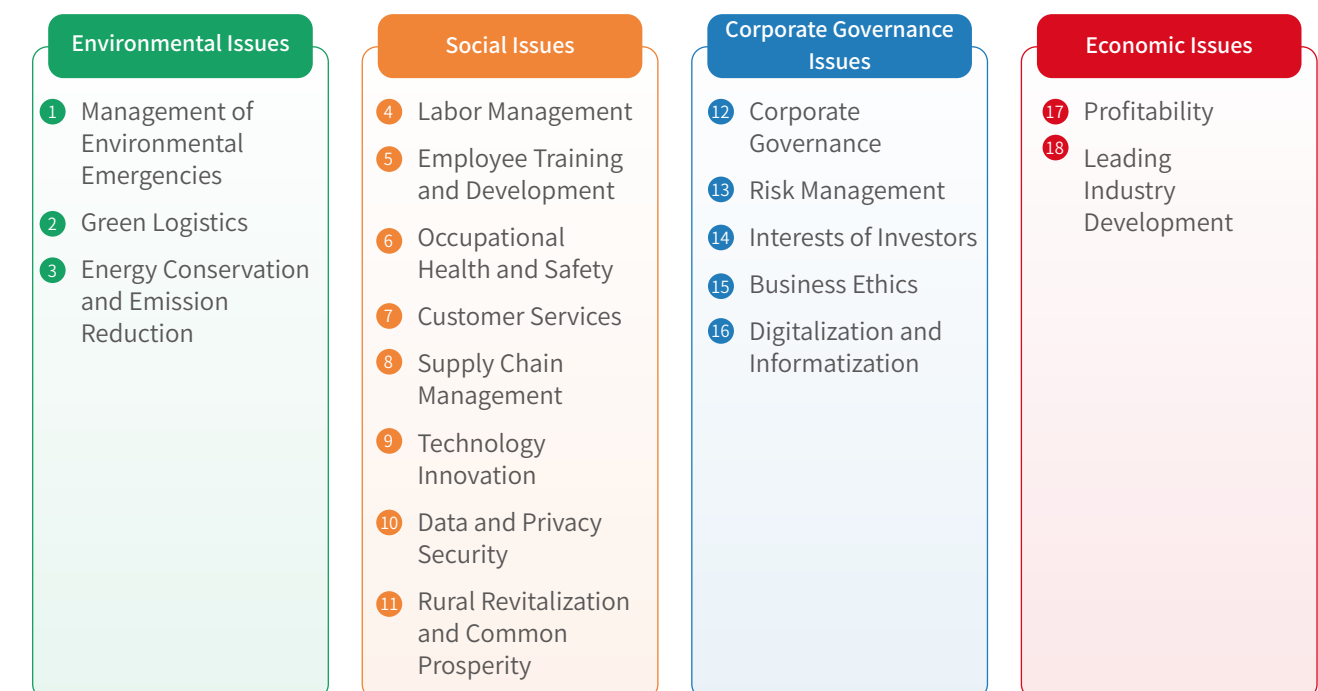


After going through the above material issues identification process, we make the following matrix of material issues:

Matrix of Material Issues of Xiamen Xiangyu



List of Material Issues of Xiamen Xiangyu



01

Benefiting All with Robust Governance

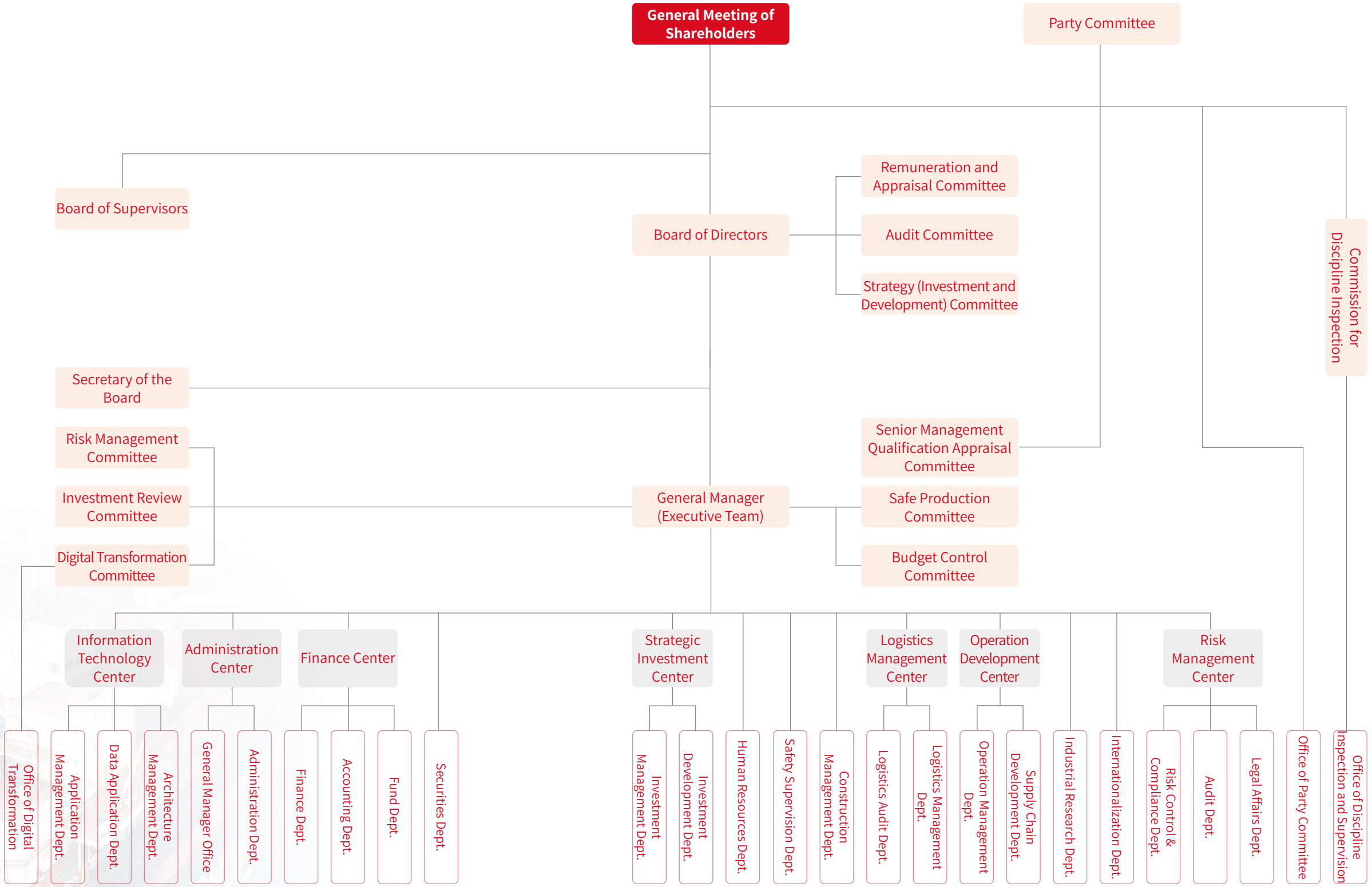


We constantly enhance our governance and synchronize our corporate strategy with national initiatives to build a solid foundation for sustainable development. We provide clear, accurate and timely disclosures to ensure efficient and smooth communication with investors. We also fortify our risk management, uphold business ethics, and maintain a strict stance against corruption, driving our company's stable progress.

Corporate Governance

We constantly improve our corporate governance in strict accordance with the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies and other relevant laws and regulations. We have organized our management and relevant personnel to study the requirements from regulations on the reform of the independent director system in 2023 ("New Regulations on Independent Directors"), and comprehensively reviewed our management system based on our actual situation. To effectively implement the New Regulations on Independent Directors, we comprehensively revised six regulations in 2024, including Working Regulations for Independent Directors, Implementation Rules for the Audit Committee of the Board of Directors, Implementation Rules for the Remuneration and Appraisal Committee of the Board of Directors, Rules of Procedures for the Board of Directors, Regulations for the Management of Raised Funds of the Company and the Articles of Association.

Organizational Structure of Xiamen Xiangyu



We define the responsibilities on election, convention and voting through a sound governance structure. In 2023, the general meeting of shareholders, the Board of Directors and the Board of Supervisors of the Company performed their duties in accordance with the law and ensured the normalization and transparency of corporate governance, thus providing a solid guarantee for the high-quality development of the Company. During the reporting period, no major violation of laws and regulations occurred on the part of the Company, demonstrating our firm commitment to operation compliance and social responsibility.

Responsibilities of Three Governance Bodies of Xiamen Xiangyu

General Meeting of Shareholders

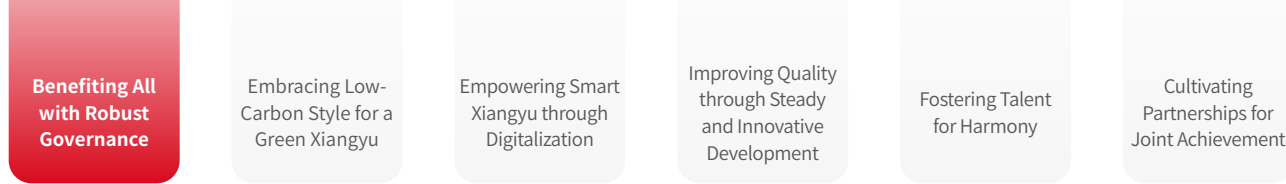
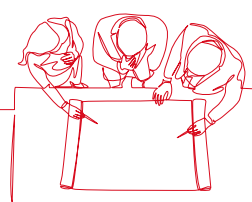
- We have a code of conduct for our controlling shareholders in place. Our controlling shareholders exercise their rights as investors through the general meeting of shareholders in accordance with the law, participate in and supervise our decision-making by assigning directors and supervisors in compliance, and do not interfere in our legal decision-making and specific production and operation activities. The Company and its controlling shareholders are independent of each other in terms of personnel, assets, finance, institutions and business, and the board of directors, board of supervisors and internal functional departments of the Company operate independently.
- During the reporting period, we held 6 general meetings of shareholders where 27 proposals were considered and approved.

Board of Directors

- The board of directors of the Company safeguards the legitimate rights and interests of the Company and all its shareholders in strict compliance with the *Articles of Association* and the *Rules of Procedures for the Board of Directors*. The Board of Directors consists of the Remuneration and Appraisal Committee, the Audit Committee and the Strategy (Investment and Development) Committee, each of which provides consultation and advise to Board of Directors' decision making.
- During the reporting period, we held 15 meetings of the Board of Directors, where 55 proposals were considered and approved.

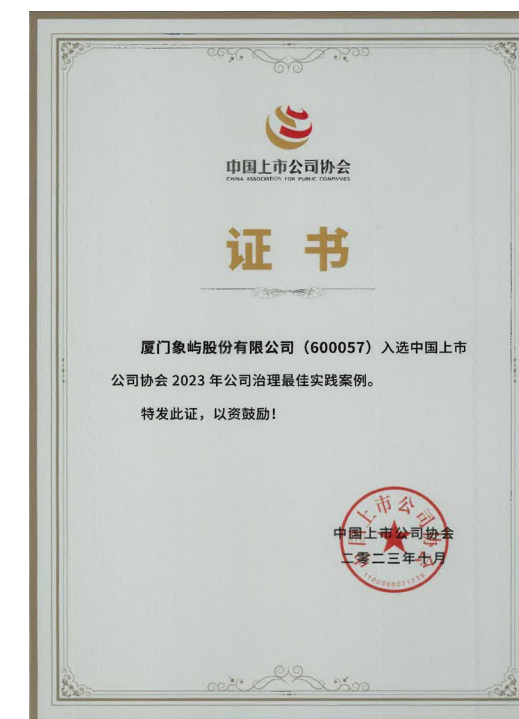
Board of Supervisors

- The board of supervisors of the Company supervises the convening procedures of and the matters to be resolved at the general meeting of shareholders and the Board of Directors, the implementation of the resolutions passed at the general meeting of shareholders by the Board of Directors, the financial situation of the Company, and the performance of duties by the directors and senior management of the Company, in strict accordance with the *Articles of Association* and the *Rules of Procedures for the Board of Supervisors*.
- During the reporting period, we held 8 meetings of the Board of Supervisors where 28 proposals were considered and approved.



Key Performance¹:

Indicator	Xiamen Xiangyu	Industry Average
Number of Directors	9	8.33
Percentage of Independent Directors	33.33%	35.85%
Percentage of Female Directors	11.11%	9.43%
Average Length of Tenure of Directors	3.56 years	3.30 years
Average Age of Directors	56.33 years	52.63 years
Background of Board Members	Logistics, trade, finance, law and other fields	--
Number of Supervisors	3 (including 1 employee supervisor)	3.67 (including 1.33 employee supervisors)



Xiamen Xiangyu was Selected as the 2023 Best Practice Case of Corporate Governance by China Association for Public Companies

¹Note: The industry indicator is constructed by selecting 6 representative listed companies (including CITIC Metal, C&D, WZ Group, Xiamen ITG, Xiamen Xiangyu and Zheshang Development) in the field of commodity supply chain service in the A-share market as industry portfolio, and obtaining relevant data from their 2023 annual report for calculation of indicator value.

The Remuneration and Appraisal Committee under the board of directors of the Company performs its duties in accordance with the *Implementation Rules of the Remuneration and Appraisal Committee of the Board of Directors of Xiamen Xiangyu Co., Ltd.*, and is responsible for formulating the standards for the appraisal of directors and senior management, conducting the appraisal, formulating and reviewing the remuneration policies and plans of directors and senior management, and making recommendations to the Board of Directors on the formulation or change of equity incentive and stock ownership plans.

Shares Held by Directors and Senior Management of the Company

Name	Title(s)	Shares Held at the End of 2023
Deng Qidong	Chairman	975,500
Qi Weidong	Vice Chairman and General Manager	1,222,800
Zhang Shuili	Director	210,000
Lin Junjie	Director	0
Wu Jie	Director	0
Wang Jianli	Director	0
Xue Zuyun	Independent Director	0
Liu Bin	Independent Director	0
Liao Yixin	Independent Director	0
Su Zhuquan	Deputy General Manager	0
Cheng Yiliang	Deputy General Manager	940,500
Fan Chengyang	Deputy General Manager	935,400
Chen Daizhen	Deputy General Manager	1,140,000
Zheng Luyu	Deputy General Manager	855,000
Liao Jie	Secretary of the Board	570,000
Lin Jing	Financial Controller	426,850

Related-party Transactions Management

To regulate related-party transactions, we have formulated the *Related-party Transaction Management Regulations*, which clearly stipulates the definition, decision-making, disclosure, punishment and other matters of related-party transactions, and defines the responsibilities and obligations of the directors, supervisors, senior management, shareholders and other personnel of the Company. We perform related-party transaction procedures in strict compliance with the *Related-party Transaction Management Regulations*. Related directors and related shareholders shall abstain from voting in the review procedures of the board of directors and the general meeting of shareholders. We summarize and disclose, by classification, the actual performance of daily related-party transactions in our annual report and semi-annual report. We also stipulate matters related to related-party transactions in the *Regulations for Management of Raised Funds* to ensure that related-party transactions are voluntary, equal, fair, open, legal and reasonable, and are in line with the interests of the Company and its shareholders.

Prevention of Conflicts of Interest

According to the *Articles of Association*, directors, supervisors and senior management shall bear the duty of loyalty to the Company, and shall not, without the consent of the general meeting of shareholders, take advantage of their positions to seek business opportunities for themselves or others that should belong to the Company, or operate businesses similar to those of the Company for themselves or others, so as to ensure the fairness and transparency of the decision-making of the Company. At the same time, the Company has formulated the *Working Regulations for Independent Directors*, requiring independent directors to supervise the potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, directors and senior management, in order to urge the Board of Directors to make decisions in line with the overall interests of the Company and protect the legitimate rights and interests of minority shareholders.

Information Disclosure and Investor Relations Management

Information Disclosure

We disclose our material information in accordance with laws and regulations, departmental rules, normative documents of the stock exchange and the *Articles of Association*. We have developed the *Information Disclosure Management System* to improve the management and quality of our information disclosure. The information disclosed by us is true, accurate and complete, and our shareholders can get equal access to our material information. We continue to strengthen the management of insider information and organize the registration of insiders in an orderly manner, so as to effectively prevent insider trading and protect the legitimate rights and interests of investors.

Key Performance



During the reporting period, we disclosed **84** reports, including **4** regular reports (Chinese and English versions disclosed simultaneously) and **80** interim announcements.

Investor Relations Management

In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Working Guidelines for the Relationship Between Listed Companies and Investors*, the *Articles of Association* and other relevant laws, regulations, rules and systems, we have formulated the *Investor Relations Management System of Xiamen Xiangyu Co., Ltd.* in light of our actual situation.

Channels and Contents of Communication Between Xiamen Xiangyu and Investors

Channels of Communication	Content of Communication
<ul style="list-style-type: none"> • Announcements and documents • Official website of the Company • New media platform • SSE E-interactive • Investor hotline • Facsimile • Email • Investor education base 	<ul style="list-style-type: none"> • Development strategy of the Company • Operation and management information of the Company • Environmental, social and governance information of the Company • Cultural development of the Company • Ways, channels and procedures for exercising shareholders' rights, etc. • Investors demand processing information • Risks and challenges that the Company is facing or may face • Other relevant information of the Company

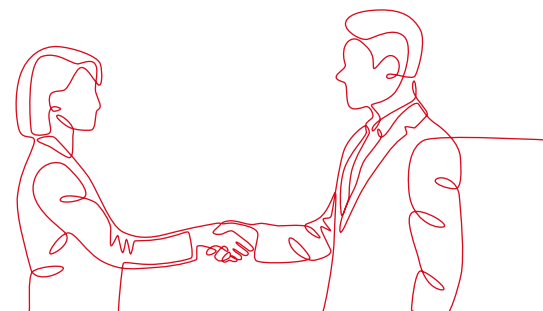
Key Performance



During the reporting period, we answered more than **300** calls from investors, handled more than **100** emails of investor relations, and responded to **50** questions from investors on SSE E-interactive, with a response rate of **100%**.

Communication with Investors

Attaching great importance to communication with investors, we have established reliable and transparent communication channels to enhance our image and reputation. We carry out investor communication activities on a regular basis to ensure timely and accurate transmission of information to investors and answer questions, and reduce the risk of information asymmetry for investors. We also give full consideration to investors' opinions and suggestions when formulating future development strategies and business decisions to ensure that our actions are consistent with market trends and investors' expectations.



Benefiting All with Robust Governance

Embracing Low-Carbon Style for a Green Xiangyu

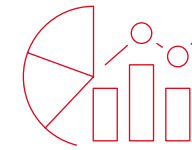
Empowering Smart Xiangyu through Digitalization

Improving Quality through Steady and Innovative Development

Fostering Talent for Harmony

Cultivating Partnerships for Joint Achievement

Key Performance



During the reporting period, we organized **1** offline performance briefing, **2** online performance briefings, **1** Open Day activity for investors, and **1** activity for minority investors, and participated in **1** online collective reception day under the jurisdiction of Xiamen, and **2** special telephone conferences; we participated in **31** strategy meetings organized by major sellers and conducted face-to-face communication with more than **300** mainstream investment institutions. We also received more than **50** researches from more than **200** institutions (on-site or online).

Open Day for Investors - On-site Research of Xiangyu Agricultural by Investment Institutions

In March 2023, 18 investment institutions conducted comprehensive on-site research on our subsidiary Xiangyu Agricultural in Heilongjiang. The research team not only listened to the thematic lectures of our leaders on our business development, but also had in-depth interaction with the third-party customer Wens Foodstuff and cooperative farmers. In addition, the research team also visited the grain purchase and storage base of Suihua Xiangyu in the mode of "Smart Grain Enterprise", and personally experienced the innovative practice of Xiangyu Agricultural in the supply chain service of agricultural industry.

Moreover, the representatives of investment institutions also communicated face to face with front-line farmers during the research, to deeply understand the agricultural industry-level supply chain service system of Xiangyu Agricultural connecting the entire industrial chain.



Investment Institutions Visited the Grain Collection of Suihua Xiangyu, A Subsidiary of Xiamen Xiangyu

2022 and 2023 Q1 Performance Briefing

In May 2023, 2022 and 2023Q1 Performance Briefing of Xiamen Xiangyu was held in Shanghai, which attracted more than 200 institutional investors, shareholders, industry analysts and media workers to witness the comprehensive review and panoramic outlook of Xiamen Xiangyu for the commodity supply chain industry. This briefing introduced our "Yu Lian Tong" digital supply chain service system and agricultural industry-level supply chain service system, and invited a number of industrial customers and analysts, such as Haid Group, Tongwei, Chinalco, and Sanyuan Paper, to have in-depth exchanges and share their experience and feelings of using our supply chain services.



2022 and 2023 Q1 Performance Briefing of Xiamen Xiangyu

"I AM A SHAREHOLDER" Activity of Shanghai Stock Exchange for Minority Investors - A Visit to Xiamen Xiangyu



"I AM A SHAREHOLDER" in Xiamen Xiangyu

On August 22, 2023, Shanghai Stock Exchange and Huafu Securities organized the "I AM A SHAREHOLDER" activity, in which 24 minority investors and industry analysts of Huafu Securities were invited to pay a visit to Xiamen Xiangyu. During the activity, Liao Jie, secretary of the board of directors of Xiamen Xiangyu, introduced our main business, business model and future strategic plans to investors and analysts present in detail. Investors also visited our corporate culture space and inquired about our performance growth points, future development plan and other questions.

