

# 2025 Sustainability Report

Together Go Beyond



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Together Go Beyond



# About This Report

This is the 2025 Sustainability Report ("this report") released by Xiamen C&D Inc. (referred to as "C&D Inc." or "We"). The purpose of this report is to provide stakeholders with an overview of C&D Inc.'s management efforts in environmental, social, and governance aspects in 2025, as well as the initiatives and achievements towards advancing the United Nations Sustainable Development Goals.

## Reference Guidelines

This report is compiled in accordance with the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial); the Guide No. 4 for Self-Regulatory Supervision on Listed Companies of the SSE - Compilation of Sustainable Development Reports (Revised January 2026) issued by the Shanghai Stock Exchange; the Sustainability Disclosure Standards for Enterprise - General Requirements (Trial) and the Sustainability Disclosure Standards for Enterprises No. 1 - Climate (Trial) jointly formulated by the Ministry of Finance of the People's Republic of China, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the National Financial Regulatory Administration, and the China Securities Regulatory Commission; the Sustainability Accounting Standards Board (SASB) Standards; the Reference Indicator System for ESG Special Reports of Central State-Owned Enterprise-Controlled Listed Companies issued by the Research Center of the State-owned Assets Supervision and Administration Commission of the State Council; as well as the two International Financial Reporting Standards Sustainability Disclosure Standards (IFRS S1 and IFRS S2) issued by the International Sustainability Standards Board (ISSB). Additionally, this report incorporates disclosure requirements aligned with the United Nations Sustainable Development Goals (SDGs).

## Reporting Scope

The reporting period is between January 1, 2025, and December 31, 2025, and some parts of the report may be beyond the aforementioned scope considering the continuity and comparability of disclosures. The economic, environmental, and social data disclosed in this report includes all enterprises within the scope of the consolidated statement of Xiamen C&D Inc.

## External Assurance

RSM China CPA LLP independently guarantees the environmental, social and corporate governance performance key indicators in this report.

## Explanatory Note

Abbreviation	Full Name
C&D Inc. or We	Xiamen C&D Inc.
C&D Group	Xiamen C&D Corp., Ltd., controlling shareholder of C&D Inc.
C&D Real Estate	C&D Real Estate Corp., Ltd., subsidiary of C&D Inc.
Lianfa Group	Lianfa Group Co.,Ltd., subsidiary of C&D Inc.
C&D Logistics	C&D Logistics Group Co., Ltd., wholly-owned subsidiary of C&D Inc.
Steel & Iron Group	One of the seven major specialized groups of C&D Inc., including Xiamen C&D Material Co., Ltd., Xiamen C&D Metals Co.,Ltd., C&D (Shanghai) Co., Ltd., and Cheongfuli (Xiamen) Co.,Ltd., and Xiamen C&D Mineral Resources Co., Ltd.
Paper & Pulp Group	One of the seven major specialized groups of C&D Inc., including Xiamen C&D Paper & Pulp Group Co., Ltd.
Agricultural Products Group	One of the seven major specialized groups of C&D Inc., including Xiamen C&D Commodities Limited., Xiamen C&D LIANGYUAN Agriculture Co., Ltd., and Xiamen C&D JY Supply Chain Co., Ltd.
Universal Pulp and Paper	Universal Pulp and Paper (Shandong) Co., Ltd.,subsidiary of C&D Inc.
C&D Clean Energy	Nanjing C&D Clean Energy Co.,Ltd., wholly-owned subsidiary of C&D Inc.
MACALLINE	Red Star Macalline Group Corporation Ltd. (Stock Code: 601828.SH), subsidiary of C&D Inc.
Zhongli Group	Jiangsu Zhongli Group Co., Ltd. (Stock Code: 002309.SZ), subsidiary of C&D Inc.
C&D Emerging Energy	Xiamen C&D Emerging Energy Co., Ltd., subsidiary of C&D Inc.
C&D Property	C&D Property Management Group Co., Ltd. (stock code: 2156.HK),subsidiary of C&D Real Estate Corporation Limited

## Report Availability and Feedback

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

# Message from the Chairman



At the historical juncture marking the inaugural year of the 15th Five-Year Plan, 2025 is not only a foundational year for China as it embarks on a new journey toward high-quality development, but also a breakthrough year for C&D Inc. to further deepen its sustainable development transformation and accelerate its progress toward becoming a world-class operator. We have always upheld the brand philosophy of "Together Go Beyond", and are committed to deeply integrating the core values of ESG into our dual core businesses of supply chain operation and real estate. We address global changes with professional certainty, and seek answers to sustainable growth amid transformation.

### **Uphold high-standard governance and consolidate the foundation of compliant operation**

With the arrival of the 15th Five-Year Plan period, C&D Inc. regards comprehensive governance as the cornerstone for its global expansion and cross-cycle development. By continuously strengthening a risk management framework that is professional, tiered, and process-driven, we have achieved penetrating oversight from the headquarters' decision-making level to the front line of operations. We firmly believe that only a transparent, fair, and responsible governance system can earn the long-term trust of global shareholders and partners.

### **Leverage digital and green engines to advance decarbonization across the entire value chain**

Leveraging its "LIFT Supply Chain Service" system, we are

accelerating the digital and low-carbon transformation across all sectors on a comprehensive scale: by launching a pulp and paper carbon footprint accounting platform that covers the entire industrial chain, we have filled the industry gap in carbon data traceability and secured a voice in shaping international standards; by deploying distributed photovoltaic systems on a large scale across logistics parks, commercial properties, and manufacturing bases, we are steadily increasing the share of clean energy. In our real estate business, we focus on ultra-low energy consumption building technologies, reshaping the low-carbon living experience through systematic energy-efficient design.

### **Deepen circular economy development and foster new quality productive forces in resource usage**

By establishing integrated recovery and reuse chains for scrap steel, scrap aluminum, waste paper, and waste oil, C&D Inc. is committed to becoming a leader in the green circular economy. Whether through the nationwide deployment of scrap steel processing and distribution bases with an annual capacity of millions of tonnes, or through the large-scale advancement from industrial-grade mixed oils to biodiesel, we leverage our digital and intelligent platform to achieve efficient cross-regional allocation of resources. What we pursue is not merely waste reduction, but the reshaping of industrial value chains, allowing every unit of natural resource to unleash its maximum value within a circular system, thereby supporting the national strategy for circular economic development.

### **Foster the warmth of shared progress and build synergy for inclusive growth.**

Talent has always been the primary driving force behind C&D's sustainable growth. We are committed to fostering an equitable, diverse, and inclusive workplace ecosystem, providing our people across the globe with a broad professional platform through mechanisms such as the "C&D Elite Program" and the "Global Pioneer Camp." We not only create value through our business connections, but also convey warmth through our social contributions—from empowering rural revitalization and protecting the Chinese white dolphin, to safeguarding the rights and interests of migrant workers and promoting the "Net-Zero Living Home" consumption scenario. Through these efforts, C&D Inc. is transforming corporate social responsibility into tangible forces that drive the progress of civilization.

### **Cherish enduring vitality to steer steady and far-reaching progress.**

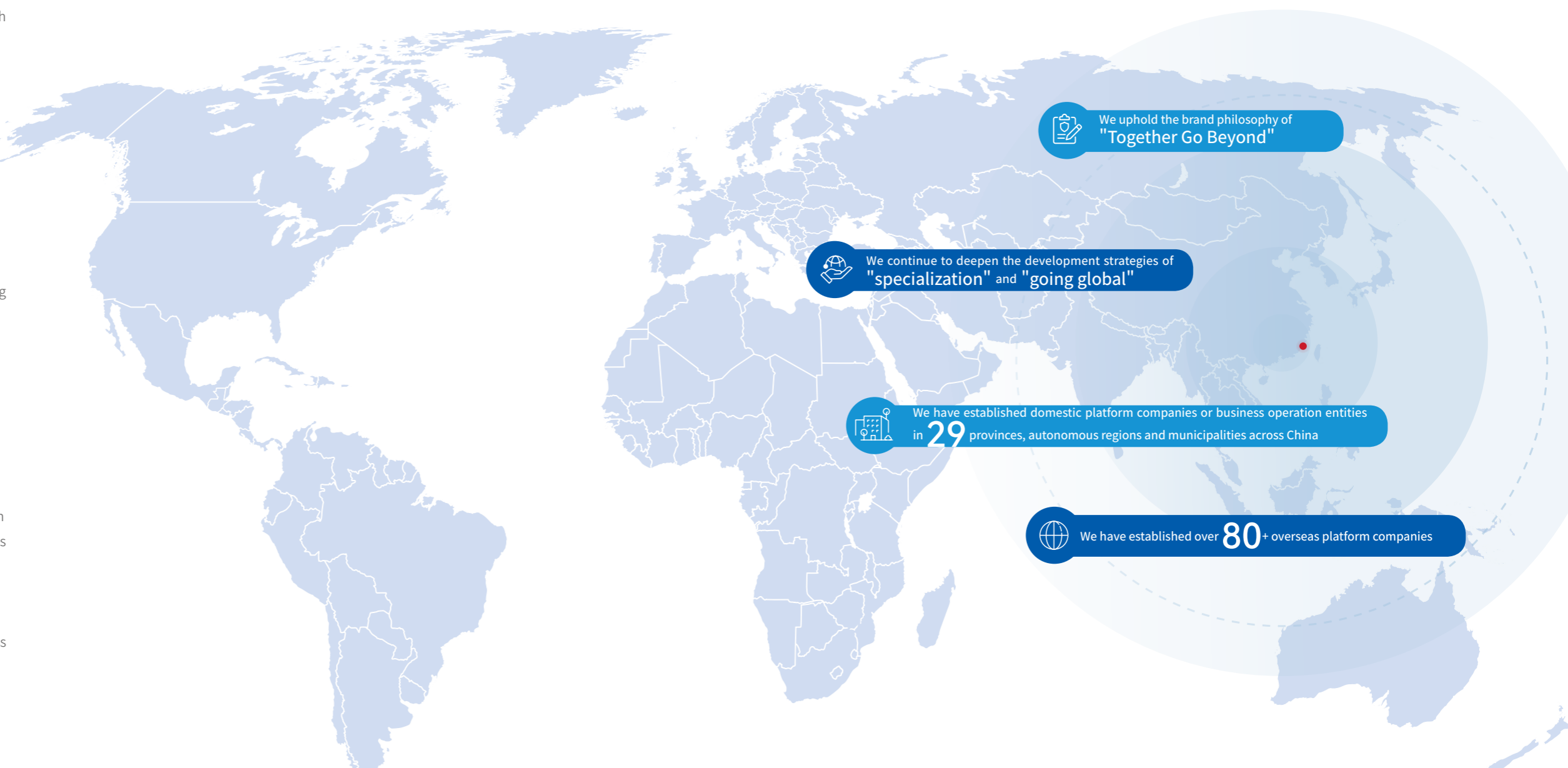
Looking ahead to the new journey of the 15th Five-Year Plan period, C&D Inc. will continue to connect global resources through professional services and empower industrial upgrading with its green foundation. We stand ready to walk side by side with all stakeholders, overcome challenges together, and jointly usher in a new era of high-quality development.

**Chairman of C&D Inc.**  
**Lin Mao**

# About C&D Inc.

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

We actively respond to China's "dual circulation" strategy by deepening our "specialization" and "going global" strategies, expanding both domestic and international markets, and building a global supply chain service system to support the development of an efficient and smooth international circulation system. We are deeply engaged in the unified national market, strengthening our presence in East and South China while expanding into central and western regions. We have established domestic platform companies or business operation entities in 29 provinces, autonomous regions and municipalities across China. Meanwhile, C&D Inc. has established business relationships with 170+ Countries and Regions and over 80+ overseas platform companies. In 2025, the scale of the company's overseas business exceeded 14 Billion USD.



We uphold the brand philosophy of "Together Go Beyond"

We continue to deepen the development strategies of "specialization" and "going global"

We have established domestic platform companies or business operation entities in 29 provinces, autonomous regions and municipalities across China

We have established over 80+ overseas platform companies



Established business relationships with **170+** Countries and Regions



In 2025, the scale of the company's overseas business exceeded **14** Billion USD

# 2025 Sustainable Development Impact



## Economic Impact

**Total Asset**  
**73,312,419**  
Ten-thousand CNY

**Operating revenue**  
**67,127,043**  
Ten-thousand CNY

**Net asset**  
**18,436,728**  
Ten-thousand Ten-thousand CNY

**Operating costs**  
**63,392,212**  
Ten-thousand CNY



## Social Impact

**Total social contributions**  
**3,772,798**  
Ten-thousand CNY

- Including:
- Total tax payment: **1,539,598** Ten-thousand CNY
  - Employee compensation: **999,060** Ten-thousand CNY
  - Dividends paid to shareholders: **368,390** Ten-thousand CNY
  - Interests paid to creditors: **862,298** Ten-thousand CNY
  - Social donations: **3,452** Ten-thousand CNY

**Total work safety input**  
**3,600**  
Ten-thousand CNY

**Number of employees**  
**51,318**  
persons

**Volunteer service hours**  
**14,249**  
hours

**Employee training hours**  
**1,639,237**  
hours



## Environmental Impact

**Total environmental protection input**  
**15,706**  
Ten-thousand CNY

**GHG emission intensity**  
**220**  
tCO<sub>2</sub>e/hundred-million CNY of operating revenue

**Energy intensity**  
**67**  
tce/hundred-million CNY of operating revenue

**Water intensity**  
**879**  
m<sup>3</sup>/hundred-million CNY of operating revenue

# 2025 Honors and Awards

**"2025 Outstanding Sustainable Development Practice Cases of Listed Companies"**  
recognized by China Association for Public Companies



**"2025 Excellent Board Practices of Listed Companies"**  
recognized by China Association for Public Companies



**"ESG Best Cases"**  
recognized by CCOC and CCPIT



**Top 100 of 2025 A-Share Listed Companies ESG Information Disclosure**  
recognized by Sino-Securities Index

**"China ESG Listed SOE Pioneers 100"**  
recognized by CMG

**"ESG Pioneer Enterprise Award"**  
presented by Cailianpress.com

**"2025 Best ESG Practices Award for Listed Companies"**  
presented by Valueonline

**"Best Information Disclosure Award"**  
at the 8th China IR Annual Awards jointly presented by Roadshow China and International Road Show Center

**"2025 Outstanding Social Responsibility Award for Listed Companies"**  
presented by National Business Daily



**Ranked 69th on the "China Listed Companies Brand Value Top 100"**  
jointly released by National Business Daily and the China Enterprise Research Center of Tsinghua University's School of Economics and Management

**"2025 Exemplary Cases of ESG Value among A-share Listed Companies"**  
by CHINAFUND

**"Outstanding ESG Practice Cases" in the 14th "Golden Wisdom Award"**  
presented by JRJ.com

**"2025 ESG Development Impact Enterprise"**  
honored by Hexun.com

**"2025 TBB · China Brand Value Top 100"** released by the Shanghai Institute of Corporate Culture and Brand Research

# Management of Material Topics

As a key component of sustainable development management and information disclosure, we have systematically conducted our 2025 double materiality assessment of sustainable development topics. In accordance with the assessment methodologies recommended in the latest domestic and international sustainable disclosure standards and regulations, including the Sustainability Disclosure Standards for Enterprise — General Requirements (Trial) and the Sustainability Disclosure Standards for Enterprises No. 1— Climate (Trial) jointly issued by nine ministries and commissions including the Ministry of Finance, the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) and its compilation guidelines (revised in January 2026), the European Sustainability Reporting Standards (ESRS), the Sustainability Accounting Standards Board (SASB) Standards, the Reference Indicator System for ESG Special Reports of Central State-Owned Enterprise-Controlled Listed Companies issued by the Research Center of the State-owned Assets Supervision and Administration Commission of the State Council, and the IFRS Sustainability Disclosure Standards (IFRS S1 and S2), we identify sustainable development topics that have a material impact on our long-term value and our stakeholders.

We conducted our assessment according to the principle of "double materiality": on one hand, from a financial materiality perspective, we analyzed whether each topic has a significant impact on our business model, operational development, and financial position over the short, medium, or long term; on the other hand, from an impact materiality perspective, we evaluated whether our performance on the relevant topics has a significant external impact on the economy, society, and the environment. In conducting the assessment, we also took into account the findings of materiality analyses from our previous reports. Following systematic identification and screening, we ultimately identified seven topics as "material" and have provided focused discussions on them in the corresponding sections of this report.

## Double Materiality Assessment

### Step 1 Background Analysis and Topic Identification

In identifying sustainability-related topics, we comprehensively considered the following five categories of key factors: selected reporting standards, international sustainability initiative priorities, global economic and macro policy dynamics, industry and market development trends, as well as our own strategic objectives and development needs. Based on the above, we systematically reviewed and formulate a list of sustainability topics closely relevant to our company.



#### 01 Sustainability Disclosure Standards

Including the Sustainability Disclosure Standards for Enterprise — General Requirements (Trial) and the Sustainability Disclosure Standards for Enterprises No. 1 — Climate (Trial) jointly formulated by the Ministry of Finance of the People's Republic of China, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the National Financial Regulatory Administration, and the China Securities Regulatory Commission; the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial) and its compilation guidelines (revised in January 2026) issued by the Shanghai Stock Exchange; the Sustainability Accounting Standards Board (SASB) Standards; as well as the two International Financial Reporting Standards Sustainability Disclosure Standards (IFRS S1 and IFRS S2) issued by the International Sustainability Standards Board (ISSB).

#### 02 International Initiatives

The United Nations Sustainable Development Goals (SDGs), the 30th Conference of the Parties of the UNFCCC (COP 30), the Due Diligence Guidance for Responsible Business Conduct of Organization for Economic Co-operation and Development (OECD), etc.

#### 03 Economic and Macro-Policy Dynamics

The National carbon peaking and carbon neutrality goals, global temperature control targets under the Paris Agreement, Science Based Target initiative (SBTi), green trade barriers such as the EU's Carbon Border Adjustment Mechanism (CBAM), the Belt and Road Initiative, digital and intelligent transformation, supply chain restructuring and changes in international trade policies, etc.

#### 04 Market Trends

The market's continuously rising thresholds for value chain transparency and access certification, alongside the demand for diversified, customized, and green logistics responsiveness.

#### 05 Company Strategy and Development Needs

Anchoring at the new starting point of the 15th Five-Year Plan, coordinating the "dual-core business" to cultivate new quality productive forces, enhancing resilience for cross-cycle growth, strengthening global risk control capabilities, and addressing the trend of increasingly stringent industry regulations.

List of the Company's Sustainability Topics

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

Step 2-1 Impact Materiality Assessment

We assessed the impact materiality of each topic based on two dimensions: the severity and the likelihood of occurrence.

Dimension 1: Severity of Impact

We utilized statistical methods such as weighted averages and variance analysis to quantify the qualitative scores (1-5 scale) of each topic. The overall severity score was calculated by combining the weight distribution to determine the priorities of sustainability impacts.

Dimension 2: Likelihood of Occurrence

We inferred the risk probability based on the frequency of similar events in the past and classified and quantified the probability of risk occurrence based on experience, to determine the likelihood of occurrence.

Topics identified by the Company in 2025 as having impact materiality

- Risk and Compliance Management
- Climate Response
- Supply Chain Security
- Safety and Quality of Products and Services
- Responsible Sourcing
- Environmental Compliance Management
- Circular Economy

Note: Issues identified as having impact materiality refer to those with an impact materiality score higher than 4.0 in the assessment, indicating that the company's performance on such issues may have direct, extensive, and significant actual or potential major impacts on the economy, society, and the environment.

Step 2-2 Financial Materiality Assessment

We assessed the financial materiality of each topic based on two dimensions, including the potential magnitude and the likelihood of occurrence.

Dimension 1: Potential Magnitude

The extent of direct or indirect, positive or negative effects that the opportunities and risks associated with each material sustainability topic may bring to the company's financial performance during the reporting period and in future projections.

Dimension 2: Likelihood of Occurrence

The likelihood that opportunities and risks associated with each sustainability topic may impact the company's financial performance in the short, medium and long term.

Reference Factors

Revenue	• Commodity trading volume in the supply chain, pre-sales and recognized revenue from real estate projects, and incremental growth driven by overseas market expansion
Cost	• Considering factors such as market price of resources, trend forecasts, and the company's historical costs
Profits	• Considering both costs and revenues, assessing the impact on profits
Investment	• Returns generated from high-quality land bank acquisitions and the construction of supply chain logistics infrastructure.
Liabilities	• Trends in financing costs and the ongoing optimization of the debt structure
Cash Flow	• Net operating cash flow, specifically the capital turnover efficiency in bulk commodity trading and the speed of cash recovery from real estate sales
Long-term Value	• Globalization and digitalization of the supply chain, premium product positioning in real estate, anti-cyclical capabilities through dual-core business synergy, and consistent dividend payouts

Topics identified by the Company in 2025 as having financial materiality

- Climate Response
- Safety and Quality of Products and Services
- Risk and Compliance Management
- Circular Economy
- Supply Chain Security
- Responsible Sourcing

Note: Issues with financial materiality refer to those that may, over the short, medium, or long term, have a significant impact on our financial position, as specifically reflected by a change in the relevant monetary value, e.g., an impact on net profit exceeding 5%.