Awards About Investor Relations

We focus on investor relations and market capitalization management, and constantly reinforce our corporate governance standards and operation compliance. Our efforts have been recognized by the capital market as our shares have been included in the sample stocks of CSI Dividend, SSE 380, Shanghai Stock Connect, FTSE Russell and Belt and Road Index. During the reporting period, our achievements were also widely recognized by social organizations, and we received the following honors and awards:



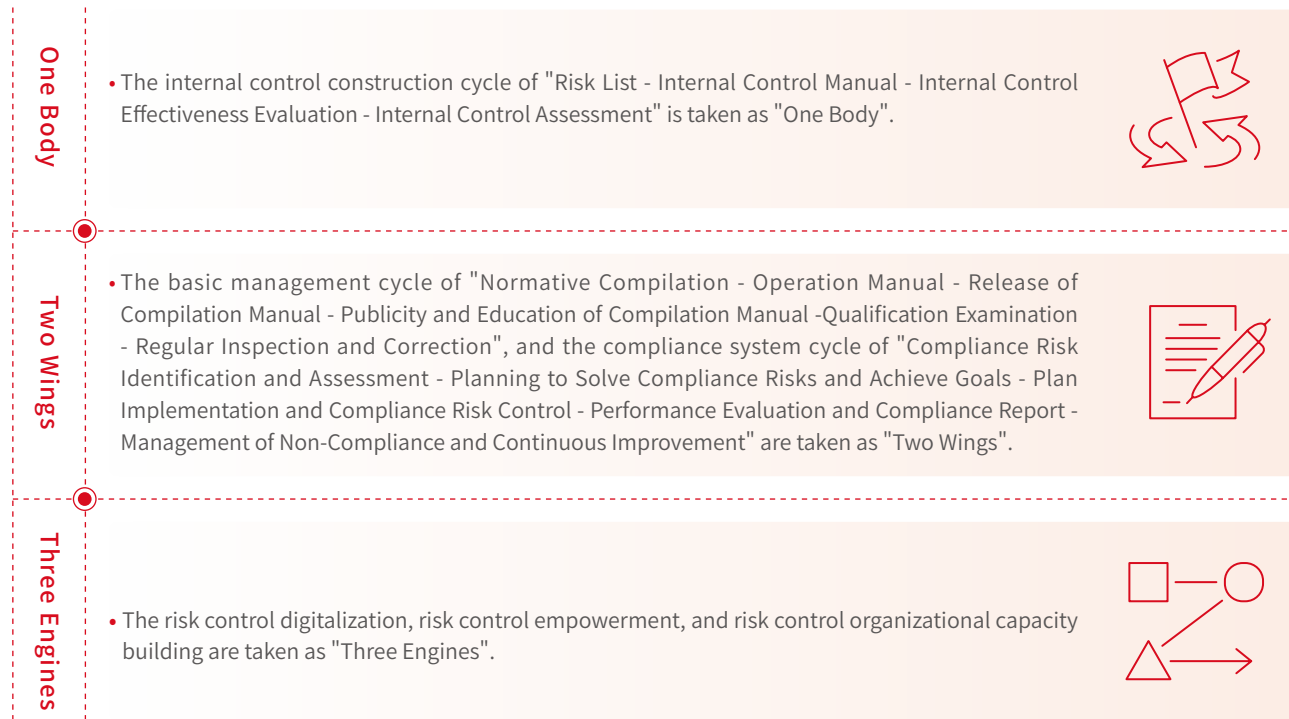
Risk Management

As a key player of commodity supply chain services in China, Xiamen Xiangyu has always placed compliance at the forefront of risk management and guided our business activities with the concept of "risk first". With the dynamic changes in the economic environment and regulatory policies and the further implementation of our internationalization strategy, we are constantly improving our risk management system to ensure our stable development in the complex and volatile market. We strengthened compliance management to reduce risks by intensifying risk control measures. We continuously innovated in compliance to cope with challenges. This not only ensures the safe operation of our assets, but also enhances the anti-risk capability of our industrial and supply chains. All of our business units always maintain awe of compliance management and carry out every step of operation in accordance with the standards, so as to ensure the long-term, sustainable development of the Company and create greater value for shareholders and society.

Risk Management System

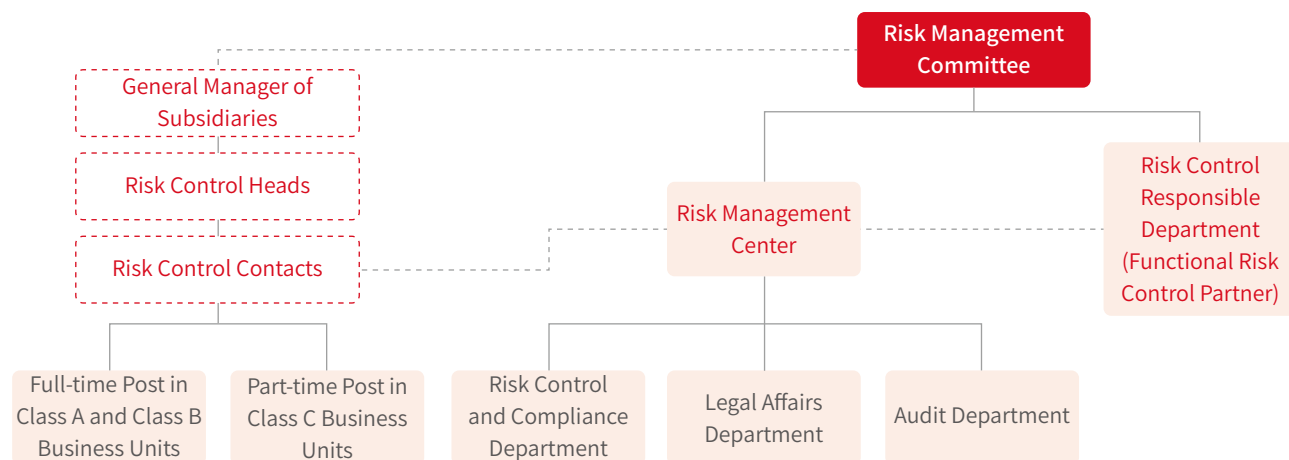
We are optimizing the risk management strategy to build a comprehensive risk management system, that is, the "one body, two wings and three engines" mode, to ensure the steady development of business. With a focus on this core system, we optimized our internal control manual, refined our basic management process, strengthened compliance management measures, further consolidated our risk management foundation, and improved our capability to identify, evaluate and respond to potential risks. On this basis, we are able to respond to market changes with agility, while ensuring the compliance and efficiency of business operations, providing solid support for achieving sustainable development goals.

"One Body, Two Wings and Three Engines" Risk Management System of Xiamen Xiangyu



In 2023, we optimized our risk control structure, customized full-time and part-time risk control personnel according to the scale of business units and complexity of business forms, and further strengthened the risk management responsibilities of each business unit, to ensure the effective implementation of risk control measures. Through the establishment of an information transmission mechanism, our responsible departments and business units regularly feedback the risk control progress and results to the Risk Management Center, and communicate information in a timely manner. The Risk Management Center includes the duty-performance of the risk control heads and risk control contacts of business units into the scope of evaluation and assessment, and strengthens the implementation of risk control requirements through various measures, in order to improve the quality of management.

Organizational Structure for Risk Control Management of Xiamen Xiangyu



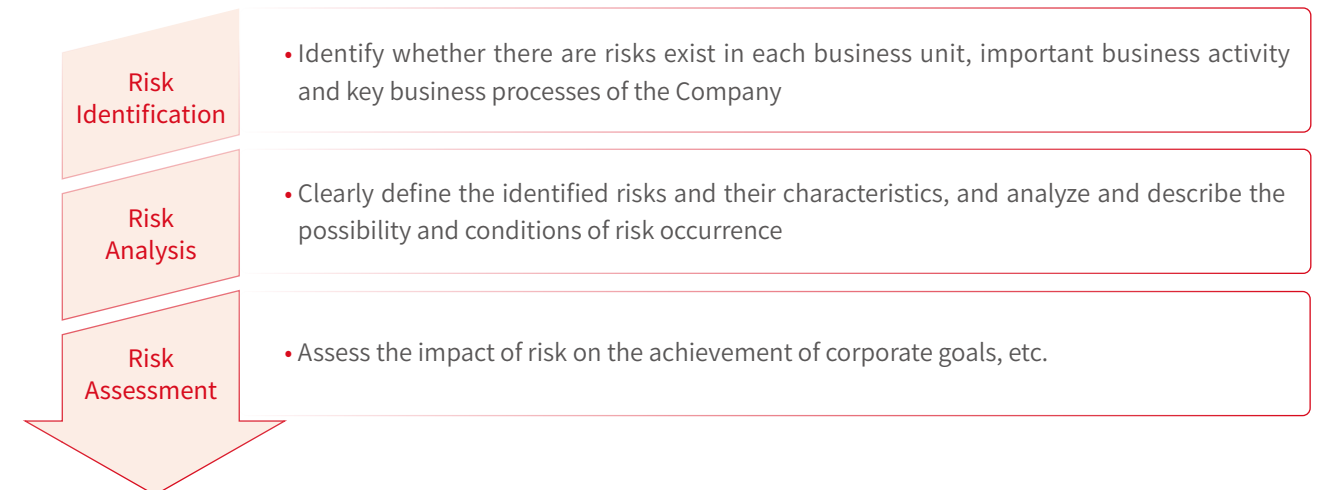
Currently, we continue to strengthen our internal audit mechanism by carrying out independent audit through close cooperation between the audit department and functional departments. We have built a three-dimensional and top-down risk prevention and control system by training full-time and part-time internal control personnel for subsidiaries and branches and promoting comprehensive self-examination and self-correction. Our internal audit system is divided into the following three levels: the business unit, as the first line of defense, is responsible for immediate risk identification; the functional management department, as the second line of defense, is responsible for providing policy supervision; the audit department and the Office of Discipline Inspection and Supervision, as the third line of defense, are responsible for ensuring the independence and effectiveness of audit. In accordance with the internal control requirements for listed companies, we engage external professional institutions to conduct internal control audits on a regular basis, and have obtained standard unqualified audit reports over the years. This demonstrates Xiamen Xiangyu's high standards and effective practices in internal control and risk management.

Risk Identification and Management

During the reporting period, we proactively organized comprehensive risk assessment by risk management functional departments and investors from time to time to timely discover and deal with potential risks. Our risk assessment mechanism follows three key steps, namely risk identification, risk analysis and risk evaluation, to ensure accurate identification of risk points that may cause significant or general losses to the Company.

Our risk assessment mechanism, characterized by efficiency and systematization, can effectively identify, classify and prioritize potential risks, and formulate and adopt response measures accordingly. For example, to prevent and control corruption risks, we have taken more measures to integrate the prevention and control of corruption risks into our entire business risk management system. We have developed a special *Manual for Prevention and Control of Corruption Risks*, under which we identified and screened 208 potential corruption risk points, which is conducive for us to understand possible risk areas more clearly and take preventive measures. In addition, we have carefully supervised nearly 800 middle-level and above managers and their specific associates, especially in key areas such as marriage, business, real estate and investment. By establishing and implementing this supervision mechanism, we have transformed from traditional "passive investigation" to "self-examination and self-correction", which not only enhances the initiative and foresight of our risk management, but also helps us build a more transparent and incorrupt corporate culture.

Risk Identification Process of Xiamen Xiangyu



Our risk assessment methodology focuses on two key dimensions, i.e. "probability" and "impact", to ensure comprehensive identification and assessment of potential risks. The "probability" evaluation criterion is mainly based on historical data, including the frequency and duration of similar events, while the "impact" evaluation criterion comprehensively judges the potential impact of risk events on the financial status, reputation, employees and market of a company. Based on the above criteria, we have built a comprehensive risk map, covering 18 main risks, including but not limited to customer credit risk, cargo right risk, occupational moral risk, and business risk, etc. We dynamically identify and regularly update the list of key risks in light of changes in the external environment and our own management requirements. In 2023, we identified five key risks and formulated corresponding management measures to reduce uncertainty and potential losses.

Key Risks and Management Measures of Xiamen Xiangyu

Significant Risks	Management Measures
Customer Credit Risk	(1) Clarify access standards for various types of customers; (2) Match different license schemes and management requirements for customers of different risk categories; (3) Dynamically track customers, including but not limited to negative public opinion tracking, abnormal information management, margin management, etc.; (4) Make clear the overdue disposal plan and increase the disposal efforts led by the person in charge of the business unit.
Cargo Right Risk	(1) Improve the access mechanism for logistics suppliers; (2) Adhere to the principle of warehouse inspection without fixed person, time and post; (3) Strengthen logistics document management; (4) Insure in time.
Occupational Moral Risk	(1) Identify high-risk groups and strengthen management; (2) Strengthen the publicity of cases and other ideologies; (3) Strengthen punishment and warning publicity of typical cases.
Business Risk	(1) Improve the access mechanism for new businesses; (2) Strengthen the management of regular review of new businesses; (3) Strengthen team capabilities, including risk management, research, operation and disposal capabilities.
Price Risk	(1) Establish market analysis, research and tracking mechanism, and strengthen review management; (2) Regulate derivatives operation, hedging, and unilateral operations; (3) Strengthen the implementation of operation plans.

Risk Management Training

During the reporting period, we launched risk control workshops, aiming to build a stronger and more adaptable risk management team through education and training. The improvement of employees' professional literacy and risk management skills helps us to identify and manage risks more effectively, and ensure our steady operation and long-term development.

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Risk Control Workshop

In May 2023, we launched Phase I risk control workshop for risk control contacts of all business units. The workshop, with 50 risk control personnel attended, aims to enhance the overall standard and efficiency of our risk management. The training covers numerous key areas, including evaluation methods for internal control effectiveness, case introduction, review and practice of abnormal cases, system deconstruction and key-point connection, and effective service methods for the duty-performance of functional risk control, etc.



Photo of Students of Phase I Risk Control Workshop of Xiamen Xiangyu

We have carried out comprehensive internal and external compliance training to ensure that all of our employees are fully aware of and strictly abide by relevant laws and regulations, enhance their ability to identify and prevent legal risks in their daily work, and then provide guarantee for the legal and compliant operation of the Company.

Compliance Month Carnival

In October 2023, Xiamen Xiangyu launched Compliance Month Carnival for all employees, with thousands of employees participated. Through colorful displays, interactions and professional lectures, our employees deeply understood regulations and requirements, and enhanced their compliance awareness, which laid a solid foundation for jointly building a healthy and transparent corporate governance environment.



Photo of Compliance Month Carnival of Xiamen Xiangyu

Compliance Management Forum

In October 2023, Xiamen Xiangyu held a compliance management forum for company leaders, senior executives of each business unit, financial controllers, risk control personnel and interested employees, attracting more than 2,300 online and offline participants. The forum specially invited external research institutions to share and exchange topics on compliance management and risk prevention of supply chain business. Representatives from state-owned assets, audit and other regulators also attended the forum to give some guidance. Through case analysis, theme discussion and other forms, employees have a more comprehensive and in-depth knowledge of the risk control compliance of companies in the supply chain sector.



Compliance Management Forum of Xiamen Xiangyu

Tax Management

Tax Compliance Management

We comply with the applicable tax laws, regulations and rules of the place where we operate in our daily operations. We have formulated the *Tax Management System*, which aims to regulate the tax management process, reasonably control tax risks, and prevent tax irregularities. Through this system, we have clarified the division of responsibilities and operation procedures of tax work, specified specific steps for tax compliance review, and refined the measures to control tax risks. In addition, we proactively respond to changes in tax laws and requirements of regulatory authorities with regular tax risk self-check and continuous review, optimization of our tax management system to be in line with the latest laws and regulations. In 2023, the total amount of tax paid by the Company was 3,228.61 million RMB with no tax violations occurred.

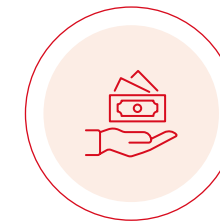
Tax Risk Management

We take tax risk as one of our priorities in risk management, and are committed to managing tax risks in a closed loop through the process of "prior analysis, compliance with laws and regulations, risk self-inspection, review and rectification".

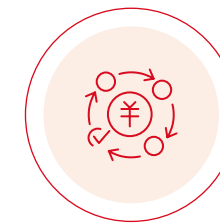
Tax Risk Management Measures of Xiamen Xiangyu



We, empowered by the tax capacity building team and backed by the diligent duty-performance of company-wide tax partners at all levels, closely monitor the changes in tax laws, profoundly analyze the impact of such changes on our tax-related business, and proactively empower business departments, hence strengthening the control of tax risks from the source.



In addition to the annual tax self-inspection completed by companies at all levels, we have organized several tax self-inspections or examinations for tax-related scenarios, such as withholding and payment of non-trade foreign exchange payment, tax declaration, normalization of tax accounting and additional credit of VAT, to comprehensively investigate risk points, formulate the rectification list and urge its implementation item by item



We push forward with tax regulator-enterprise collaboration by making an in-depth analysis of tax risks via the tax collaboration case database, and refining tax management measures through self-examination

Tax Compliance Training

We strive to foster a risk culture and enhance the awareness of tax-related risks of all our employees through the training and publicity of our conventional policies on tax risks. In 2023, we held 35 tax compliance training sessions and held quarterly tax tests on a regular basis. The training sessions cover various topics, including interpretation and training of domestic and foreign tax policies, sharing of tax practices, and risk prevention of key tax-related issues in each sector. 39 employees participated in the regular training sessions held through the tax capacity team, with the average test qualification rate being more than 85%. In October 2023, we organized a tax publicity activity for the Risk Control Compliance Month, where we sorted out tax knowledge closely related to our employees and business, made brochures, and launched Q&A activities, with an aim to reinforce the risk prevention awareness of all our employees for tax issues.

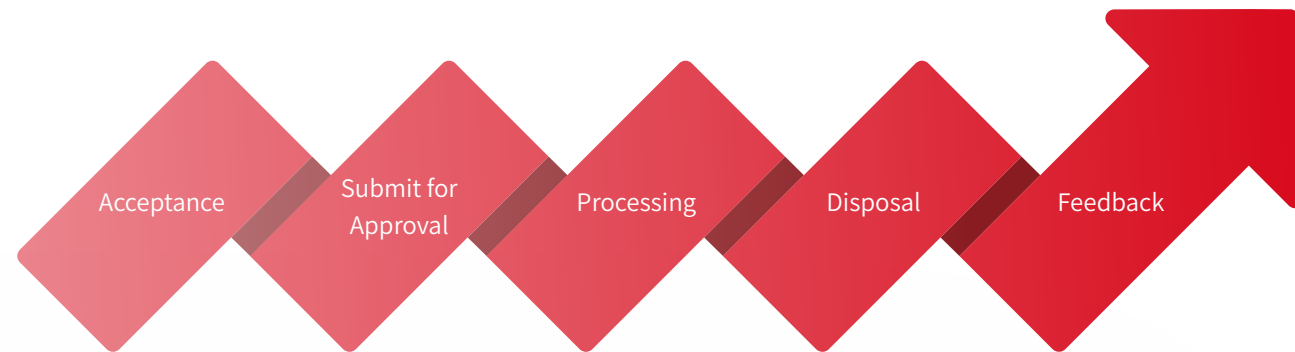
Business Ethics

We are committed to developing a high-standard occupational ethics framework. For this purpose, we have formulated several regulations such as *Occupational Moral Risk Governance Regulations* and *Anti-Fraud Management Regulations* to regulate employees' behaviors and strengthen management of their moral risk, in a bid to cultivate a loyal and honest team and protect the interests and reputation of the Company.

To improve the effectiveness of our supervision mechanism, we have formulated the *Interim Measures for Acceptance of Complaint Reporting and Disposal of Problem Clues*. The measures clarify the classification of complaint reporting, such as accusation, criticism, suggestion and appeal, and ensure that discipline inspection and supervision institutions at all levels can handle each complaint in a serious and normative manner, resolutely safeguard the transparency and fairness of supervision, and effectively protect the privacy, rights and interests of whistleblowers.

Meanwhile, we have innovated on measures to prevent and control corruption risks, including formulating corruption risk prevention and control manual and launching occupational ethics self-examination and self-correction system, to escort the steady operation of our supply chain business.

Complaint Acceptance Process of Xiamen Xiangyu



Key Performance



During the reporting period, we held **15** anti-corruption training sessions, with **2,000** employees attended, and **788** employees signed the Anti-corruption Commitment Letter.

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The 3rd Anti-corruption Culture Development Education Month

From March to April 2023, our Commission for Discipline Inspection carried out anti-corruption education activities centering on "Three Ones"², and intensified comprehensive and strict corporate governance with perseverance and persistence, striving to create a clean and aggressive political ecology. We also stepped up efforts on anti-corruption culture development by visiting the education base on the history of revolution, planning the handicrafts production activities with the theme of anti-corruption, and holding exchanges on family style and education books.



Anti-corruption Education Activities of Xiamen Xiangyu

Anti-corruption Training With the Theme of "Adhering to the Bottom Line of Discipline and Ensuring the Safety of Duty Performance"

In June 2023, we carried out an anti-corruption training with the theme of "Adhering to the Bottom Line of Discipline and Ensuring the Safety of Duty Performance" to enhance risk awareness and build a solid defense line of anti-corruption, which attracted about 800 employees. The training was conducted in various forms such as case analysis and interactive discussion, so that employees can learn and reflect in the actual situation and gain a deeper understanding of anti-corruption awareness and occupational code of conduct.



Anti-corruption Training of Xiamen Xiangyu

²"Three Ones": one characteristic anti-corruption culture publicity activity, one exchange of family style and education books, one talk about anti-corruption

02

Embracing Low-Carbon Style for a Green Xiangyu



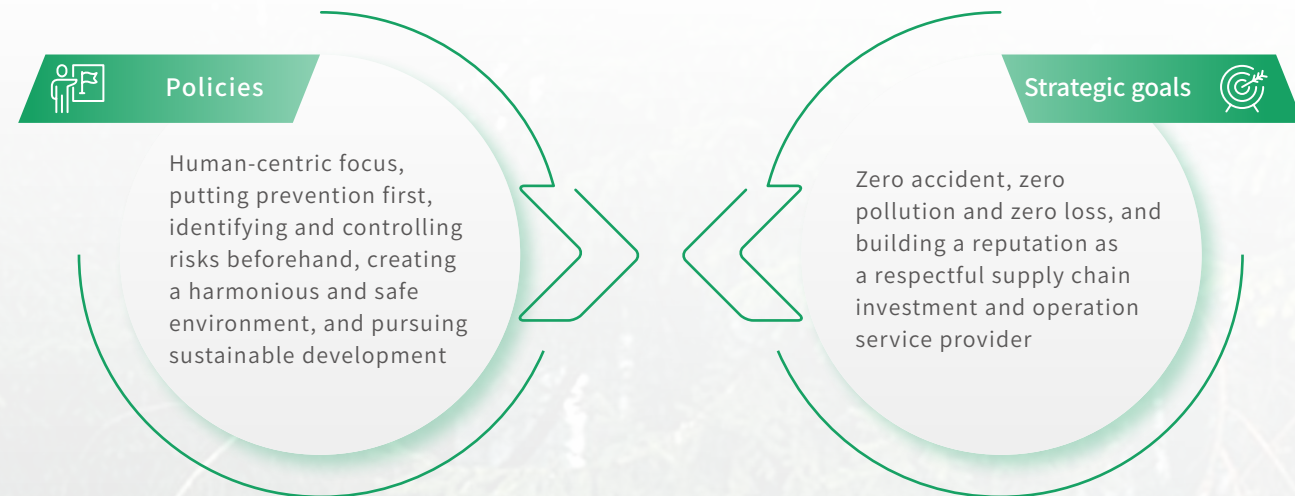
Xiamen Xiangyu actively implements national environmental policies, strengthens environmental management and establishes certification systems. We invest in environmental facilities and regularly conduct emergency response drills to enhance our ability to address environmental risks. To support low-carbon development strategies, we actively organize environmental activities, foster a green culture, and promote energy-saving and emission-reduction measures. We promote a green lifestyle and encourage our employees and partners to participate in environmental protection to achieve harmonious coexistence between our enterprise and the environment.



Environmental Management

The *Occupational Health, Safety and Environmental (OHSE) Management Manual* formulated by Xiamen Xiangyu demonstrates our unwavering commitment to employee occupational health, safety and environmental protection. The manual defines OHSE policies and strategic goals, establishes core values and concepts of "Safety First, Environment Paramount, Human-oriented and Equipment Intact", and creates a safe, healthy and environment-friendly workplace to enhance employee wellbeing and boost our sustainable development. During the reporting period, all of our subsidiaries, e.g. Suihua Xiangyu, Xiangyu Shipbuilding & Offshore Engineering (SOE), Zhuoyu Supply Chain, Xiamen Singamas and Xiangyu New Energy, have been certified and verified by the ISO14001 Environmental Management System. It marks our international recognition in environmental management practices, and further cements our leading position in environmental protection and sustainable development.

Xiamen Xiangyu's OHSE Policies and Strategic Goals



Key Performance



During the reporting period, our investment in environmental protection amounted to **RMB 3.30 million**, while our total investment in energy saving and emission reduction reached **RMB 6.75 million**.



ISO14001 Certification Obtained by Subsidiaries of Xiamen Xiangyu

Development of Environmental Protection Projects

The Company attaches importance to environmental protection and sustainable development, and actively promotes the development of environmental protection projects. To demonstrate our commitment to environmental protection, we effectively reduce environmental impact and improve the quality of air and water by cutting pollutant emissions and enhancing resource utilization efficiency.

Automatic Car Wash Conveyor Construction Project

Anyang Xiangdao provides automatic car wash services with high-pressure water nozzles, enhancing efficient water use without chemical cleansers to reduce emissions from wastewater and chemicals. This equipment can reduce dust pollution at the operation site, and effectively safeguard workers' wellbeing. In addition, its recycling function facilitates wastewater filtration, sedimentation and disposal, thereby reducing water waste and environmental pollution from car washing.



Automatic Car Wash Conveyor Construction Project of Anyang Xiangdao

Environmental Emergency Management

The Company adopts forward-looking measures, including regular drills for environmental emergency management, to enhance our ability to prevent and respond to sudden environmental incidents. Our goal is to minimize environmental damage and potential casualties, ensure that the Company can act swiftly and effectively in case of emergency, and implement our long-term commitment to employee safety, environment and sustainable development.

Emergency Preparedness Drill for Smoke Emissions

In May 2023, Fujin Xiangyu organized an emergency preparedness drill for smoke emissions, simulating short-term or temporary excess smoke and dust emissions caused by slight pipeline clogging, equipment failure or excess dust. Upon discovery of these abnormal conditions, team members promptly switched to backup equipment, and proactively addressed and troubleshot the relevant failures. This drill enhances the Company's ability to monitor and deal with environmental pollution accidents, minimizes the hazards posed to personnel and the environment, and helps normalize the Company's emergency response process.



Emergency Preparedness Drill for Smoke Emissions of Fujin Xiangyu

Environmental Protection Activities

To further enhance employees' awareness of environmental protection, during the reporting period, we planned and organized a series of environmental protection-themed volunteer services, exhibitions and presentations. These activities enhance employees' environmental protection awareness, encourage employees to incorporate environmental protection concept into their daily lives, demonstrate our sense of responsibility as corporate citizens, and contribute to a sustainable future.

"Seedling Planting" Day Event

In March 2023, Anyang Xiangdao organized a "Seedling Planting" Day event themed "common development of clear waters and green mountains, and joint efforts in energy saving and emission reduction". During this event, 23 employees planted 6 Ligustrum lucidum seedlings and over 1,000 Carthusian Pink seedlings, and sprinkled grass seeds over more than 100 square meters. The participating employees took on an exemplary leading role in fostering green hope in the soil, contributing to the development of clear waters and green mountains.



"Seedling Planting" Day Event of Anyang Xiangdao

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Energy Saving and Emission Reduction

Xiamen Xiangyu and our subsidiaries consistently explore energy-saving and emission-reduction measures, including decreasing the use of fossil fuels by adopting new energy vehicles and minimizing paper consumption by leveraging digital technology. Our goal is to deepen the implementation of energy-saving and emission-reduction strategies, and develop a green, efficient and sustainable model for corporate development.

Energy Management

Energy consumption data

Type	Consumption	Unit
Raw coal	23,768.91	t
Fuel oil	190.29	t
Diesel	12,110,990.80	L
Gasoline	360,421.01	L
Natural gas	431,369	m ³
Steam	173,202.45	m ³
Outsourced electricity	36,232,975.20	kWh

Key Performance



During the reporting period, according to incomplete statistics, the total amount of natural gas, raw coal, diesel, gasoline and outsourced electricity consumed by Xiangdao Logistics, Xiangyu Agricultural, Xiangyu Superchain, Xiangming Oils, Liangshan Xiangyu, Xiangyu Zhengfeng, and other entities in the fields of production, processing, warehousing and logistics in 2023 is estimated to be **66,533.49** tonnes of carbon dioxide equivalent (tCO₂e), representing a decrease of **1,836.72** tCO₂e compared to 2022.

Expanded Heater Renovation Project for Condensate Water and Hot Wind

Xiangming Oils made technological carbon reduction as its core focus, promoting energy saving and emission reduction through refined management and technological innovation. Regarding steam consumption, it innovated drying methods from "hot wind machine + steam" into "hot wind machine + condensate water from steam", and improved the flow control of fines catcher nozzles, reducing steam consumption. By implementing the digital management and control system, it automatically captured production data and conducted comparative analysis, providing strong support for refined management. This initiative is expected to reduce annual steam consumption by 16,000 tonnes and carbon emission by 1,163.88 tonnes (an estimated equivalent of the carbon emissions from the production of 129 cars).



Expanded Heater Renovation Project of Xiangming Oils for Condensate Water and Hot Wind

Water Resources Management

Water resources consumption data

Type	Consumption	Unit
Total water use	170,860	m ³
Recycled/reused water	16,406	m ³

Key Performance



During the reporting period, the Company annually conserved a total of **16,406 m³** of water directly through water conservation measures.

Green Logistics

Xiamen Xiangyu demonstrates its commitment to environmental protection by promoting clean energy use, adjusting transport structures and continuously advancing the digital and intelligent transformation of the logistics industry, and to making every effort to achieve global climate goals.

Green Logistics Development Initiative of Xiamen Xiangyu



Clean energy use

- Promoting the use of EVs, HFCVs, NGVs and other clean energy vehicles to reduce reliance on traditional gasoline and fuels, thus decreasing carbon emissions during transportation



Transport structure adjustment

- Implementing multi-modal transportation and collaborative use of different modes of transport, e.g. the combined use of rail, water and road transport, to reduce reliance on road transport with relatively high carbon emissions and decrease overall carbon emissions during transportation



Digital and intelligent transformation of the logistics industry

- Establishing a comprehensive Xiamen Xiangyu service platform for digital and intelligent supply chain to enhance cost reduction and efficiency increase through technological means, and to facilitate green and low carbon transformation of the bulk logistics industry

Achieving the Transition "from Road Transport to Rail Transport", and Leveraging the Green Benefits of Multi-modal Transport

Given the fact that rail transport consumes only 15% of the energy and emits 8% of the pollutants compared to road transport, Xiamen Xiangyu successfully achieved the transition "from road transport to rail transport" regarding cement clinker, kaolin and other varieties by leveraging unique advantages of self-owned railway lines and open-top container transportation. This transition further cements the green conversion achievements in the logistics industry, and significantly reduces comprehensive energy consumption and pollutant emissions in terms of logistics. During the reporting period, Xiamen Xiangyu transported 12 million tonnes of goods via our "from road transport to rail transport" route, resulting in a decrease of 0.4 million transportation vehicles, and a deduction of 2.20 million tonnes in carbon emissions.

Application of Xiangyu Superchain's Digital and Intelligent Technologies in Promoting Green and Low Carbon Transformation of the Logistics Industry

Xiangyu Superchain embraced digital and intelligent concepts, drove cost reduction and efficiency increase through technological means, and promoted the transformation of the bulk logistics industry towards a greener and low-carbon future. The Company also built a digital warehouse equipped with IoT, peripheral computing, AI intelligent analysis and other smart technologies, which allows for the visualization of title to goods and reduces physical visits to offline warehouses. The Company introduced a comprehensive digital application for signatures and seals, enabling paperless operations throughout the process of goods transfer into and out of warehouses. All these efforts have resulted in an annual reduction of 6,028.8 tonnes in carbon oxide emissions.

"Three Wastes" Treatment

Xiamen Xiangyu strictly complies with the *Administrative Measures for Environmental Protection*, requiring its subsidiaries to establish and implement specific environmental protection management systems. These systems cover the management, monitoring, emission data analysis, processing and control of "three wastes" emission points to ensure the effective operation of environmental protection facilities.

The data on the Company's gaseous pollutant emissions, water pollutant emissions and waste emissions are as follows:

Category	Subcategory	Unit	Data in 2023
Gaseous pollutant emissions	Total gaseous waste emissions	m ³	156,734,937
	Particles	mg/m ³	90.789
	Oxynitride	mg/m ³	443.735
	Oxysulfide	mg/m ³	367
	VOCs emissions	mg/m ³	20.1

Category	Subcategory	Unit	Data in 2023
Water pollutant emissions	Total wastewater emissions	m ³	55,063
	Chemical oxygen demand (COD)	mg/L	8.749
	Five-day biochemical oxygen demand (BOD5)	mg/L	2.039
	Suspended solids	mg/L	1.66
	Ammonia nitrogen	mg/L	0.484
	Total phosphorus	mg/L	0.8782
Waste emissions	Total general solid waste	t	2,086.7
	Total hazardous waste	t	4.47354

Reduction of Chemicals by the Sewage Treatment Plant

Xiangming Oils strengthened refined management and implemented the sustainable development concept from the source that generates wastewater. According to statistics, untreated wastewater requires 80kg of concentrated sulfuric acid (at a unit price of approx. RMB 650 per t) and 100kg of calcium hydroxide (at a unit price of approx. RMB 1,350 per t) for disposal on a daily basis. The refinement plant has recycled the water generated from water washing through the refining process, significantly reducing the content of oil and soap in wastewater and the amount of concentrated sulfuric acid, calcium hydroxide and other hazardous chemicals in the process of wastewater treatment.



Reduction of Chemicals by the Sewage Treatment Plant of Xiangming Oils

03 Empowering Smart Xiangyu through Digitalization

Focusing on three core objectives (i.e. expanding incremental markets, improving service efficiency and upgrading business patterns), Xiamen Xiangyu consistently explores and implements digital transformation strategies. The Company actively advances technological innovation, leveraging extensive business data, customer resources, and diverse application scenarios. It has successfully developed key digital tools, including "Yu Lian Tong", a digital supply chain service system, and an intelligent logistics service system.. In the process of digital transformation, the Company prioritizes information security, having established a comprehensive information security and protection system that integrates management improvements and technological applications. This includes the formulation of rigorous information security policies, strengthening employees' information security awareness through training, adopting advanced data encryption and protection technologies, and the establishment of an emergency response mechanism to ensure the timely identification and handling of various information security threats.



Digital Framework

To enhance the level of digital construction, Xiamen Xiangyu formulates comprehensive digital transformation strategies and builds a systematic organizational structure, help clarifying the direction and tasks for smooth implementation of digital transformation strategies.

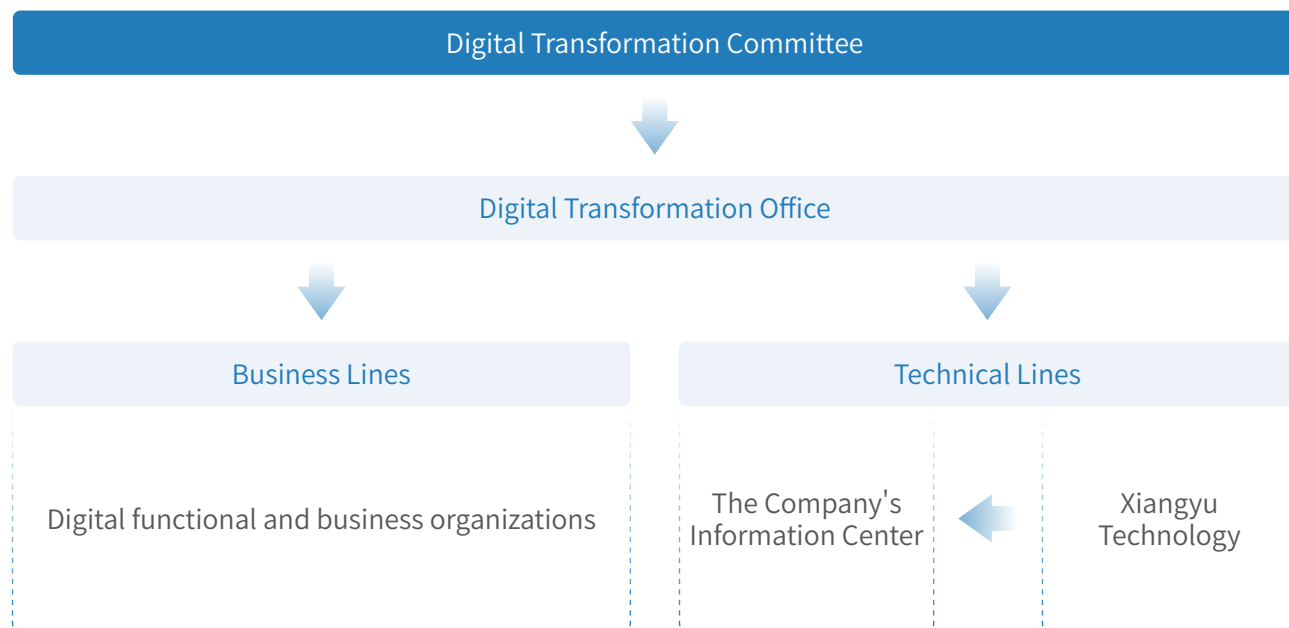
Digital Transformation Strategy

Xiamen Xiangyu's digital transformation strategy emphasizes the principles of "overall planning, staged implementation and emergency first", ensuring targeted and gradual advancement of digital projects. Through data-driven, intelligent and synergistic online business, the Company is committed to becoming a leader in intelligent supply chain services and a leading pioneer in the industrial Internet, and is focused on five key tasks: customer-centric focus, quality and efficiency improvement, industrial interlink, agile response and organizational transformation.

Digital Organizational Framework

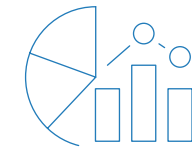
To ensure the smooth implementation of digital transformation strategies, the Company actively advances the development of the digital organizational framework, and a team of executives has established a Digital Transformation Committee, responsible for making decisions on digital initiatives. The Digital Transformation Office is responsible for coordinating and driving key strategic projects at the company level, ensuring effective integration of digital demands into various business lines. As dual engines for execution, the Company's Information Center and Xiamen Xiangyu Technology Co., Ltd. are responsible for the full implementation of digital strategies.

Digital Transformation Organizational System of Xiamen Xiangyu



In 2023, within the digital transformation organizational framework, the Company adopted a series of measures to establish and intensify a digital partnership framework. We actively advertise and promote digital culture, and address issues such as weaknesses in front-line digital capability and frequent staff turnover, ensuring the stability and continuity of the digital transformation process. These efforts lead to optimized business processes, improved operational efficiency and bolstered market competitiveness.

Key Performance



During the reporting period, the Company actively built a digital partnership framework, under which it selected **30** individuals to lead various digital business lines, and appointed **30** digital functional partners and **100+** digital business partners. The Company manages these roles using a certification-based employment list to ensure the stability of digital partners, and helps our digital partners improve their practical skills through both internal and external training programs.

Offering a Diverse Range of Courses to Promote Digital Culture Cultivation and Education

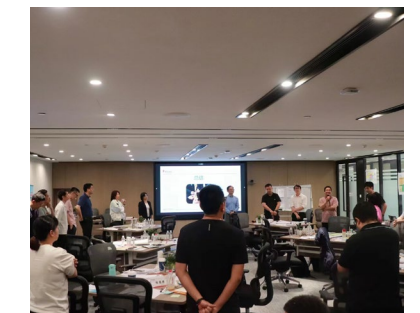
During the reporting period, the Company offered digital courses to employees at various levels to vigorously accelerate our digital transformation. This program covers a series of digital and intelligent "Sailing" courses for grassroots employees, digital and intelligent "Wave Breaking" courses for mid-level employees, and "Special Executive Training Camp" courses for executive officers. The smooth implementation of these courses not only improved employees' awareness of digital transformation, but also strengthened their ability to participate in and drive digital progress.



Xiamen Xiangyu "Sailing" series of Courses

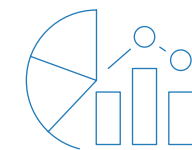


Xiamen Xiangyu "Breaking Waves" series of Courses



Xiamen Xiangyu "Special Executive Training Camp" series of Courses

Key Performance



During the reporting period, the Company's Digital Transformation Office and IT Center organized **35** inter-departmental digital transformation training sessions for **1,000+** employees throughout the year.

Digital System

Focusing on three core objectives (i.e. expanding incremental markets, improving service efficiency and upgrading business patterns), Xiamen Xiangyu establishes a variety of digital systems by leveraging extensive business data, abundant customer resources and diverse application scenarios.

Digital Supply Chain Service System Named "Yu Lian Tong"

"Yu Lian Tong" is a transparent and efficient system designed to provide medium-sized, small and micro enterprises (MSMEs) with financing pathways using cutting-edge technologies such as blockchain, AI and IoT. This system helps MSMEs overcome capital bottlenecks in their development process, and promotes the sustainable development of the economic society.

Xiamen Xiangyu has been continuously optimizing the technical structure and product functions of "Yu Lian Tong" since its launch in 2018, to ensure the security, stability and scalability of the system. In 2023, we established "Xiamen Yu Lian Tong Intelligent and Smart Supply Chain Technology Co., Ltd.", specializing in the operation and promotion of the system.



"Yu Lian Tong" Won the "Dingge Award" as a Role Model in Supply Chain Transformation

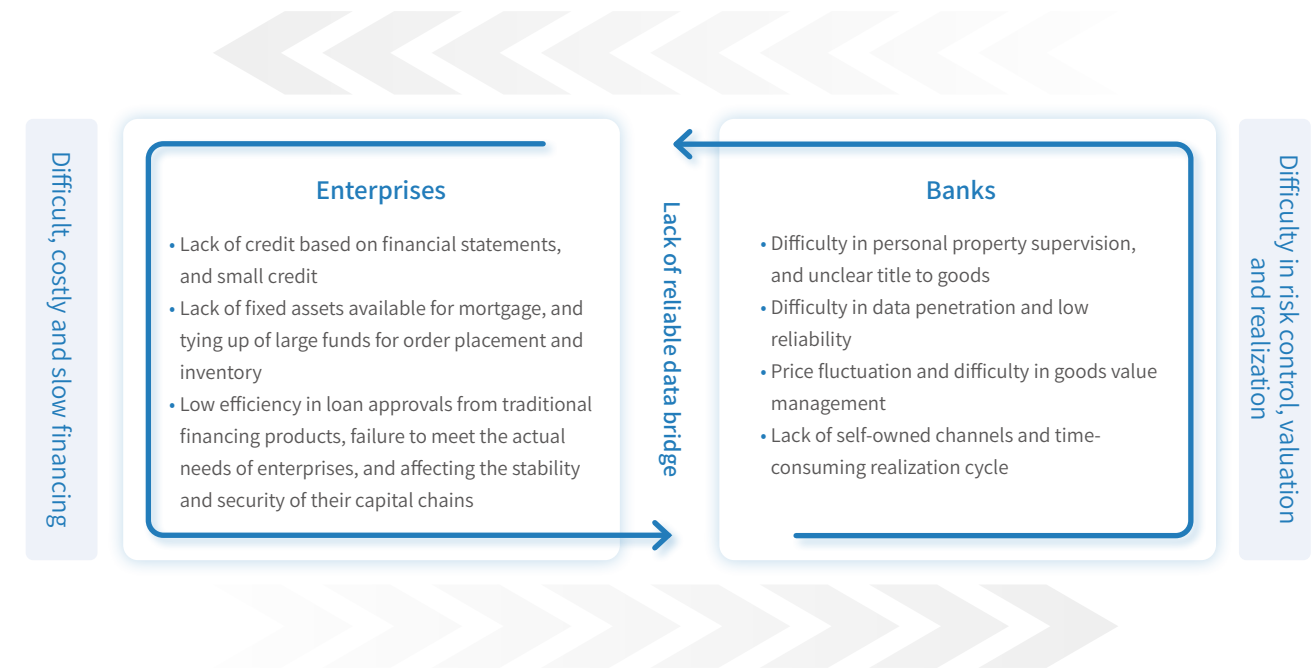


"Yu Lian Tong" Won the "Outstanding Financial Case in China Logistics and Supply Chain" 2022

"Yu Lian Tong" builds a reliable bridge for supply chain data between customers and banks by leveraging Xiamen Xiangyu's strengths in terms of "logistics capability, industry chain integration capability, technological systems and commodity sales channels". It successfully reduces financing costs for medium-sized and small enterprises by 10% to 40% compared to other non-banking financing channels, and empowers the bank-end risk control and management by leveraging capabilities such as "goods management, industry knowledge, traceability and realizability". Meanwhile, "Yu Lian Tong" enables whole-process online operations, allowing enterprises to initiate financing requests with the click of a button. It takes only 5 to 10 minutes to complete all operations involved in the entire process from pledge to the granting of bank loans, thereby expanding financing channels, improving financing efficiency and reducing financing costs for enterprises.