### Step 3 Consolidating Impact and Financial Materiality Outcomes

#### Environmental

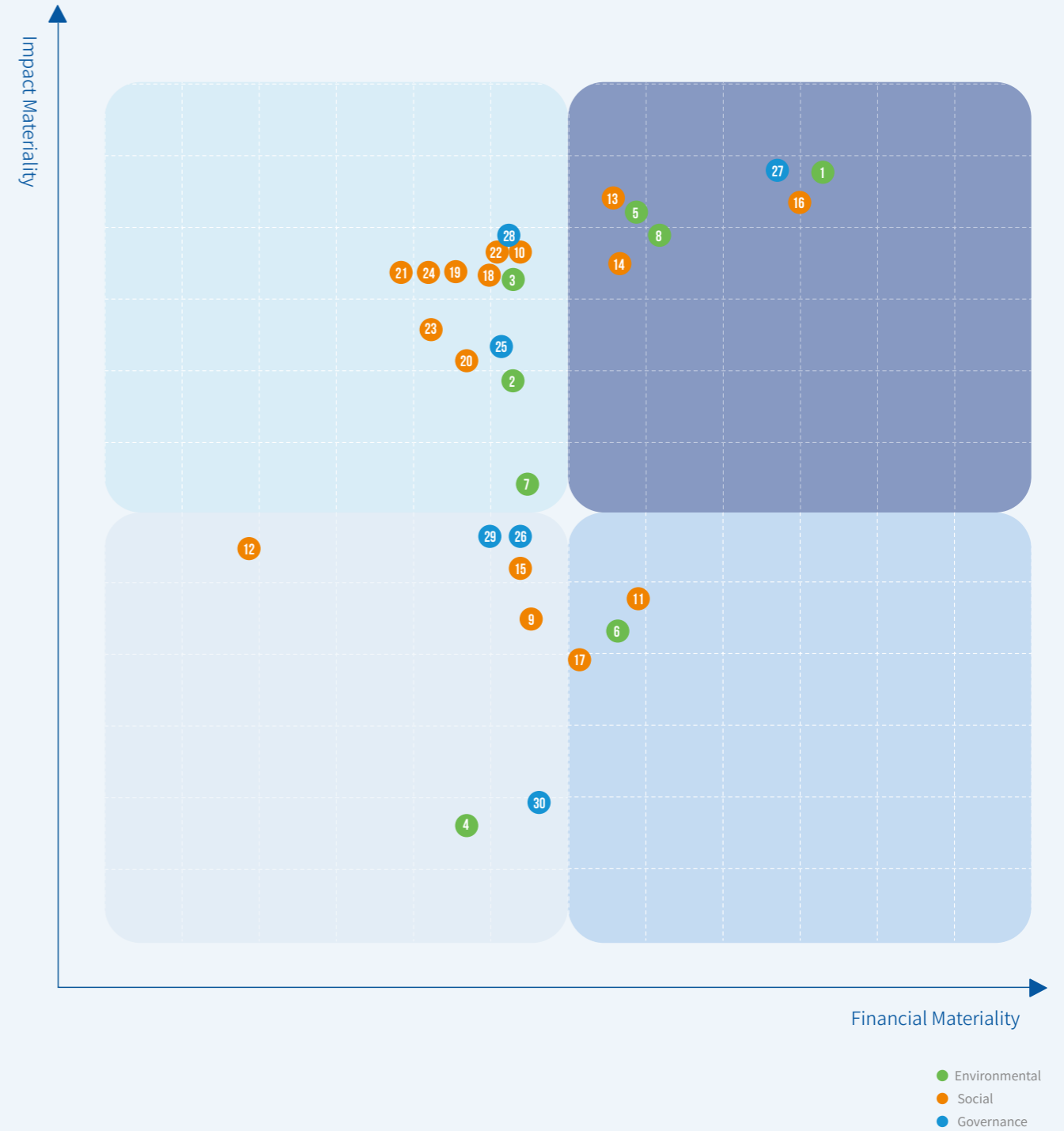
- 1 Climate Response
- 2 Pollutant Discharge
- 3 Waste Disposal
- 4 Ecosystem and Biodiversity Protection
- 5 Environmental Compliance Management
- 6 Energy Usage
- 7 Usage of Water Resources
- 8 Circular Economy

#### Social

- |  |                                       |
|--|---------------------------------------|
| 9 Rural Revitalization                                   | 18 Supporting Industry Development    |
| 10 Contributions to the Society                          | 19 Equal Employment                   |
| 11 Innovation-driven                                     | 20 Human Rights Protection            |
| 12 Technology Ethics                                     | 21 Employee Communication             |
| 13 Responsible Sourcing                                  | 22 Employee Development and Training  |
| 14 Supply Chain Security                                 | 23 Employee Compensation and Benefits |
| 15 Equal Treatment to Small and Medium-Sized Enterprises | 24 Occupational Health and Safety     |
| 16 Safety and Quality of Products and Services           |                                       |
| 17 Data Security and Customer Privacy Protection         |                                       |





#### Governance

- 25 Due Diligence
- 26 Communications with Stakeholders
- 27 Risk and Compliance Management
- 28 Anti-Commercial Bribery and Anti-Corruption
- 29 Anti-unfair Competition
- 30 Tax Compliance








## Step 4 Reporting and Practice Guidance

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

Material Topics	Scope of Impact				Affected Stakeholders	Risks	Opportunities	Time Horizon <sup>1</sup>	SDGs Related SDGs	The Chapter of Management and Action
	Value Chain Up-stream	Operations	Value Chain Down-stream	Communities						
Climate Response	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Employees</li> <li>Customers</li> <li>Suppliers</li> <li>Investors</li> <li>Banks</li> <li>Media</li> <li>Government and Regulatory Bodies</li> <li>NGOs</li> <li>Community</li> </ul>	<ul style="list-style-type: none"> <li>Extreme weather events induced by climate change are becoming increasingly frequent, potentially causing direct physical damage to key logistics hubs and real estate construction projects, resulting in operational disruptions and project delays. Meanwhile, the progressive refinement of global carbon pricing mechanisms and the continued tightening of low-carbon policies will also significantly increase compliance costs and transition pressures for high-emission business operations.</li> </ul>	<ul style="list-style-type: none"> <li>Accelerating the transition to a low-carbon operating model enables an enterprise to effectively control medium- to long-term energy costs and build a cost-competitive advantage. At the same time, by developing green supply chains and expanding into emerging businesses such as green buildings, an enterprise can proactively respond to market demand for low-carbon products and services, thereby capturing green premium returns.</li> </ul>	Long-term		Climate Response Circular Economy
Risk and Compliance Management	✓	✓	✓		<ul style="list-style-type: none"> <li>Employees</li> <li>Customers</li> <li>Suppliers</li> <li>Investors</li> <li>Banks</li> <li>Government and Regulatory Bodies</li> </ul>	<ul style="list-style-type: none"> <li>Under the dual pressures of evolving global geopolitical dynamics and increasingly stringent regulatory policies, the company's management deficiencies in areas such as trade compliance, export controls, and cross-border data flows will significantly increase its systemic risk of legal sanctions, operational restrictions, and reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>Establishing a resilient and systematic compliance and risk control system lays the foundation for a company's long-term and stable operations. It not only significantly enhances the trust of domestic and international stakeholders, but also helps strengthen business reputation, ensure business continuity, and translate into a sustainable competitive advantage in a complex and volatile global environment.</li> </ul>	Short-term Medium-term Long-term		Risk and Compliance Management
Safety and Quality of Products and Services	✓	✓	✓		<ul style="list-style-type: none"> <li>Customers</li> <li>Suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Quality defects in supply chain delivery processes or safety hazards in real estate projects will directly lead to customer attrition, legal litigation, and substantial compensation claims, and will cause irreparable damage to the company's long-established brand equity.</li> </ul>	<ul style="list-style-type: none"> <li>Adhering to exceptional quality and safety standards can bring significant market advantages to the company: not only can it continuously enhance customer satisfaction and loyalty, but it can also strengthen the brand moat, thereby enabling the company to gain higher market share and pricing power in intense competition within a mature market.</li> </ul>	Short-term Medium-term Long-term		Safety and Quality of Products and Services
Responsible Sourcing	✓	✓	✓		<ul style="list-style-type: none"> <li>Customers</li> <li>Suppliers</li> <li>NGOs</li> </ul>	<ul style="list-style-type: none"> <li>If upstream suppliers encounter compliance issues or sudden operational disruptions, the negative impact can easily propagate along the industrial chain, exposing the company to default risks at the delivery level and potentially triggering a cascading reputational crisis.</li> </ul>	<ul style="list-style-type: none"> <li>Systematically integrating ESG standards into supplier selection and management processes not only helps the company build a more resilient and sustainable supply chain ecosystem, ensuring global supply security and stability, but also significantly aligns with the growing green procurement requirements of downstream core customers, thereby creating a differentiated advantage in value chain collaboration.</li> </ul>	Short-term Medium-term Long-term		Supply Chain Security
Supply Chain Security	✓	✓	✓							

<sup>1</sup>Explanation of impact time horizons: short term refers to one year or less (including one year), medium term refers to one to five years (including five years), long term refers to more than five years.

Material Topics	Scope of Impact				Affected Stakeholders	Risks	Opportunities	Time Horizon <sup>1</sup>	SDGs Related SDGs	The Chapter of Management and Action
	Value Chain Up-stream	Operations	Value Chain Down-stream	Communities						
Circular Economy	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Customers</li> <li>Media</li> <li>Government and Regulatory Bodies</li> <li>Community</li> </ul>	<ul style="list-style-type: none"> <li>Under the traditional linear economic model, the interplay of tightening resource constraints and long-term volatility in raw material prices will lead to a sustained increase in rigid procurement costs in supply chain operations and construction activities, thereby compressing the company's profit margins and weakening its market competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Proactively pursuing a circular economy model can effectively reduce the company's resource dependence and procurement costs, while also holding the potential to cultivate new business growth areas in fields such as recycled resource utilization and green materials, thereby opening up a sustainable second growth curve for the company.</li> </ul>	Medium-term Long-term	 	Climate Response Circular Economy
Environmental Compliance Management				✓	<ul style="list-style-type: none"> <li>Community</li> </ul>	<ul style="list-style-type: none"> <li>As environmental regulations become increasingly stringent, if the company encounters issues such as illegal pollutant discharge, ecological damage, or a lack of necessary environmental permits, it will face multiple risks including project shutdowns and production suspensions, substantial administrative penalties, restricted access to financing, and even reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>Proactively establishing an environmental management system that goes beyond the baseline of compliance enables the company to systematically mitigate potential regulatory and operational risks, ensuring the stable execution of its core businesses. Moreover, it helps the company cultivate a responsible leadership image among the public, investors, and other stakeholders, thereby transforming environmental management into a differentiated competitive advantage.</li> </ul>	Short-term Medium-term Long-term	  	Environmental Compliance Management

1.Explanation of impact time horizons: short term refers to one year or less (including one year), medium term refers to one to five years (including five years), long term refers to more than five years.



# Communications with Stakeholders

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



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

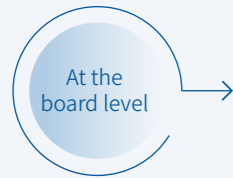
# Sustainability-Related Governance

We recognize that sustainability governance is a pivotal cornerstone for enterprises to create long-term value and fulfill their environmental and social responsibilities. Guided by the coordinated creation of economic, social, and environmental value, we have established a governance system that is just, accountable, effective, and inclusive. We integrate the concept of sustainable development comprehensively into corporate strategy, business decision-making, and daily operations, continuously enhancing the efficacy of sustainability governance. We also foster fair, trustworthy, and mutually beneficial relationships with all stakeholders, providing a solid foundation for the sustainable development of both our enterprise and the broader economic and social systems.

## Governance Structure and Mechanisms

We have established and continuously improved a sustainability governance structure encompassing decision-making, execution, and oversight, to ensure the effective implementation of sustainability management initiatives from top to bottom. We systematically advance the institutionalization and normalization of sustainability management practices, continuously enhance governance efficacy, and ensure the effective achievement of our corporate sustainability strategies and objectives.

### Governance Structure



We have established several specialized committees under the Board of Directors: The Strategy and Sustainability Committee, Audit Committee, Remuneration and Appraisal Committee, Nominations Committee, Risk Management Committee, Investment and Policy-Making Committee. These committees provide comprehensive and professional consultation and advice to assist the Board in guiding and overseeing the management of ESG matters. The Board's Strategy and Sustainability Committee is responsible for researching and offering recommendations on ESG issues of concern to stakeholders, including ESG strategy, environmental management, greenhouse gas emissions, water resource management, human rights protection, and responsible supply chains. The Committee also reviews the ESG report, monitors, and inspects our ESG-related work. The Strategy and Sustainability Committee holds annual meetings to discuss ESG matters and climate-related issues, and reports to the Board of Directors.



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

### Institutional Development

We have developed and continuously refined a comprehensive sustainability policy framework. Through policy statements and value advocacy in the areas of environment, society, and governance, we have internalized the concept of sustainable development as a shared code of conduct across the organization, providing consistent guiding principles for the management and practice of relevant issues.



### The Sustainability Policies

- Code of Business Conduct
- Anti-Corruption and Anti-Bribery Policy
- Environmental Protection Policy
- Human Rights Policy
- Anti-Discrimination and Anti-Harassment Policy
- Employee Occupational Health and Safety Policy
- Supplier Code of Conduct
- Information Security Policy
- Community Policy
- Privacy Policy

### Appointment of Directors and Senior Management

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

### Diversity and Professionalism

The diversification and specialization of the Board of Directors and senior management structure serve as critical safeguards for the Company's scientific and efficient decision-making.

The Board of Directors currently consists of 8 directors with extensive industry experience, whose professional backgrounds cover economics, law, management, accounting, and other fields. Among them: 3 are independent directors, all holding doctoral degrees, accounting for 37.5% of the total board members; 3 are female directors, accounting for 37.5% of the total board members.

Our senior management team covers professional fields such as corporate management, financial management, and risk management, including 1 female senior executives, who make up 20% of the total senior management.

Name	Occupation	Age	Professionalism				Board Committees					
			Industry Experience	Operations Management	Risk Control and Compliance	Accounting & Financial	Strategy and Sustainability Committee	Risk Management Committee	Remuneration and Appraisal Committee	Investment and Policy-making Committee	Audit Committee	Nominations Committee
Lin Mao (Male)	Chairman	57	●	●	●	●	●	●	●	●		
Xu Xiaoxi (Male)	Director	56	●	●	●	●	●	●	●	●		
Cheng Dongfang (Male)	Director	47	●	●	●	●	●	●	●	●		
Ye Yanliu (Female)	Director	53	●	●	●	●	●	●	●	●	●	●
Zou Shaorong (Male)	Director	49	●	●	●	●	●	●	●	●		
Wu Yuhui (Male)	Independent Director	47	●		●	●					●	●
Cai Ning (Female)	Independent Director	48		●		●			●		●	
Wang Yanyan (Female)	Independent Director	46		●		●			●			●
Lv Rongdian (Male)	President	48	●	●	●	●						
Chen Dongxu (Male)	Vice President	55	●	●	●	●						
Wang Zhibin (Male)	Vice President	57	●	●	●	●						
Xu Jiana (Male)	Vice President	47	●	●	●	●						
Wei Zhuo (Female)	CFO & Board Secretary	46	●	●	●	●						

In 2025, we held a total of 26 board meetings, during which 84 proposals were reviewed; and 76 specialized committee meetings. The attendance rate for all directors was 100%.

### Enhancement of Professional Capabilities

We attach great importance to the continuous improvement of the professional capabilities of our directors and senior management in fulfilling their duties. Every year, we regularly organize training programs for directors and senior management on laws and regulations, policy updates, duty fulfillment, and sustainable development. These initiatives help enhance our corporate governance standards and ensure the compliance and efficiency of our operations.

We actively organize directors and senior management to participate in various specialized training programs hosted by stock exchanges, securities regulatory bureaus, industry associations, and professional institutions, covering key areas such as compliant duty fulfillment, corporate governance.

## Compensation of Director and Senior Management

We have established a Remuneration and Appraisal Committee under the board of directors, which performs its duties in accordance with the "Remuneration and Appraisal Committee Work Guidelines." The committee is responsible for providing recommendations on directors' remuneration, conducting regular performance evaluations of the Board, formulating remuneration and performance appraisal schemes for the Chairman of the Board and senior management, and carrying out remuneration assessments for the Chairman and senior management.

The Chairman of the Board and senior management receive compensation based on an annual salary system according to their respective remuneration schemes. Their annual salary consists of a base salary and a performance-based salary, with the performance-based salary linked to the Company's economic performance and individual achievements, in addition to benefits as stipulated by the Company. The Chairman's remuneration scheme is drafted by the Remuneration and Appraisal Committee and submitted to the Board of Directors for review. Upon approval by the Board, it is implemented upon ratification by the shareholders' meeting. The remuneration scheme for senior management is drafted by the Remuneration and Appraisal Committee and submitted to the Board of Directors for approval before implementation. The remuneration or allowances of independent directors are determined by the shareholders' meeting of the Company.

### Clawback Mechanism

For the compensation of the directors and senior management personnel holding specific positions within the company, we reserve a certain proportion of annual performance-based compensation as risk reserve, which is paid out at a deferred schedule. In the event of losses incurred due to improper management or other personal reasons, or violations of laws and regulations, the corresponding compensation amount will be deducted from the risk reserve, aiming to prevent short-term behavior in management and salary risks.

Additionally, we have formulated "Regulations on the Management of Rewards and Punishments," linking sustainable performance in human capital, safety management, integrity in operation, clean construction, information security, etc., with the compensation performance of management and relevant responsible personnel.

### The Shareholding of Directors and Senior Management

We granted shares to our directors and senior executives through the implementation of the 2020 and 2022 Equity Incentive Plans, with a view to establishing a medium-to-long-term incentive and restraint mechanism. To date, the Equity Incentive Plans have been fully implemented.

As of April 24, 2026, the company's directors and senior executives collectively hold 2,608,245 shares of the company, accounting for 0.09% of the total share capital.

#### Shareholding Table of Directors and Senior Management

No.	Name	Position	Number of Shares Held
1	Lin Mao	Chairman	437,080
2	Cheng Dongfang	Director	306,200
3	Ye Yanliu	Director	247,760
4	Zou Shaorong	Director	13,518
5	Lv Rongdian	President	305,800
6	Chen Dongxu	Vice President	360,840
7	Wang Zhibin	Vice President	458,547
8	Xu Jiana	Vice President	297,000
9	Wei Zhuo	CFO & Board Secretary	181,500

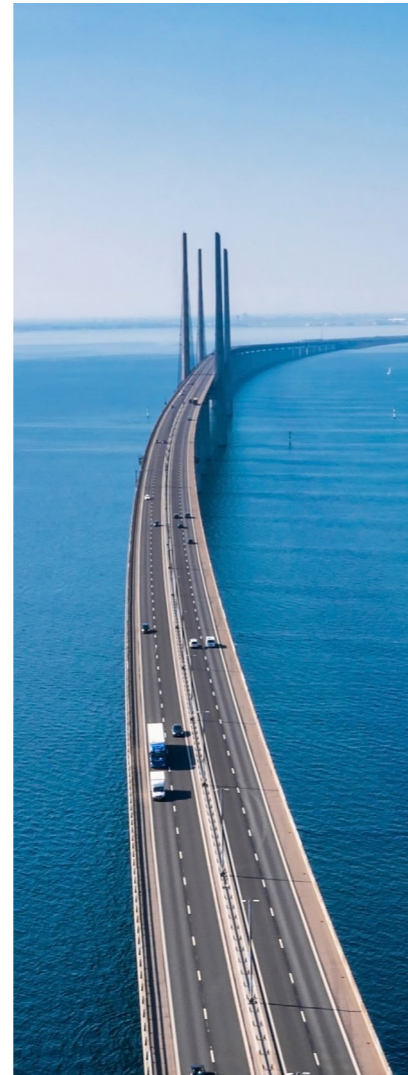
## Related Party Transaction

To ensure that related-party transactions adhere to the principles of fairness, justice, and transparency, we strictly comply with relevant laws and regulations, and have formulated and continuously improved the "Related-Party Transaction Management System." This system clearly defines the review and disclosure procedures, pricing principles, and other matters concerning related-party transactions, standardizing the management of such transactions.

When related-party transactions undergo decision-making procedures, they must be submitted to the Board of Directors for review after obtaining approval from a majority of all independent directors. The Board of Directors and the shareholders' meeting review related matters within their respective authorities, and strictly implement an abstention mechanism whereby related directors and shareholders do not participate in voting. In addition, the Company has established specific provisions in the "Financial Management Regulations" and "Funds Management Regulations" governing fund transactions with related parties.

## Conflict of Interest

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



## Protection of Shareholders' Rights and Interests

Based on relevant laws and regulations such as the "Company Law of the People's Republic of China," the "Securities Law of the People's Republic of China," and the "Code of Corporate Governance for Listed Companies," we have established a sound corporate legal governance structure. We continuously improve our governance system, which is anchored by the "Articles of Association" and comprises internal governance documents including the "Rules of Procedure for Shareholders' Meetings" and the "Rules of Procedure for Board of Directors Meetings." These efforts ensure the coordinated and standardized operation of all governance bodies and promote the high-quality development of the Company.

To safeguard the legitimate rights and interests of all shareholders and ensure their full exercise of rights, we strictly adhere to relevant regulations and internal rules such as the "Articles of Association" and the "Rules of Procedure for Shareholders' Meetings," standardizing the convening, holding, and voting procedures of shareholders' meetings. We also provide on-site voting, online voting, and other methods to facilitate shareholder participation. In 2025, we held a total of 3 shareholders' meetings, during which 22 proposals were reviewed.

## Information Disclosure Management

We continuously improve our internal disclosure management systems, including the "Information Disclosure Management System," "Insider Information Holder Registration Management System," "Significant Information Internal Reporting System," and "Information Disclosure Deferral and Exemption Business Management System." These systems strictly regulate our information disclosure practices, insider information holder registration, and internal reporting of significant information, ensuring compliant fulfillment of disclosure obligations. We are committed to disclosing the Company's operating results, financial position, and material events to all investors in a truthful, accurate, timely, and complete manner, fully safeguarding all investors' equal right to information.

## Investor Relations Management

We have formulated and continuously optimized the "Investor Relations Management System," completing its revision in 2025 to further improve our investor relations management mechanism. We are committed to building long-term, stable, and trust-based interactive relationships with investors, while earnestly respecting and protecting their legitimate rights and interests, and continuously enhancing our corporate governance standards and long-term investment value.

The Board Secretary serves as the person in charge of investor relations management affairs, coordinating and organizing related work in a comprehensive manner. The Securities Department acts as the executive department, implementing various investor relations management activities and daily affairs under the leadership of the Board Secretary.

We have established diversified and accessible channels for investor communication, including the Investor Relations section on our official website, investor hotline, contact email, Shanghai Stock Exchange E-Interactive Platform, shareholders' meetings, performance presentations, investor surveys, and reception of investor visits, to maintain effective interaction with investors.

In 2025, we systematically carried out a series of investor relations management activities, including:

Investor Hotline and Interactive Platform



We maintain a smooth investor hotline and respond promptly to inquiries from retail investors. We received over 480 calls from shareholders, ensuring the communication needs of retail investors are met.

Online Investor Presentations



In 2025, we held multiple investor communication events, providing targeted responses to concerns raised by retail investors. Following each event, we promptly issued announcements to summarize the proceedings. Each session achieved efficient interaction and yielded positive communication outcomes.

Diversified Media Platform Promotion



We actively promoted the Company's performance and key operational highlights through visual content such as "Fast Fact of Annual Report 2024 of C&D Inc.," and "Fast Fact of Sustainability Report 2024 of C&D Inc." Leveraging mainstream financial platforms, we publicized the Company's business achievements and sustainable development practices to convey our corporate value.

# 01

# Environmental

## Environmental Performance Targets in 2025

- Continue conducting greenhouse gas inventories and steadily reduce carbon emissions.
- Increase the share of clean and low-carbon energy to 5% of total electricity consumption, and expand the installed capacity and power generation of rooftop distributed photovoltaic projects across office buildings, warehousing facilities, and subsidiaries.
- Enhance water recycling and reuse rates across all manufacturing enterprises.
- Ensure full compliance in the discharge of exhaust gas, wastewater, and other pollutants throughout the year, with zero major environmental incidents.
- Expand the scale of green circular economy businesses and improve the efficiency of cross-regional resource allocation.

Completion Status  Completed  In Progress  Unfinished



# Climate Response



Against the backdrop of accelerating global industrialization and continuously rising greenhouse gas emissions, climate change has become a major environmental and development challenge facing human society. Rising global temperatures, increasingly frequent extreme weather events, glacier melting, and sea-level rise are exerting profound impacts on ecosystem stability, energy security, food supply, and the functioning of economies and societies. The international community continues to deepen cooperation on climate governance, and the transition toward a green and low-carbon energy structure has become a global consensus. In this context, enterprises—being key contributors to energy consumption and carbon emissions—are facing increasingly stringent policy regulations, market constraints, and stakeholder expectations. Actively addressing climate change has therefore become an essential pathway for companies to achieve sustainable development.

## Climate Strategy

We actively respond to China's carbon peaking and carbon neutrality strategy and the global temperature control goals under the Paris Agreement. We make the net zero commitment:

- Peak the greenhouse gas emissions by 2030,
- Achieve net-zero emissions across Scope 1, 2, and 3, covering the entire value chain by 2060.

We actively advance sustainable development through systematic green innovation and a low-carbon transition strategy:

- ✔ Continuously investing in the development of green and low-carbon products and solutions, promoting carbon reduction throughout the entire product life cycle.
- ✔ Building a green value chain, working collaboratively with upstream and downstream partners to advance low-carbon practices and improve the overall environmental performance of the industry chain.
- ✔ Expanding the application of clean energy, exploring renewable energy substitution pathways and continuously reducing the carbon intensity of operations.
- ✔ Strategically investing in green and environmental protection industries to cultivate new low-carbon growth drivers and foster a positive interaction between industrial development and green transformation.
- ✔ Promoting green operations, driving systematic transformation through production process optimization, resource recycling, and the development of a low-carbon corporate culture, while encouraging company-wide participation in green initiatives.

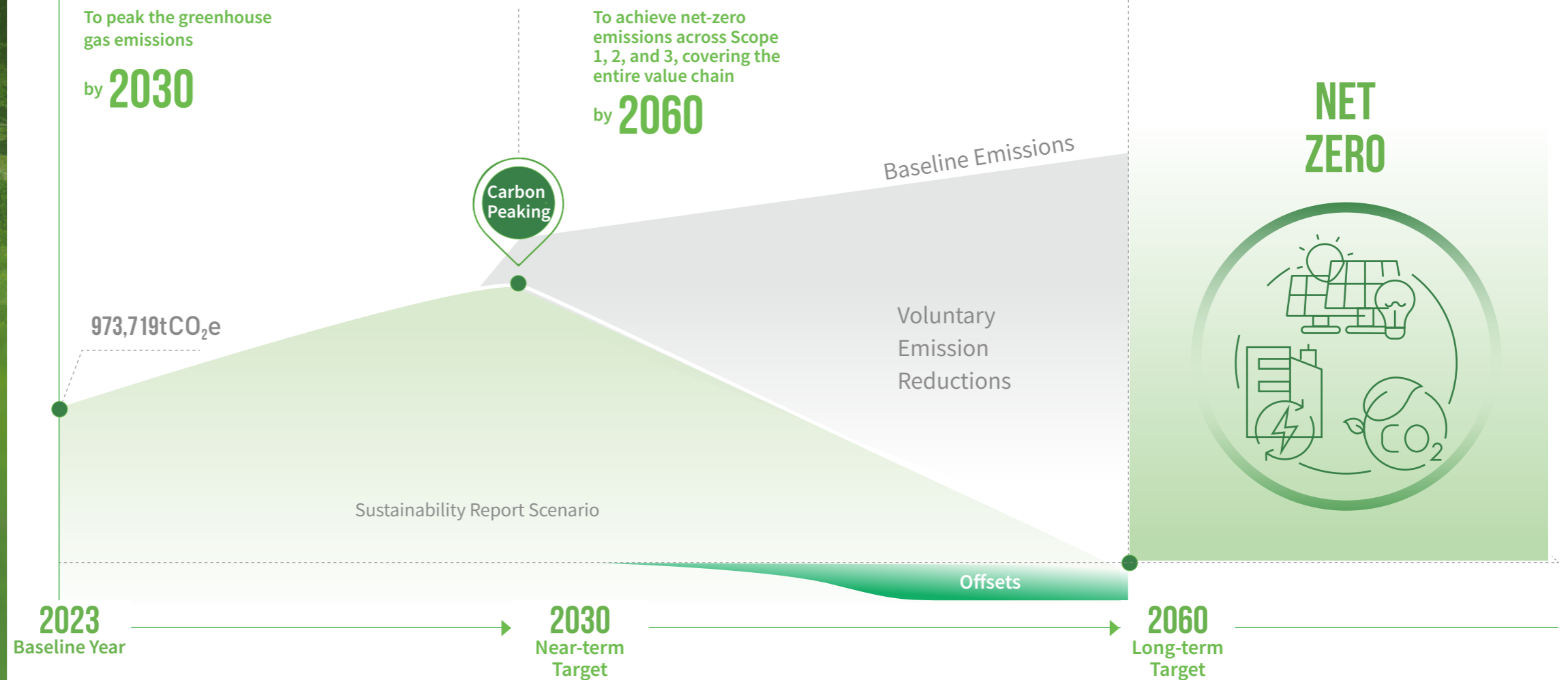
Through the coordinated implementation of these measures, we are steadily transitioning toward a green, low-carbon, high-quality, and sustainable development model, contributing to global efforts to address climate change.

### Carbon Emission Growth Phase

### Steady Decarbonization Phase

### Net-Zero Emission Phase

• We actively respond to the national green development strategy, promote the green transformation of industries, support the construction of a green, low-carbon, and circular economic system, and advance towards net zero.





## Climate Risks and Opportunities Management

While climate change presents global challenges, it also creates significant opportunities for industrial transformation and green development. Based on the characteristics of our business, and with reference to climate scenario models developed by the Intergovernmental Panel on Climate Change and the International Energy Agency, we regularly conduct systematic climate scenario analyses to identify and assess the physical risks, transition risks, and related development opportunities we may face in the short, medium, and long term. We fully integrate climate-related risks and opportunities into our risk management system and strategic decision-making processes, and continuously improve mechanisms for identification, assessment, response, and monitoring. Through these efforts, we enhance our capability to manage climate change adaptation and sustainable development, while strengthening strategic resilience and long-term value creation.

### Physical Risks

We select the high-emissions pathway SSP5-8.5 from the Intergovernmental Panel on Climate Change as the scenario for assessing physical climate risks. Under this pathway, global emissions continue to rise throughout the century, with the global average surface temperature projected to increase by approximately 3.3° C–5.7° C above pre-industrial levels during 2081–2100. Under this climate scenario, regions where we operate are expected to experience a continued rise in average annual temperatures, along with an increased frequency and intensity of extreme weather and climate events such as extreme heat, heavy precipitation, and tropical cyclones (e.g., typhoons), as well as the impacts associated with rising sea levels.

### Physical Risk Assessment

Risk Type	Risk Description	Mitigation Measures	Impact Period <sup>2</sup>	Impact Scope			
				Upstream	Operations	Downstream	
Acute Physical Risks	Typhoons and Floods	Typhoons and floods may damage factories, equipment, and inventories, threaten employee safety, and trigger secondary hazards. They can also disrupt transportation, ports, and logistics, affecting raw material supply and product delivery.	<ul style="list-style-type: none"> <li>● <b>Strengthen facility resilience and insurance coverage:</b> Regularly inspect and reinforce office and project facilities, maintain adequate property insurance, and enhance disaster risk protection.</li> <li>● <b>Enhance emergency management mechanisms:</b> Develop emergency response plans, strengthen meteorological early warning systems and material reserves, and conduct typhoon and flood prevention training and drills to improve rapid response capabilities.</li> </ul>	Short-term, Medium-term and Long-term	✓	✓	✓
	Extreme High and Low Temperatures	Extreme heat may cause equipment overheating, reduced production capacity, and process instability, increase health risks for employees, raise energy consumption and production costs, and disrupt production continuity.	<ul style="list-style-type: none"> <li>● <b>Optimize production scheduling:</b> Adjust production operations and process sequences to avoid periods of extreme heat or cold, reducing equipment load.</li> <li>● <b>Enhance employee protection:</b> Provide heat- or cold-protection supplies, arrange working hours reasonably, and prevent employees from working during high-risk periods.</li> <li>● <b>Ensure equipment reliability:</b> Regularly maintain critical equipment to ensure normal operation under extreme weather, and adopt more weather-resistant equipment and technologies.</li> </ul>	Medium-term and Long-term	✓	✓	✓
	Droughts	Droughts may lead to shortages of water for production and daily use, increase treatment costs, disrupt production continuity, and place pressure on raw material supply and the surrounding ecosystem.	<ul style="list-style-type: none"> <li>● <b>Optimize water use and recycling:</b> Implement efficient water resource management, adopt water-saving technologies and rainwater harvesting systems, and improve water use efficiency.</li> <li>● <b>Reserve and assess risks:</b> Regularly evaluate water resource risks, maintain backup water sources, and improve emergency response plans.</li> </ul>	Long-term	✓	✓	✓
	Landslides	Landslides may damage factory facilities and roads, threaten employee safety, and trigger debris flows or floods, resulting in production interruptions and supply chain delays.	<ul style="list-style-type: none"> <li>● <b>Risk assessment and site optimization:</b> Conduct geological risk assessments before selecting new project sites to avoid landslide-prone areas.</li> <li>● <b>Facility reinforcement and protection:</b> Strengthen existing factories, roads, and critical facilities, and construct protective walls or drainage systems to reduce landslide risks.</li> <li>● <b>Emergency management:</b> Develop landslide emergency response plans, maintain emergency supplies, and conduct regular drills to ensure rapid response.</li> </ul>	Short-term, Medium-term and Long-term		✓	
Chronic Physical Risks	Sea Level Rise	Coastal ports, transportation, and warehousing facilities may be damaged by seawater erosion or inundation, leading to transportation and logistics disruptions and higher repair costs. The value of coastal assets may decline, and supply chains become more vulnerable.	<ul style="list-style-type: none"> <li>● <b>Reinforce facility protection:</b> Construct levees, flood gates, and upgraded drainage systems, and perform regular inspections and maintenance to enhance disaster resilience.</li> <li>● <b>Diversify the supply chain:</b> Spread suppliers and transportation routes to reduce the risk of supply chain disruptions caused by rising sea levels.</li> </ul>	Long-term	✓	✓	✓
	Rising Average Temperatures	The continued rise in annual average temperatures may lead to increased energy consumption, reduced equipment operational efficiency, disrupted production continuity, and added pressure on employee health and raw material supply.	<ul style="list-style-type: none"> <li>● <b>Optimize energy management:</b> Adjust our energy use and production processes according to temperature variations to improve facility operational efficiency and reduce energy consumption per unit.</li> <li>● <b>Enhance employee health protection:</b> Provide heat mitigation facilities in offices, production sites, and construction areas, and arrange working hours reasonably to ensure employee safety and health in high-temperature environments.</li> </ul>	Long-term	✓	✓	✓
	Water Scarcity	Water scarcity may result in insufficient water for the company's production and operations, increase costs for external water sources, and affect project timelines.	<ul style="list-style-type: none"> <li>● <b>Optimize water usage structure:</b> Implement efficient water use and recycling technologies to reduce reliance on external water sources.</li> <li>● <b>Training and awareness:</b> Conduct water-saving campaigns and training to enhance employees' awareness of water resource conservation.</li> </ul>	Long-term	✓	✓	✓
	Biodiversity Loss and Habitat Displacement	Degradation of marine, coastal, and terrestrial ecosystems, species extinction, and the reduction or irreversible loss of ecosystems and their services, including freshwater, terrestrial, and marine ecosystems.	<ul style="list-style-type: none"> <li>● <b>Environmental impact management:</b> Continuously conduct environmental impact assessments to identify and mitigate the effects of production and operations on ecosystems.</li> <li>● <b>Biodiversity conservation:</b> Promote and participate in regional ecological protection initiatives, supporting the preservation of biodiversity.</li> </ul>	Long-term		✓	

<sup>2</sup>The impact duration is categorized into short-term, medium-term, and long-term. Short-term generally refers to within one year (inclusive) after the end of the sustainability information reporting period. Medium-term generally refers to one to five years (inclusive) after the end of the sustainability information reporting period. Long-term generally refers to more than five years after the end of the sustainability information reporting period.

## Transition Risks

We adopt the Net Zero Emissions (NZE) scenario from the International Energy Agency as the baseline pathway for analyzing transition risks. Under this scenario, the world aims to achieve net-zero greenhouse gas emissions by 2050, keeping the average temperature rise within 1.5° C above pre-industrial levels. By 2050, the global population is expected to reach approximately 9.7 billion, with growth gradually slowing; the global economy is projected to grow at an average annual rate of 2.6%, though development across countries and regions remains uneven. Meanwhile, coal and other high-carbon fossil fuels will gradually be phased out of the energy system, energy efficiency will improve significantly, and solar and wind power are expected to account for approximately 70% of global electricity generation. Global policy coordination will be further strengthened, driving continued declines in clean energy technology costs, enhancing the diversity of critical minerals and technology pathways, and building more resilient industrial chains. Under this scenario, we may face multiple transition risks arising from tighter policy and regulatory requirements, accelerated technological iteration, shifting market demand, and increased brand and reputational pressures.

Risk Type	Risk Description	Mitigation Measures	Impact Period <sup>3</sup>	Impact Scope		
				Upstream	Operations	Downstream
Transition Risks	Policy and Law	Against the backdrop of increasingly stringent climate-related policies and regulations, strengthened carbon emission controls, carbon trading, and green trade rules may expose the company to higher compliance costs and increased investment in asset transition, potentially affecting operating costs and profitability.	Short-term	✓	✓	✓
	Technology	The rapid development of green and low-carbon technologies may transform supply chain and logistics models, requiring adjustments to existing procurement, warehousing, and transportation practices. At the same time, significant investment in green and low-carbon technology R&D without achieving expected results could affect the company's operational efficiency and market competitiveness.	Short-term	✓	✓	✓
	Market	The rapidly growing demand from customers and downstream industries for low-carbon products and green supply chains may lead to a decline in demand for traditional high-carbon products. At the same time, market share and pricing for green products are subject to fluctuations, and international carbon tariffs and carbon border adjustment mechanisms could affect export competitiveness, thereby increasing uncertainty in the company's sales, profitability, and market expansion.	Short-term		✓	✓
	Reputation	As stakeholders increasingly focus on corporate low-carbon actions and green commitments, failure to respond promptly to low-carbon trade trends, manage the supply chain effectively, or obtain adequate green product certifications may damage the company's brand image, thereby affecting market recognition, partnership opportunities, and long-term competitiveness.	Short-term		✓	

<sup>3</sup>The impact duration is categorized into short-term, medium-term, and long-term. Short-term generally refers to within one year (inclusive) after the end of the sustainability information reporting period. Medium-term generally refers to one to five years (inclusive) after the end of the sustainability information reporting period. Long-term generally refers to more than five years after the end of the sustainability information reporting period.

## Transition Opportunities

Opportunity Type	Opportunity Description	Actions	Impact Period <sup>4</sup>	Impact Scope		
				Upstream	Operations	Downstream
Resource Efficiency	Optimizing warehousing and logistics nodes through digital technologies, implementing energy-saving upgrades for high-consumption equipment, and promoting packaging reduction and waste material recycling within the supply chain can improve resource utilization efficiency.	<ul style="list-style-type: none"> <li>● <b>Promote energy-saving upgrades and equipment modernization:</b> Update energy-efficient equipment in warehouses and office facilities to continuously improve energy utilization efficiency.</li> <li>● <b>Enhance circular use:</b> Implement packaging reduction and reuse initiatives, increase recycling rates, and prioritize the use of renewable and recyclable materials.</li> </ul>	Short-term, Medium-term and Long-term	✓	✓	✓
Energy Source	Accelerating the transition of the energy structure toward renewable sources can create opportunities for the company to hedge against price volatility and reduce compliance costs.	<ul style="list-style-type: none"> <li>● <b>Promote renewable energy procurement:</b> Participate in green power trading or purchase renewable energy certificates to increase the proportion of clean energy usage.</li> <li>● <b>Explore self-built distributed energy projects:</b> Install rooftop solar PV systems on eligible office buildings or warehouse facilities.</li> </ul>	Short-term, Medium-term and Long-term		✓	
Products and Services	Developing a portfolio of green and low-carbon products and services can provide the company with opportunities to capture a "green premium" and unlock new growth avenues.	<ul style="list-style-type: none"> <li>● <b>Provide green supply chain solutions:</b> Collaborate with upstream and downstream partners to implement emission reduction projects and enhance the overall low-carbon performance of the supply chain.</li> </ul>	Short-term, Medium-term and Long-term	✓	✓	✓
Market	Entering green emerging markets and participating in rule-making can provide the company with opportunities to enhance industry influence and access low-cost green capital.	<ul style="list-style-type: none"> <li>● <b>Proactively enter high-end and emerging markets:</b> Align with green and low-carbon trends by strategically entering growth sectors such as new energy materials and energy-efficient products, and strengthen market presence in clean energy industries.</li> <li>● <b>Enhance market responsiveness:</b> Establish rapid market feedback mechanisms to dynamically optimize product portfolios, and adjust business layouts promptly in response to changes in carbon policies and green trade regulations.</li> </ul>	Short-term, Medium-term and Long-term		✓	✓

<sup>4</sup>The impact duration is categorized into short-term, medium-term, and long-term. Short-term generally refers to within one year (inclusive) after the end of the sustainability information reporting period. Medium-term generally refers to one to five years (inclusive) after the end of the sustainability information reporting period. Long-term generally refers to more than five years after the end of the sustainability information reporting period.



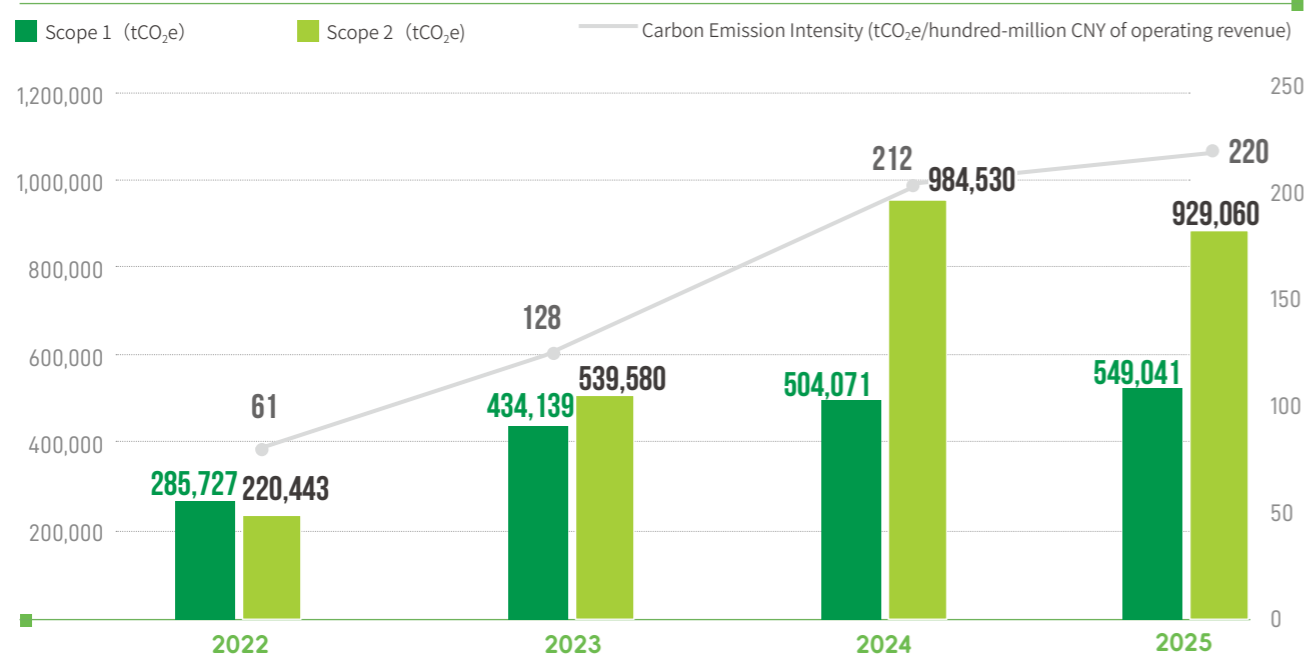
## GHG Emissions Management

In accordance with the ISO 14064-1:2018 standard, we conducted the 2025 greenhouse gas (GHG) inventory for entities within our consolidation scope using the operational control approach. In 2025, our total GHG emissions (Scope 1 and Scope 2) reached 1.48 million tCO<sub>2</sub>e, a decrease of 0.71% compared with 2024, mainly attributable to an increased share of clean energy use and more refined energy management.

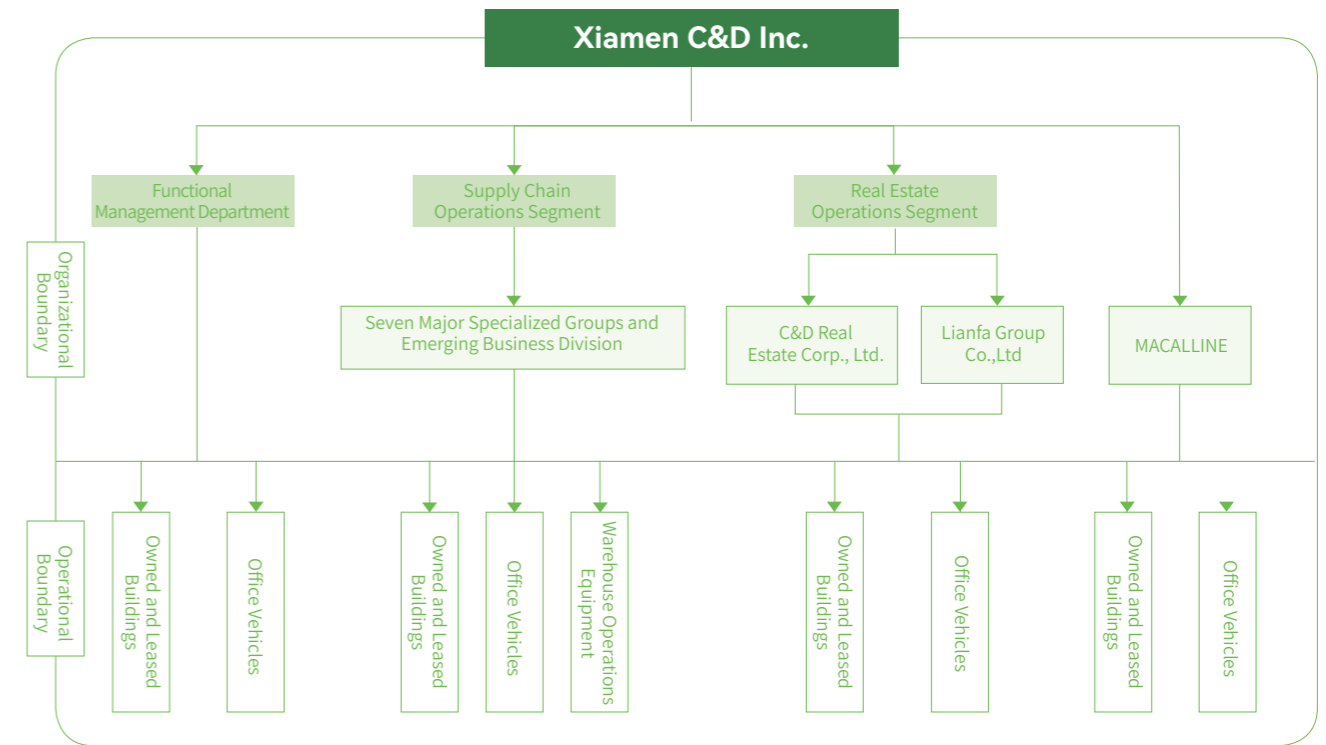
GHG Emissions in 2025

Category	2022	2023	2024	2025
Scope 1: Direct Emissions (tCO <sub>2</sub> e)	285,727	434,139	504,071	549,041
Scope 2: Indirect Emissions (tCO <sub>2</sub> e)	220,443	539,580	984,530	929,060
Total Emissions(tCO <sub>2</sub> e)	506,170	973,719	1,488,601	1,478,101
Carbon Emission Intensity (tCO <sub>2</sub> e/hundred-million CNY of operating revenue)	61	128	212	220

GHG Emissions



### Organizational Boundary of GHG Inventory



### Operational Boundary of GHG Inventory

In 2025, our greenhouse gas inventory covered Scope 1 direct emission sources and Scope 2 indirect emissions from energy consumption.

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



## GHG Emission Reduction Actions

We continuously improve our greenhouse gas reduction management system and integrate low-carbon principles into our operational and investment decisions. Through developing innovative green and low-carbon products, promoting low-carbon practices across the value chain, expanding the use of clean and low-carbon energy, investing in green and low-carbon environmental protection industries, and actively implementing low-carbon initiatives, we systematically advance energy structure optimization and resource utilization efficiency. These efforts also drive our upstream and downstream partners to enhance their low-carbon development, facilitating the transformation of the entire industrial chain toward greener practices.

### ■ Developing Green and Low-carbon Products

Against the backdrop of an increasingly deepened green and low-carbon development philosophy, we continuously integrate sustainability concepts into our product innovation and business practices. We actively advance the research and design of products such as green pulp and paper, green materials, and green building solutions, striving to create resource-efficient, environmentally friendly, and healthy, livable environments. At the same time, we continuously explore circular use, low-carbon alternatives, and eco-friendly products and solutions to minimize environmental impacts across the entire lifecycle, supporting the promotion of green production and sustainable lifestyles.

### ● Green Materials

To address greenhouse gas emission challenges in traditional textile production, we have deeply integrated "low-carbon substitution" into its R&D system. We widely apply recycled polyester, recycled cotton, plant-based fibers, and biodegradable bio-based materials, while proactively exploring negative-carbon materials to build a diversified green materials portfolio. By introducing industry-leading eco-friendly fabrics such as SORONA®, CELYS®, PRIMALOFTBIO®, and Coffee Yarn, we achieve an organic integration of green dyeing and innovative processes, effectively reducing the carbon footprint of our products from the source.