Financial Pain Points of the Traditional Supply Chain



Yu Lian Tong's Core Competitive Strengths

Logistics capability

- Global "road, rail, water and warehouse" logistics resource landscape
- Management experience in bulk commodities

Goods management

Technological Systems

- Building digital and intelligent Xiamen Xiangyu strategically
- Building an intelligent logistics service system and an online shipping platform
- Interlink and interconnection with banks

Clear traceability

Industry chain integration capability

- Industry research
- Integration of upstream and downstream resources
- Comprehensive supply chain services

Industry knowledge

Commodity sales channels

- Assisting banks to keep an eye on the market
- Commodity sales channels
- Helping banks realize goods

Flexible realizability

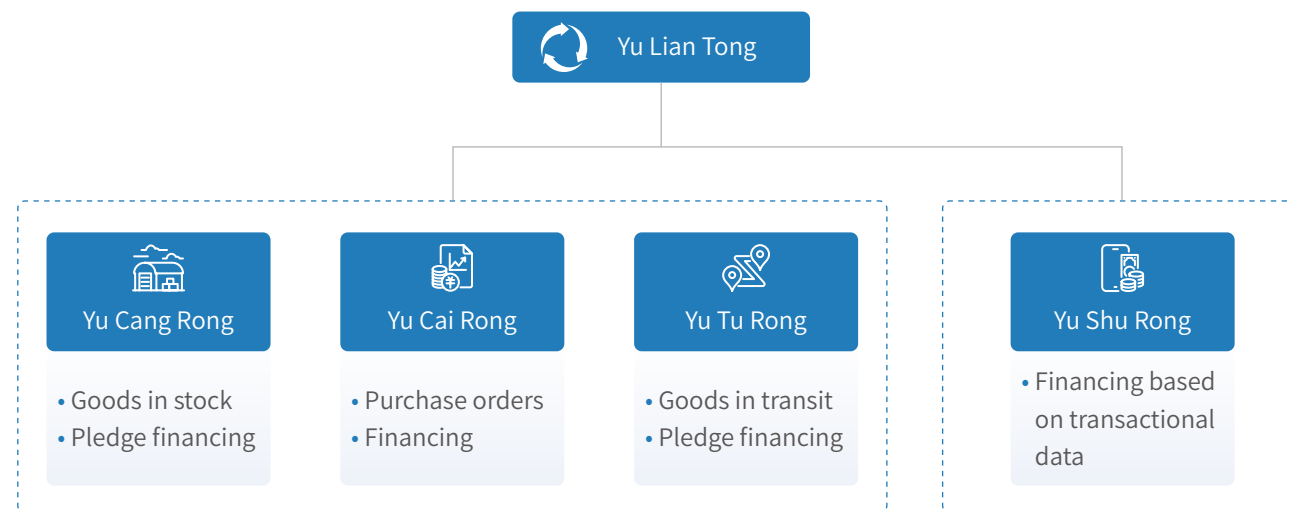


"Yu Lian Tong" Helped Banks Implement Inclusive Finance

Xiamen Branch of Bank of Communications serves small and micro enterprises (SMEs) by actively adhering to national inclusive finance policies. SME owners in Xiamen Xiangyu's digital warehouse need to vitalize inventory funds. In collaboration with the Bank of Communications, the Company provides customers with electronic warehouse receipt pledge financing services through "Yu Lian Tong". These customers operate across various industries such as plastics, rubber, pulp paper, nonferrous metals and agricultural products, granting facilities and loans to more than 50 SMEs. Efficiency and convenience are key features of this service: an enterprise can obtain a credit limit (up to RMB 10 million) on the date of code scanning, and it only takes a few minutes to make an automatic withdrawal through online banking of the Bank of Communications once the warehouse receipt pledge procedures are completed. This collaborative program won third place in the "Outstanding Program in Xiamen's Fourth Fintech Competition" hosted by Xiamen Branch of the People's Bank of China.

By virtue of a complex product matrix, "Yu Lian Tong" is designed to conduct diversified pledge financing businesses, align corporate financing demands with bank loan grant requirements, and devise flexible and customized financing schemes. This ensures financing on demand, borrowings and repayments at will, and maximized financing benefits.

Yu Lian Tong's Product Matrix



Key Performance



As of the end of 2023, "Yu Lian Tong" has partnered with **10** banks and secured RMB **10.6** billion in special facilities. During the reporting period, the total financing actually obtained by customers from these banks exceeded RMB **2.7** billion.

"Yu Cang Rong" Helped Address the Tying Up of Inventory Funds in Dongguan's Paper Industry

Xiamen Xiangyu established a specialized intelligent paper warehouse named "Xiangyu Superchain Dongguan Shuntong Warehouse" in Daojiao Town, Dongguan. This warehouse offers comprehensive supporting services, including import customs, intelligent warehousing, transportation and Yu Cang Rong, to customers within the paper processing and distribution industry cluster in the Pearl River Delta. Distribution often spans a couple of months for customers in the paper industry, resulting in funds being tied up in inventory. To effectively address this challenge and enable MSMEs to leverage inclusive finance policies, "Yu Lian Tong" collaborates with multiple banks to provide "Yu Cang Rong" services, which allows for the initiation of pledge financing against electronic warehouse receipts after the delivery of goods to the warehouse.



A customer and Xiamen Xiangyu Logistics Personnel at a Warehouse

"Yu Cai Rong" Helped Alleviate the Tying Up of Funds for Purchase Orders and Inventory in the Downstream Steel Industry

The steel business team of Tianjin Xiangyu Import and Export Trading Co., Ltd., in collaboration with Xiangyu Zhengfeng and "Yu Lian Tong", provides downstream processing enterprises with comprehensive services such as collective steel procurement, intelligent warehousing and "Yu Cai Rong". Customers can place financing orders with relevant banks to solve the tying up of advance payments and inventory funds based on the procurement contract with Xiamen Xiangyu. The entire process operates online 7*24, enabling customers to pay off loans, release of mortgages and pick up of goods at any time. This offers a more convenient and efficient financing process for customers.



A customer and Xiamen Xiangyu's Business Operation and Logistics Personnel at a Warehouse

Intelligent Logistics Service System

Based on the concepts of "intelligent processes, online services and visualized title to goods", the Company has developed the Xiangyu intelligent logistics service system (ISC) using big data, cloud computing, IoT and other cutting-edge technologies. The ISC system facilitates real-time collection, transmission and processing of logistics information, and offers a comprehensive, transparent and efficient logistics management system for customers.

Customers can access real-time information on transportation status, inventory, customs clearance progress and other critical details about goods through the ISC system, providing solid data support for precise decision-making. In 2023, the ISC system achieved significant progress in projects such as intelligent parks, intelligent driving systems and large warehousing screens, greatly enhancing the intelligence and automation of logistics services.

Agricultural Supply Chain Service System

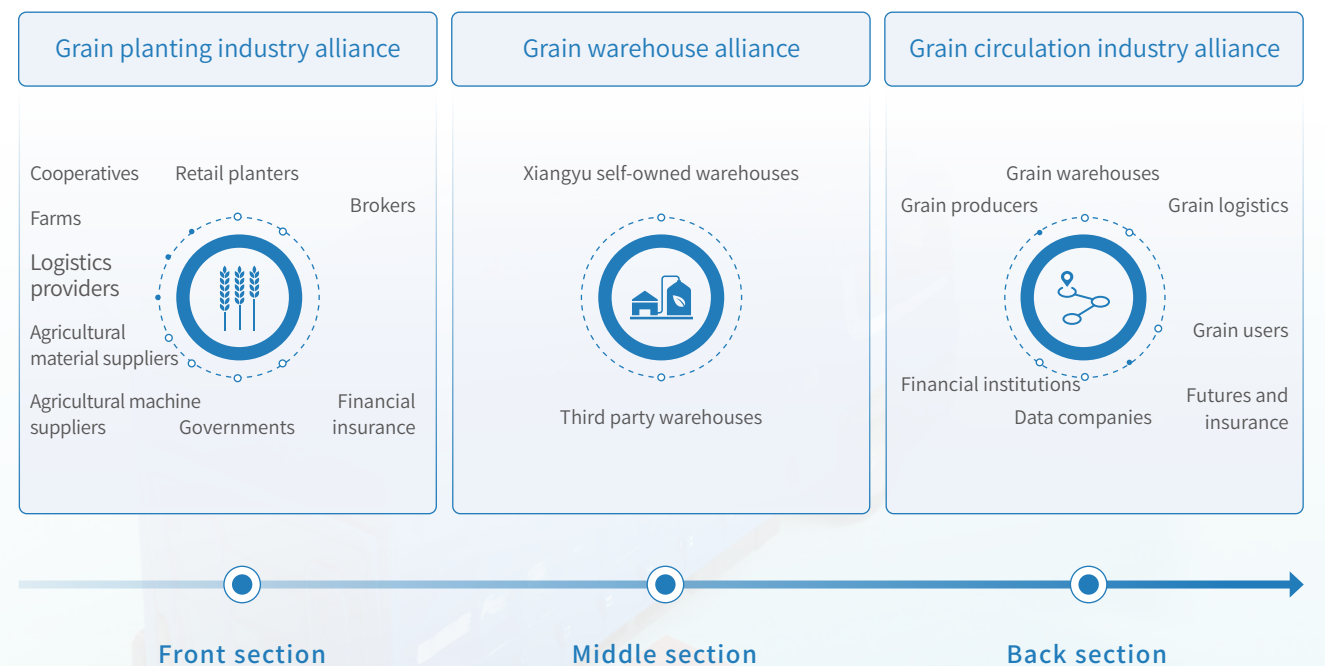
The Company thoroughly implements national grain safety strategies, and harnesses digital technologies to inject new momentum into traditional agriculture. We have developed an industry-level agricultural supply chain service system that optimizes the grain circulation process through extensive integration of information technologies, significantly enhancing circulation efficiency. Meanwhile, our system provides an information service platform that enables agricultural practitioners to have easy access to market information, policy guidance and technical training, thereby improving product quality and efficiency. Looking ahead, we will continue to explore and innovate, contributing further to the sustainable development of the agricultural industry.

Industry-level Agricultural Supply Chain Service System of Xiamen Xiangyu

Key Performance



During the reporting period, the Company further increased the penetration of its industry-level agricultural supply chain service system in three production areas (i.e. Suihua, Yi'an and Fujin), and had over **6.8** million acres of lands newly certified; we also launched Xingxing Xiangnong App and a WaaS system (grain warehouse alliance system), achieving the entire online process for grain return.



Information Security

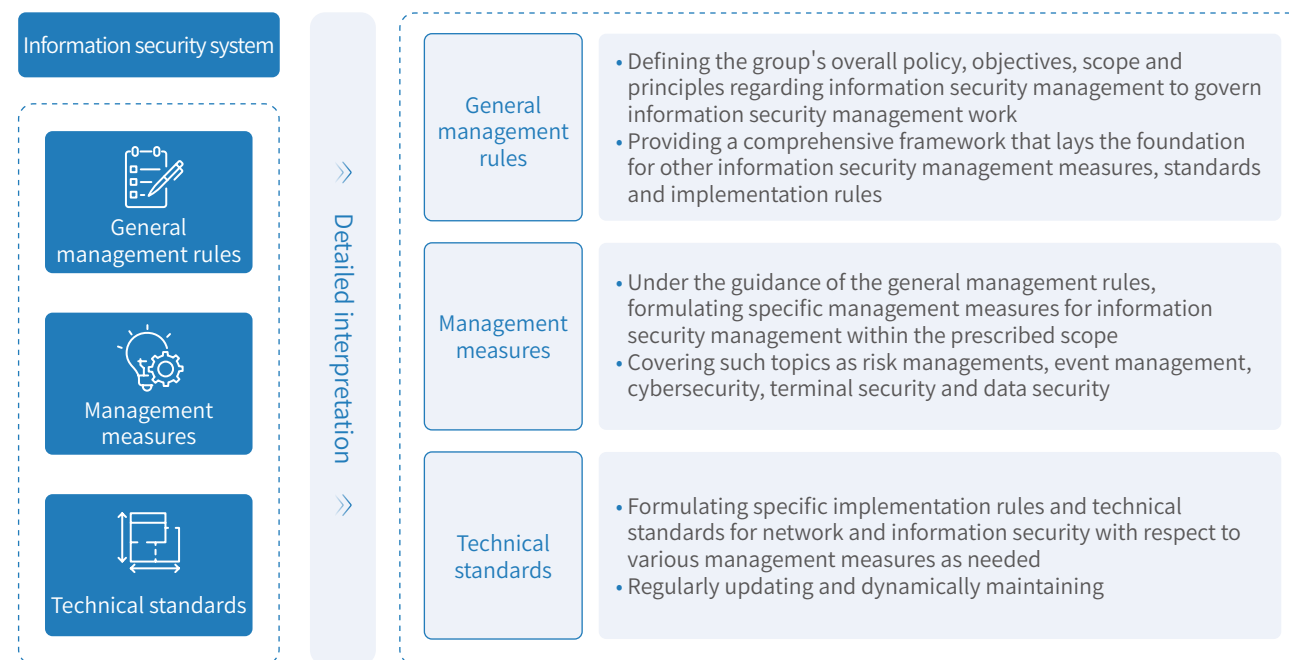
With the continuous advancement of digital transformation, data assets have become one of the strategic resources vital to digital economic development. Information security not only affects an enterprise's daily operations, but is also crucial to its sustainable development.

Xiamen Xiangyu attaches great importance to information security, and collaborates with professional third-party companies to build an information security and protection system in terms of security management improvement and security technology application, ensuring business processes are safe, efficient and conform to ESG standards. As for management structure, the Company has established the Information Security Management Committee as the highest decision-making body, comprised of its executives, to ensure information security strategies align with its overall strategy. In addition, we also have established an Information Security Task Force as an executive body responsible for daily information security management. At the same time, we have appointed several subsidiaries as accountable bodies of information security to ensure effective implementation of information security measures at all levels. In terms of institutional guarantee, the Company has formulated a series of information security rules and regulations designed to continuously improve our information security management system. This ensures the confidentiality, integrity and availability of information.

General Rules for Information Security Management

Xiamen Xiangyu Group has formulated the *General Rules for Information Security Management of Xiamen Xiangyu Group* to define its information security management framework. Xiamen Xiangyu adheres to this management framework, and assists the group to manage the headquarters and its subsidiaries.

Information Security System Xiamen Xiangyu



Information Security Operations

Xiamen Xiangyu develops a robust information security operation system to ensure the continuity of our business and the security of our data assets. In terms of daily security operations, we implement a daily security patrol inspection system, regularly identify the risks posed to the systems open to the Internet, and periodically scan for vulnerabilities and identify attack surfaces to ensure system security. During important events and festivals, we further enhance our cybersecurity measures to successfully accomplish cybersecurity tasks during the "annual NPC and CPPCC sessions", the Asian Games and important holidays. During the reporting period, no major cybersecurity event has occurred with respect to the Company.

Raising the Internal Information Security Awareness

During the reporting period, to foster internal employees' email security awareness, the Company conducted multiple phishing email tests on the staff, and provided special security awareness trainings for employees who failed the tests. Meanwhile, the Company also provided new employees with trainings on information security knowledge and practices, continuously bolstering employees' defenses against information security breaches.



Internal Training on Information Security Awareness by Xiamen Xiangyu

Key Performance



During the reporting period, the Company fended off external attacks for **4,614,000** times, intercepted **1,346,000** phishing emails, and prevented brute force attacks for over **200** million times. Through continuous improvement of the defense system and active defense, the Company had no major information security incidents during the reporting period.

Customer Privacy Protection

Xiamen Xiangyu attaches great importance to customer privacy protection, considering it as a core aspect of our corporate responsibility. In addition to the Management Measures for Information Security, the Application Security Management Norms and other rules and regulations, the Company has formulated the Information Security Contingency Plan to provide additional safeguards for customer privacy. Guided by these rules and regulations, we effectively maintain the confidentiality of customers' private information through digital and technological means, such as decentralized management and storage encryption.

Annual Information Risk Report

Xiamen Xiangyu manages information risks comprehensively to ensure the stability and continued development of our business. During the reporting period, the Company prepared an annual information risk report, conducting in-depth conclusion and analysis of various information risks faced over the year, including information system security risks, server regulation risks, software operation risks, risks from unauthorized software sanctions and punishments, phishing email incidents and risks. Through measurable quantitative indicators, the Company can thoroughly analyze risk profile, and provide important reference for improving risk management strategies and measures. The Company's information risk management strategies are designed to provide a decision-making basis for risk management, ensuring the Company's business operates normally in a safe and controllable environment.

04

Improving Quality through Steady and Innovative Development



Seizing high-quality development opportunities, Xiamen Xiangyu builds a top-notch supply chain service team through enhanced quality management. Guided by networking, internationalization, digitalization, and intelligence, we adhere to innovation-driven services, and continuously strengthen our service capabilities. By establishing an efficient resource allocation framework and network-based logistics services, we deepen our involvement in every link of the industry chain, enhancing our service coverage and efficiency. Meanwhile, we focus on comprehensive customer lifecycle management, and integrate the ESG principles into corporate governance to continuously enhance the value of our services.



Quality Management

Positioned as a leader in bulk commodity supply chain services, Xiamen Xiangyu is dedicated to providing manufacturers with integrated supply chain solutions. Our core services cover the procurement and supply of bulk raw and auxiliary materials, the distribution of finished products, logistics distribution, supply chain finance and information consulting. Our goal is to become a world-class supply chain service provider, and to create the pattern of "supply chain service + production & manufacturing" for operating the industry chain by developing service strengths across the industry chain and strategically engaging in production and manufacturing. This pattern not only increases our comprehensive earnings, but also effectively mitigates the impact of cyclical industry fluctuations.

In pursuing business excellence, Xiamen Xiangyu places significant emphasis on the quality of our products and services. We conduct comprehensive quality management tailored to the specific needs of various business sectors, and have established a quality management framework that encompasses conceptual and strategic design, system formulation, training and education, testing and examination, product traceability, product recall, complaint management, qualification certification and otherwise. This framework ensures that our services and products consistently meet even exceed customer expectations, and demonstrates our commitment to quality and our pursuit of continuous improvements.

Primary Business Status of Xiamen Xiangyu

Commodity portfolio	Customer structure	Regional landscape
<p>The Company mainly operates metal minerals, agricultural products, energy and chemicals, new energy and other bulk commodities, covering seven key categories, i.e. ferrous metals, aluminum, stainless steel, new energy, coal, oils and cereals & grains.</p>	<p>The Company focuses on satisfying customer needs in the manufacturing field, and consistently optimizes customer structure. During the reporting period, the number of manufacturing customers served by the Company remains steady at 60% and above, including over 80% in new energy supply chain, over 70% in ferrous metal and aluminum supply chain, over 60% in coal and cereals & grain supply chain, and over 50% in stainless steel supply chain.</p>	<p>The Company has established 10 platforms in China. The Company has also expanded its core operations from coastal cities to inland cities, and engaged in meeting the supply chain needs of modernized industry clusters in central and western regions. In recent years, as part of our strategic blueprint, we have actively expanded into the international market in countries and regions along the "Belt and Road" initiative. We have established overseas business entities in Singapore, Vietnam, Indonesia and beyond, collaborating with customers across over 100 countries. Our focus is on connecting with overseas quality purchase and sale channels, and addressing the overseas supply chain needs of large-scale domestically-funded enterprises.</p>



Qualifications and Certifications

Xiamen Xiangyu takes proactive measures to obtain qualifications and system certifications for our products and services, tailored to satisfy the developmental needs and adapt to the actual situation of each business sector. During the reporting period, the qualifications and certifications concerning product and service are as follows:

Business Sector	Company Name	Certification
Bulk commodity trading	Xiamen Great Corporation	ISO9001 Quality Management System Certification AEO Advanced Certification
	Fujian Xingda	AEO Advanced Certification ISO9001 Quality Management System Certification
	PIL Total Logistics	AEO Advanced Certification
	Xiangyu Commodities	AEO Advanced Certification
	Xiangyu New Energy	AEO Advanced Certification
	Xiangyu Resources	ISO9001 Quality Management System Certification
	Production & manufacturing	Xiangyu Oils
Xiangyu SOE		ISO9001 Quality Management System Certification
Zhuoyu Supply Chain		ISO9001 Quality Management System Certification

Traceability and Recall

Xiamen Xiangyu recognizes the positive significance of product traceability and recall capability in enhancing quality, protecting customers' rights and interests, mitigating risks and losses and improving supply chain transparency. During the reporting period, Xiangming Oils, a subsidiary of Xiamen Xiangyu, issued the *Product Traceability System* and the *Unsafe Food Recall System*. The *Product Traceability System* sets forth specific marking control provisions for every stage of soybean processing and production, effectively bolstering our ability to trace the whole process from source to finished products. The *Unsafe Good Recall System* outlines the process for recalling food found unsafe after receipt by distributors or consumers, ensuring swift and safe responses to prevent further escalation. By implementing these systems, we not only improve our ability to control product safety and quality, but also underscore our commitment to prioritizing customers and shouldering social responsibilities.

Training and Education

Through officially certified quality system internal audits and trainings, Xiamen Xiangyu actively foster a vibrant quality culture within the Company. We encourage every employee to prioritize quality in their work, and improve quality awareness and management capabilities of individuals and teams through relentless learning and practice.

Xiangming Oils' ISO9001 System Internal Audit

In 2023, Xiangming Oils arranged for relevant employees to conduct over 10 product quality and safety training sessions based on front-line needs, which had 494 participants and covered such topics as food safety, feed safety and GMO safety, enhancing employees' product safety awareness and capabilities from multiple dimensions.



ISO9001 System Internal Audit Meeting Held by Xiangming Oils

Customer Feedback

Xiamen Xiangyu has established a robust customer complaint management system based on the actual situation of our business sectors, to ensure our timely collection, analysis and response to customer feedback, thereby optimizing business processes and enhancing customer experience. Meanwhile, we regularly conduct customer satisfaction surveys and actively gather customer opinions and suggestions through questionnaires, interviews, online surveys and otherwise. This helps us understand customer needs and expectations and reasonably evaluate service quality as a key foundation for improving our services and products.

Customer Complaint Management

In 2023, Xiangming Oils, one of Xiamen Xiangyu's subsidiaries, issued the *Customer Complaint Management Rules* that provide for the division of duties, workflow and claim indemnification regarding product and service complaints, ensuring rapid and effective response to customer feedback.

Key Performance



During the reporting period, Xiangming Oils received **0.347** valid complaints per 10,000 tonnes of soybeans processed, which is lower than the Company's goal of **0.5** valid complaints per 10,000 tonnes. The Company meticulously recorded and properly addressed all valid complaints, and implemented internal improvements accordingly.

Customer Satisfaction Survey

In 2023, Xiangming Oils actively conducted a customer satisfaction survey for in-depth understanding of customers' needs and feedback. To gather customers' opinions and suggestions, we collected **118** valid questionnaires.

According to the survey results, customers highly rated Xiangming Oils' products and services.

Among these questionnaires, **95** questionnaires indicated "very satisfied", accounting for **80%**; **23** questionnaires indicated "satisfied", accounting for approx. **20%**; no questionnaire indicated "less satisfied" or "unsatisfied". In the future, we will continue to listen to the voices of customers, continuously optimize our products and services, and consider customer feedback as a key driver for our ongoing improvement and development.



Logistics Capability


As China's 5A logistics enterprise, Xiamen Xiangyu places logistics capability at the core of our development strategies. On one hand, we lead the way in establishing and continuously improving a network-based logistics service system focused on "road, rail, water and warehouse", connecting domestic and overseas markets. On the other hand, focusing on tremendous efforts to boost the digital and intelligent transformation of logistics services, we actively integrate big data, cloud computing, IoT, AI and other cutting-edge technologies deep into every aspect of the logistics business through a robust logistics network. By virtue of these innovative practices, the Company consistently improves the efficiency and quality of our logistics services. The Company is dedicated to becoming an innovative pioneer in the logistics industry, offering customers more outstanding and efficient logistics solutions, and creating a new ecosystem for the sustainable development of the industry.