We rigorously select suppliers across four dimensions—product recycling, production and sales traceability, social and environmental practices, and chemical restrictions—and provide support for certifications such as GRS, GOTS, OEKO-TEX, BCI, and RCS. From raw materials to fabrics to finished garments, each stage is issued a T/C transaction certificate, achieving full-chain traceability management from material sourcing to garment manufacturing, thereby supporting the sustainable development of the traditional textile industry.

In the 2025 product portfolio, we completed the full green transition of core categories such as coats, jackets, and vests. By implementing Full-Component Eco-Design, we centered on post-consumer recycled polyester fibers to achieve comprehensive coverage—from functional composite shells to 100% recycled linings, as well as ancillary materials including thread and pocket fabrics.

Under the GRS (Global Recycle Standard) certification system, our subsidiary C&D Light Industry continuously refines and improves a full-chain traceability system covering raw material recycling, processing, and trading. In 2025, thanks to its outstanding performance in green material R&D and low-carbon process innovation, C&D Light Industry was honored with the the ESG Contribution Award at the 2025 Forbes China Fashionable 50 Selection.



C&D Light Industry was honored with the the ESG Contribution Award at the 2025 Forbes China Fashionable 50 Selection



In 2025

### ■ GHG Categories

Seven types of greenhouse gases including carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

### ■ GHG Quantification Methodology

We follow the ISO 14064-1:2018 standard and apply the calculation method, emission factor method, and mass balance method for carbon emission accounting. Emissions are calculated based on the basic formula: "Activity Data × Emission Factor." For different emission sources, calculations comply with the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Energy-related emissions are accounted for in accordance with the General Principles for Comprehensive Energy Consumption Calculation (GB/T 2589-2020) and the 2023 China regional grid average CO<sub>2</sub> emission factors published by the Ministry of Ecology and Environment; overseas operations use the grid emission factors applicable to their respective regions. All greenhouse gas emissions are converted into CO<sub>2</sub>-equivalents (CO<sub>2</sub>e) using the Global Warming Potential (GWP) values from the IPCC Sixth Assessment Report (AR6) to ensure scientific accuracy, consistency, and comparability. The accounting methodology for 2025 remains consistent with previous years, with no major changes.

Green Building

We deeply apply Building Information Modeling (BIM) technology during the project design phase, integrating active and passive design strategies to select eco-friendly building materials. Our designs are guided by national and local standards, including GB/T 50378-2019 Green Building Evaluation Standard and JGJ/T 229-2010 Code for Green Design of Civil Buildings. We continuously explore new approaches to green building design, enhancing both quality and environmental performance, and providing clients with a more sustainable and eco-friendly living experience.



In 2025

the company added 11 newly completed green building projects, all of which are **11 two-star green building project.**

Core Features of the Company's Green Buildings



Highlight Integration of Technology and Energy Efficiency: Developing Ultra-Low Energy Buildings

The Shanghai Qingpu Impression Qingcheng project is a flagship demonstration of ultra-low energy buildings, integrating advanced technologies with optimized building performance. Through systematic energy-saving design, the project significantly enhances the thermal performance and airtightness of the building envelope, achieving notable energy efficiency.

Achieving energy savings for the building itself

15%

For the building envelope, the project adopts a high-performance integrated insulation system for the roof, exterior walls, and windows. The roof's thermal transmittance is optimized to 0.29 W/(m<sup>2</sup> · K). The exterior walls combine external and internal insulation layers, maintaining an average thermal transmittance below 0.4 W/(m<sup>2</sup> · K). The window system uses thermally insulated aluminum profiles and durable warm-edge spacers, achieving an overall window K-value ≤ 1.4 W/(m<sup>2</sup> · K), greatly improving insulation and heat retention.

Overall energy savings rate

40%



Additionally, the windows' overall performance is systematically enhanced, achieving Level 8 airtightness, Level 6 water tightness, and Level 3 airborne sound insulation. In terms of optical performance, the glazing provides a solar heat gain coefficient (SHGC) of no less than 0.6 and visible light transmittance (VLT) of at least 0.4, balancing solar heat control with indoor natural lighting comfort.

Comprehensive calculations indicate that through this technological integration and meticulous design, the project achieves a 15% energy savings for the building itself and an overall energy savings rate of up to 40%, offering a replicable technical pathway and engineering benchmark for high-comfort, low-energy green residential construction.





### Advancing Low-Carbon Development Across the Value Chain

Digital technologies help reduce carbon emission intensity by improving the efficiency of resource allocation, optimizing production and circulation processes, and guiding green consumption. They represent an important technological pathway for achieving carbon peaking and carbon neutrality goals. We continue to strengthen the research, development, and application of digital technologies, actively expanding digital supply chain scenarios and integrating intelligent digital solutions into the development of traditional industries. These efforts promote efficient coordination and optimized allocation of supply chain resources. On this basis, we further advance the green and intelligent transformation of traditional industries, cultivate new quality productive forces, and drive the industrial value chain toward a greener, lower-carbon, and more sustainable direction.

### Pulp and Paper Industry Chain

The pulp and paper industry chain involves upstream international pulp mills, midstream paper manufacturers, and downstream printing and packaging enterprises, with numerous participants and strong collaboration needs. Leveraging our self-developed "LIFT Supply Chain Services" system, we have built an industrial internet platform for the pulp and paper sector, forming a dual digital service matrix centered on "E-Pulp" and "PaperSource."

In 2025

Our industrial internet platforms "E-Pulp" and "PaperSource" were listed on the "Top 100 Chinese Industry Digitalization List" at the 12th Industrial Digitalization Conference.



Top 100 Chinese Industry Digitalization List

### Steel Industry Chain



To meet the demand for efficient supply chain services from enterprises across the steel industry chain, we integrate high-quality resources along the value chain and have independently developed the "C&D Cloud Steel" collaborative platform. Based on the "LIFT Supply Chain Services" system, the platform is supported by four core service elements—logistics, information, finance, and commerce—and builds an integrated supply chain system covering production, transportation, warehousing, and trading.

Through this digital platform, C&D Cloud Steel provides industrial clients with diversified services such as online contract signing, visualized logistics tracking, self-service cargo pickup, and intelligent settlement and reconciliation. These functions enable the digitalization and coordination of business processes, meet the diverse operational needs of the steel industry, and further enhance operational efficiency and service experience for customers. The platform also helps enterprises across the industry chain reduce costs, improve efficiency, and strengthen collaborative development.

In 2025

Our C&D Cloud Steel platform ranked fourth on the "Top 100 Chinese Industry Digitalization List" at the 12th Industrial Digitalization Conference.



Ranked fourth on the "Top 100 Chinese Industry Digitalization List"



Highlight

**Platform Empowerment and Ecosystem Connectivity: Advancing Efficient Collaboration and Digital Transformation Across the Industrial Chain**

Leveraging our self-developed "E-Jiantong" industrial collaboration platform, we have systematically built an open, efficient, and secure infrastructure for external system connectivity and data exchange. The platform effectively removes information barriers between enterprises and enables seamless cross-system integration of key business processes such as logistics, capital flows, finance, and customs operations. By continuously expanding the scope of business collaboration, the platform significantly enhances the overall coordination efficiency and operational transparency of the industrial chain.

Currently, the E-Jiantong platform has been widely applied across multiple business segments, including steel, pulp and paper, and consumer goods. To date, it has completed data connectivity and process integration with 47 external partner systems, covering core operational scenarios from procurement, warehousing, and logistics to settlement, gradually forming a cross-industry and cross-enterprise digital collaboration network. In addition, the platform has successfully established direct system connectivity with leading enterprises such as Wens Foodstuff Group, creating an end-to-end digital channel from order placement to delivery and providing upstream and downstream partners with real-time, reliable, and traceable collaboration capabilities.

The E-Jiantong platform not only promotes deeper integration between our internal operations and the broader external ecosystem, but also provides a replicable and scalable digital platform foundation for the overall digital upgrading of the industrial chain, continuously supporting the development of a secure, resilient, and efficient modern industrial system.

**■ Promoting the Use of Clean and Low-Carbon Energy**

Against the backdrop of the accelerating global transition toward a low-carbon energy structure, the promotion and application of clean energy have become an important pathway for reducing greenhouse gas emissions and advancing sustainable economic and social development. We actively promote the use of clean and low-carbon energy, continuously optimize our energy structure, and reduce reliance on traditional fossil fuels, thereby effectively lowering greenhouse gas emissions from our operations.

In 2025, C&D Clean Energy, a subsidiary of our company, deployed distributed photovoltaic power stations on the rooftops of several subsidiaries, including C&D Automobile, C&D Logistics Industrial Park, and MACALLINE. The total installed grid-connected capacity of these projects reached 23.07 MW, generating 25.36 million kWh of electricity annually. These projects are expected to save approximately 3,117 tonnes of standard coal each year and reduce greenhouse gas emissions by about 13,456 tCO<sub>2</sub>e annually.

**In 2025**

Total installed grid-connected capacity reached	Annual power generation reached	Save standard coal each year	Reduce greenhouse gas emissions by
<b>23.07</b> MW	<b>25.36</b> million kWh	<b>3,117</b> tonnes	<b>13,456</b> tCO <sub>2</sub> e



Highlight

**Empowering Premium Services with Green Energy — C&D Clean Energy & C&D Automobile Distributed Photovoltaic Project**

In 2025, C&D Clean Energy partnered with C&D Automobile to launch Phase II of the distributed photovoltaic project, achieving a total installed capacity of 2.2 MW. The project spans multiple service centers across Xiamen's Jimei, Huli, Haicang Districts, and the Audi flagship center in Xiang'an District, installing 4,508 high-efficiency photovoltaic panels connected to the local grid via a low-voltage grid-tie system.

Following commissioning, the project is expected to generate approximately 2.65 million kWh in its first year, with a total lifecycle (25 years) generation of 61.13 million kWh. This is equivalent to saving 27,735 tonnes of standard coal, reducing 63,481 tonnes of CO<sub>2</sub> and 1,879 tonnes of SO<sub>2</sub> emissions. By enabling self-consumption of clean electricity, the project significantly lowers operating costs, enhances energy resilience, and provides substantial support for C&D Automobile's "premium, intelligent, and green" strategy, achieving a synergy between economic benefits and environmental performance.

**In 2025**

Estimated first-year power generation is approximately	Total lifecycle (25 years) generation of	Reduce greenhouse gas emissions by	SO <sub>2</sub> emissions
<b>2.65</b> million kWh	<b>61.13</b> million kWh	<b>63,481</b> tonnes	<b>1,879</b> tonnes



C&D Automobile Phase II 2.2 MW Distributed Photovoltaic Project

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

In line with the national policies on carbon peaking and carbon neutrality, as well as emission reduction and pollution control, we have elevated the development of clean technologies to a strategic priority and continue to expand our investment in green, low-carbon, and environmental protection industries. Leveraging our advantage in supply chain resource integration, we actively connect upstream and downstream resources across the industry to provide industrial clients with comprehensive, full-cycle supply chain service solutions. We continuously drive business innovation in photovoltaic power station development, energy storage deployment, and new energy vehicle sales, while exploring new approaches and models for international supply chain operations, steadily advancing our business toward high-quality and sustainable growth.

### Positioning in the Photovoltaic Industry

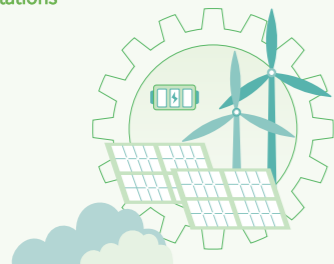
We, through our subsidiaries C&D Clean Energy, C&D Emerging Energy, and C&D Hitek, operate across three main business areas: domestic and international product marketing, project development and investment, and clean energy supply chain and industrial chain operations. We continuously develop and construct distributed photovoltaic power stations for commercial and industrial use. As of the end of 2025, we have invested in projects (including both completed and approved projects) with a total installed capacity of 31 MW in commercial and industrial photovoltaic power stations.

In 2025

We have invested in projects (including both completed and approved projects) with a total installed capacity of

**31** MW

in commercial and industrial photovoltaic power stations



Highlight

### Photovoltaics Driving Intelligent Manufacturing and Enabling Green Industry

In Jiading, Shanghai, we, through our subsidiary C&D Clean Energy, invested in and constructed the Phase II 1.1 MW distributed photovoltaic power station for Jinzhida Group, successfully connecting it to the grid and expanding the total installed capacity to 1.4 MW, building on the success of the Phase I 385 kW project. The project utilizes high-efficiency monocrystalline modules and smart inverters, delivering over 90% of the electricity needs for the production line of automotive interiors via low-voltage grid connection, covering core processes such as temperature-controlled and hot-melt processing.

Based on estimates, the project is expected to generate 1.14 million kWh in its first year. Over its full lifecycle (25 years), the cumulative electricity generation will exceed 25.89 million kWh, equivalent to saving approximately 11,000 tonnes of standard coal and reducing 13,737 tCO<sub>2</sub>e. This "photovoltaics + intelligent manufacturing" integration model not only helps Jinzhida Group advance toward zero-carbon production but also provides a practical example for building a green supply chain across the industrial chain and promoting regional industrial green transformation.

Estimated first-year power generation reaches

**1.14** million kWh

Save standard coal approximately

**11,000** tonnes

Total lifecycle (25 years) generation of

**25.89** million kWh

Reduce greenhouse gas emissions by

**13,737** tonnes

## Implementing Green and Low-Carbon Actions

We actively promote a concise, low-carbon, and healthy approach to production and operations, continuously advancing green consumption and sustainable lifestyles. By systematically cultivating employees' awareness of resource conservation and environmental protection, we integrate low-carbon principles throughout energy-saving technical upgrades, green office practices, and overall operational processes, gradually establishing a comprehensive, self-aware, and closed-loop green operational culture.

### Green Operations

We adopt a "full-process and full value chain" framework to systematically advance green operations, integrating low-carbon development principles into daily management, production upgrades, and supply chain collaboration. Through these efforts, we continuously reduce resource consumption and environmental footprint while enhancing the overall sustainability and climate resilience of our operations. At the same time, we leverage supply chain collaboration mechanisms to encourage upstream and downstream partners to jointly pursue low-carbon transformation. By doing so, we promote the establishment of a closed-loop green management system across the entire value chain and foster a more sustainable industrial ecosystem.



Highlight

### Energy Efficiency Upgrades in Cogeneration and Papermaking Systems

To further advance energy conservation and carbon reduction in our production processes, we, through Universal Pulp and Paper, implemented a series of technical upgrades targeting the energy system and core production processes:

#### Cogeneration system optimization

We upgraded the steam turbine at the cogeneration plant to improve efficiency, reducing the steam consumption rate by 4.35kg/kWh and enhancing overall power generation efficiency.

#### Papermaking line upgrades

We integrated and optimized the steam systems across multiple papermaking production lines, reducing steam consumption per tonne of paper by 0.1 tonne.

#### Overall results

Following these upgrades, we save over 8,000 tonnes of standard coal annually, corresponding to a reduction of approximately 23,782 tCO<sub>2</sub>e in greenhouse gas emissions. These improvements deliver environmental benefits while creating a virtuous cycle of technology advancement, energy efficiency gains, carbon reduction, and economic value creation.



Highlight Giving New Life to Old Items: Building a Better Future Together

On World Earth Day 2025, C&D Property launched a themed campaign titled "New Life for Old Items, Building a Better Future Together" across multiple projects and communities. Homeowners were invited to participate in engaging activities such as "Books for Veggies," "Flea Markets," and "Eco-classrooms." By swapping old books for fresh vegetables and trading idle belongings, the initiative aimed to further enhance residents' environmental awareness and foster a collective commitment to sustainable development. The campaign received an enthusiastic response, with a total of 67 sessions organized and 659 cumulative participants, successfully promoting a new low-carbon lifestyle trend within the community.

Green Office Practices

We have comprehensively advanced a digital office system, providing online services across administrative, human resources, financial, and business management functions. This enables paperless and intelligent office operations, improving operational efficiency and enhancing collaborative value. To further promote energy conservation and emission reduction, we have established Xiamen C&D International Building Daily Safety, Energy Saving, and Environmental Hygiene Management Measures. Our Green Office Task Force conducts daily inspections of energy use within the office building to ensure that energy-saving measures are effectively implemented. Key practices include:

- ✔ Posting electricity-saving reminders in public areas to encourage employees to switch off power when leaving the office.
- ✔ Installing smart motion-sensor switches in staircases, restrooms, and other areas to automatically turn off lighting when unoccupied, preventing unnecessary power consumption.
- ✔ Reducing artificial lighting during periods of sufficient daylight and prioritizing the use of natural light to lower energy consumption.
- ✔ Encouraging the use of fans instead of air conditioning during weekend overtime, while strictly controlling requests for extended air-conditioning operation.

We also strictly manage energy consumption in real estate development projects, prioritizing the use of energy-efficient equipment and implementing systematic energy-saving management measures. Key initiatives include:

- ✔ Optimizing the layout of temporary office and living facilities on construction sites based on natural conditions, including building orientation, spacing, and window-to-wall ratios. Temporary structures adopt color steel composite walls, insulated roofing, and high-performance doors and windows to reduce energy waste.
- ✔ Using energy-efficient lighting across construction sites and office/living areas, with tower crane floodlights and area lighting equipped with timed switches, adjusted seasonally.
- ✔ Establishing a lighting operation management system, supported by electricity consumption records, to shorten automatic lighting durations in public areas and improve energy efficiency.
- ✔ Strictly controlling air-conditioning use in office areas, maintaining indoor temperatures no lower than 26° C in summer and no higher than 20° C in winter.
- ✔ Installing energy-saving reminders near power sources to encourage employees to adopt electricity-saving habits.
- ✔ Prioritizing solar energy for hot water supply in living areas, supplemented by electricity to reduce energy consumption.
- ✔ Establishing management systems for the maintenance, inspection, and operation of construction machinery, optimizing construction scheduling to improve equipment utilization and load efficiency.

Green Consumption

We engage external consumers by creating immersive and experiential consumption scenarios centered on green living needs, promoting the development of home product consumption toward low-carbon and intelligent solutions, and enabling the practical adoption of green and smart lifestyles.



Highlight Innovating the "Zero-Carbon Living Home" Concept to Foster a New Ecosystem for Green Home Consumption



"Zero-Carbon Living Home" Green Energy Technology Showroom

To promote the green transformation of home consumption, in 2025 we partnered with Star Charge to launch China's first "Zero-Carbon Living Home" Green Energy Technology Showroom in Shanghai.

Centered on household energy management and the concept of a zero-carbon lifestyle, the showroom features six themed scenarios: outdoor camping, an integrated vehicle-home energy hub, zero-carbon mobility, zero-carbon coffee, bicycle-powered electricity generation, and balcony photovoltaics. By integrating advanced technologies such as solar power generation, energy storage systems, and vehicle-to-grid (V2G) charging and discharging, we translate the zero-carbon concept into tangible and experiential daily life scenarios. This approach enables the deep integration of zero-carbon technologies with home environments and provides consumers with a one-stop solution for zero-carbon living.

We have established the "Zero-Carbon Living Home" as a standard configuration for the future upgrade of our smart appliance lifestyle stores, accompanied by a scalable rollout plan. In 2025, we launched five Zero-Carbon Living Home showrooms, with plans to expand to 10 locations in 2026 and 40 to 50 stores by 2027. Through the integration of green lifestyle scenarios with our core business, we aim to encourage households to transition from traditional energy consumers to energy creators, further strengthening our leadership in sustainable home innovation and contributing to the development of a green ecosystem within the home living industry.

# Energy Usage

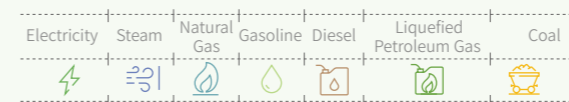
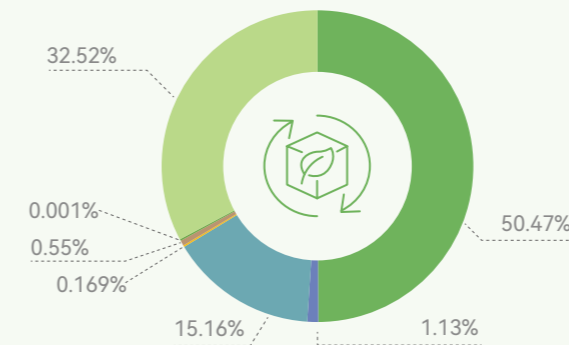


In 2025, our total comprehensive energy consumption amounted to 450,839 tonnes of standard coal equivalent (tce). The primary energy sources consumed were electricity and coal, accounting for 82.99% of total energy consumption. During the reporting period, we actively promoted the use of photovoltaic and hydropower electricity, with clean electricity accounting for 7.31% of our total electricity consumption.

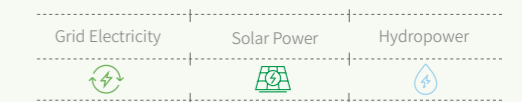
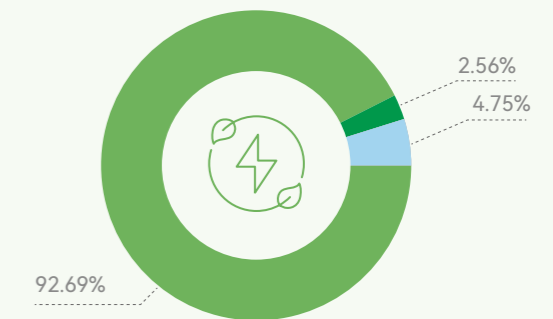
## Energy Consumption in 2025

Energy Type	2025	2024	2023	Energy Consumption Proportion in 2025
Electricity (kWh)	1,851,476,286	1,720,332,433	947,373,073	50.47
Coal (t)	205,244	181,876	166,254	32.52
Natural Gas (m3)	51,405,296	52,767,011	39,117,790	15.16
Steam (t)	53,708	206,977	16,889	1.13
Diesel (L)	1,961,264	2,143,085	446,758	0.55
Gasoline (L)	717,283	1,728,416	701,654	0.169
Liquefied Petroleum Gas (t)	952	668	7	0.001
<b>Total Energy Consumption (tce)</b>	<b>450,839</b>	<b>436,812</b>	<b>290,138</b>	<b>100</b>

### Energy Structure for 2025



### Electricity Structure for 2025



# Usage of Water Resources



Water is not only a fundamental resource for business operations, but is also closely related to regional water security, ecosystem health, and social well-being. We attach great importance to water resource management and regard water as a strategic resource for safeguarding ecological security, supporting sustainable development, and enhancing operational resilience. We strictly comply with laws and regulations such as the Water Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, and the Law of the People's Republic of China on Prevention and Control of Water Pollution. We have formulated and implemented the Environmental Protection Policy and continue to strengthen mechanisms for the identification, assessment, and routine monitoring of water resource risks.

To systematically advance water resource management, we have established a water-saving leadership team led by management and responsible for setting targets related to water conservation. Our Sustainability Task Force is responsible for comprehensively promoting refined water use management, continuously improving water resource utilization efficiency, and actively fulfilling our corporate responsibility for water conservation.

In our supply chain operations business, water resources are consumed mainly in factory production activities. To this end, we implement a series of measures throughout the production process to improve water-use efficiency and strengthen water-saving management, continuously enhancing the utilization efficiency of water resources and effectively reducing water consumption.

**Highlight** Technology-enabled Water Resource Recycling

Xiangguang Copper prepares an annual water usage plan and sets related targets, installs flow meters at all water intake points, and regularly tracks and analyzes daily water intake, water consumption, and wastewater discharge. In terms of technological application, Xiangguang Copper promotes processes such as reclaimed water reuse, magnetic flocculation wastewater treatment, and ultrafiltration concentrate water reuse to reduce fresh water withdrawal and improve the recycling rate of water resources. Xiangguang Copper has established a graded wastewater treatment and reuse system. Relying on efficient wastewater treatment facilities, it reuses treated wastewater that meets discharge standards in the production process, thereby conserving water resources and improving water use efficiency. In 2025, Xiangguang Copper achieved a water recycling rate of 97%, thereby achieving highly efficient water recycling and intensive water use.

In 2025

Xiangguang Copper achieved a water recycling rate of

**97%**



**Highlight** Institutional Guidance for Refined Water Resource Management

Universal Pulp and Paper continuously improves its water resource management structure by establishing a water-saving office, clarifying responsibilities and operating mechanisms, and ensuring the orderly advancement of management work. In terms of compliance management, it conducts water withdrawal and water use management in accordance with laws and regulations, and scientifically formulates and strictly implements water withdrawal plans in line with water withdrawal permits and water supply contracts, thereby ensuring that water withdrawal and water use are legal and compliant. In terms of monitoring and risk control, Universal Pulp and Paper has established a routine mechanism for water resource monitoring, risk identification, assessment, and early warning. It has installed flow meters at all water intake points, and implements daily meter readings and monthly water use analysis to dynamically manage water-related risks. In 2025, Universal Pulp and Paper focused on delivering tangible water-saving results, set targets for water consumption per tonne of paper for each paper-making workshop, and vigorously promoted reclaimed water reuse. During the year, it used 1.033 million tonnes of reclaimed water, effectively reducing water resource consumption and improving water use efficiency and recycling levels.

In our real estate business

we actively explore measures for water resource recycling and strive to reduce water consumption. We strictly implement sponge city construction requirements and widely apply green technologies such as rainwater harvesting, reclaimed water utilization, and ecological water landscapes throughout project development and construction to improve water resource utilization efficiency and support the development of water-saving projects:

- Rainwater Harvesting and Reuse**  
 Leveraging rainwater collection systems, we effectively capture rainwater from rooftops, ground surfaces, and pavements. The treated rainwater is used for non-potable purposes such as landscaping irrigation, facility cleaning, and other non-potable water needs, reducing tap water consumption while alleviating pressure on urban drainage systems.
- Reclaimed Water Recycling and Reuse**  
 Through a reclaimed water system, we treat wastewater and reuse it for toilet flushing, landscaping irrigation, and replenishment of landscape ponds within projects.
- Sponge-based Ecological Water Conservation**  
 In new projects, we incorporate sponge city facilities such as sunken green spaces, permeable pavements, and rain gardens to enable rainwater retention, detention, and gradual infiltration. This helps reduce water consumption for landscape irrigation and improve water resource utilization efficiency, while also capturing suspended pollutants and improving the ecological environment of communities.

# Pollutant Discharge



We continuously improve the management of pollutant discharge, including exhaust gas, wastewater, and noise, in accordance with the requirements of laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Water Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Soil Contamination, and the Law of the People's Republic of China on Prevention and Control of Noise Pollution. We strengthen process control and compliance monitoring to reduce the impact of pollutant discharge on the surrounding environment.

## Exhaust Gas Emission Management

We generate exhaust gas primarily from production activities at our factories and construction activities in our real estate business. The main air pollutants include dust, sulfur dioxide, and nitrogen oxides.

During the factory production process, air emissions primarily originate from boiler flue gas in thermal power plants and fugitive emissions. The main air pollutants include sulfur dioxide, nitrogen oxides, and particulate matter. Based on production characteristics, we have established control targets for air pollutants and implemented control measures in the areas of organizational and operational support, source control, treatment processes, online monitoring, and emergency management:

### Organizational and Operational Support

The Safety and Environmental Protection Department is staffed with environmental protection professionals for overall management, and thermal power stations are equipped with dedicated personnel responsible for the operation and maintenance of environmental protection facilities. We continue to improve management systems and operating procedures and implement daily maintenance and upkeep.

### Source Control

We strictly control the quality of coal fed into boilers and keep its sulfur content below 1%, thereby reducing the generation of pollutants such as sulfur dioxide.

### Treatment Processes

We adopt combined treatment processes such as low-NOx combustion, SNCR denitrification, baghouse dust collection, limestone-gypsum wet desulfurization, and wet electrostatic precipitators to reduce emissions of sulfur dioxide, nitrogen oxides, and particulate matter, and carry out treatment in line with ultra-low emission requirements.

### Online Monitoring

Automatic online monitoring equipment is installed at exhaust gas discharge outlets and connected to the competent authorities' monitoring network to achieve continuous monitoring.

### Risk Prevention

We regularly conduct environmental protection training and strictly implement operating procedures to reduce the risk of excessive emissions caused by facility failures or improper maintenance. At the same time, we continue to improve contingency plans for environmental emergencies and strengthen response capacity building.

During the construction process in our real estate business, the exhaust gas and dust produced during construction are common pollutants that can impact the surrounding environment. During the project construction stage, we implement a series of proactive measures to manage and control the emission of construction-related exhaust gases and dust. During the construction of ongoing projects, exhaust gas emissions remain in compliance with local regulatory requirements, and dust control at construction sites meets the relevant requirements of the Ambient Air Quality Standards (GB3095-2012). We implement the following management measures for dust control:

- Deploying sprinkler systems in construction areas to cover key operation points and improve dust suppression efficiency.
- Installing online dust monitoring equipment to monitor PM2.5 in real time and link it with sprinkler facilities to form a dynamic control mechanism.
- Cleaning vehicles entering and leaving construction sites through automatic high-pressure vehicle washing systems to reduce dust carried onto roads and secondary dust.
- Optimizing waste transfer channels and equipping discharge outlets with misting devices to reduce dust dispersion during loading and unloading.
- Conducting mortar mixing operations in enclosed mixing sheds, with sprinkler facilities installed around the sheds.
- Setting up dust management signage, refining on-site management requirements, and implementing targeted control measures based on pollution-level classification.
- Covering exposed soil areas with turf or green mesh, supplemented by water spraying and sweeping, to improve dust-control effectiveness.

## Wastewater Discharge Management

The wastewater generated from our operations mainly comes from manufacturing activities at our factories and construction activities in our real estate business. The primary pollutants in the wastewater include COD and ammonia nitrogen. We have put in place wastewater treatment facilities that meet environmental protection requirements and carry out process management and operation and maintenance in accordance with reuse and compliant discharge requirements, so as to promote wastewater reduction and resource utilization.

In the factory production process, wastewater mainly comes from production wastewater, domestic sewage, and initial rainwater runoff. We have established discharge control targets for key pollutants such as COD and ammonia nitrogen, and implement control measures in the areas of management systems, source control, treatment processes, and online monitoring:



During the construction process in our real estate business, wastewater primarily comes from domestic sewage generated by construction personnel and on-site construction wastewater. We strengthen the management of pollutant discharge permits for projects and wastewater control during the construction period.

- Installing three-stage sedimentation facilities at construction sites, where construction wastewater is collected and sedimented for recycling or discharged after meeting the standards.
- Promoting prefabricated construction to reduce on-site wet operations and lower the volume of wastewater generated.
- Installing rainwater recovery devices and improving drainage systems, implementing the separate management of rainwater and wastewater, and strictly prohibiting the discharge of non-rainwater bodies into the municipal rainwater pipeline network.
- Strengthening the storage management of oil and chemicals through measures such as dedicated storage rooms and impermeable ground treatment, so as to prevent spillage, overflow, dripping, and leakage, avoid random dumping, and reduce the risk of pollution to water bodies and soil.



| Sedimentation Tanks for Three Stages of Wastewater Treatment

## Noise Management

The noise generated during our operations mainly comes from construction sites and equipment rooms of real estate development projects. We carry out noise control in accordance with local requirements, and during the construction of ongoing projects, noise emissions comply with the relevant requirements of the Emission Standard of Environment Noise for Boundary of Construction Site (GB12523-2011).

| We implement the following measures for noise control at construction sites and equipment rooms:

### Noise Monitoring and Early Warning

Installing noise monitoring equipment to conduct real-time monitoring of noise levels at construction sites and provide early warning for any exceedances.

### Optimization of Construction Organization and Operational Management

- ✔ Selecting low-noise construction machinery and processes, reasonably arranging the operating periods of high-noise equipment, and avoiding overlapping high-noise operations.
- ✔ Setting up enclosed soundproof barriers for high-noise equipment and implementing enclosed construction management during the fit-out stage of commercial complexes and small businesses.
- ✔ Standardizing the management of transport vehicles, maintaining them in good technical condition, and minimizing unnecessary abnormal noise.

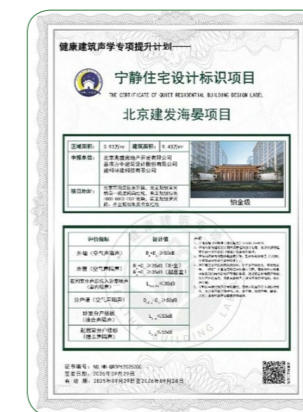
### Control and Communication in Sensitive Areas

- ✔ Reasonably arranging construction schedules based on the distribution of sensitive receptors such as schools, hospitals, and residential areas around projects; obtaining permits for nighttime construction as required and notifying the community accordingly.
- ✔ Before carrying out cutting, vibration, and other operations in densely populated areas with concentrated residential and institutional uses, obtaining the required approvals and notifying surrounding parties of the work plan, scope of impact, and control measures.

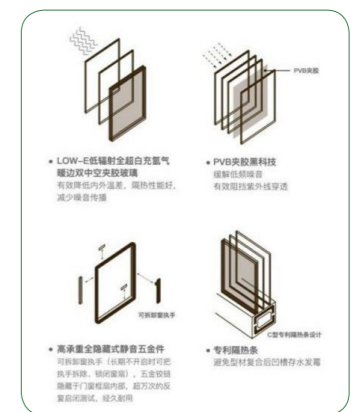


### Highlight Quiet Residences

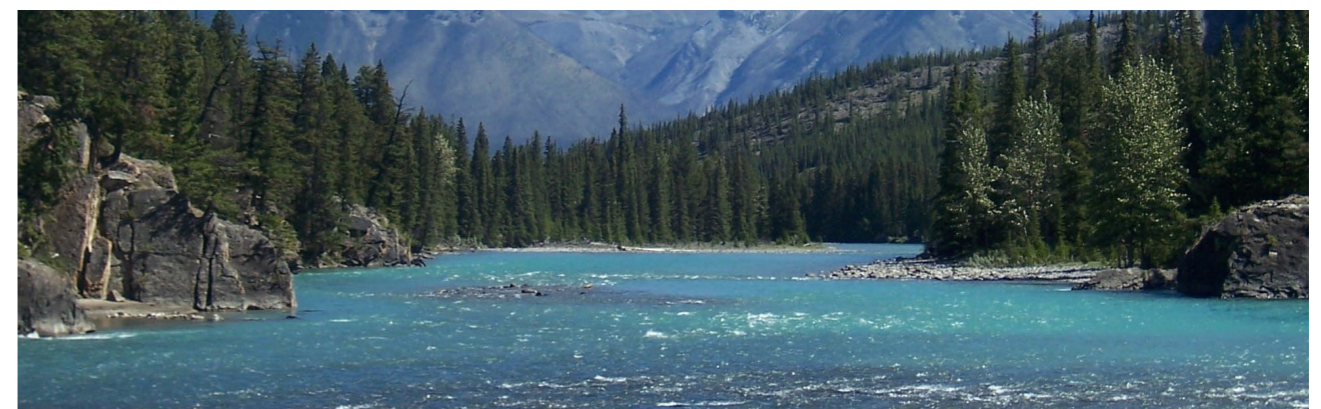
The C&D Haiyan Project adopts sound insulation materials such as LOW-E low-radiation ultra-clear argon-filled warm-edge double-glazed laminated glass, PVB, high-load-bearing fully concealed sound-insulating hardware fittings, and patented thermal insulation strips. It also applies technologies such as locally thickened partition walls between households, double sealing strips, floating floor slabs, and thermal and acoustic insulation pads, effectively reducing the impact of environmental noise and creating a quiet living space. Based on the above technologies, the C&D Haiyan Project was awarded the highest-level "Platinum Certification" for Quiet Residences by the China Society for Urban Studies in 2025. It is the first project in Beijing to receive this certification, and its outstanding performance in acoustic environment control was authoritatively recognized.



| Ultra-thermal-insulating Soundproof System Windows



| "Platinum Certification" for Quiet Residences



# Waste Disposal



The Company, in accordance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill, the Standard for Pollution Control on Hazardous Waste Storage, and other relevant national and local regulations, and in line with solid waste management requirements, continuously improves and refines its waste management systems and operational procedures. We follow the principles of reduction, valorization, and harmlessness in our operations, promoting source reduction, classified management, compliant storage, and standardized disposal, so as to minimize the potential environmental impacts of waste.

## General Waste

We generate general waste from our operations mainly through factory production activities and construction activities in our real estate business, including construction waste, industrial waste, and domestic waste. We continuously optimize our management measures to improve resource efficiency and reduce waste generation.

### In factory production

we reduce raw material consumption and waste generation by optimizing production processes and equipment configurations. We have established a waste classification and recycling system, in which fly ash, slag, and desulfurized gypsum are used as raw materials by our building materials company, while waste plastics and scrap metals are sold externally as production inputs in accordance with management requirements, achieving resource recovery.

### In real estate construction

we implement waste classification and on-site management measures for ongoing projects:

- We set up temporary waste storage areas with classified storage, separately manage waste that may cause secondary pollution, equip them with safety measures and clear signage, and provide waste handling training to ensure construction personnel understand and comply with management requirements.
- We establish enclosed garbage stations on construction sites, equipped with misting dust suppression devices and dust screens, and conduct cleaning and maintenance according to schedule.
- Waste is classified as recyclable for external transport, non-recyclable for external transport, and suitable for on-site treatment. Crushed bricks and debris can be reused as backfill for basement pits, reducing the need for external disposal.

## Hazardous Waste

We generate hazardous waste from our operations primarily through factory production activities and construction activities in our real estate business, mainly including waste mineral oil, waste oil drums, and similar materials. We implement full-process management of hazardous waste, covering generation, storage, transfer, and disposal, to ensure compliant handling.

### In factory production

we strictly control the generation, storage, and disposal of hazardous waste, and entrust qualified third-party organizations to carry out disposal, ensuring that all processes meet regulatory requirements.

### In real estate construction

we transfer toxic and hazardous waste to specialized treatment centers, and strictly prohibit activities on-site that may produce toxic or hazardous substances, such as melting asphalt or burning waste, thereby mitigating environmental risks at construction sites.

# Environmental Compliance Management



We strictly comply with the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, and other relevant laws and regulations of the locations where we operate. We clearly define operational requirements for the Company and its subsidiaries regarding pollutant emission control, water resource protection, and other aspects through internal policies such as the Environmental Protection Policy. We continue to advance the development of our environmental management system, and all our manufacturing enterprises have now been certified with the ISO 14001 Environmental Management System. In 2025, we did not experience any major environmental incidents.

## Environmental Risk Control

We conduct identification and assessment of environmental risks that may arise from our business activities in accordance with risk management systems and procedures. Based on specific projects, we carry out targeted risk identification and assessment, determine risk levels, and implement corresponding control measures to mitigate potential environmental risks.

## Environmental Emergency Management

We implement the provisions of the Emergency Response Law of the People's Republic of China, the Contingency Plan for Environmental Emergencies, the Measures for the Administration of Contingency Plan for Environmental Emergencies, and other relevant laws, regulations, and guidelines. We have developed comprehensive emergency response plans such as the Comprehensive Contingency Plan for Environmental Emergencies and the Special Contingency Plan for Hazardous Waste Environmental Emergencies, as well as an annual environmental emergency drill plan. We organize environmental emergency drills to strengthen our emergency response and handling capabilities, thereby reducing the potential environmental impacts of unexpected incidents and safeguarding public health and environmental safety.



### Highlight Emergency Drill for Waste Ink Leakage

In 2025, Zhongli Group, a subsidiary of the Company, carried out a scenario-based drill focusing on leakage risks during the handling and temporary storage of waste ink. The drill focused on key management requirements such as personal protection, on-site isolation, leakage control, adsorption and collection, hazardous waste drum labeling and temporary storage, and record-keeping, and tested the consistency of post execution, the suitability of emergency materials, and the efficiency of information reporting. Based on the drill review, we improved relevant operating procedures and training priorities, checked and supplemented the allocation of emergency materials, and further clarified responsibilities for on-site handling and collection management, thereby enhancing the capability for standardized response to sudden leakage incidents and reducing potential impacts on personnel safety, environmental compliance, and on-site order.

## Environmental Protection Culture

We organize environmental training and thematic awareness activities in line with environmental management requirements to enhance employees' environmental awareness and strengthen daily behavioral standards. In 2025, we conducted multiple environmental training and awareness activities, focusing on topics such as World Environment Day campaigns and hazardous waste awareness training.

# Circular Economy



Developing a circular economy is a key strategic initiative for China to promote green and high-quality development, and it plays an important role in ensuring national resource security, optimizing the economic structure, protecting the ecological environment at a high level, and advancing ecological civilization. In 2025, the country issued the 15th Five-Year Plan Outline and the Action Plan for the Application and Promotion of Recycled Materials, which emphasize enhancing the supply capacity of recycled steel, improving the supply of recycled non-ferrous metals, and strengthening the supply of recycled paper and other materials to promote the development of a circular economy. We actively practice the concept of a green circular economy, promote the efficient recycling of resources, and are committed to building a green, low-carbon, and sustainable economic system.

## ● Scrap Steel Recycling

We have established several million-tonne-level "National Recycled Steel Processing and Distribution Demonstration Bases" in Tianjin, Tangshan, Baotou, and Benxi, forming a nationwide recycled resource circulation network. In 2025, our annual contracted volume of scrap steel exceeded 1,000,000 tonnes, effectively breaking regional barriers and improving the cross-regional allocation efficiency and market-based pricing of scrap steel resources.

Leveraging our self-developed industry collaboration platform "C&D Esteellink", the "E-Scrap Steel" mini program, and an unattended intelligent weighing system, we have achieved a fully digitalized closed-loop management of scrap steel from collection and processing to distribution.

In 2025, Shanghai C&D Materials Co., Ltd., a subsidiary of the Company, was elected as a Vice President Unit of the China Scrap Steel Application Association. Its scrap steel operation unit was recognized by Shanghai Steel Union as a "Benchmark Enterprise in Resource Recycling" and became a lifetime member of the Mysteel Inner Mongolia Urban Mining Core Enterprise Club.

### In 2025

Shanghai C&D Materials Co., Ltd., a subsidiary of the Company, was elected as a Vice President Unit of the China Scrap Steel Application Association

Its scrap steel operation unit was recognized by Shanghai Steel Union as a "Benchmark Enterprise in Resource Recycling"

became a lifetime member of the Mysteel Inner Mongolia Urban Mining Core Enterprise Club.

## ● Scrap Aluminum Recycling

The recycling and utilization of high-energy-consuming products such as non-ferrous metals can effectively reduce carbon emissions across the value chain, including raw material extraction, transportation, and production. We expand our non-ferrous metal recycling and processing business to reduce energy consumption, extend resource lifecycles, and promote the development of a circular economy.

We have deeply developed our recycled aluminum resource business, establishing a joint venture with Lanxi Boyuan Metal Co., Ltd. in Thailand for overseas raw material procurement, sorting, and smelting. We have also built in-transit supply chain financing partnerships with numerous overseas recycling companies and begun establishing feedstock processing operations with some domestic enterprises, contributing global solutions for aluminum resource reduction and reuse.

In 2025, the company recycled a total of 54,000 tonnes of recycled metals (including recycled aluminum, aluminum alloys, and copper), with the business scale reaching CNY 940 million.

### In 2025

the company recycled recycled metals (including recycled aluminum, aluminum alloys, and copper) a total of

**54,000** tonnes

with the business scale reaching

**940** million CNY

## ● Waste Paper Recycling

We, guided by the core concept of "Developing a Circular Economy and Building a Green Paper Industry," actively engages in waste paper recycling and uses waste paper to produce various paper types, including coated paper and kraftboard, aiming to reduce the consumption of natural resources such as wood. We actively implement the following measures to deepen resource conservation and circular utilization practices:

Promote the recycling and reuse of waste paper, pulp residue, coal slag, and fly ash, achieving circular use of solid waste throughout the production process.

Reduce steam consumption and energy intensity through technological upgrades and process improvements in the turbine systems of thermal power plants and paper production lines.

Advance energy-saving and consumption-reduction management in production, decrease standard coal consumption, and achieve synergistic improvements in energy efficiency, emission reduction, and product quality.

In 2025, our total recycled waste paper reached 500,000 tonnes, including 65,800 tonnes of pulp residue from production and 87,000 tonnes of coal slag and fly ash, all of which were reused as solid waste resources.

### In 2025

our total recycled waste paper reached

**500,000** tonnes

including pulp residue from production

**65,800** tonnes

coal slag and fly ash

**87,000** tonnes

# Ecosystem and Biodiversity Protection

## Waste Oil Recycling

We, leveraging our specialized supply chain LIFT services, have established long-term strategic partnerships with multiple biodiesel and waste oil refining plants, integrating the "waste oil-processing-energy" industrial chain. This facilitates the comprehensive recycling and utilization of waste resources such as gutter oil and kitchen waste oil, providing environmentally friendly and effective alternatives to depleting fossil fuels and reducing exhaust emissions.

In 2025, we exported and sold 300,000 tonnes of industrial-grade mixed waste oil, reducing carbon emissions by over 1,000,000 tonnes.

In 2025

we exported and sold industrial-grade mixed waste oil

**300,000** tonnes

reducing carbon emissions by over

**1,000,000** tonnes



### Highlight Circular Use of Conference Materials



In 2025, we, together with the Commodity Pulp Working Committee of the China Paper Association, hosted the China Pulp & Paper Conference. The conference, themed "Openness, Development, Integration, and Win-Win Cooperation," brought together industry leaders, experts, scholars, and company representatives from China and abroad to discuss the current status and future trends of the global pulp and paper industry.

The conference implemented resource conservation and circular utilization in material use and catering arrangements, fully adopting eco-friendly tableware, using 100% recyclable signage, and giving priority to locally sourced food. These

measures reduced the consumption of disposable materials and transportation resource waste, promoting resource reduction and recycling in conference operations and continuously practicing the concept of a "zero-carbon conference."



### Highlight Protecting the Blue Through Science—Chinese White Dolphin Conservation Initiative

To further expand the social impact of the "Chinese White Dolphin Conservation Initiative" and promote joint efforts between industry and public participation in safeguarding marine ecosystems and biodiversity, we, through our subsidiary Paper & Pulp Group, organized over 30 students from Donghui Primary School in Jimei District, Xiamen, to visit three cetacean exhibition halls and a coral conservation center. The students participated in a marine science activity focused on the Chinese white dolphin. Guided by professional volunteers, the students closely observed cetaceans and specimens of rare marine species, gaining a deeper understanding of the Chinese white dolphin's behavior, habitat, and the ecological challenges it faces, while also learning about the important role of coral reef ecosystems in maintaining marine biodiversity.

Through immersive visits and interactive science education, the children developed a strong interest in marine ecological protection and gained a clearer understanding of the importance of protecting the Chinese white dolphin and its habitat. This activity not only enhanced environmental awareness among youth but also extended our biodiversity conservation efforts to public education, using knowledge dissemination and value guidance to pass on ecological protection concepts to the next generation and jointly safeguard a sustainable marine ecosystem.



# 02 Social

## Social Performance Targets for 2025

- Achieve full coverage of community communication mechanisms across operating sites and continue community dialogue and stakeholder engagement
- Carry out no fewer than 150 volunteer service activities throughout the year, with volunteer service hours of no less than 5,000
- No litigation cases arising from intellectual property infringement occurred throughout the year
- Advance the integration of sustainability requirements into supplier access and evaluation mechanisms
- Establish and continuously improve supply chain risk identification, assessment, and response mechanisms
- No material penalties related to the health and safety of products and services occurred throughout the year
- Continue employee training to ensure that the average training hours per employee reach no less than 20 hours
- Achieve 100% employee coverage of safety training
- Promote full certification coverage of the Occupational Health and Safety Management System (ISO 45001) among subsidiary manufacturing enterprises
- No major or more severe safety accidents occurred throughout the year

Completion Status  Completed  In Progress  Unfinished



# Rural Revitalization and Contributions to the Society



"Together Go Beyond" has long been the brand philosophy we uphold. To promote the sustainable development of community relations, we have formulated a Community Policy, integrated the relevant requirements of the United Nations Sustainable Development Goals (SDGs) into our operations, established working mechanisms for needs feedback, risk assessment, and community co-development, and continuously improved our communication and collaboration with communities. In practice, we focus on areas such as rural revitalization, education support, community development, and public welfare and charity, promote alignment between our operations and community needs, and gradually build long-term and stable partnerships.