Network-based Logistics Service System

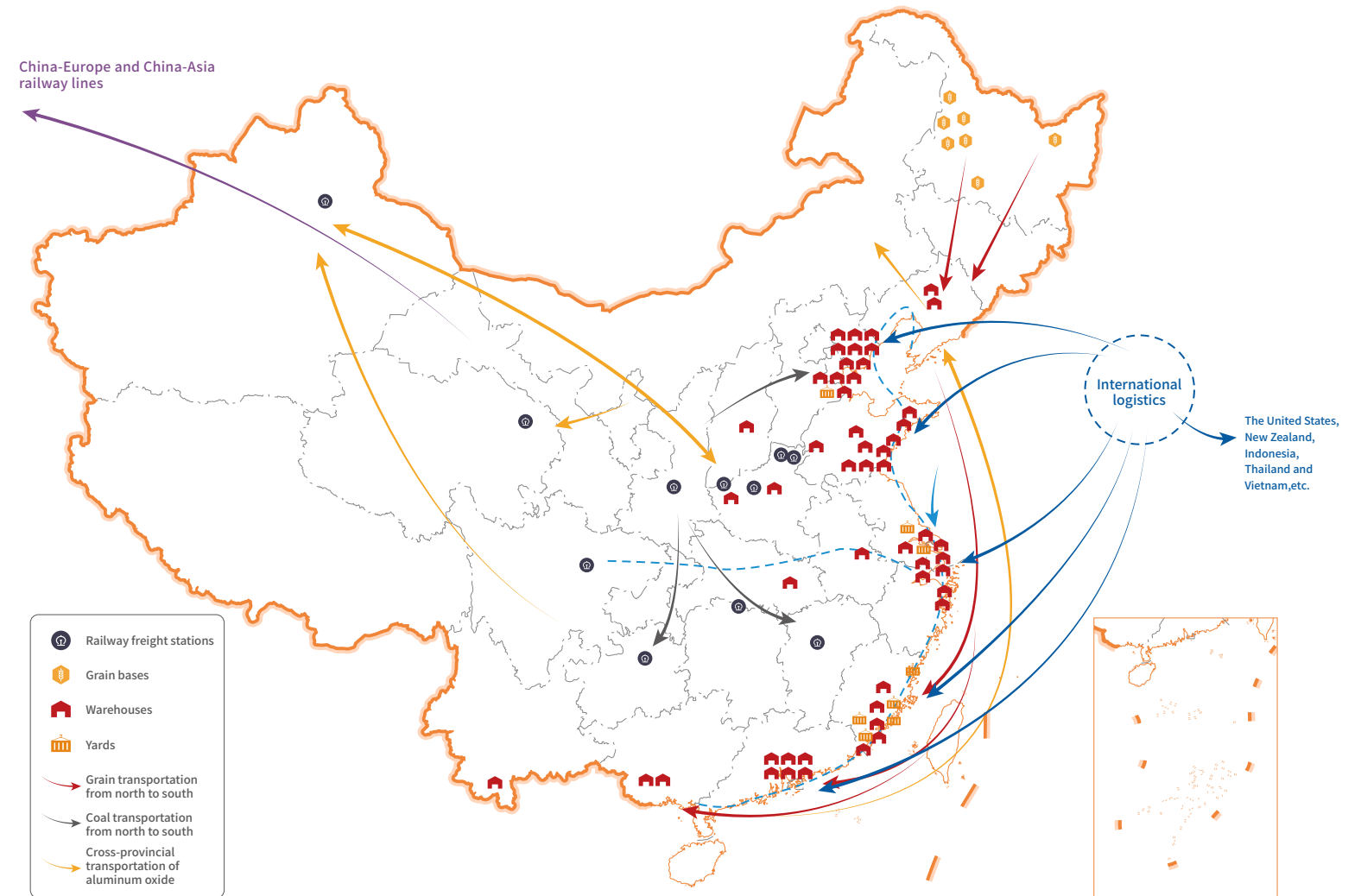
The Company has established a comprehensive network-based logistics service system, encompassing the following: (i) a rail transport network running from west to east and connecting south and north; (ii) a nationwide road transport network; (iii) a water transport network based at major domestic ports; (iv) warehousing clusters in the eastern coastal, central and western bulk commodity distribution areas; and (v) international logistics channels such as international charter shipping and international rail services linking overseas markets.

By leveraging multi-modal transport strengths, the Company provides customers with high-quality, end-to-end and customized bulk commodity logistics solutions. We have successfully developed multiple classic routes, including "cross-provincial circulation of aluminum products", "grain transportation from north to south", "coal transportation from west to east" and "coal transportation from north to south", providing customers with a seamless, efficient and reliable logistics experience.

Logistics resources and capabilities of the Company

Category	Resources and Capabilities
 Rail transport	The Company operates 11 rail freight stations (9 self-owned, 1 managed and 1 rented), covering bulk commodity distribution hubs in central and western regions, and equipped with 47 specialized railway lines, approx. 2.50 million square meters of container yards and warehouses and around 30,000 self-provided containers. With annual freight capability exceeding 45 million tonnes, the Company ranks among the top in the industry. It has developed high-quality transportation routes for coal and aluminum products, including "Shandong and Henan – Xinjiang" and "Shaanxi – Yunnan, Guizhou and Sichuan" transportation routes.
 Road transport	The Company operates approx. 1,000 self-owned transport vehicles, and approx. 0.1 million commercial vehicles
 Water transport	The Company operates 3 self-owned consolidation and distribution vessels, and continuously integrates commercial vessels into water transport, forming a combined water transport capacity of "self-owned + cooperative" vessels. During the reporting period, the transport volume of domestic coastal and Yangtze River basin exceeded 27 million tonnes.
 Warehousing clusters	The Company operates: (i) 7 grain purchase platforms with a self-owned warehouse capacity of approx. 13 million tonnes, which are equipped with 9 specialized railway lines; (ii) 52 self-owned and chartered warehouses, covering over 1.6 million square meters; (iii) 8 yards with a total area of over 0.5 million square meters; and (iv) 17 futures closing warehouses with a total capacity of approx. 1 million tonnes.
 International logistics	By leveraging international charter shipping capability for bulk dry goods and international rail logistics service capability, the Company has built a China-Indonesia logistics channel (with a freight capacity of 17 million tonnes during the reporting period), a "China-Vietnam & Thailand" logistics channel, and a "two-way China-Europe" transport channel. These channels help the Company forge our international multi-modal transport capability and improve localized logistics services overseas.

Network-based Logistics Service System of Xiamen Xiangyu¹



¹This map is indicative in nature and is intended only for an overview of a specific area

Internationalization Development

Aligned with China's "Belt and Road" initiative, Xiamen Xiangyu puts countries and regions along the initiative at the core of our strategic landscape, and actively expands into international markets. The Company collaborates with customers across more than 100 countries, addresses the supply chain needs of large-scale domestically-funded enterprises abroad by connecting with excellent overseas purchase and sale channels, and provides those enterprises with professional and efficient supply chain services. To boost our internationalization strategy, the Company has established the Internationalization Development Department, tasked with the expansion of overseas business, the development of overseas platforms and the management of internationalization strategies. In 2023, the Company made steady strides in boosting our internationalization strategy, refining international management system and building an international platform. The Company is taking gradual steps to build a global supply chain service system to continuously improve our international competitiveness, steadily moving towards our goal of "becoming a world-class supply chain service provider".

Internationalization Initiatives

Making steady strides to boost our internationalization strategy

- Establishing a "1+3+N" system for safeguarding internationalization-related functions;
- Refining the mechanism to track business goals;
- Enhancing internal empowerment and external interaction.



Refining our internationalization management system

- Establishing an "Internationalization System Optimization Task Force" to formulate the *Requirements for Overseas Travel Achievements Feedback*, the *Guidelines on Approval Process of Overseas Platform Companies* and the *Work Guidelines for Foreigners Working in China* and other systems

Taking gradual steps to build an international platform

- Developing an international talent pool scheme and building a talent management system by "assigning domestic talents for overseas training +recruiting local talents", aiming to strengthen our talent pool

Internationalization Progress of Xiamen Xiangyu

Overseas platform companies	Project companies	Overseas teams
<ul style="list-style-type: none"> • The Company has established overseas business entities in Singapore, Vietnam, and Indonesia etc. These companies serve as "service stations" for overseas business, leveraging inter-regional synergistic effects. 	<ul style="list-style-type: none"> • The Company has established multiple projects in Indonesia, New Zealand and Singapore, including various business units, logistics service providers and barge transport companies established and operated in Indonesia; the Company has acquired forest right reserve and wharf resources in New Zealand, by leveraging our supply chain investment and operational capabilities; our new energy project companies in Singapore help facilitate the expansion of photovoltaic products into other overseas markets. 	<ul style="list-style-type: none"> • The Company continues to attract international talents and builds an outstanding overseas supply chain service team. As of 2023, the Company has 58 employees across overseas platforms, including 17 in Singapore, 10 in Hong Kong, 4 in the United States, 6 in Indonesia and 21 in Vietnam.




Seizing the Development Opportunities of China-Europe Railway Line, And Implementing the "Belt and Road" Initiative to Drive Economic Development

As a crucial logistics artery connecting China, Europe and countries along the "Belt and Road" initiative, the China-Europe railway line plays a pivotal role in boosting economic and trade cooperation. In 2023, Xiamen Xiangyu Elink Multitrans Co., Ltd., a subsidiary of Xiangyu Superchain, successfully managed around 460 China-Europe train dispatches, providing strong support for the economic development along the "Belt and Road" initiative. Xiangyu Elink Multitrans Co., Ltd. provides logistics services throughout the entire process, including vehicle receipt and inspection, container loading supervision, ship booking and customs declaration and clearance, ensuring efficient connection with the logistics chain. These services not only facilitate smooth automobile export, but also enable China's automotive enterprises to enhance export capacity and deliver products to the global market in a more efficient manner.

Operation of China-Europe Railway Lines Operated by Xiamen Xiangyu

Outward direction

Through collaborative efforts across various fronts, Elink team facilitates the export of consumer goods from Xi'an, Guangzhou, Nanchang, Chengdu and other cities to more than 10 countries,, opening up the export transportation channel for domestic enterprises



Inward direction

Elink team transports crucial bulk goods and materials (e.g. timber, agricultural products and minerals) from various countries back into China. This strongly supports nationwide supply chain provision, and contributes to domestic and international dual-cycle development.



Supplier Management

Xiamen Xiangyu emphasizes supplier management, in particular lifecycle management practices. The Company is dedicated to establishing a long-term and beneficial partnership with suppliers, and incorporates ESG factors into due diligence to promote sustainable development practices on the industry chain, striving for continuous creation of social value and maximization of enterprise value.

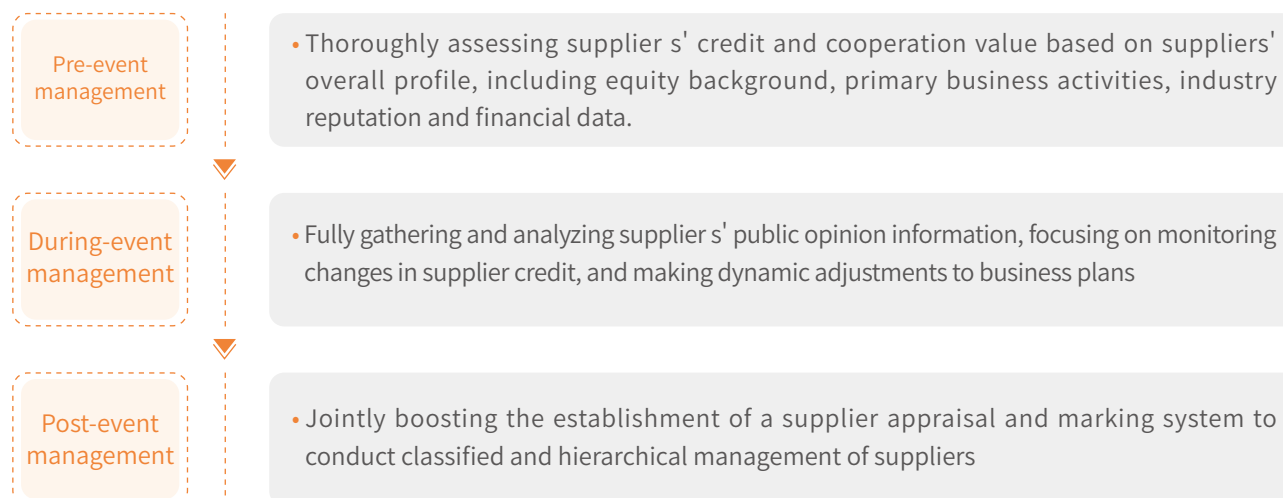
Lifecycle Management

To strengthen supplier credit risk management and control, the Company has established a "joint-stock company-sub subsidiary" dual-tiered management and control structure to ensure effective supplier lifecycle management.

Xiamen Xiangyu's Dual-tier Management and Control Structure for Supplier Management



Supplier Lifecycle Management of Xiamen Xiangyu



In terms of supplier management strategies, Xiamen Xiangyu implements classified and hierarchical management of strategic suppliers. The Company encourages leaders at all levels to jointly participate in the maintenance of our relationship with strategic suppliers and enhance the flexibility and effectiveness of resource consolidation to meet their specific needs.

ESG Due Diligence

To promote the sustainable development of the economic society, Xiamen Xiangyu actively integrates ESG concepts into every aspect of the industry chain. In conducting due diligence and making decisions regarding supplier access and assessment, the Company prefers to collaborate with outstanding enterprises on key ESG topics such as environmental investment, production environment safety and protection of employees' rights and interests. This ensures that every aspect of the supply chain meets sustainable development requirements.

Main Content of ESG Due Diligence Conducted by Xiamen Xiangyu

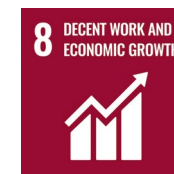


05

Fostering Talent for Harmony



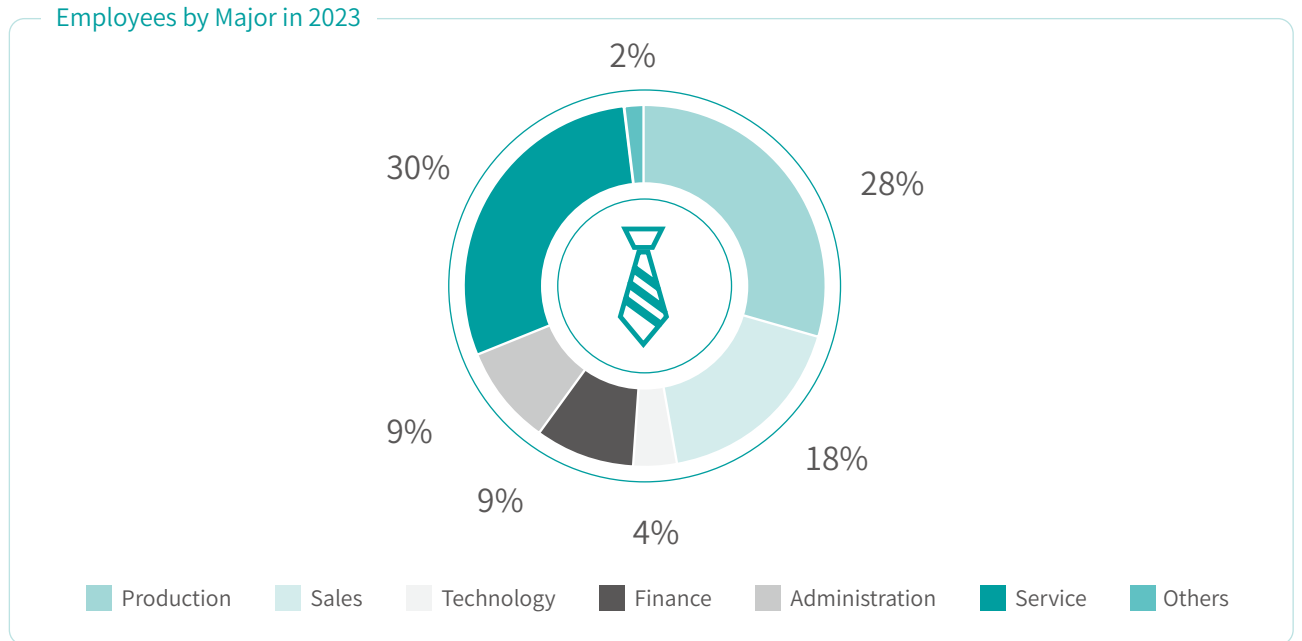
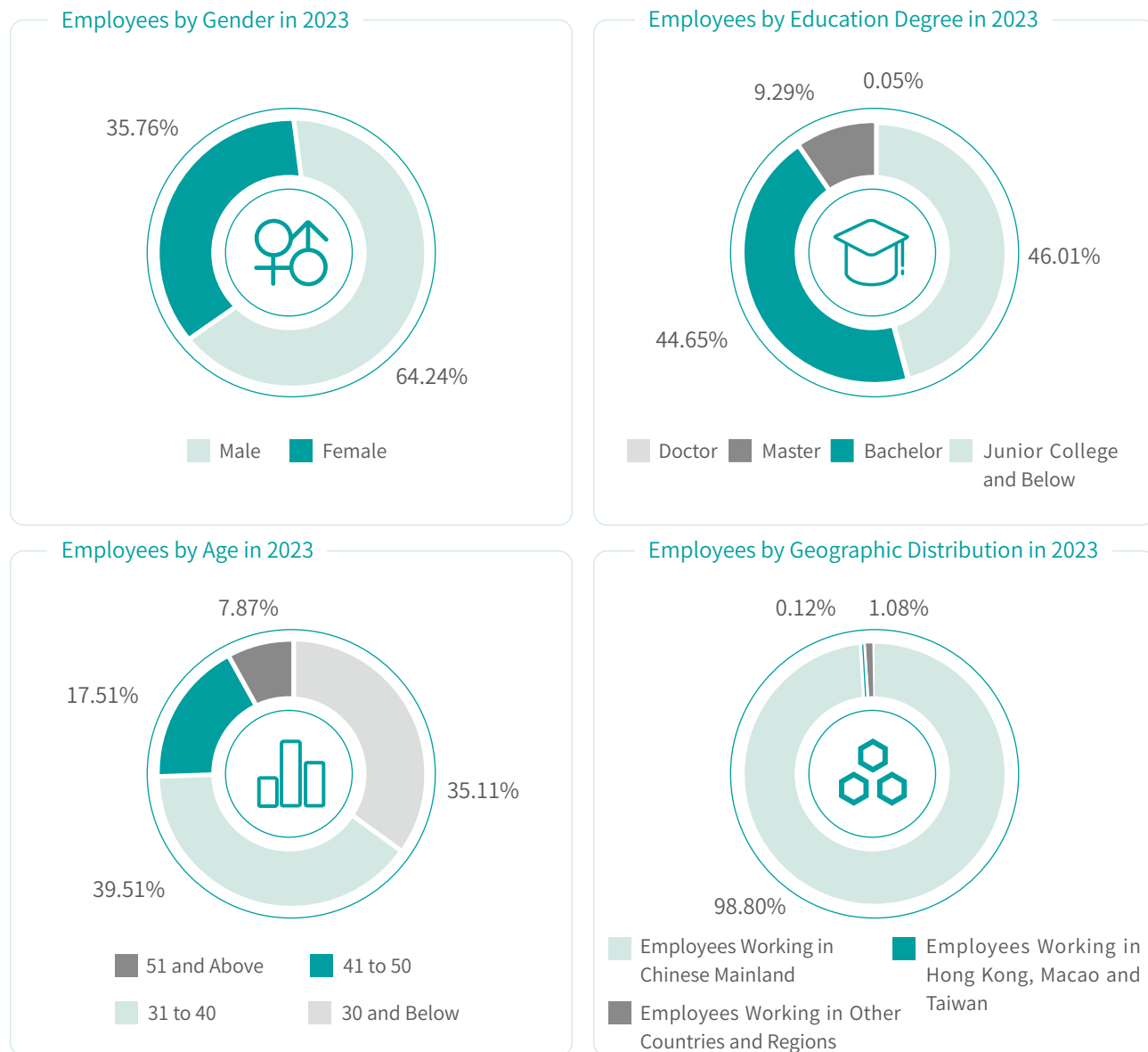
Xiamen Xiangyu firmly believes that talent is the cornerstone of enterprise development and the driving force behind our growth. To align with our strategies of internationalization, digitization, and platform development, we continuously refine our human resource management system. We have established a comprehensive mechanism for talent recruitment, development, deployment, and management, along with a robust employee relations framework, ensuring our HR practices are fully aligned with our corporate strategies. Furthermore, we endeavor to cultivate a high-quality and sustainable talent pipeline to provide a solid foundation for the Company's enduring growth. We also place a strong emphasis on social responsibility, actively supporting the national rural revitalization strategy. By engaging in initiatives like income-increasing projects and providing support to vulnerable groups, we proactively fulfill our corporate social responsibilities and contribute to the collective progress of society.



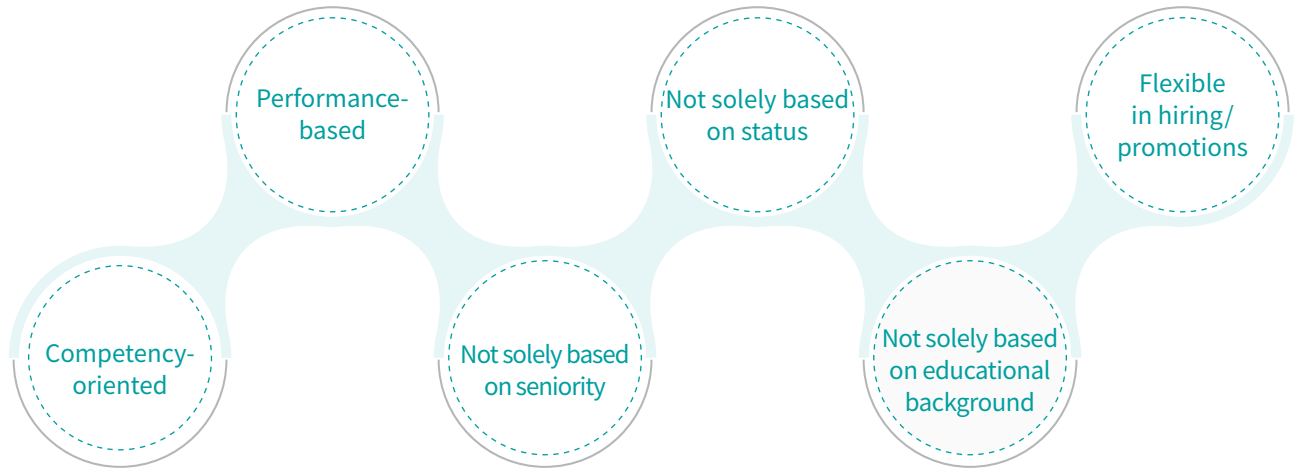
Equal Employment

Xiamen Xiangyu respects the professional background of every employee and has instituted a suite of HR management rules, including the Position Management Rules and the Recruitment Management Rules, to ensure equitable treatment for all during the hiring process, irrespective of nationality, ethnicity, gender, religious belief, or cultural background. Recognizing diversity as a pivotal catalyst for innovation and corporate growth, we are committed to developing a diverse talent ecosystem. In our overseas operations, we proactively attract and hire local talents through a localized recruitment approach. Currently, our foreign workforce represents 1.2% of our total employee base. We take tangible steps to demonstrate our respect for employee diversity and openness to global talents, thereby laying a solid groundwork for our international expansion and cultural integration.

Employee Composition of Xiamen Xiangyu



Our Employment Philosophy



Key Performance

The Company had a total of **8,565** employees, of which **35.76%** were female with an upward trend year-on-year;

The Company employed **7** individuals with disabilities, offering them positions in accounting and warehouse management, etc., which not only addressed the employment challenges faced by the disabled but also enhanced their quality of life and empowered them to realize their full potential;

Additionally, the Company employed **74** veterans, actively assuming its social responsibility to support veterans for their employment.

Xiamen Xiangyu is committed to crafting an inclusive, diverse, and equitable recruitment system. In pursuit of this vision, we have developed a robust recruitment capability model, clear qualification benchmarks, and a fair career progression framework. Internally, we offer specialized training and certification programs for our interviewers, tailored to the specific position needs of each department and the criteria for talent selection and deployment, so as to enhance their professionalism in recruitment. Externally, we use comprehensive methods such as professional assessment tools and professional personality tests to fully assess the suitability of candidates.

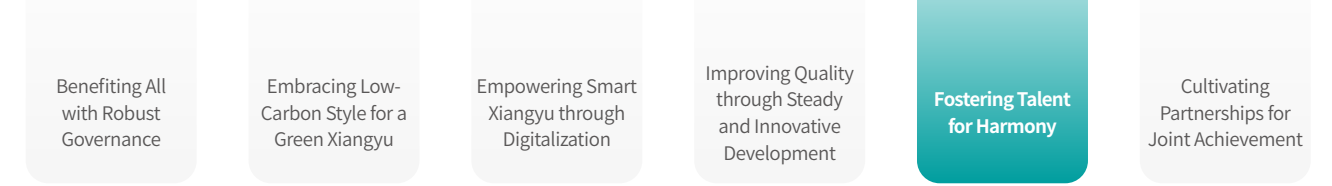
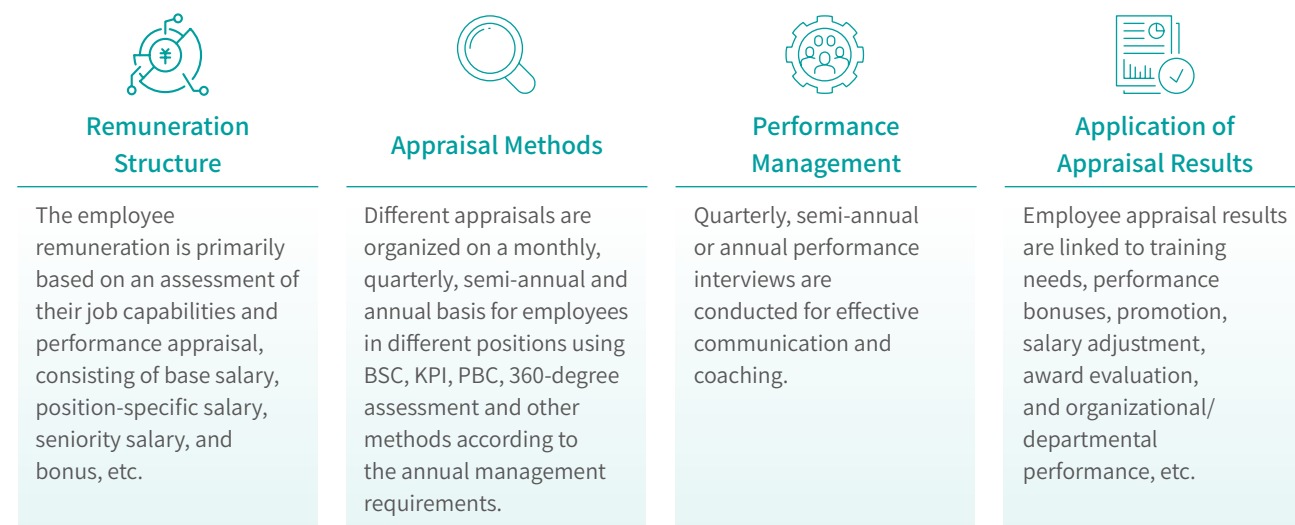
Diversified Recruitment Channels at Xiamen Xiangyu



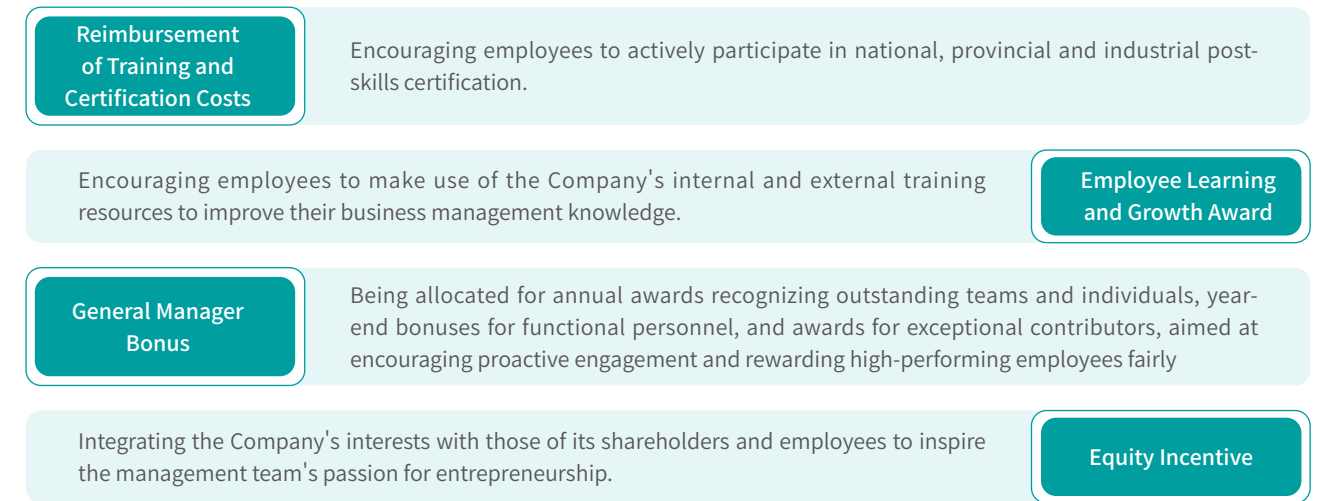
Remuneration and Benefits

Xiamen Xiangyu is actively engaged in building an objective, fair, and scientifically sound value assessment system. We uphold the fundamental principle of value creation, empowering our employees to unleash their full potential and creativity, which not only facilitates personal growth but also propels the comprehensive advancement of our enterprise. Along with formulating the *Remuneration Management Rules* and the *Performance Appraisal Management Rules*, we continue our efforts on refining our remuneration and benefits structure, and setting standardized remuneration and benefits standards, to ensure the growth and development channels for value creators. Besides, we have built an equitable and rational remuneration and incentive system that allows our employees to showcase their talents and achieve their career aspirations.

Performance Appraisal System of Xiamen Xiangyu



Employee Incentive Mechanism of Xiamen Xiangyu



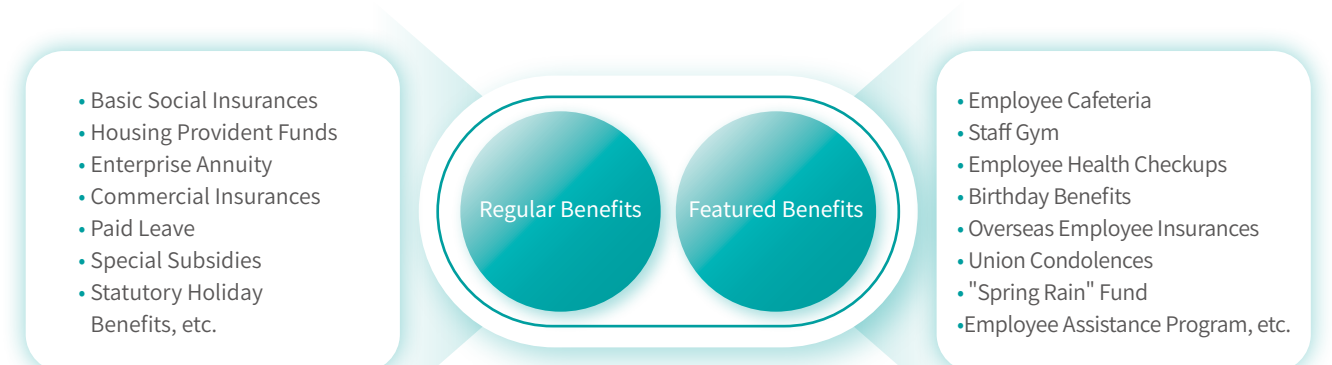
Key Performance



To empower employees to partake in the prosperity of our enterprise and ensure mutual growth of both individuals and the organization, the Company launched **equity incentive plans** in 2020 and 2022 respectively, with the aggregate amount of shares allocated for incentives accounting for nearly **8%** of its total share capital, benefiting over **1,000 key management personnel** and **frontline business team members**. It is the first state-owned enterprise in Fujian Province to initiate the "**stock option+ restricted stock**" hybrid equity incentive plan, marking a significant stride in building a long-term incentive mechanism.

We are dedicated to offering an extensive range of benefits programs designed to enhance the quality of life for our staff. In 2023, we have placed a special emphasis on safeguarding the welfare of our overseas employees, ensuring that they can focus wholeheartedly on their duties, regardless of their geographical location.

Employee Benefits System of Xiamen Xiangyu



Key Performance



In 2023, the Company allocated approximately **RMB 457,900** to cultural and sports activities, and about **RMB 537,400** to employee condolences.

Cultural and Sports Activities for Employees

In 2023, the Company embraced a culture of care, orchestrating a vibrant array of cultural and sporting activities to nurture a positive and vibrant environment. Seizing the opportunity of significant holidays such as the Lantern Festival, International Women's Day, Children's Day, and the Mid-Autumn Festival, the Company curated a series of "Cultivating Well-being with Xiangyu" events, which elevated employees' sense of fulfillment and joy, while also strengthening the unity and cohesion within the organization. Furthermore, the Company actively encouraged the formation of various staff interest groups, including Tai Chi, soccer, basketball, badminton, and foreign language, fostering a "Happy Work, Healthy Life" ethos within the Xiamen Xiangyu family.



Festive Cultural and Sports Activities of Xiamen Xiangyu

Solving the Problem of Childcare for Employees

Since 2022, our trade union has been organizing annual summer childcare programs for our employees, catering to nearly 80 children in total. These initiatives have been instrumental in enabling parents to balance their professional commitments with the joy of parenting. All expenses other than meal costs were covered by our trade union, thereby significantly easing the financial burden on the families of our employees. Beyond providing essential care, our summer childcare programs were enriched with a variety of activities and educational courses, including creative workshops, safety education sessions, and solar term-based food education, so as to offer high-quality companionship for children during their holidays.



Summer Childcare Program for Employees of Xiamen Xiangyu

Training and Promotion

Xiamen Xiangyu has crafted a sound employee training and talent development system that is anchored in both the enhancement of organizational capabilities and the holistic growth of its employees. While establishing a suite of management regulations, including the *Employee Training Management Regulations*, the *Internal Trainer Management Regulations*, and the *Employee Rotation Management Regulations*, we offer our employees a wider array of career development opportunities and help them to make continuous progress and growth on their career path.

Distinctive Employee Growth Management System of Xiamen Xiangyu

"Three Vertical and Three Horizontal" Talent Training System

It encompasses training for senior, middle, and grassroots employees, offering a variety of thematic training programs tailored to the distinct needs of employees during their new term, tenure, and transition phases, to meet the demands of sustainable development across all levels in our talent pool.

Focusing on Management Trainee Development

We formulate a management trainee training program with a three-year training cycle. Utilizing a meritocratic system and comprehensive training, we have developed a young and dynamic middle management echelon characterized by high drive, competitive spirit, alignment with company culture, and versatile capabilities.

Strengthening Key Position Talent Echelon Construction

By integrating talent inventories, implementation of individual development plans, and mentorship guidance, we enhance the adequacy of our talent echelons and optimize the age structure of our leadership teams.

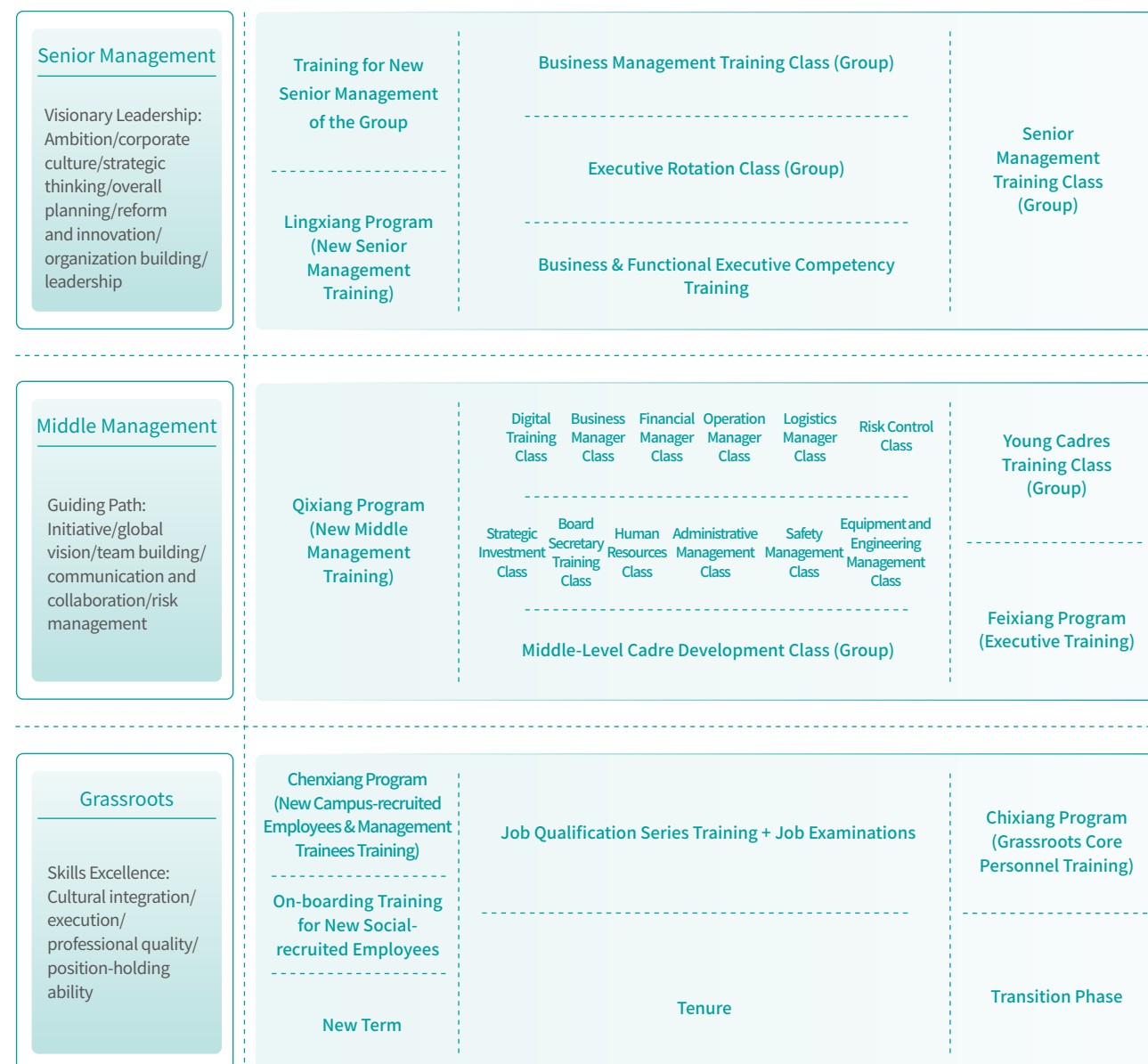
Encouraging Talent Rotation

Through strategic and targeted job rotation arrangements, we develop versatile talents.

Employee Training

In terms of talent training, Xiamen Xiangyu continuously refines its multi-tiered personnel development and training system to inspire the intrinsic motivation of its talent pool. In 2023, the Company's training initiatives were closely aligned with the corporate development strategy, annual management goals, and organizational capacity enhancement. Leveraging the "three horizontal and three vertical" talent training system, the Company dedicated itself to international training, business echelon development, succession planning, and specialized skill enhancement throughout the year. Additionally, the Company placed a strong emphasis on advancing the digital infrastructure of its learning platform, launching a new online learning system that offered a wealth of customized training courses to meet the individual growth needs and career aspirations of its employees.


"Three Horizontal and Three Vertical" Talent Training System of Xiamen Xiangyu



Regarding the training of senior management, Xiamen Xiangyu has established a comprehensive development program that spans the entire career lifecycle of executives. Tailored empowerment projects are crafted to address the unique growth phases of each executive, which employ a diverse array of teaching methodologies, including in-person training, coaching, and benchmarking visits, integrating skill development with the resolution of real-world challenges to ensure the practical applicability and effectiveness of the training.

For the cultivation of high-potential middle-level cadres, the Company has specially set up a "Middle-Level Young Cadres Training Class", known as the Youth Cadre Class, to enhance management acumen and overall quality, utilizing a variety of training methods such as case studies, interactive workshops, thematic salons, internal mobile classrooms, and visits to external enterprises, with its curriculum including modules on "Integrity Education", "Xiamen Xiangyu Culture and Strategic Planning", "Leadership and Organizational Development", "Risk Control and Crisis Management", and "Business Perspective and Comprehensive Skills". Through these efforts, we aim to nurture a high-caliber and versatile management team to provide robust talent support for the Company's sustainable growth and innovation.

Key Performance



In 2023, the Company had a total of **4,385** employees receiving training, with a total training time of **94,398** hours, and an average training time of **22** hours per person.

Advancing Management Empowerment and Cultivating Leadership Talent

In 2023, the Company actively empowered new management cadres by enhancing their capabilities to excel in their roles. The newly appointed middle-level cadres engaged in a multi-stage Management Training Program (MTP), yielding a rich harvest of 270 learning, thinking, and summary experience articles.

In addition, the Company assembled a team of 15 distinguished middle and senior management personnel to serve as internal trainers to nurture and empower grassroots talents, thereby laying a robust foundation for the construction of its management talent echelons. Meanwhile, the Company also selected key management personnel to participate in advanced enterprise management courses and leadership development programs specifically designed to refine the competencies of the senior and middle management cadres, enhancing their overall management proficiency.



New Middle-Level Management Training Program (MTP) Venues of Xiamen Xiangyu

Intensifying Focus on Key Talents and Strengthening Management Trainees' Comprehensive Capabilities

In 2023, the Company orchestrated 9 monthly empowerment sessions for 2022 management trainees and inaugurated a 14-day "Xiangxinli" empowerment training camp for the 2023 cohort. Through a diverse curriculum comprising 21 courses and 10 thematic activities, the "New Xiangxinli" training camp employed a variety of training methods, including team development exercises, structured practical training, field visits and studies, film screenings, thematic workshops, competitions, and course lectures, immersing management trainees in Xiamen Xiangyu's culture, deepening their understanding of the supply chain business model and company systems, and continuously elevating their strategic thinking, operational proficiency, and overall professional excellence.



"Xiangxinli" Management Trainee Empowerment Training Camp of Xiamen Xiangyu

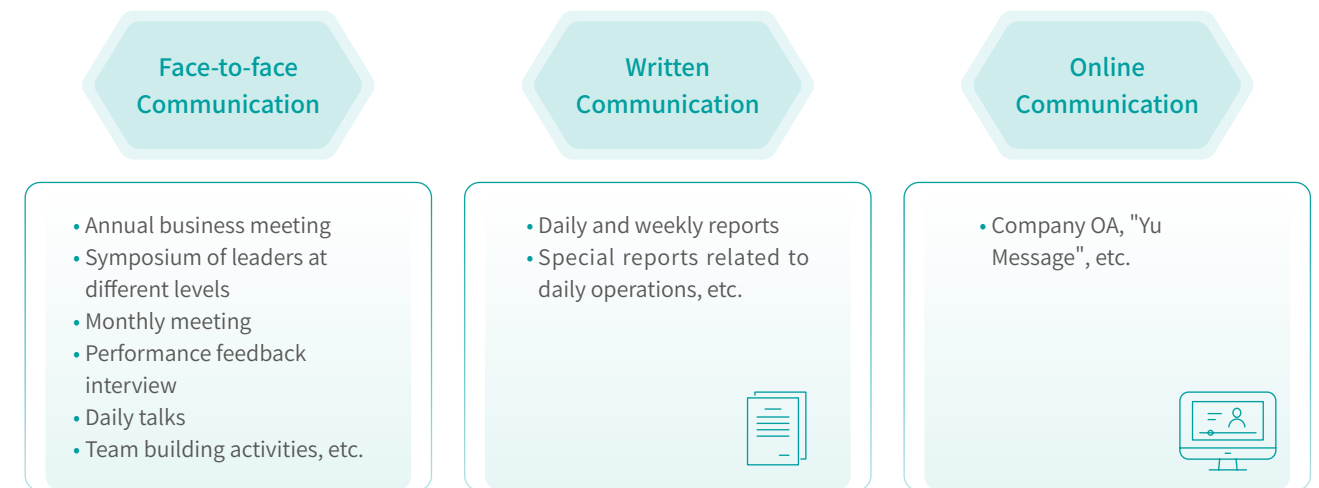
Employee Promotion

Xiamen Xiangyu is dedicated to the continuous enhancement of its talent management system, opening up dual channels for professional and managerial advancement, by clarifying and defining the criteria for talent selection, evaluation, and appointment, to broaden the development path of employees. In 2023, according to the latest *Guidance on the Management of the Organization and Position Rank System*, we further optimized our employees' career trajectories, offering a more expansive platform to showcase their abilities, and thus sustaining the vibrancy and dynamism of our talent pool.