## Revitalizing Rural Areas, Advancing Together through Assistance

Rural revitalization is an important pathway for promoting coordinated urban-rural development and achieving common prosperity. Leveraging our industrial chain resources and business layout, we integrate rural revitalization into our daily operations and value creation process. Through consumption-driven assistance, support for the development of distinctive industries, and participation in the improvement of basic rural conditions, we continue to expand the space for rural development and help foster rural environments that are livable and business-friendly.



Highlight

Exploring an Integrated Development Path for Agriculture, Culture, and Tourism through "Village Enterprise + SOE" Collaboration

Renshe Village is located in Tingxi Town, Tong'an District, Xiamen. Relying on its ecological landscape and rural cultural resources, it has a sound foundation for developing an integrated cultural and tourism industry. We have established a paired assistance partnership with Renshe Village in Xiamen and continue to explore a coordinated development path of "SOE + village enterprise" collaboration. By organically integrating industrial support, consumption-driven assistance, and public welfare care, we are gradually developing a sustainable model for rural development.

Through co-development agreements, thematic research, and exchange seminars, we identified and analyzed the development needs of Renshe Village, while exploring a path for the integrated development of agriculture, culture, and tourism. To improve the quality of the rural environment, we organized volunteer service activities in connection with occasions such as Arbor Day, carried out environmental clean-up and greening maintenance, and continuously maintained areas such as "C&D Sunshine Road," thereby helping improve the village appearance and enhance the quality of the living environment. At the same time, we paid close attention to rural public services and community care by organizing health awareness lectures, holiday care visits, and public welfare photography activities

In 2025

with cumulative subscriptions exceeding **4,800** kg of rice

under the "Moments Photo Studio" initiative, so as to continuously respond to the practical needs of elderly groups and disadvantaged families and strengthen villagers' emotional connection with the community. In our long-term practice, we have gradually introduced a youth participation mechanism, organized special research under the "Rural Ambassador" initiative, and mobilized young cadres from various business segments to conduct field visits and research in Renshe Village, thereby forming recommendations for sustainable rural development.

In 2025, we continued to carry out the "Caring Rice" subscription campaign, with cumulative subscriptions exceeding 4,800 kg of rice, thereby boosting agricultural product sales and promoting income growth for farmers.



Thematic Research Visit to the Village



Assistance Discussion Meeting



Delivering Care to Elderly Villagers



Health Awareness Lecture for the Elderly

## Supporting Education, Building Dreams for the Future

Centered on support for youth education, we continue to build the youth public welfare brand "Love Has a Future" and promote the regular operation of programs such as "Nourishing the Youth" and "Lifting Your Dreams." We place particular focus on areas with relatively limited educational resources and, through sustained investment and program-based operations, improve educational conditions for local youth and promote educational equity.



### Highlight Support Provided by the "C&D Real Estate Education Charity Fund"

Upholding the belief that "where there is love, there is a way," C&D Real Estate established the "C&D Real Estate Education Charity Fund" in 2007. Over the years, the company has continuously developed signature programs centered on care for children in need and education support, and has actively participated in charitable and public welfare initiatives such as student aid, poverty relief, and support for orphans.

#### "Nourishing the Youth" Paired Assistance Program for Orphaned and Vulnerable Children

Children in difficult circumstances often face inadequate support in education and daily life as they grow up. In 2025, through the Charity Fund, we participated in the "Nourishing the Youth" paired assistance program for orphaned and vulnerable children. Through paired assistance, home visits, and the provision of assistance funds and daily necessities, we provided targeted support to children and their families. The program covered 130 orphaned and vulnerable students across the city, and household visits were carried out in places such as Xinxu Town, Fengxiang Subdistrict, and Yunyang Village in Tong'an District, extending support resources further to the family level.

#### "Lifting Your Dreams" Charity Program

"Lifting Your Dreams" is an education assistance program implemented by the C&D Real Estate Education Charity Fund. Through financial aid and other forms of education support, it provides continuous assistance to graduating candidates and enrolled students, helping them complete their studies successfully. In 2025, relying on the Charity Fund, we participated in the "First Back-to-School Gift" education assistance activity in Fengxiang Subdistrict. Together with the subdistrict and relevant departments, we conducted home visits and targeted assistance for five newly admitted university students from financially disadvantaged families within the area, providing enrollment support and necessary material assistance, while also paying attention to students' practical needs and study conditions through visits and communication.



### Highlight "Second Classroom" Expands Development Opportunities for Rural Students

Guided by the core concept of "warm-hearted education," we have maintained a long-term partnership with Ding'an Primary School in Xiamen, and 2025 marks the thirteenth year of this collaboration. Over the past thirteen years, we have mobilized more than 15 youth organizations and carried out over 100 campus activities, gradually forming a regular education support mechanism.

In 2025, leveraging our industrial and international resources, we developed a series of "Second Classroom" courses and practical activities. Through sessions on trade and cross-cultural exchange, scientific experiments and hands-on practice, and financial fraud prevention, we broadened students' horizons and strengthened their basic competencies. In addition, we organized campus science outreach activities in connection with occasions such as the New Year, so as to enhance participation in learning and make the learning experience more engaging.



"Car Transformation" Hands-on Racing Car Assembly Activity



"Science Lights Up the New Year, Young Hearts Bring Joy to Campus" New Year Carnival



### Highlight Study Tour Activities Promote the Integration of Ecological and Traditional Cultural Education

In 2025, Lianfa Group organized 50 students from Donghui Primary School to visit the herbal medicine science education base in Zhonglun Park and participate in a study tour themed on traditional Chinese medicine culture. Combining on-site visits with interactive experiences, the activity guided students to understand the characteristics and applications of common Chinese herbal medicines, learn the fundamentals of traditional Chinese medicine culture, and deepen their understanding of ecological protection and green living concepts. At the same time, the activity incorporated teamwork and engaging extension elements, thereby enhancing students' engagement and overall capabilities.



Leading Children to Explore the World of Herbal Medicine



Fun Activities at the "Chinese-style Garden Carnival"

## Rooted in Communities, Growing through Mutual Benefit

Communities provide an important foundation for corporate operations, while corporate development also affects the community environment and public resources. Establishing sound and mutually beneficial relationships helps support the long-term and stable development of both sides. To promote the coordinated development of our business operations and sustainable communities, we integrate community relations management into our daily operations.

### Community Communication and Feedback

We have established dedicated communication channels at each operating site and set up information feedback mechanisms to provide community residents and other stakeholders with channels for consultation, feedback, and complaints. We also record, follow up on, and handle related requests, thereby improving the timeliness and effectiveness of communication.

### Community Risk Assessment

During business expansion and project implementation, we carry out community risk identification and assessment, incorporating factors such as the protection of residents' rights and interests, respect for cultural customs, and ecological and environmental impacts into early-stage consideration, so as to reduce the potential impact of our operations on surrounding communities.

### Supporting Local Development

Through measures such as giving priority to local employment and expanding local procurement and cooperation opportunities, we strengthen connections between the Company and communities, promote regional economic development, and foster positive community relations.



### Highlight Building a Sustainable Community Service Model through Community Partnerships

We have maintained a paired community partnership with Jinjiting Community, Lianqian Subdistrict, Xiamen since 2018. Since the start of this collaboration, through mechanisms such as the "dual reporting" system for Party members, we have organized volunteer service teams to participate in community services on a regular basis, gradually forming a stable model of community co-development. As of the end of 2025, we had carried out more than 80 community activities of various kinds, contributed nearly 3,000 hours of volunteer service, and served more than 3,000 community residents in total.

In 2025, focusing on the actual needs of the community, we placed particular emphasis on services for the elderly and carried out the "Silver Care" series of activities. We organized nearly 10 events, including chess and card competitions for the elderly, birthday gatherings for senior residents, and cultural activities for older people, serving approximately 500 elderly participants in total. At the same time, in connection with occasions such as the Spring Festival and the Double Ninth Festival, we carried out care visits to the elderly, free medical consultation services, and holiday activities, thereby enhancing the coverage and participation of community services.

In 2025

we had carried out more than **80** community activities of various kinds

contributed nearly **3,000** hours of volunteer service



| Art Performance at the Elderly School



| Free Medical Consultation Service



| Free Haircut Service



### Highlight Building an Integrated Ecosystem of "Culture + Community + Commerce"

During the summer of 2025, focusing on community life and customer service, we integrated resources from multiple business segments, including real estate development, commercial management, property services, and the membership system, and carried out a series of activities themed around the inheritance of intangible cultural heritage, thereby expanding cultural experiences in community and commercial spaces.

C&D Real Estate's "Chinese-style Youth" brand campaign reached more than 70 cities and nearly 300 projects nationwide, and carried out more than 500 intangible cultural heritage experiences and related activities in total. The intangible cultural heritage experience activities organized under the 9th "Summer Transformation Program" of C&D Commercial Management attracted more than 4,100 families. Under its "Yuexin Community" initiative, C&D Property organized activities such as the "Summer Transformation Camp" and the "Parent-Child Fun Run", and carried out intangible cultural heritage experiences, physical fitness training, and parent-child interaction activities, attracting thousands of property owners.

Through multi-business coordination and scenario-based operations, we integrate cultural inheritance into community services and continue to enrich residents' diverse living experiences.

In 2025

carried out intangible cultural heritage experiences and related activities more than

**500**

attracted more than **4,100** families



| Walking with Intangible Cultural Heritage: Children's Edition, Xiamen C&D Wan Yue Cheng



| Family Fun Run, Nanjing Station



| Summer Transformation: Intangible Cultural Heritage Inheritance, Xiamen Station



| Summer Transformation: Intangible Cultural Heritage Inheritance, Hangzhou Station

## Care to Share, Aware through Public Welfare

The "C&D Inc. Global Public Welfare Initiative" is a global volunteer public welfare project launched by the company in 2023. At present, the number of registered volunteers under this initiative has exceeded 3,400. In 2025, we organized employees to carry out volunteer service activities in areas such as major event support, ecological and environmental protection, public welfare care, and community services, while continuously expanding opportunities for participation in volunteer service. Throughout the year, we carried out nearly 200 activities, engaged more than 5,000 participants, and contributed 14,249 volunteer service hours.

### In 2025

Carried out nearly  
**200** activities

Engaged more than  
**5,000** participants

Contributed  
**14,249** volunteer service hours

#### Event and Competition Support

We organized employees to participate in volunteer services for the C&D Marathon and provided volunteer services and cheerleading support for sports events such as the "Three Major Ball Games League" and the "Industrial Bank Cup Basketball Tournament," thereby helping ensure the smooth running of these events.

#### Ecological and Environmental Protection Activities

We carried out volunteer service activities for Arbor Day and organized employees in Xiamen to participate in tree-planting activities at the Software Institute, thereby enhancing awareness of ecological protection.

#### Social Care and Relief

We organized charity bazaars and collected more than 800 donated items, with all proceeds to be donated to a relief program for children with epilepsy. Through the "Thousands Showing Love" public welfare donation campaign, we raised nearly RMB 410,000 in charitable funds. Under the "Quenching Thirst Program – Caring for Front-line Cleaners" initiative, we provided care and support for front-line workers.

#### Maintenance of Public Areas

We organized volunteer service activities such as "Clean Home" and the "Tidiness Plan" in Xucuo Community, participating in environmental clean-up and the maintenance of public order, thereby improving the community environment.



C&D Marathon Volunteers



Cheerleading Volunteers for Sports Events



Arbor Day Volunteer Service



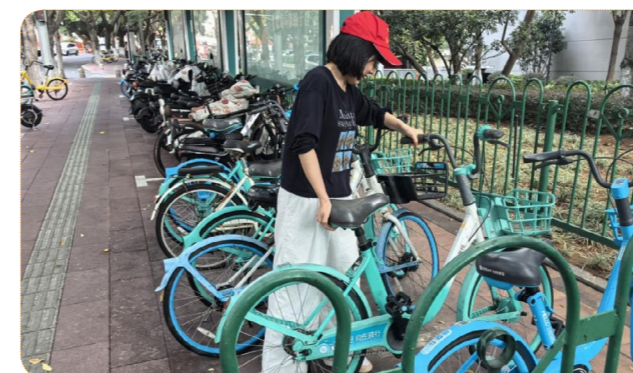
"Love and Charity Month" Charity Bazaar



Delivering Water to Front-line Cleaners



"Clean Home" Volunteer Service Activity



Public Area Cleaning under the "Tidiness Plan"



# Innovation-driven



Against the backdrop of the continued deepening of a new round of technological transformation, technology systems centered on data are evolving at an accelerated pace. Technologies such as cloud computing, artificial intelligence, the Internet of Things, blockchain, and 5G are continuously expanding their application boundaries and are gradually penetrating from the consumer sector across all stages of the industrial chain, driving the transformation of supply chain operating models toward digitalization, networking, and intelligence. We continuously improve the institutional framework for digitalization and innovation management, and have formulated and implemented the Digital Management Regulations, Quality Manual, Project Management Process, Intellectual Property Management Process, and other policies and procedures to provide standardized support and institutional safeguards for technology application and innovation activities. At the same time, we regard the development of digital technology capabilities as an important direction for growth, continuously advance the integrated application of digital technologies and supply chain business, explore the establishment of a digital service system across multiple application scenarios, and promote the deep integration of digital technologies and green development, facilitating their application in green manufacturing and supply chain management and supporting the transformation and upgrading of traditional industries.

## R&D and Innovation

Guided by the five-year plan for "technology empowerment," we continue to advance the R&D and application of digital and intelligent technologies in the supply chain field. Focusing on key areas such as global expansion, supply chain operations, logistics management, compliance and risk control, data governance, and business coordination, we continuously strengthen the supporting role of technology for our core businesses and promote the deep integration of R&D and innovation with business development.

### Platform and Customer Services

We advanced the development of online supply chain service platforms and launched the "C&D Cloud Business" online customer service platform, connecting key upstream and downstream business links and enabling core functions such as online pickup, signed-document return, and business inquiries. At the same time, in response to the development needs of overseas business, we improved the system's localization and adaptation capabilities, built a functional architecture supporting multiple languages, time zones, and currencies, and advanced the development of overseas financial systems, gradually realizing functions such as accounting, reporting, receipt and payment management, and tax administration under multiple accounting standards.

### Production and Operations Management

We continued to advance the support provided by information systems for the restructuring and integration of Zhongli Group and the integration of business and finance, completed network deployment across multiple regions, and initially established an integrated system featuring "group-level centralized control and efficient localized operation and maintenance." At the same time, we unified the collaborative office service platform, improved the mechanisms for fund and expense control, and strengthened collaboration between business and finance.



### Intelligent Technologies and AI Applications

With a focus on the integrated application of "AI + Supply Chain," we developed the "C&D Cloud Intelligence" AI Integrated Service Platform and integrated multi-channel access points such as WeCom and Feishu, promoting the application of AI capabilities throughout the entire supply chain business process. Centering on key links such as risk control and compliance, operations management, and customer services, we continuously expanded the application of AI technologies across business scenarios and improved operating efficiency and risk management capabilities. In 2025, the relevant platforms launched multiple AI functions in total and processed more than 2.7 million business documents of various types.



"C&D Cloud Business" Online Customer Service Platform



"C&D Cloud Intelligence" AI Integrated Service Platform

### Highlight "EasyAgri" Smart Supply Chain Platform



We took the lead in building the "EasyAgri" smart supply chain platform, integrating artificial intelligence, big data, and Internet of Things technologies to cover the entire process of agricultural products from production forecasting and assessment, to trading, and through to logistics execution. By building meteorological models and applying machine learning algorithms, the platform analyzes crop growth conditions and, on that basis, combines yield estimation with changes in supply and demand to forecast price trends. At the same time, with functions such as opportunity identification and logistics scheduling, it enables market analysis, operational optimization, and risk management across the agricultural product supply chain.

**Highlight** **Digital and Intelligent Empowerment, Lean Operations — The Logistics Control Tower Achieves a Leap from System Development to Business Efficiency Improvement**

We continued to advance the development of the Logistics Control Tower project. After three years of implementation, the related systems have gradually shifted from the system development stage to the business empowerment stage, continuously enhancing the integration and collaborative management capabilities of supply chain logistics resources. Focusing on key links such as transportation management, warehouse-distribution coordination, and risk control, we promoted the online management of transportation operations and gradually realized the system-based management of quotation inquiry, order entrustment, execution, and settlement processes, thereby improving compliance in logistics procurement and optimizing transportation costs. At the same time, we optimized warehouse-distribution models for business scenarios such as agricultural products, improved key processes including transportation entrustment and inventory picking and allocation, and enhanced logistics operating efficiency. In terms of risk management, we established a logistics credit limit management system, promoted the online and standardized management of supplier credit limits, and strengthened credit management and risk prevention and control capabilities in supply chain business.

**Highlight** **Data-Driven, Intelligent Decision-Making — The "Insight Compass" System Empowers Digital Governance and Business Innovation**

We continue to optimize the "Insight Compass" product series, advance the development of the data governance system, and promote the application of data in areas such as business decision-making, industry research, and risk early warning. Leveraging platforms such as "Insight Compass BI" and "Insight Cloud Ladder," we continuously improve our capabilities in data analysis and decision support and enhance data application across management departments and business segments. On this basis, we strengthen data governance and data quality management, advance the development of the master data system, improve key data standards and models, and enhance data consistency and usability. At the same time, in response to the needs of industry research and risk management, we expand functions for market monitoring and early warning and improve data responsiveness and analytical capabilities. In 2025, the platforms produced more than 2,800 industry research reports in total, and their data-driven decision-support capabilities continued to strengthen.

**In 2025**

The platforms produced more than **2,800** industry research reports



**Highlight** **Industry-Education Integration, Collaborative Innovation — An Enterprise-University Joint R&D Cooperation Mechanism for Artificial Intelligence and Data Security**

We have established a long-term industry-university-research cooperation mechanism with the School of Information Science and Engineering at Xiamen University. Centering on "joint R&D, complementary resources, and shared achievements," we carry out collaborative innovation and advance R&D cooperation in key technological fields such as artificial intelligence and cross-border data security. In the field of artificial intelligence, both parties conduct joint R&D on technologies such as multilingual recognition, public opinion analysis, and legal and compliance risk control models, while also exploring the application of these technologies in supply chain operations. In the field of cross-border data security, the cooperation advances the R&D and practical application of technical solutions such as zero-trust access and encrypted data transmission, thereby enhancing data security and compliance assurance capabilities in cross-border business. During the cooperation process, we provide business use cases, data resources, and computing support, while the university contributes algorithm models and technological R&D capabilities. The resulting achievements are shared in accordance with agreed arrangements, and their application is gradually advanced through technical evaluation and business validation, thereby promoting the coordinated development of technological innovation and business needs.

**In 2025, several of our digital products received multiple honors in the field of technological innovation:**

AI-empowered Supply Chain Case  
**Class A Certificate in the Supply Chain Track of the 6th China Artificial Intelligence Competition**

"EasyAgri" Smart Supply Chain Platform  
**Silver Award in the "CFLP 2025 Artificial Intelligence Application Competition," among other honors**

"C&D Esteellink" – Digital Collaborative Service Platform for the Steel Industry Chain  
**Selected as a National E-commerce Technology Innovation Application Case of the Ministry of Commerce (Industrial E-commerce Category)**

"Artificial Intelligence + Better Homes" Application Innovation Solution  
**Selected as a Fujian Province Information Technology Application Innovation Solution**

"Artificial Intelligence + Better Communities" Practical Innovation Application  
**Selected as a Typical Artificial Intelligence Application Scenario of Fujian Province**

Artificial Intelligence Enhances Both Community Safety Management and Service Standards  
**Selected as an Innovation Case in the 7th Smart Enterprise Development Program**

Diamond Club: Building an Industry Ecosystem Customer Data and Service Platform to Empower New Consumption Upgrading  
**Selected as a 2025 Achievement in Digital Xiamen Development**

## Intellectual Property Rights Protection

To effectively support R&D and innovation and promote the commercialization of technological achievements, we strictly comply with the Patent Law of the People's Republic of China and the Trademark Law of the People's Republic of China, as well as other relevant laws and regulations. We continuously improve the full-process framework covering the creation, management, utilization, and protection of intellectual property, and steadily enhance our capabilities in intellectual property compliance management and strategic application.

For different categories of intellectual property, including trademarks, patents, copyrights, and trade secrets, we have established a category-based management mechanism and dedicated protection system. Relevant departments coordinate the application and registration, standardized use, risk monitoring, and rights protection of intellectual property. At the same time, we organize special training sessions and awareness activities on intellectual property from time to time to strengthen employees' awareness of intellectual property protection and compliant use of intellectual property, and to actively foster a sound culture of respecting innovation and protecting achievements.

In 2025, we continued to advance intellectual property creation and management, adding 22 newly authorized patents, 28 newly registered copyrights, and 60 newly registered trademarks. No litigation cases arising from intellectual property disputes occurred throughout the year, and overall intellectual property management remained stable and sound.

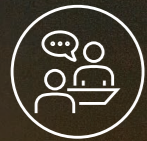
**In 2025**

Newly authorized patents **22**

Newly registered copyrights **28**

Newly registered trademarks **60**

# Suppliers and Clients



We understand that responsible partnerships are critical not only to product and service quality, customer experience, and operational efficiency, but also to the security and stability of the industrial chain, orderly market practices, and long-term value creation. Guided by the principle of "win-win cooperation," we continue to improve mechanisms for supply chain management, product and service quality management, and customer rights protection. We promote the principles of integrity, compliance, shared responsibility, and collaborative progress throughout the cooperation process, striving to build a partnership ecosystem based on mutual trust, mutual benefit, stability, efficiency, and sustainable development.

## Supply Chain Security

Supply chain security serves as the core foundation for supporting high-quality corporate development. We thoroughly implement national strategies aimed at enhancing the resilience and security of industrial and supply chains. Across our diverse business scenarios—including supply chain operations, real estate development, and home consumption services—we continuously refine a risk management system covering the entire chain. While ensuring business compliance and supply stability, we systematically integrate ESG requirements into supplier access, performance evaluation, capacity building, and dynamic management. This approach consistently strengthens the supply chain's risk resilience and sustainable development capabilities, building a solid security barrier for the Company's high-quality development.

### Supplier Management

We view responsible procurement as a key lever for improving overall supply chain management. We continuously enhance our supplier management system, promoting more standardized, transparent, and sustainable operations throughout the upstream and downstream cooperation chain. The Company has established a Supplier Code of Conduct, which sets forth clear requirements for the Company, its subsidiaries, and partners such as suppliers and contractors in areas covering business ethics, human rights, environment, and occupational health and safety. To further enhance the effectiveness of supplier ESG management, we strengthen coordination among relevant functional departments, extending responsibility requirements into institutional execution, procurement decisions, and daily contract management. This gradually forms a supplier management mechanism characterized by clear responsibilities, controllable processes, and dynamic optimization.

During the cooperation management process, we incorporate responsibility requirements into procurement contracts and

daily collaboration management. Partners are required to commit to complying with business ethics and environmental protection regulations, as well as internationally recognized human rights standards. We focus on matters such as employee working hours, living conditions, minimum wage guarantees, and corporal punishment and disciplinary measures, encouraging partners to continuously improve their compliance and responsible management levels. Concurrently, the Company places significant emphasis on integrity management with suppliers, advocating for the establishment of long-term, stable, and trustworthy relationships. Before commencing business, suppliers must sign an Integrity Agreement and a Commitment Letter for Integrity and Lawful Conduct, promising to comply with applicable laws and regulations, and not to solicit or offer any form of money, kickbacks, or fees, thereby collectively fostering a fair, transparent, and lawful cooperation environment. To reinforce the effectiveness of system implementation, we continuously align procurement practices with the Supplier Code of Conduct, avoiding sole focus on price, timelines, or delivery pressure that might compromise the implementation of responsibility requirements. This promotes the effective integration of responsible procurement principles throughout the entire cooperation process.

## Supplier Entry

We implements a rigorous supplier access and evaluation process to ensure partners meet our requirements regarding qualifications, performance capabilities, business ethics, environmental protection, and occupational health and safety. ESG performance, sustainable development risk impact, and business relevance are incorporated as key considerations in supplier selection, shifting responsible procurement requirements forward to the start of the partnership. During the access process, we consistently focus on identifying key and high-risk suppliers. By considering factors such as procurement value, business criticality, country or regional risk, industry risk, commodity risk, and historical performance, we conduct stratified and categorized identification and risk screening of suppliers, enhancing the relevance and effectiveness of access evaluations.

### In supply chain operations

We rigorously apply supply chain control procedures. Due diligence access investigations are conducted for potential partners to identify and select high-quality suppliers. Priority is given to partners with strong performance in areas like environmental qualifications, occupational health, business ethics, and green and low-carbon practices. The establishment of environmental and quality management systems is also incorporated into the comprehensive evaluation. We also monitor indicators such as the physical factory's brand recognition, quality standards, production capacity, green factory construction status, and energy consumption qualifications. Projects aligning with national industrial policies and environmental directions receive more attention and support, enhancing the sustainability and security of the supply chain.

### In real estate business

We conduct supplier management strictly in accordance with national, provincial, municipal, and industry regulations and standards. We implement the Supplier Code of Conduct and standardize the recruitment and review processes using internal systems like the Tendering Management System and Implementing Measures for Tendering Management, ensuring fairness, openness, and uniformity in the recruitment process. During the access phase, we focus on auditing supplier qualifications, performance capabilities, and social responsibility performance, actively guiding partners to fulfill responsibilities related to safety, environmental protection, and employee rights protection, ensuring they can consistently provide stable, high-quality products and services.

## Supplier Assessment and Evaluation



We continuously improve our supplier assessment and evaluation mechanism. Through regular or ad-hoc online and offline audits and evaluations, we continuously monitor supplier performance to ensure adherence to the Company's Supplier Code of Conduct and related management requirements. The Company has established a supplier tiered classification management system. Combined with the industry characteristics of different business areas, we implement dynamic reviews to consistently select partners offering sustainable cooperation advantages, steering supplier management towards greater refinement and systematization. For identified key and risk suppliers, we reinforce tracking and evaluation, forming a closed-loop management path and continuously enhancing the penetration of supply chain responsibility management.

### In supply chain operations

We conduct annual supplier evaluations based on dimensions including quality, qualifications, price, cooperation performance, and internal control risk ratings. The evaluation results serve as a crucial basis for contract renewal, corrective action, or termination. Utilizing the "E Trust" platform, we implement dynamic supplier monitoring, continuously tracking their operational risks, legal risks, and external negative information, including instances of credit default, high-consumption restrictions, litigation, and environmental penalties. For suppliers showing anomalies, we conduct further special investigations and verifications, evaluating their actual risk status against internal control requirements, and take measures ranging from warnings and corrective guidance to cooperation termination as appropriate.

### In real estate business

In real estate business, we have established a standardized supplier lifecycle management system based on systems like the Cost Work Standards. Tiered assessments are conducted during performance, alongside comprehensive investigations covering operational status, personnel, operations, product quality, service quality, professional capabilities, and partnership quality. Suppliers involved in commercial bribery, significant quality issues, occupational health and safety incidents, or arrears of migrant workers' wages will be directly deemed non-compliant; contracts will not be renewed, new cooperation will not be initiated, and their participation in the Company's bidding and procurement activities will be restricted for a specified period.

Additionally, we consistently enforce a "blacklist" system for its real estate business. Suppliers engaged in contract violations, frequent safety incidents, consistently poor inspection results, business ethics issues, collusive bidding, bid-rigging, fraudulent practices, or similar behaviors will have their pre-qualification suspended or revoked, and relevant responsibilities will be pursued according to laws and regulations. The Company also conducts monthly evaluations and collects feedback on suppliers based on dimensions including project quality, safety production, civilized construction, construction progress, warranty timeliness, rectification completion rate, repair satisfaction, and coordination with on-site, cost, and design teams. This facilitates timely issue identification, resolution, and optimization.

Regarding project quality and safety assurance, we specify project quality, timeline, materials, safety, and management requirements through contract clauses. We review supplier-provided product certificates, test reports, and manufacturer qualifications. Through methods such as material sampling and acceptance inspections, third-party assessment checks, "unannounced inspections + accompanying expert systems," and monthly/weekly inspections, we continuously strengthen supervision of project construction quality and safety management levels, ensuring project delivery quality meets relevant national technical regulations and environmental standards. For construction projects, we require suppliers to arrange relevant insurances for projects and personnel in accordance with regulations, further safeguarding personnel and property safety during project implementation.

Moreover, we place high importance on protecting the legitimate rights and interests of migrant workers. We establish coordination mechanisms for migrant worker wage payment and prevention mechanisms for wage arrears on a project-by-project basis. We supervise general construction contracting units to strengthen labor management and properly handle disputes related to wage payments. By establishing dedicated accounts for migrant worker wages, making timely project fund allocations, and enhancing supervision, we consistently promote the timely and full payment of migrant worker wages, mitigating social risks arising from inadequate supplier management.

## Supplier Training and Engagement



We place great importance on supplier capacity building, continuously conducting training and exchange activities to help partners enhance their sustainable development awareness and management levels. We maintain regular communication with suppliers through various channels, including the e-commerce system, supply chain management software, thematic meetings, and on-site visits. This helps partners strengthen compliance management, optimize operational models, and guides them in understanding and implementing the Company's business conduct guidelines and responsibility requirements, propelling supply chain cooperation towards higher quality and standards.

### Supply Chain Risk Management

Facing multiple uncertainties such as changes in the global trade environment, market price fluctuations, logistics disruptions, and demand shifts, we continuously enhance our supply chain risk management system. We treat supply chain security as a crucial foundation for ensuring stable operations and high-quality development. Focusing on key steps including risk identification, assessment, prioritization, monitoring, early warning, response, and review, we continuously enhance the stability, resilience, and sustainable development level of the supply chain. In risk management, we consider operational risks arising from factors like trade policy changes, concentrated resource origins, blocked logistics nodes, and fluctuating customer credit. Simultaneously, we also recognize development opportunities presented by global resource optimization, diverse market expansion, digital and intelligent upgrades, and improved logistics networks. This fosters a mutually reinforcing relationship between supply chain security management and high-quality business development.

We have established a robust governance structure for supply chain risk, forming a three-tier risk management mechanism involving the Board's Risk Control Committee, the Company's senior management and head office functional departments, and the operational management and related functional departments of subsidiaries:



Through tiered management, we balance risk prevention with operational flexibility, appropriateness, and management efficiency. Regarding system development, we have established and continuously refine policy documents such as the Internal Control Manual, Supply Chain Business Operation Management Regulations, Supply Chain Business Process Management Regulations, Logistics Management Regulations, Credit Management Regulations, and Futures Business Management Provisions. This continuously strengthens process control and management of key risk points, deepening supply chain risk management towards systematization, process orientation, and standardization. Concurrently, we have established a Head Office Risk Control Center, integrating multiple risk management functions including operations management, logistics management, credit management, legal affairs, futures, and auditing. This strengthens internal coordination and information sharing, better supporting the stable operation of various business units.



## Risk Identification and Monitoring



We continuously improve a comprehensive risk management mechanism covering pre-access due diligence, in-process monitoring, and post-event review. Considering factors such as business category, commodity attributes, customer qualifications, price fluctuations, logistics nodes, policy changes, and the international environment, we dynamically identify, assess, prioritize, and monitor the impacts, risks, and opportunities related to supply chain security, implementing stratified and categorized management. We dynamically adjust key risk indicators, linking some of them to compensation assessments to continuously enhance the risk prevention awareness and proactive management capabilities of business units.

### In specific controls, we continuously advance refined identification and monitoring of key business scenarios:

- For new customers, new commodities, and new businesses, we require a reasonable business background, clear commodity flow paths, and fair pricing mechanisms.
- Transactions involving customers with weaker qualifications, unclear business sources, unfamiliar commodities, lack of performance and disposal capabilities, or possessing strong financial attributes are subject to more in-depth background investigations and stricter approval and review mechanisms.

We strengthen customer risk assessment, leveraging the "E Trust" platform and multi-channel information to issue risk alerts for customers or suppliers with significant anomalies, prompting relevant units to respond and provide feedback promptly. Concurrently, we strengthen technology enablement, utilizing data mining and machine learning techniques to build an intelligent risk control model system centered on "E Risk Control," providing data support for risk early warning, business analysis, and operational decision-making.

We promote the development of an integrated management system for business, finance, and risk control, upgrading supply chain operations towards online, digital, and visualized processes. We also actively explore the application of artificial intelligence in supply chain scenarios to enhance risk identification timeliness, control precision, and operational coordination efficiency.

Focusing on key risk areas, we continuously improve specialized control mechanisms, including standardizing contract and seal management, refining the international sanctions compliance system, strengthening state-owned asset supervision compliance, tracking market supply/demand and price fluctuations, conducting big data audits, and promoting the collection of overdue receivables and inventory optimization. We implement focused monitoring for commodities experiencing severe price fluctuations or downward trends. For projects showing signs of risk, we promptly initiate joint tracking and special early warnings, enhancing response speed and resolution effectiveness for critical risks.

## Risk Response and Enhancement



We adhere to specialized operations, global layout, and digital and intelligent upgrades to enhance supply chain resilience. We continuously optimize resource allocation, refine the global business network, and improve logistics organization capabilities and key resource assurance capabilities, consistently strengthening the supply chain's stability and resilience against external changes. We continue advancing the logistics control tower project, accelerating the deployment of key logistics nodes. By establishing strong partnerships with major global logistics companies, we continuously enhance our ability to integrate domestic and international logistics resources, manage transportation, and handle emergency deployment, ensuring stable and efficient circulation through lean and globalized operations.

Facing major changes in the external trade environment, we continuously strengthen strategic analysis and forward-looking deployment. For example, in response to external changes like tariff policy adjustments, we promptly conduct special assessments to analyze their impact on business operations, market layout, and cost structure, rapidly formulating response measures. Concurrently, we deepen the "going global" development strategy, accelerating the international business layout. By expanding into diverse overseas markets, building a global business network, and diversifying sources for key resources, we mitigate risks associated with single markets and fluctuations in the external environment, ensuring the stability and sustainability of core resource supply.

At the level of resource supply and business models, we continuously strengthen flexible allocation and alternative capability development. Through multi-regional resource development, expansion of domestic pulp sources, enlargement of overseas warehouse networks, retention of flexible capacity and backup production lines, optimization of product mix, and innovation in consumption scenarios, our relevant business units continuously increase backup options for key materials and the resilience of logistics nodes, enhancing the supply chain's responsiveness and recovery capabilities in unexpected situations.

## Emergency Response and Improvement



To effectively prevent and properly handle various sudden risks such as changes in trade policies, supply chain disruptions, and sudden demand shifts, considering our business characteristics and global layout realities, we continuously strengthen resource integration capabilities, model innovation capabilities, and product innovation capabilities. We enhance the flexibility and redundancy of key links, minimizing the adverse impact of unexpected events on business activities.

### We continuously enhance our supply chain emergency response capabilities through backup resource allocation, alternative route development, logistics network optimization, and market structure adjustments:

- C&D Pulp & Paper enhances the resilience of key material supply and logistics nodes through multi-regional resource development, domestic pulp source expansion, and enlargement of overseas warehouse networks.
- C&D International Trade maintains flexible capacity and backup production lines in multiple global regions, enabling rapid assumption of production tasks in the short term.



Simultaneously, we emphasize combining risk resolution with experience review. For key risk events and typical business scenarios, we promptly summarize causes, resolution processes, and improvement measures, continuously optimizing management systems, approval procedures, early warning mechanisms, and collaboration methods, steadily enhancing supply chain risk management capabilities.

## Equal Treatment to Small and Medium-Sized Enterprises

We strictly comply with relevant laws, regulations, and regulatory requirements, including the Anti-Unfair Competition Law of the People's Republic of China, the Regulations on Ensuring Payment of Sums Owed to Small and Medium-sized Enterprises, and the Interim Regulations on Enterprise Information Publicity. We actively fulfill our social responsibilities and protect the legitimate rights and interests of small and medium-sized enterprises.

## Safety and Quality of Products and Services

Product and service safety and quality represent fundamental requirements for sustainable corporate development and are crucial for winning customer trust and maintaining market competitiveness. We emphasize both product quality management and customer rights protection. Across different business scenarios—including supply chain operations, real estate, and home consumption services—we continuously refine mechanisms for quality control, customer service, complaint response, and information protection. We strive to upgrade products and services from merely meeting standard requirements to fulfilling high-quality customer demands.

### Product Quality Management

We consistently regard product quality management as the core foundation of our business operations, dedicated to building a quality management system covering procurement, delivery, service, and improvement to provide responsible products and services. We continuously enhance quality control processes, embedding quality management requirements into key business stages to improve the stability, reliability, and consistency of products and services. By integrating institutional development, process supervision, digital management, and responsibility implementation, we solidify the foundation of quality management.

#### In supply chain operations

Guided by the principles of "professionalism, efficiency, high quality, and integrity," we focus on product quality management, continuously strengthening quality control throughout the process from procurement to delivery. Our import and export trade services have obtained ISO 9001 quality management system certification, demonstrating a solid foundation for systematic and standardized quality management. Building on this foundation, we continuously enhance quality risk identification, process inspections, anomaly correction, and pre-delivery verification for key commodities, critical processes, and major customer needs. This facilitates identifying and addressing issues earlier, minimizing the delivery of defective products or substandard services, thereby enhancing performance quality and customer experience.

#### In real estate business

We strictly comply with laws and regulations such as the Construction Law of the People's Republic of China, Regulations on the Administration of Construction Project Quality, and Provisions on Quality Supervision and Administration of Housing Construction and Municipal Infrastructure Projects. We have formulated and implemented internal systems including the Project Operation System, Design Technical Provisions, Special Technical Standards, Engineering Technical Standards, Engineering Quality and Safety Work Standards, Handover Work Standards, and Project Operation Inspection and Evaluation Standards. These systems standardize management requirements for key stages such as product design, project construction, and pre- and post-delivery activities, clarifying responsibilities at all levels and acceptance requirements for critical process nodes. We have established a quality assessment system comprising process evaluations and delivery evaluations. Third-party evaluation agencies are engaged to conduct systematic inspections on projects under construction and for sale, forming a supervision, assessment, and evaluation mechanism covering the entire project lifecycle. Aligning with digital transformation trends, we also utilize digital tools like engineering collaboration systems, smart engineering systems, smart inspection systems, and after-sales service systems to enhance the refinement and traceability of whole-process quality control.

### Consumer Protection

Guided by the principle of value co-creation, we continuously refine our service mechanisms and safeguards based on customer needs, striving to deliver timely, transparent, professional, and caring service experiences. We integrate customer rights protection throughout the entire process, including product delivery, service response, information communication, and issue resolution.

### Customer Satisfaction Management

We place significant importance on customer satisfaction. We proactively conduct visits with key clients and regular customer satisfaction surveys, progressively implementing tiered classification and customized service management across subsidiaries. We actively collect service case studies, continuously optimize service processes, and enhance the service chain, effectively translating customer feedback into concrete actions for management refinement and service improvement.

#### In supply chain operations

We continuously conduct satisfaction surveys and client visits focused on the needs of upstream and downstream customers. Key areas of focus include genuine feedback on service requirements, process experience, management mechanisms, professional capabilities, and collaboration efficiency. Based on different business scenarios, we continuously optimize critical aspects such as service monitoring, demand management, standard management, and assurance management.

In real estate business

We take customer needs as our fundamental starting point and ultimate focus, building a comprehensive service system around the customer. Through customer satisfaction surveys, customer retention mechanisms, and diverse service touch points, we earnestly listen to customer voices and effectively protect their rights and interests. As disclosed in the Company's practices, real estate business has established customer relationship management systems and mechanisms for applying satisfaction check results. Digital tools such as official mini-programs, member service platforms, electronic sand tables, VR tours, videos, and digital brochures are utilized to enhance customer experience during property viewing, purchasing, delivery, and subsequent service stages.

## Customer Complaint Management



In the real estate industry, customer complaints serve not only as a key indicator of service quality but also as a crucial entry point for companies to identify product flaws, optimize management processes, safeguard brand reputation, and enhance customer loyalty. Effective complaint management helps resolve issues early, reduces the escalation of disputes, and translates into internal motivation for product iteration and service improvement.

We have established a systematic customer complaint management system. Through diversified complaint channels and standardized handling procedures, we ensure customer issues receive timely responses and efficient resolution. In real estate business, customers can provide feedback through multiple channels including the national unified service hotline, online service platforms, dedicated customer relations lines, "Customer Ambassadors," and WeChat accounts of "Property Consultants." Upon receiving a complaint, we engage with the customer promptly based on a tiered response mechanism, develop a targeted resolution plan, conduct follow-up calls post-resolution, and form a management closed-loop. Concurrently, we conduct monthly analyses of complaints, examining complaint types, trends in common issues, and closure status. This analysis drives relevant departments towards continuous improvement, and complaint data is integrated into the product and service optimization system, achieving a virtuous cycle from complaint handling to management enhancement.

## Data Security and Customer Privacy Protection

Against the backdrop of deepening digitalization, data security is not only the foundation of corporate compliance but also a critical safeguard for maintaining customer trust and ensuring business continuity. We place high importance on information security and customer privacy protection. We strictly comply with relevant laws and regulations, including the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China. The Company has formulated a Privacy Policy, integrated the privacy policy system into the Company's risk management framework, and tasked management with continuously improving the information security management system and customer privacy protection mechanisms. We embed information security requirements into various aspects, including system development, system operation, business management, and employee conduct standards, continuously enhancing corporate data information security and customer privacy protection levels.

## Information Security Management

We continuously improve our information security management system, establishing policy documents such as the Information Security Policy, Network Security Management System, and Information Management Regulations to guide and regulate information security management. These documents address work requirements including information system security assurance, information content security assurance, terminal host security assurance, daily network security maintenance, security incident emergency response, and company-wide security awareness training. By deploying protection mechanisms such as access controls, firewalls, security operations and maintenance audits, and secure development cloud desktops at the network layer, we continuously enhance the security and controllability of data, code, systems, and the operational environment, mitigating risks like malicious attacks, unauthorized access, and data leaks. Building on this foundation, we continuously extend information security management from "technical protection" to encompass "governance, process, and responsibility coordination." We progressively strengthen the lifecycle management of information assets, refining management requirements—including classification and grading, minimal necessity, segregation of duties, and audited trails—around key stages such as information collection, transmission, storage, access, use, sharing, archiving, and disposal. This systematically enhances the comprehensiveness and penetration of information security management.

During the reporting period, the Company experienced no information security incidents.

## Information Security Governance Mechanism



We have established a clear information security governance structure, promoting information security governance in a tiered and orderly manner:

- ✔ Cybersecurity Governance Structure: The Company has established a "Cybersecurity Leading Group," creating a management framework of "coordination by the Leading Group and execution by individual units." The Leading Group holds core responsibilities, including formulating basic cybersecurity management policies, making decisions on major matters, coordinating security protection and monitoring/early warning systems, optimizing the protection framework, and organizing cross-unit cybersecurity inspections and follow-up rectifications.
- ✔ Operational Execution: Individual units are responsible for implementing relevant policies and decisions, enhancing employee cybersecurity awareness and skills, identifying and reporting potential risks, and executing remediation measures.
- ✔ Mechanisms for Reporting, Supervision, and Assessment: Regarding information reporting, all units are required to provide timely feedback on security risks to the Leading Group. The supervision process is led by the Leading Group through cross-unit security inspections. For accountability, policy compliance and risk remediation are integrated into unit performance evaluations to ensure the effective implementation of cybersecurity management responsibilities.

To strengthen accountability in information security management, we establish annual information security indicators and targets. Performance of relevant departmental personnel is assessed through annual self-assessments and evaluations by superiors. Subsidiaries formulate their own information security indicators and targets based on their specific business realities, incorporating information security performance into the annual assessments of relevant responsible personnel. Additionally, we provide employees with accessible channels, encouraging them to report any information security concerns to their direct supervisors or relevant departments.

During the reporting period, we continuously optimized system management mechanisms to ensure the secure operation of information systems. We completed security upgrades for three information systems and conducted a special review of account permissions, cleaning up 1,038 redundant accounts, further enhancing the standardization and refinement of account management. In terms of technical protection, we deployed two new security devices and upgraded the data leakage prevention system to achieve full lifecycle monitoring of sensitive data, further enhancing data security management. Concurrently, we conducted regular vulnerability scans, performing 23 scans on information systems and remediating 37 high-risk vulnerabilities and 18 medium-risk vulnerabilities, continuously strengthening the security protection capabilities and risk resilience of information systems.

## Information Security Emergency Management



The Company has formulated the Measures for the Management of Network Security Incident Emergency Response, establishing a scientific, effective, and rapidly responsive information security emergency mechanism. These measures define the classification, reporting procedures, handling processes, and review requirements for information security incidents. When an information security incident occurs that may cause significant or major harm to the Company, immediate reporting is required, and rapid technical and management measures must be taken for response and resolution. After incident handling, a thorough analysis of the cause, handling process, and improvement measures is conducted to ensure corrective actions are implemented and closed. For information systems certified at Level 2 or Level 3 of the Multi-Level Protection Scheme, we regularly organize data recovery verification and emergency drills, continuously enhancing emergency response and business continuity assurance capabilities.

To further enhance the ability to respond to sudden information security incidents, we conducted a data security emergency drill during the reporting period. The drill covered key scenarios such as data leakage emergency response and system intrusion incident response. Through practical exercises, we further optimized emergency response procedures and enhanced cross-departmental coordination and rapid response capabilities, providing strong support for the efficient handling of information security incidents and stable business operations.

## Information Security Risk Assessment and Supervision



We continuously strengthen the management of information security risks and hidden dangers. We conduct identification, inspection, assessment, and analysis of information security risks, grading them based on scope and severity, and formulate corresponding prevention and corrective measures. Through regular network security inspections, vulnerability scans, penetration tests, and commissioning third-party organizations for IT audits, we continuously enhance information security supervision and inspection, promoting timely identification, rectification, and review of risks and hidden dangers.

During the reporting period, we strengthened information security risk identification and assessment, completing one comprehensive risk assessment. Twenty-five risk points were identified, with corrective measures developed for each, achieving a 100% rectification completion rate. For one high-risk information system, we implemented a dedicated security reinforcement project, further enhancing the protection capabilities and operational stability of key systems, promoting early identification, early resolution, and early closure of risks and hidden dangers.

## Information Security Education and Training



Through multi-channel and multi-format publicity and training, we continuously disseminate information security knowledge to all employees, enhancing their risk prevention awareness and sense of responsibility, and ensuring deep understanding and implementation of the Company's information security policies. We share cybersecurity information, including real-life cases of phishing emails and scams, through platforms like Enterprise WeChat and E-Jianxue, continuously raising employees' daily security awareness. Additionally, we organize specialized security technology training sessions for specific roles such as development project leaders, covering topics like cybersecurity architecture evolution, analysis of security code defects, common exploit methods, and the use of security testing tools. C&D Real Estate also provides information confidentiality and data security training for new hires.