Employee Rights

Xiamen Xiangyu places strong emphasis on the democratic governance of our workforce. Through establishing and refining relevant systems such as the *Employee Congress Rules* and the *Measures for the Implementation of Open Business Affairs*, we keep bolstering our employees' sense of participation and belonging, and fostering an environment of openness and democratic management. Meanwhile, we also ensure that our employees' perspectives are not only heard but also given due consideration through the establishment of various flexible and diverse communication channels for business transparency and feedback. Furthermore, we regularly conduct various employee surveys, actively seeking out their opinions and suggestions, provides personalized career development and growth opportunities, helps employees better achieve personal goals and career aspirations, and enhances employee satisfaction.

Employee Communication Channels of Xiamen Xiangyu

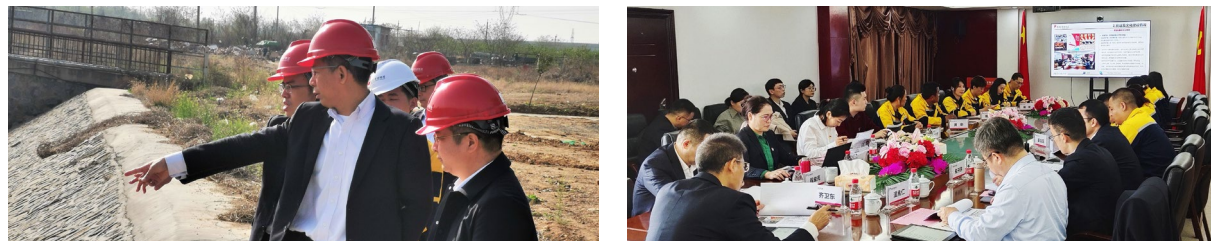


Trade Union Members Congress of Xiamen Xiangyu



"Grassroots Engagement and Feedback Collection" Special Research

From March to June 2023, the Company embarked on an immersive research program, engaging with 29 grassroots party organizations and 42 companies under the theme "Grassroots Engagement and Feedback Collection". After review, a comprehensive collection of 280 insights and recommendations was compiled from these entities. Our dedicated research team meticulously recorded each piece of feedback, assigning respective responsible departments and individuals, making clear the corrective actions, and establishing a timeline for such actions. Timely updates on the implementation of these measures were given to the research unit to ensure follow-up and resolution. Meanwhile, the Company has convened multiple symposiums to attentively gather and consider the opinions and suggestions from employees regarding equity, with an ongoing commitment to refine and expedite the integration of employee feedback and rectification.



"Grassroots Engagement and Feedback Collection" Special Research at Xiamen Xiangyu

Occupational Health and Safety

Focusing on the implementation of a safety management system and the continual enhancement of safety management and security capabilities, Xiamen Xiangyu adheres to a holistic approach encapsulated by the "management, training, equipment, and team" framework, ensuring that work safety responsibilities are effectively discharged at all organizational levels. Guided by the principle of "not falling below the previous year's work safety target indicators, reflecting ongoing improvement", we have set forth the occupational health, safety, and environmental protection goals for 2023, to guarantee the continuous advancement of our safety performance.

Occupational Health, Safety, and Environmental Protection Goals for 2023 of Xiamen Xiangyu

- No fatality accident;
- No fire accident;
- No environmental pollution accident;
- No network security accident;
- No single accident resulted in a direct economic loss exceeding RMB 1 million;
- Ensuring the effective operation of the safety and environmental protection management system;
- 100% pass rate for our special equipment testing;
- 100% completion rate for our treatment of major hidden dangers;
- 100% check-up rate for our employee occupational health.



Xiamen Xiangyu attaches great importance to the well-being of its employees, considering their health and happiness as a vital foundation for corporate growth. In addition to standard healthcare provisions, the Company extends genuine care and affection, offering holistic physical and mental health support, by arranging complimentary annual health screenings, providing comprehensive insurance coverage, and implementing the Employee Assistance Program (EAP), among others. Besides, our commitment to enhancing our facilities is ongoing, driven by a deep understanding of our employees' needs, involving creating well-equipped staff canteens, cozy living quarters, and vibrant activity centers. Additionally, we have upgraded our break room, installed state-of-the-art water filtration systems, introduced a versatile coffee machine, and thoughtfully curated spaces such as a staff library and a mother-and-baby room. These efforts are aimed at refining the office environment, ensuring that every staff member experiences the Company's attentive care, and fostering a symbiotic growth between employees and the enterprise for sustainable development.

Employee Assistance Program (EAP)

Since its inception in 2020, Xiamen Xiangyu's EAP has been staffed by a team of professional psychological counselors, offering a spectrum of psychological support services tailored to various employee needs, which include a round-the-clock helpline, group sessions, individual consultations, and mental health seminars, integrating the dissemination of mental health knowledge with personalized counseling. Our goal is to alleviate stress and provide ongoing attention to the mental well-being of our workforce. Over the relevant reporting period, we have conducted a series of 12 educational seminars and facilitated 6 individual counseling sessions.



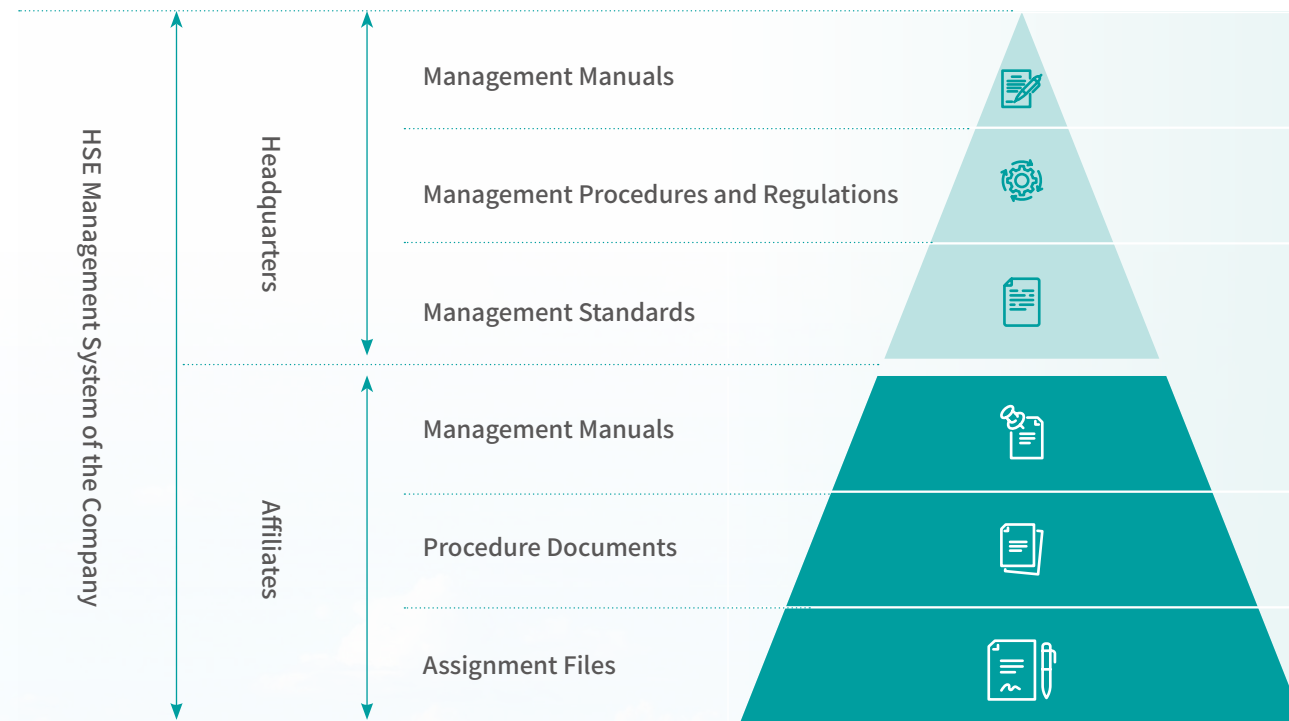
Onsite Mental Health Seminar at Xiamen Xiangyu

Employee Assistance Program of Xiamen Xiangyu

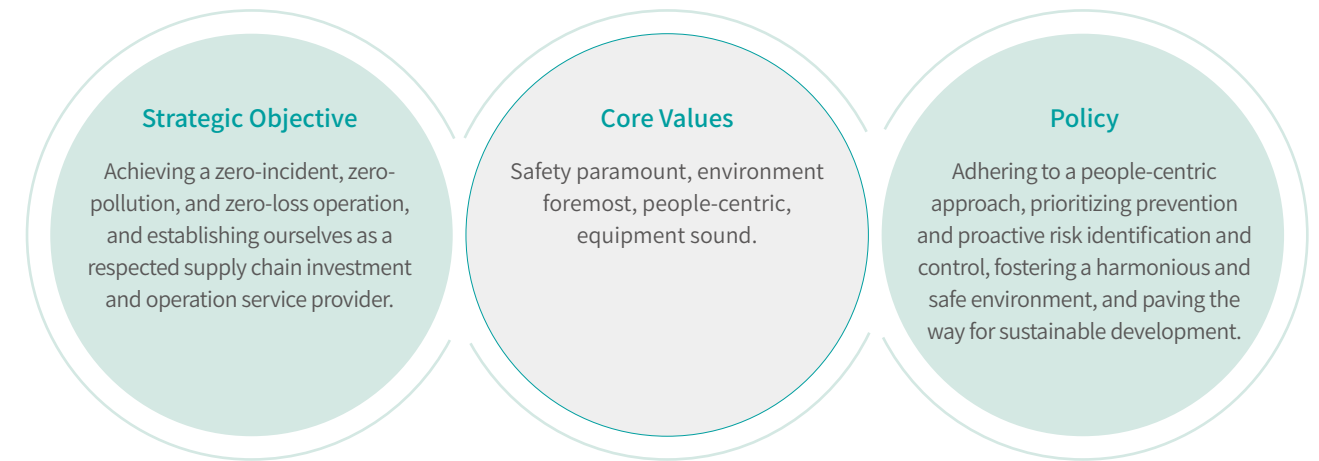
Teacher Allocation	Ways to Consult	Service Assurance
<p>We have introduced authoritative industry consulting agencies to provide expert support in various domains including career development, parent-child relationships, marriage, love, and family affairs;</p> <p>The consultant team is composed of psychology professors from Xiamen University, Jimei University and other universities, chief physicians from top-tier (3A) hospitals and full-time consultants, each with over five years of working experience to ensure the delivery of high-quality consulting services.</p>	<p>We select a panel of offline consultants to provide regular on-site services within our organization;</p> <p>Additionally, we offer online telephone and video consultations to accommodate the needs of remote and international employees.</p>	<p>We prioritize privacy and have equipped a dedicated consulting room for secure and confidential interactions;</p> <p>Furthermore, we have launched an exclusive "Psychological Consultation Reservation Platform" that operates on both PC and E-Link mobile terminals, allowing employees to schedule appointments at their convenience.</p>

In terms of occupational health and safety, Xiamen Xiangyu has set up a "1+3+X" HSE management system framework. A suite of core management documents, including the *HSE Management Manual*, the *HSE Accountability System and Objective Management Procedures*, the *Occupational Health, Safety, and Environmental Protection Education and Training Management Procedures*, the *Emergency Management and Accident Management Procedures*, and the *General Emergency Response Plan* has been developed and a dedicated work safety committee has been established to enhance the integration of the system, reinforce the implementation of responsibilities, and ensure the effective execution of various policies and measures. Through continuous policy updates and organizational consolidation, we will keep an eye on and continue to safeguard the occupational health and safety of our employees.

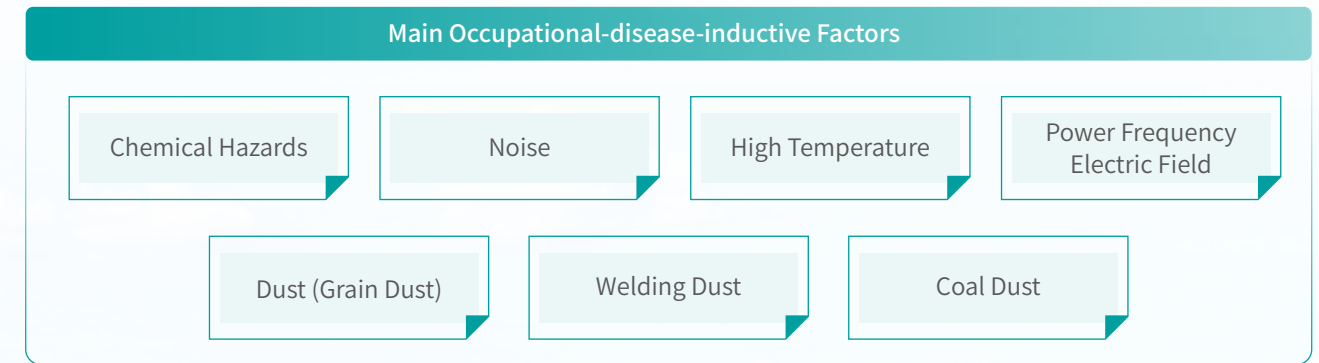
Framework of Occupational Health, Safety and Environment Management System at Xiamen Xiangyu



Policy and Strategic Objective of Occupational Health, Safety and Environment Management at Xiamen Xiangyu



In strict compliance with national laws and regulations concerning the prevention and control of occupational diseases, the Company has established the *Occupational Health Management Rules according to the Law on the Prevention and Control of Occupational Diseases and the Regulations on the Management of Occupational Health in Workplaces*, etc., and have conducted assessments of the primary factors that may lead to occupational disease hazards, to improve the management level of occupational disease prevention and control.



Installing AED First Aid Equipment to Ensure Life Safety of Employees

Xiamen Xiangyu has conducted a thorough analysis and evaluation of the feasibility and necessity of installing AED on its office premises. Based on this, an implementation plan for the AED rescue initiative was established (incorporating the placement of equipment and the deployment of personnel), followed by investment in the "Life-Saving" AED first aid equipment service, achieving comprehensive coverage of AED devices throughout the Xiamen Xiangyu Group building. Additionally, ten certified AHA first aid professionals have been engaged to ensure the life safety of all employees.



"Life-Saving" AED First Aid Equipment at Xiamen Xiangyu

Key Performance



The Company allocated a total of RMB **4.89 million** in work safety, of which **RMB 380,000** was made for employee occupational health and safety showing an upward trend year-on-year; **460** employees participated in occupational disease physical examination, with a **100%** coverage rate for positions at risk of occupational diseases; The Company carried out **132** safety emergency training sessions across its invested enterprises, and **89** safety emergency drills, with a total of **3,130** participants.

Xiamen Xiangyu places great emphasis on cultivating a safety culture and the nurturing of "soft power" essential for the enterprise's safety development. The Company regularly organizes offline training for its safety management team and conducts safety preparedness lectures to continuously enhance staff safety expertise. Currently, the Company boasts a certification rate of 25.6% for registered safety engineers and 5.8% for first-level registered fire engineers. Meanwhile, in line with the *Special Work Safety Inspection and Safety Management Standardization Team Construction Supervision Plan of Xiamen Xiangyu Group*, the Company continues to advance the supervision over the safety management standardization teams. These teams are guided to compile data results focusing on improving quality, efficiency, customer service, operational assurance, and other areas, presenting findings through visual graphics and videos. With these efforts, the Company has successfully established 4 exemplary teams, including the Rizhao Xiangming Oils Refining Team and the Suihua Xiangyu Jinggu Agricultural Machinery Repair Team. Furthermore, we have vigorously implemented best operational and management practices, with a total of 180 applications for award and an excellent award rate of 27.8% over three years. Besides, the Company also strengthens scientific and technological innovation, actively introducing and promoting new safety technologies, which reduce costs, increase efficiency and ensure safety. These initiatives provide robust support for constructing a superior occupational safety and health environment management system.

Safety Culture Building

Team Safety Standardization Initiative

- Formulating implementation plans for team safety standardization construction
- Selecting pilot programs for team safety standardization construction
- Nominating benchmarks for team safety standardization construction



Good Operation and Accident Warning

- Promotion of excellent work practices
- Implementing accident warning education
- Applying positive incentives and negative criticism notifications



Planning for Building a Safety Culture

- Developing a safety culture blueprint based on Xiamen Xiangyu culture
- Instilling the philosophy of a distinctive safety culture
- Promoting visual safety management



The Second "Safety Army" Management Core Personnel Training Class of Xiamen Xiangyu



Refining Team of Xiangming Oils



Examples of Safety Culture Walls of Grassroots Business Units of Xiamen Xiangyu

Key Performance



During the reporting period, The Company organized **14** safety meetings, with over **340** participants; hosted **7** seminars on occupational safety, with **324** participants; and compiled and selected **18** exemplary practice outcomes; The Company conducted a total of **18** safety assessment and service guidance activities, addressing **18** complex issues including those on the high slope risk management and the evaluation and enhancement of fire protection facilities; organized **14** daily safety inspections, **11** special inspections, and **4** quarterly supervisory checks, covering over **52** job sites, issuing **20** on-site safety inspection records.

Emergency Linkage Comprehensive Drill

From May to June 2023, in order to further amplify the outreach and education surrounding disaster prevention and reduction, we spearheaded a comprehensive drill involving over 1,100 participants from our affiliated investment enterprises at our headquarters for fire emergency evacuation exercises and practical firefighting operation training. The successful holding of this activity not only bolstered the safety consciousness among our staff but also tested the viability of our emergency plans and the proficiency of our employees in practical operations, laying a solid foundation for building a safer working environment.



Emergency Drill of Xiamen Xiangyu

Public Welfare Activities

Xiamen Xiangyu always bears in mind its social responsibility and is committed to giving back to society. We actively engaged in a series of activities, including enthusiastic social charities, environmental conservation efforts, and legal promotion campaigns, to demonstrate our corporate compassion. In addition, we are at the forefront of rural revitalization initiatives, earnestly fulfilling our political and social responsibilities in targeted assistance programs, thereby contributing to the construction of a better society.

Rural Revitalization

In 2023, Xiamen Xiangyu, guided by the Thought of Xi Jinping on Socialism with Chinese Characteristics for a New Era, diligently embraced and implemented the spirit of the 20th National Congress of the CPC. We fully executed the strategic plan of the Central Government to consolidate and expand the achievements of poverty alleviation and to comprehensively promote rural revitalization, facilitating the growth of village collectives with relatively weaker economic strength, and ensuring they share the fruits of economic prosperity. Through proactive engagement in rural revitalization projects, which is a testament to our commitment to social responsibilities and our dedication to the undertaking of state-owned enterprises, we have made due contributions to fostering social equity, harmony, and sustainable development.

Key Performance



In 2023, the Company participated in a total of **4** rural revitalization projects.

Industrial Assistance Project in Guoxi Village, Xiamen, Fujian Province

In 2023, the Company took a proactive stance in assisting Guoxi Village in Xiamen, Fujian Province with its industrial growth. We revitalized dormant land resources and brought to life the village's inherent cultural heritage. By advertising space construction, we created outdoor publicity platforms. We enhanced consumer support initiatives and expanded avenues for income generation. Additionally, through measures such as improving road governance and cultivating a good civilized environment, we helped the village to meet its collective economic income target of RMB 500,000 ahead of schedule by the end of 2023.



"Xiamen Xiangyu - Guoxi Village" Assistance Project

Social Welfare

Xiamen Xiangyu values fostering a sense of social responsibility among its employees, encouraging them to actively engage with social issues in their daily lives. A variety of public welfare training sessions and events were organized regularly for employees to inspire their enthusiasm for philanthropy and to channel positive energy into society through tangible actions. In 2023, we conducted a total of 43 employee volunteer activities, reflecting our ongoing concern and positive contributions to the realm of social welfare.



Xiamen Xiangyu Management Engaging in Joint Construction Support Activity



Xiamen Xiangyu Employee Volunteer Activity

Xiangyu SOE Carrying Out "Warmth on Double Nine Festival" Condolence Activity

In October 2023, Xiangyu SOE initiated visitations during the Double Ninth Festival to honor the Company's retired staff and impoverished elderly in Tianhougong Village, Nantong City, Jiangsu Province. These visits were to convey condolences and festive greetings, embodying the Company's warmth and care. The Company will continue to uphold this tradition, diligently performing its duty to comfort retired employees and striving to give back to society.



Xiangyu SOE Visiting the Centenarian in Tianhougong Village



Xiangyu SOE Visiting Retirees

Xiangyu SOE's Pre-Spring Festival Visits to Employees in Hardship

In January 2023, the trade union of Xiangyu SOE reached out to eight employees facing difficulties. During these visits, the trade union representatives engaged in warm conversations with the affected employees, gaining an in-depth understanding of their family and health conditions, and provided them with financial assistance on behalf of the Company and the trade union.



Xiamen Xiangyu Trade Union Representatives Visiting Employees in Hardship



Xiangming Oils' Initiative in Laws Education Volunteer Service

In December 2023, Xiangming Oils took a proactive step in fulfilling its social responsibilities by organizing a volunteer service aimed at law education and publicity for frontline staff, including truck drivers, security guards, and canteen workers. During the activity, volunteers employed real-life scenarios to elucidate legal provisions, using "case interpretation" to effectively foster legal consciousness among participants, encouraging them to respect, learn, comply with, and use the law.



Volunteers of Xiamen Xiangyu in Action



"One-Day No-Driving" Environmental Awareness Campaign

In February 2023, Xiamen Xiangyu Group responded to the call for green travel by regularly conducting the "One-Day No-Driving" campaign, taking tangible actions to jointly build a more eco-friendly Egret Island and Xiamen. On the designated day, employees typically accustomed to driving opted for public transportation, shared bicycles, or walking and other more environmentally friendly modes as their means of commuting, showcasing the Company's active advocacy of a low-carbon lifestyle.

06

Cultivating Partnerships for Joint Achievement



Xiamen Xiangyu consistently views openness and collaboration as essential to innovation and shared progress, continuously expanding its international perspective and incorporating wisdom and experience from across the industry and beyond. Guided by this philosophy, the Company actively participates in industry-academia-research partnerships, establishing close ties with educational institutions and industrial associations to share knowledge, discuss technological advancements, and jointly explore new opportunities in the supply chain sector. These extensive partnerships and exchanges have pooled the expertise of professionals across various fields, fostering innovation and advancement in supply chain management, driving to create a symbiotic ecosystem that promotes mutual benefits and leads the industry towards sustainable growth.

Industry-Academia-Research Collaboration

In 2023, Xiamen Xiangyu has furthered its engagement with higher education institutions to nurture industry-academia-research collaboration, creating a positive brand image among outstanding students. In the future, we will continue to invest in the career trajectories of students, offering competency training and career guidance to support their professional development, while refining the talent cultivation and development mechanisms within school-enterprise partnerships to establish exemplary models of collaboration, and enhance our employer brand presence and market recognition on campuses.

"Xiangxinli Cup" Industry Research Competition

In July 2023, Xiamen Xiangyu spearheaded the Third "Xiangxinli Cup" Industry Research Competition, drawing participation from 89 teams across 60 universities, including the Renmin University of China, Central University of Finance and Economics, and Xiamen University, with a total of 239 participants. The competition focused on three key topics within the national consumer goods sector: "refined oil", "live pig", and "lithium carbonate". Participants delved into research and analysis around these topics, forecasting the future of relevant industries and presenting their findings. Through the Competition, Xiamen Xiangyu not only honed the practical skills and professional caliber of the students, but also strengthened the Company's ties with the academic community, providing invaluable resources and opportunities for talent scouting and development.



The Scene of the Third "Xiangxinli Cup" Competition at Xiamen Xiangyu

School-Enterprise Activities with Singapore's Premier Universities

In October 2023, Xiamen Xiangyu was invited to partake in the career fair and school-enterprise symposium at the National University of Singapore and Nanyang Technological University. During the activities, the Company engaged in profound discussions with university faculties regarding collaborative initiatives, internships, and employment training for students, and actively provided career planning guidance and development support for the students. Through interactive Q&A sessions, the Company gained a deeper understanding of students' career confusions and aspirations, promoting the career advancement of overseas students, while fostering closer school-enterprise relationships, realizing the complementary strengths of both educational institutions and the corporate sector, and broadening the overseas reach of Xiamen Xiangyu's employer brand.



Xiamen Xiangyu Participating in the Offline Career Fair of National University of Singapore



Xiamen Xiangyu International HRBP Invited to Participate in the NTU Career Symposium as an Alumnus

Hong Kong Universities' Employment Exchange Events

In November 2023, we were honored to be invited to the Innovation Hong Kong-Global Talent Carnival and the Chinese University of Hong Kong's Career Fair, enabling the enhancement of our partnership with educational institutions within the Guangdong-Hong Kong-Macao Greater Bay Area. During the events, we engaged proactively with top-tier university students, showcasing our career advancement opportunities and corporate ethos, and addressing students' inquiries regarding career planning and development. Concurrently, we held in-depth discussions with leading universities on talent cultivation and recruitment strategies, exploring new models of collaboration between academia and industry. These efforts have infused new energy into the educational and industrial landscape of the Greater Bay Area, while solidifying a robust foundation for our talent pool and future development.



The Scene of Hong Kong Universities' Employment Exchange Events Involved by Xiamen Xiangyu

Renowned Enterprise Studio of Southwestern University of Finance and Economics

In December 2023, our leaders were invited to participate in the career cafe event of Southwestern University of Finance and Economics, where we witnessed the launch of the Renowned Enterprise Studio. During the event, our leaders presented the evolution, business paradigms, and global outreach strategies of Xiamen Xiangyu to the attendees, and shared classic cases of the Company in actual operation. Furthermore, they provided profound insights on unleashing individual potential and bolstering job-hunting competitiveness.



The Scene of School-Enterprise Synergy at the Renowned Enterprise Studio of Southwestern University of Finance and Economics Involved by Xiamen Xiangyu

Industry Cooperation

In 2023, Xiamen Xiangyu continued its efforts to propel breakthroughs in standardization and industry dialogue. We actively contribute to the establishment of industry and group standards, fostering a collaborative environment for knowledge and outcome sharing. Besides, we attach great importance to extensive interactions and alliances with industry peers, collectively envisioning and charting the industry's future. This reflects our dedication to the industry's sustainable growth and our role in supporting the high-caliber development of the entire industry.

Standard Preparation

Leveraging our industry leadership, we spearhead the creation of industry benchmarks, driving technological evolution and sectoral enhancement through involvement in the development of industry and group standards. We have participated in the formulation of the *Basic Requirements for Digital Warehouses* and the *Evaluation Standards for Digital Warehouses* issued by the National Development and Reform Commission, which provide vital guidance and reference value for industry progression, amplifying our industry influence and catalyzing the industry's digital and intelligent transformation.

Key Performance:



By the end of 2023, **4** industry standards and **3** group standards, with our participation, have been released and implemented.

Preparation of Industry Standards Participated by Xiamen Xiangyu

Participation Time	Release Time	Standard Name	Standard No.	Standard Classification
Mar. 2021	Jul. 2022	<i>Basic Requirements for Digital Warehouses</i>	WB/T 1118-2022	Industry Standard
Mar. 2021	Jul. 2022	<i>Evaluation Standards for Digital Warehouses</i>	WB/T 1119-2022	Industry Standard
Jun. 2022	Jan. 2023	<i>Classification and Evaluation Index for Supply Chain Finance Service Providers</i>	T/CFLP0051-2022	Group Standard
Jun. 2021	Aug. 2023	<i>Evaluation Index for Green Logistics of Logistics Service Providers</i>	WB/T 1134-2023	Industry Standard
Jun. 2021	Aug. 2023	<i>Requirements of the Greenhouse Gas Emission Accounting and Reporting for Logistics Service Providers</i>	WB/T 1135-2023	Industry Standard
Dec. 2021	Dec. 2023	<i>Basic Requirements for Digital Steel Warehouses</i>	T/CFLP 0060-2023	Group Standard
Dec. 2021	Dec. 2023	<i>Basic Requirements for Digital Coal Warehouses</i>	T/CFLP 0061-2023	Group Standard

Industry Exchange

Adhering to the strategic thinking of "basing on supply chains, serving industry chains, and creating value chains", Xiamen Xiangyu fosters deeper partnerships with various industry associations and engages proactively in various industry exchange events. Alongside industry pioneers, we are exploring cutting-edge supply chain management methodologies and paradigms, to propel the evolution of industry benchmarks. We keep absorbing fresh perspectives and insights, enriching our repository of industry knowledge and expertise. Meanwhile, we take pride in sharing Xiamen Xiangyu's specialized acumen and hands-on experience in supply chain management, offering a wellspring of reference for the industry's advancement, in pursuit of a stable global industry and supply chain operation.

Key Performance:



In 2023, the Company participated in **35** industry forums and technical exchanges, including the National Enterprise Management Innovation Conference, Wuhan Financial Expo, China International Supply Chain Expo, and "The Belt and Road" Modern Agriculture and Food Security Development Cooperation Summit Forum.

Advanced Unit of Building China's Digital Warehousing Standard System 2023

In 2023, we participated in the preparation of group standards such as the *Basic Requirements for Digital Steel Warehouses* and the *Basic Requirements for Digital Coal Warehouses*, offering digital warehouse application scenarios and a technical reference basis for supply chain enterprises. These efforts earned us the esteemed "Advanced Unit of Building China's Digital Warehousing Standard System 2023" accolade. The honor is a testament to our expertise in digital warehousing and an acknowledgment of our contributions to supply chain innovation and standard setting.



Xiamen Xiangyu Honored as a "Advanced Unit of Building China's Digital Warehousing Standard System 2023"

Role of Xiamen Xiangyu and Its Senior Executives in Certain Industry Associations

Name of Association	Join Time	Position
Digital Warehousing Branch, China Federation of Logistics & Purchasing	2023	Vice-chairman
China Society of Grain Economics	2023	Council Member
Xiamen Logistics Standardization Technical Committee	2023	Chairman
Xiamen Modern Supply Chain Federation	2022	Vice-chairman
China Iron and Steel Association	2021	Member
China Grain Industry Association	2020	Vice-chairman
China Coal Transportation and Distribution Association	2020	Member
Xiamen Association of Grain Sector	2019	Chairman
Xiamen Free Trade Zone Chamber of Commerce	2018	Vice-chairman
Fujian Food Industry Association	2016	Member
Xiamen Association of Listed Companies	2011	Vice-chairman

Hubei Chuxiang Delivering Keynote Speech at the Economic and Trade Negotiation Event

In March 2023, Hubei Chuxiang, a subsidiary of Xiamen Xiangyu, was honored as a special guest at the "Meeting Spring Cherry Blossom" Economic and Trade Negotiation and the World Top 500 Dialogue Event in Hubei. During the event, Hubei Chuxiang presented on the topic of "Supply Chain Service Models in the New Development Pattern". As a pivotal supply chain platform in Hubei Province, Hubei Chuxiang will continue to enhance collaboration with local businesses, explore innovative supply chain service models, and establish a comprehensive supply chain service system integrating procurement and distribution, full-process logistics, inventory management, supply chain finance, digital services, and other functions, at the aim of propelling regional economic growth and actively contributing to the high-quality development of the local economy.



Presentation by Wang Bin, the General Manager of Hubei Chuxiang

Green Chain Movement for a Promising New Future

In April 2023, the Company participated as a strategic partner in the Yulin International Coal and High-end Energy and Chemical Industry Expo, having profound exchanges and interactions with peers in the energy and chemical industry, to co-explore new pathways for the industry's transformation and upgrade. Looking ahead, we will leverage Yulin Xiangdao Logistics Co., Ltd.'s international logistics park as a central hub, actively involving in and supporting the local economic development strategy of the Yulin Municipal Committee and Government.



Industry Exchange and Interaction Involved by Xiamen Xiangyu

Empowering Driven by Innovation and Digital Intelligence

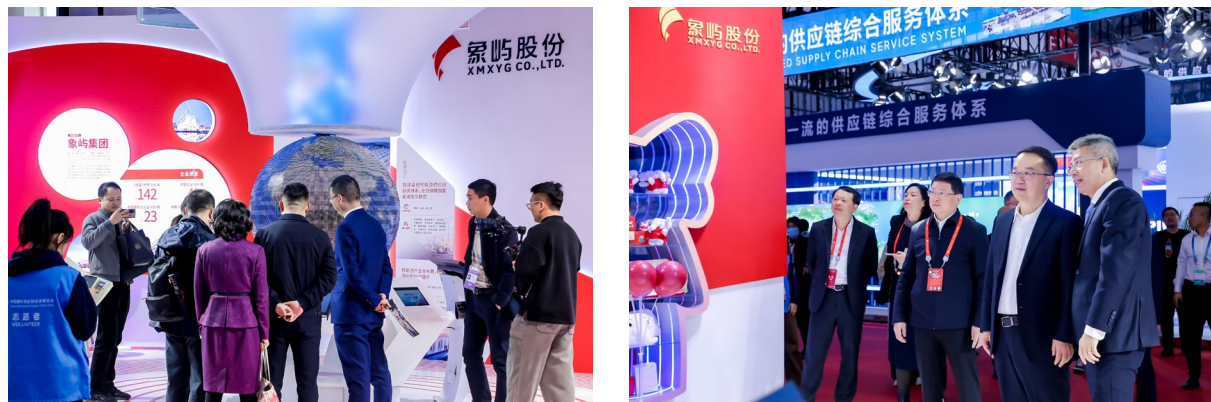
In April 2023, the Company was invited to deliver a keynote speech at the National Enterprise Management Innovation Conference. The presentation was made around "Digital Intelligence-Driven Multimodal Transport Systems and Supply Chain Services", showcasing the Company's achievements and insights on enhancing technological applications and improving service efficiency.



Sun Gang, Assistant General Manager of Xiamen Xiangyu, Delivering a Keynote Speech

Unveiling "Xiangyu Red" at the First China International Supply Chain Expo

In November 2023, Xiamen Xiangyu, a leading domestic commodity supply chain service enterprise in China, participated in the First China International Supply Chain Expo. At this key Expo, the Company comprehensively displayed its business approach of basing on supply chains, serving industry chains, and creating value chains.



The Booth of Xiamen Xiangyu at the Expo

Global Food Security - A Shared Journey

In December 2023, Chen Daizhen, Chairman of Xiangyu Agricultural Products, delivered a keynote speech at "The Belt and Road" Modern Agriculture and Food Security Development Cooperation Summit Forum, sharing the Company's practical experiences in promoting cooperation in food and agriculture under the Belt and Road Initiative, and engaged in discussions with industry experts, government leaders, business representatives, and scholars on new methods and models to enhance the resilience of the food industry chain and supply chain, thereby improving global food security levels.



Chen Daizhen, Deputy General Manager of Xiamen Xiangyu, Giving a Keynote Speech

ESG Performance

Indicators	2023 Data	Unit
Corporate Governance Indicators		
Number of Meetings of the Board of Directors Held	15	Time
Number of Meetings of the Board of Supervisors Held	8	Time
Number of General Meetings of Shareholders Held	6	Time
Number of Meetings of the Audit Committee Held	10	Time
Number of Meetings of the Remuneration and Appraisal Committee	4	Time
Number of Meetings of the Investment and Development (Strategy) Committee Held	1	Time
Number of Members of the Board of Directors	9	Person
Number of Independent Directors	3	Person
Number of Female Directors	1	Person
Average Length of Tenure of Directors	3.56	Year
Average Age of Directors	56.33	Age
Number of Members of the Board of Supervisors	3	Person
Number of Employee Supervisors	1	Person
Number of Copies of Periodic Announcements Issued	4	Copy
Number of Copies of Interim Announcements Issued	80	Copy
Number of Investor Questions Answered on the SSE E-interactive	50	Piece
Number of Investor Calls Taken	300	Time
Number of Investor Relations Emails Handled	100	Piece
Number of Investor Exchange Events	8	Session

Indicators	2023 Data	Unit
Number of Anti-corruption Training	15	Session
Number of Major Cybersecurity Incidents	0	EA
Number of Confirmed Cybersecurity Incidents	0	EA
Number of Cybersecurity Training	4	Time
Number of Cybersecurity Emergency Drills	1	Time
Number of Confirmed Data Breaches	0	EA
Economic and Service Indicators		
Operating Incomes	4,590.35	RMB 100 million
Net Profits Attributable to Shareholders of the Listed Company	15.74	RMB 100 million
Investments in Digital Construction	23,083	RMB10,000
Number of Digital Construction Empowerment Training	40	Session
Number of Employees Participating in Training Related to Digital Construction	825	Person-Time
Number of Management Personnel Participating in Training Related to Digital Construction	240	Person-Time
Number of Full-Time Employees at The Headquarters Responsible for the Company's Information Construction	18	Person
Number of Talents Transferred to Departments (Itbp)	110	Person
Number of New Patents and Intellectual Property Rights	4	Piece
Employee and Social Indicators		
Total Number of Employees	8,565	Person
Number of Employees with Disabilities	7	Person
Number of Professional Military Employees	74	Person
By Gender		
Number of Male Employees	5,502	Person

Indicators	2023 Data	Unit
Number of Female Employees	3,063	Person
By Age		
Number of Employees Aged 30 and Below	3,007	Person
Number of Employees Aged 31 to 40	3,384	Person
Number of Employees Aged 40 to 50	1,500	Person
Number of Employees Aged 51 and Above	674	Person
By Geographic Distribution		
Number of Employees Working in Chinese Mainland	8,462	Person
Number of Employees Working in Hong Kong, Macao and Taiwan	10	Person
Number of Employees Working in Other Countries and Regions	93	Person
By Education Degree		
Number of Employees with Doctoral Degree	4	Person
Number of Employees with master's degree	796	Person
Number of Employees with bachelor's degree	3,941	Person
Number of Employees with associate degree	3,824	Person
By Major		
Percentage of Production Personnel	27	%
Percentage of Salespeople	18	%
Percentage of Technicians	3	%
Percentage of Financial Personnel	9	%
Percentage of Administrative Staff	16	%
Percentage of Service Personnel	24	%
Number of Other Personnel	2	%

Indicators	2023 Data	Unit
Number of Employees Receiving Training	4,385	Person-Time
Length of Training Received by Employees	94,398	Hours
Length of Training per Employee	22	Hours
Investments in Work Safety	489	RMB10,000
Number of Employees Participating in Occupational Disease Physical Examinations	460	Person
Physical Examination Coverage Rate of Positions at Risk of Occupational Diseases	100	%
Number of Safety Emergency Training	132	Session
Number of Safety Emergency Drills	89	Time
Number of Employee Volunteering Activities	43	Time
Number of Rural Revitalization Projects Involved	4	EA
Number of Industry Forums and Technical Exchange Meetings Involved	35	Time
Total tax paid	322,861.40	RMB 10,000
Environmental Indicators		
Investments in Energy Conservation and Emission Reduction	675	RMB 10,000
Raw Coal Consumption	23,768.91	Ton
Fuel Oil Consumption	190.29	Ton
Diesel Consumption	12,110,990.80	L
Gasoline Consumption	360,421.01	L
Natural Gas Consumption	431,369	m ³
Steam Consumption	173,202.45	m ³
Purchased Electricity Consumption	36,232,975.20	kWh
Total Water Use	170,860	m ³

Indicators	2023 Data	Unit
Water Conservation (Recycle/Reuse Water)	16,406	m ³
Total Exhaust Emissions	156,734,937	m ³
Particulate Matter Content of Exhaust	90.789	mg/m ³
Nitrogen Oxide Content of Exhaust	443.735	mg/m ³
Sulfur Oxide Content of Exhaust	367	mg/m ³
Vocs Emissions of Exhaust	20.1	mg/m ³
Total Wastewater Discharge	55,063	m ³
Chemical Oxygen Demand (Cod) of Wastewater	8.749	mg/L
Five-Day Bod (Bod5) of Wastewater	2.039	mg/L
Suspended Solids Content of Wastewater	1.66	mg/L
Ammonia Nitrogen Content of Wastewater	0.484	mg/L
Total Phosphorus of Wastewater	0.8782	mg/L
Total General Solid Waste	2,086.7	Ton
Total Hazardous Waste	4.47354	Ton

Index

Instructions	In the preparation of the 2023 Environmental, Social and Governance (ESG) Report of Xiamen Xiangyu Co., Ltd. (Reporting Period: January 1 to December 31, 2023), we referred to GRI Standards for reporting the information cited in this GRI Index.
GRI 1 Used	GRI 1: Foundation 2021

Contents	GRI Standards
About This Report	G2-1 Organizational details G2-2 Entities included in the organization's sustainability reporting G2-3 Reporting period, frequency and contact point G2-4 Restatements of information
Message from the Chairman	G2-11 Chair of the highest governance body G2-17 Collective knowledge of the highest governance body G2-22 Statement on sustainable development strategy
About Xiamen Xiangyu	G2-6 Activities, value chain and other business relationships G201-1 Direct economic value generated and distributed
Sustainable Development Management	G2-13 Delegation of responsibility for managing impacts G2-14 Role of the highest governance body in sustainability reporting G2-16 Communication of critical concerns G2-22 Statement on sustainable development strategy G2-29 Approach to stakeholder engagement G3-1 Process to determine material topics G3-2 List of material topics
Benefiting All With Robust Governance	
Party Building	G2-12 Role of the highest governance body in overseeing the management of impacts
Corporate Governance	G2-9 Governance structure and composition G2-11 Chair of the highest governance body G2-12 Role of the highest governance body in overseeing the management of impacts G2-15 Conflicts of interest G2-19 Remuneration policies G2-20 Process to determine remuneration G2-27 Compliance with laws and regulations G405-1 Diversity of governance bodies and employees
Information Disclosure and Investor Relations Management	G2-16 Communication of critical concerns

Contents	GRI Standards
Risk Management	G2-23 Policy commitments G2-24 Embedding policy commitments
Business Ethics	G2-25 Processes to remediate negative impacts G2-26 Mechanisms for seeking advice and raising concerns G205-2 Communication and training about anti-corruption policies and procedures
Embracing Low-Carbon Style for a Green Xiangyu	
Environmental Management	G2-23 Policy commitments G2-24 Embedding policy commitments G403-5 Worker training on occupational health and safety
Energy Saving and Emission Reduction	G302-1 Energy consumption within the organization G302-5 Reductions in energy requirements of products and services G303-5 Water consumption G305-5 Reduction of GHG emissions
Three Wastes Treatment	G303-2 Management of water discharge-related impacts G306-2 Management of significant waste-related impacts G306-3 Waste generated
Empowering Smart Xiangyu Through Digitalization	
Digital Framework	/
Digital System	/
Information Security	/
Improving Quality Through Steady and Innovative Development	
Quality Management	G2-25 Processes to remediate negative impacts G416-1 Assessment of the health and safety impacts of product and service categories
Logistics Capability	/
Supplier Management	G308-1 New suppliers that were screened using environmental criteria G414-1 New suppliers that were screened using social criteria
Fostering Talent for Harmony	
Equal Employment	G2-7 Employees G2-23 Policy commitments G2-24 Embedding policy commitments G405-1 Diversity of governance bodies and employees G413-1 Operations with local community engagement, impact assessments, and development programs

Contents	GRI Standards
Remuneration and Benefits	G2-19 Remuneration policies G2-20 Process to determine remuneration G201-3 Defined benefit plan obligations and other retirement plans G401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
Training Enhancement	G404-1 Average hours of training per year per employee G404-2 Programs for upgrading employee skills and transition assistance
Employee Rights	G403-4 Worker participation, consultation, and communication on occupational health and safety
Occupational Health and Safety	G403-1 Occupational health and safety management system G403-2 Hazard identification, risk assessment, and incident investigation G403-3 Occupational health services G403-5 Worker training on occupational health and safety G403-6 Promotion of worker health G403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships G403-8 Workers covered by an occupational health and safety management system G403-10 Work-related ill health
Public Welfare Activities	G203-1 Infrastructure investments and services supported G203-2 Significant indirect economic impacts
Cultivating Partnerships for Joint Achievement	
Industry-Academia-Research Collaboration	/
Industry Cooperation	G2-28 Membership associations

Reader Feedback

Dear Readers,

Thank you for reading the 2023 Environmental, Social and Governance (ESG) Report of Xiamen Xiangyu Co., Ltd.. In order to provide you and other stakeholders with more professional and valuable ESG information of us, please assist us in completing the feedback form, so as to help us further improve our ESG work in the future.

Multiple Choice Questions (Please click ✓ as appropriate)

1. For Xiamen Xiangyu, you are a/an

Employee Customer Consumer Supplier Regulator Media Others (please specify)

2. What is your overall assessment of this report?

Very good Good Medium Poor Very poor

3. What do you think of the quality of the content of this report?

Very good Good Medium Poor Very poor

4. What do you think of the structure of this report?

Very reasonable Reasonable Medium Poor Very poor

5. What do you think of the layout design and the presentation of this report?

Very good Good Medium Poor Very poor

6. What do you think of Xiamen Xiangyu's overall performance on environmental issues?

Very good Good Medium Poor Very poor

7. What do you think of Xiamen Xiangyu's overall performance on social issues?

Very good Good Medium Poor Very poor

8. What do you think of Xiamen Xiangyu's overall performance on governance issues?

Very good Good Medium Poor Very poor

Open Questions:

1. What information of your interest do you think needs to be further disclosed in this report?

2. What are your comments and suggestions on the ESG work of Xiamen Xiangyu?

Please let us know your contact information in case of convenience:

Name:

Tel:

Our Email Address: stock@xiangyu.cn