We utilize diverse methods to enhance employee information security awareness and protection capabilities. During the reporting period, we conducted two information security training sessions using an "online + offline" approach, focusing on topics such as data security laws and regulations, data leakage prevention knowledge, and emergency response procedures, reaching a total of 80

employees. Concurrently, we published 12 information security awareness articles through channels like Enterprise WeChat and E-Jianxue, continuously fostering a positive atmosphere where "everyone pays attention to security, everyone maintains security."

## Customer Privacy Protection

In accordance with laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Regulations on the Security Protection of Computer Information Systems, and the Personal Information Protection Law, the Company has formulated a Privacy Policy and Business Conduct Guidelines. We continuously strengthen the lifecycle management of customer information, clarifying the scope of information use, retention periods, and the rights customers hold regarding their personal information.

We adhere to the principle of minimal necessity when collecting and using information. Strict access controls and approval management are applied to the access, invocation, transfer, and sharing of customer data. Measures such as log trail retention, regular cleanup, and secure deletion upon expiration are implemented to mitigate risks of unauthorized access, excessive use, and information leakage. For third-party partners involved in processing customer information, we consistently reinforce compliance constraints and confidentiality requirements, ensuring accountability for customer privacy protection within external collaborations.

### In supply chain operations

We protect the information of stakeholders—including employees, customers, and suppliers—through measures such as information asset management and information security inspections, preventing unauthorized access, leakage, loss, and damage. New hires receive information confidentiality training and sign confidentiality agreements, reinforcing their sense of responsibility in protecting customer privacy.

### In real estate business

We use internal online systems to collect and aggregate customer information, minimizing the risk of leakage associated with storing paper documents. Access to customer data is strictly restricted, stipulating that unauthorized access, invocation, or transfer of customer information is prohibited. Personnel are required to delete or destroy customer confidential information promptly after use, reducing the risk of information leakage.

## Responsible Marketing

We strictly adhere to marketing-related laws and regulations, including the Advertising Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Measures for the Administration of Retailer Promotional Activities. We adhere to the principles of integrity, fairness, and transparency in marketing, continuously improving marketing management systems and review mechanisms. We standardize marketing communications, sales presentations, and customer interactions, striving to ensure all marketing activities are truthful, accurate, and compliant, without misleading consumers or harming the legitimate rights and interests of customers and the public. We emphasize integrating responsible marketing principles throughout the entire process, including brand communication, product promotion, sales service, and customer engagement. We ensure alignment between marketing activities, product quality, service capabilities, and delivery commitments, consistently fostering a healthy and orderly market environment. Through mechanisms covering marketing content review, sales conduct standardization, customer risk disclosure, complaint acceptance and handling, and process supervision with corrective feedback, we are gradually forming a management mechanism that encompasses pre-event review, in-event control, and post-event review of marketing activities, striving to enhance the standardization, professionalism, and responsibility level of our marketing efforts.

**In supply chain operations**

We consistently uphold the concept of responsible marketing, focusing on content compliance, professional expression, and value orientation, continuously improving the standardization of brand communication and content creation. Regarding content creation management in the context of new technology development, we emphasize strengthening the understanding of relevant personnel regarding legal and compliant communication, truthful and accurate expression, and the boundaries of brand responsibility. We ensure marketing and communication activities align with the Company's business ethics requirements, brand positioning, and customer value delivery.

**In real estate business**

We formulate and implement internal systems and inspection standards, including the Real Estate Development and Sales Management System, Brand Management System, Marketing Customer Relationship Brand Tendering Guidance Manual, and Marketing Inspection and Evaluation Standards. These systems clarify fundamental principles, baseline requirements, and responsibilities for compliant marketing and honest sales. We continuously strengthen the whole-process management of marketing activities, promoting consistency between marketing communications, sales scripts, delivery commitments, and contract terms, effectively safeguarding customers' right to know and fair trade.

We have established systematic management measures for marketing activities. Firstly, in terms of system and process management, we formulate and implement the Marketing Inspection and Evaluation Standards, establishing a "three reviews and three proofreads" process to strictly ensure the accuracy, truthfulness, and compliance of promotional and marketing content. The "Brand Implementation Promotion Approval System" is used to strengthen the review of frontline promotional content, with unified annual audits for social media accounts of subsidiaries, continuously enhancing the standardization of marketing content management. Secondly, regarding sales conduct standardization, we explicitly require sales personnel not to exaggerate in promotions or make casual promises. Property consultants must regularly complete a Confirmation Form for Behavioral Bottom Line Risk Screening of Property Consultants, reviewed and confirmed by the project marketing leader, promoting more prudent and standardized sales conduct.

Simultaneously, we continuously strengthen on-site marketing risk management and customer risk disclosure mechanisms. Focusing on key areas such as consistency among sales contract text, sales materials, sales presentations, sales scripts, service standards, and delivery commitments, we conduct regular inspections and spot checks at head office, cluster, and business unit levels, implementing special investigations for key risk items. Risk disclosure signs are placed in sales venues, display areas, model homes, and other locations to disclose factors that may lead to disputes. In negotiation areas, customers are explicitly informed that oral commitments from sales personnel are not legally binding and that written contracts shall prevail, striving to protect customers' right to information and prudent judgment during the purchase decision process.

Regarding supervision and feedback mechanisms, we maintain an accessible whistleblowing hotline to receive public reports of violations during marketing activities. Received reports are handled promptly and fairly according to internal policies. We conduct quarterly marketing compliance inspections, incorporating results into the performance evaluations of marketing leaders, and conduct regular special audits. Additionally, third-party companies are engaged to conduct monthly unannounced inspections of properties for sale, focusing on reception etiquette, consistency of sales scripts, and compliance of promotional materials. Feedback and recommendations for correction are promptly provided, forming a closed-loop management mechanism of "inspection—feedback—rectification—review."

## Supporting Industry Development

Leveraging our core business and key strengths, we actively participate in industry dialogue and collaboration, promoting the sharing of professional knowledge, optimization of management models, and synergistic resource innovation. We continuously contribute to the industry's advancement towards standardization, specialization, greening, and high-quality development. Simultaneously, we deeply integrate the concept of sustainable development into industry practices, focusing on key directions such as joint standard-setting, capability enhancement, industrial collaboration, and responsible leadership. We are dedicated to working with industry chain partners, industry organizations, and various sectors of society to jointly build an open, healthy, and sustainable industry development ecosystem.

**Main Industry Associations Involved**

Participating Entity	Association Name	Position
C&D Inc.	China Federation of Logistics & Purchasing	Vice President
	China Chamber of Commerce for Import and Export of Textiles	Executive Director
	China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters	Director
	China Chamber of Commerce for Import and Export of Machinery and Electronic Products	Director
	China Chamber of Commerce for Import and Export of Light Industrial Products and Arts-Crafts	Director
	China Chamber of Commerce of I/E of Foodstuffs, Native Produce and Animal By-products (CFNA)	Member
	China Foreign Trade and Economic Cooperation Enterprise Association	Vice President
	Statistical Society for Foreign Economic Relations and Trade of China	Director
	Xiamen Import & Export Chamber of Commerce	Vice President
	Chamber of International Commerce Xiamen	Vice President
	Special Supervision Area Association of Xiamen Customs District	Permanent Vice President
	Xiamen Modern Supply Chain Federation	President
	Xiamen Association for the Promotion of Multinational Corporations Development	President
Xiamen Economic and Trade Information Center	Member	



**Highlight Leveraging the Canton Fair to Deepen International Market Expansion**



C&D Inc. Booth at the Canton Fair

We actively participate in major industry exchange platforms to continuously strengthen communication and cooperation with global customers and industry chain partners, promote product display, market expansion, and resource matching, and inject vitality into the open development and international collaboration of the industry. At the 133rd China Import and Export Fair (Canton Fair), we brought together several of our business units to exhibit products and service solutions across categories including apparel, footwear, textile fabrics, bags and suitcases, kitchenware, and auto parts. We actively engaged in discussions and negotiations with global merchants, continuously expanding our international cooperation "circle of friends." Among them, our business units including Jianyu Industrial, C&D Light Industrial Products, and C&D International Trade showcased diversified product solutions

based on their respective product strengths and market positioning, further enhancing our market influence and international cooperation opportunities.

By actively participating in key platforms such as the Canton Fair, we continuously strengthen our connection with global markets, stay abreast of industry trends and changes in customer needs, and promote product innovation, business collaboration, and international market expansion. This has also contributed positively to promoting exchange and cooperation in the foreign trade industry and driving the coordinated development of the industrial chain.



**Highlight Deepening International Supply Chain Cooperation through the CIIE**

We actively participate in national-level platforms for open cooperation, continuously deepening exchanges and collaboration with global partners to promote resource sharing, mutual complementarity of strengths, and win-win outcomes, while expanding the breadth and depth of our industrial chain cooperation. In 2025, as a consecutive exhibitor at the 8th China International Import Expo (CIIE), we once again joined hands with our partners to showcase at the event, leveraging this platform to enhance communication with international customers and industry peers. During the Expo, we signed a strategic agricultural cooperation agreement with Louis Dreyfus. The two parties will continue to deepen collaboration across the entire agricultural industrial chain, improve industrial efficiency, and optimize global resource allocation, jointly building a secure and stable global supply chain network for agricultural products. At the same time, we also visited the booths of key partners, engaging in in-depth discussions on business layouts and future cooperation directions, continuously expanding our industrial "circle of friends" and cooperation ecosystem.

By actively participating in high-level open platforms such as the CIIE, we continuously strengthen our linkage with international markets and global partners, enhance our global resource integration capabilities and industrial synergy levels, and contribute positively to promoting open cooperation in the industry and the stable development of global supply chains.



**Highlight Deepening Green Supply Chain Cooperation through the CISCE**



C&D Living Materials co-exhibiting with strategic partner Fonterra

We actively participate in major exchange platforms in the supply chain field, such as the China International Supply Chain Expo (CISCE), to showcase our latest achievements in specialized operations, global layout, digital and intelligent transformation, and green supply chain development. We continuously strengthen communication and cooperation with industrial chain partners, promoting collaborative innovation and sustainable development in the supply chain. In 2025, at the 2nd CISCE, we expanded our exhibition scale, presenting our business layout and service capabilities across supply chain services, new energy, and new consumption sectors. Through innovative formats such as digital employee guides, 3D modeling, digital twins, and industrial sand tables, we demonstrated our practical achievements in digital and intelligent supply chain operations and specialized

expertise. During the Expo, our subsidiary C&D Living Materials also co-exhibited with strategic partner Fonterra, showcasing the results of their collaboration around the sustainable development ecosystem "from pasture to plate," and reached a consensus on continuing to promote green supply chain cooperation.

By actively participating in specialized platforms such as the CISCE, we continuously deepen exchanges and mutual learning with domestic and international partners, expand the scope of green supply chain cooperation, enhance our supply chain collaborative innovation capabilities, and contribute positively to promoting open cooperation in the industrial chain and sustainable development.



**Highlight Hosting the China Pulp & Paper Conference to Build Industry Consensus**

We actively participate in and host key industry conferences and events, continuously building open and cooperative exchange platforms to facilitate industry experience sharing, trend analysis, and collaborative development. In 2025, the Pulp & Paper Division of C&D Inc., together with the Commercial Pulp Working Committee of the China Paper Association, hosted the China Pulp & Paper Conference. The event attracted over 600 industry leaders, experts, scholars, and corporate representatives from both domestic and international markets, who engaged in in-depth discussions on topics such as global pulp and paper industry trends, supply chain resilience, green transformation, and digital development.

During the conference, we shared our practical achievements in the digital and green transformation of the pulp and paper industry, including the development of a digital industrial chain ecosystem through platforms such as Jiangyitong and Zhiyuanwang. We also launched a carbon footprint accounting platform covering the entire value chain of pulp, paper, and paper products, actively exploring pathways for green development in the industry. By hosting this conference, we further played a bridging role, promoting exchanges and mutual learning between upstream and downstream industry players, and contributed positively to advancing high-quality development and sustainable transformation in the pulp and paper industry.

# Employees



Employee growth and corporate development are mutually reinforcing. We uphold a people-oriented management philosophy, adhere to compliant employment practices, and fully protect employees' lawful rights and interests. By continuously improving career development paths and training systems, we provide a platform for employees to showcase their talents, stimulate their energy and creativity, and transform employee growth and vitality into sustainable momentum for corporate development.

## Equal Employment

We strictly comply with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and applicable employment laws and regulations in the countries and regions where we operate. We adhere to principles of compliant hiring, fair employment, and equal pay for equal work, strictly prohibiting all forms of forced labor, child labor, slavery or servitude, and human trafficking, and are committed to creating an equal, inclusive, and diverse work environment.

In recruitment, job assignment and compensation, performance evaluation, and promotion processes, we ensure that no candidate or employee is treated differently based on race, religion, gender, age, sexual orientation, disability, nationality, or cultural background. We guarantee that female employees and eligible employees with disabilities enjoy equal pay, benefits, and development opportunities, oppose any potential employment discrimination, and continuously improve our employment management and supervision mechanisms to provide every employee with equal development opportunities in a fair and just environment.

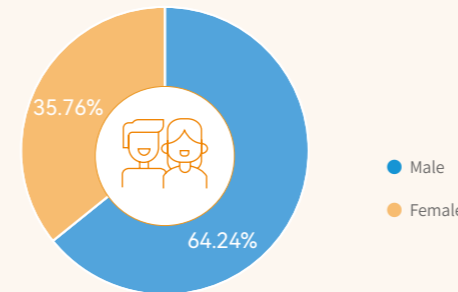


## Recruitment Management

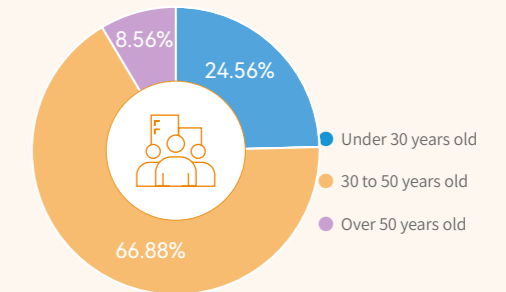
To ensure compliance and fairness in all stages of recruitment, we have established internal management systems such as the Human Resources Management Regulations, which clearly define recruitment processes including position interviews, assessments, background checks, and hiring approvals. We implement a "relative clause avoidance" mechanism to prevent potential risks during the recruitment process. During the hiring stage, we fully consider candidates' professional qualifications, personal skills, and overall competencies to ensure that interview evaluations and selection processes are fair and consistent, avoiding undue human influence. At the same time, we encourage mutual selection to promote precise alignment between talent and positions.

As of December 31, 2025, we have a total of 51,318 employees, with the following employee structure:

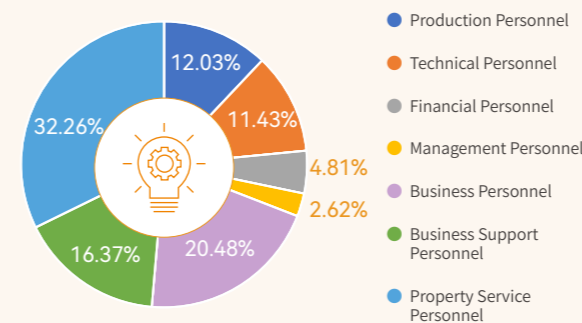
### Employee Gender Distribution



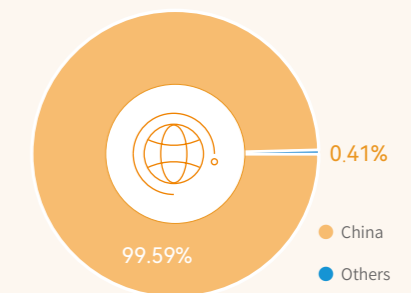
### Employee Age Distribution



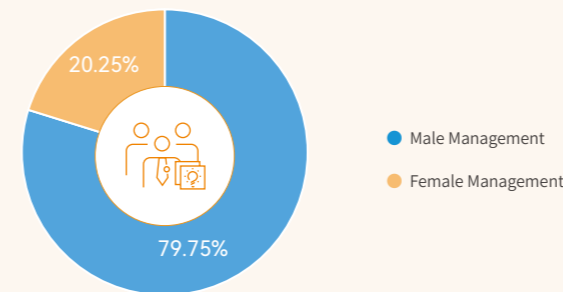
### Employee Professionalism Distribution



### Employee Nationality Distribution



### Management Gender Distribution



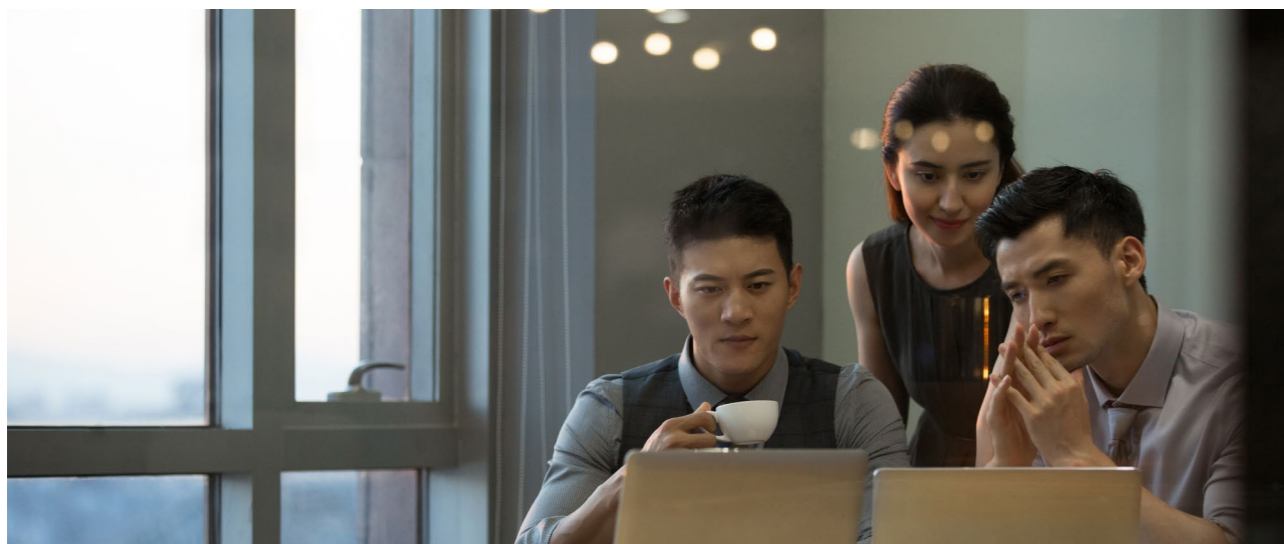
■ **Exit Management**

We have established a standardized employee resignation management process. When an employee submits a resignation notice, their unit head, direct supervisor, and HR personnel conduct an exit interview to fully understand the reasons for leaving and any related concerns. For high-potential talent, key business personnel, and management staff, we actively take retention measures through internal communication and coordination. We also perform monthly statistical analysis of employee turnover, closely monitoring workforce stability and providing reference for management optimization.

## Human Rights Protection

We adhere to internationally recognized human rights standards, including the International Bill of Human Rights and the Universal Declaration of Human Rights, and strictly comply with relevant laws and regulations in the countries and regions where we operate, respecting and protecting employees' fundamental rights. To implement human rights protection requirements, we have established the Human Rights Policy and the Anti-Discrimination and Anti-Harassment Policy, clearly defining the respect and protection of the basic rights of all groups, including employees, suppliers, local community residents, children, and others who may be affected by our business operations.

In terms of risk identification and management, we have established regular communication mechanisms with local communities, employees, governments, and investors to periodically assess potential human rights impacts and risks within our operations and value chain, with particular focus on protecting the rights of vulnerable groups. We also provide ongoing human rights training for employees and contractors to ensure the effective implementation of our human rights policies and prevent human rights-related risks. In 2025, there have been no incidents of child labor, forced labor, or human trafficking that violated our human rights policies in our global business operations.



■ **Anti-Discrimination and Anti-Harassment**

To foster a diverse and inclusive work environment, we have established an Anti-Discrimination and Anti-Harassment Policy, maintaining a zero-tolerance approach toward any form of harassment, bullying, or behavior that infringes on the dignity and freedom of others. The policy explicitly prohibits all forms of violence, insult, defamation, or acts that disrupt social order, and firmly opposes abuse of power or any other improper interference with employees, ensuring that every employee can work in an environment of equality and respect. We also maintain a positive and healthy corporate culture and work environment through strengthened internal management, the establishment of supervision mechanisms, accessible complaint and grievance channels, effective training, and guidance to regulate employee behavior.

To implement the Anti-Discrimination and Anti-Harassment Policy, we have established a complaint handling mechanism providing employees with clear channels for reporting. If employees experience or observe inappropriate behavior, they may report it to the HR department or labor union, or escalate complaints to relevant functional departments or senior management. Upon receiving a complaint, the responsible department initiates an investigation within five working days and provides feedback to the complainant on the progress. In addition, we strictly protect the information of all victims, complainants, and related parties, preventing any form of retaliation.



■ **Democracy and Freedom**

We fully respect the democratic rights and freedom of association granted to employees under the Constitution and legal regulations. The relevant basic rights of employees are clearly defined in our Human Resources Management Regulations. We have also established regular communication mechanisms with all our operating units to collect employee feedback and suggestions through diversified channels such as online surveys and grassroots meetings, promptly convey company strategies and corporate culture, and provide a basis for optimizing management decisions, actively fostering an open, transparent, and harmonious labor relationship.

In terms of organizational support, we strictly comply with the Trade Union Law of the People's Republic of China to establish labor union organizations and have formulated the C&D Inc. Trade Union Federation Management Regulations to ensure the unions operate in a standardized and orderly manner. By building a well-structured and effectively operating union system, we aim to safeguard employees' basic rights, provide institutional care for employees' work and life, and fully leverage the union's role as a bridge in coordinating labor-management relations.

To further promote democratic management, we hold regular staff representative meetings. Major matters affecting employees' vital interests, such as salary adjustments and welfare programs, are submitted to these meetings for democratic discussion before implementation, ensuring employees' rights to be informed, participate, manage, and supervise. In April 2025, we convened a staff representative meeting to review and approve the Collective Wage Agreement of Xiamen C&D Corporation, providing democratic support for the protection of employee compensation rights.

## Career Development and Training

Talent is the core driving force for the sustainable development of the company. We adhere to the principle of appointing people based on merit and are committed to providing employees with broad career development opportunities and learning resources by establishing a systematic training mechanism and diversified growth paths. This approach helps employees achieve professional advancement through continuous learning, injecting a steady stream of internal momentum into the company's development.

### Employee Career Development

Regarding individual employee development, we have established a multi-level job grade system ranging from entry-level positions to senior management. This system not only meets the personnel requirements of different positions but also provides employees with a clear career growth path. Based on this framework, we implement a dual-track career development model of "Professional + Management." The professional track supports employees in deepening expertise within specific fields, enabling them to become domain specialists, while the management track assists employees in advancing toward operational and managerial roles. This approach effectively removes career development barriers, offering broad and equal growth opportunities for different types of talent. In terms of talent management, we adhere to the principle of "promoting the capable, rewarding the excellent, adjusting the underperforming, and eliminating the unfit," continuously stimulating organizational vitality through a fair selection mechanism and dynamic promotion channels. This approach helps activate internal talent potential and provides solid human capital support for the sustainable development of the company.

Additionally, we maintain smooth internal talent mobility channels. Each year, we conduct internal recruitment activities to address talent needs for critical, challenging positions and newly established units, providing employees with new career development opportunities. For employees whose current roles may not fit their profile but who demonstrate strong performance and comprehensive capabilities, HR departments at all levels proactively identify and match suitable internal opportunities. This ensures optimal alignment of roles and talent, offering employees a diverse platform for career growth.

### Employee Compensation and Benefits

We strictly comply with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other applicable laws and regulations. We have established internal management systems, including the Human Resources Management Regulations, Compensation and Benefits Management Regulations, and Regulations on the Management of Rewards and Punishments, to ensure that employees' working hours and working conditions meet statutory requirements. We fully safeguard the lawful rights and interests of female employees during pregnancy, maternity, and breastfeeding periods, and provide employees with market-competitive compensation and benefits, ensuring that salaries are not lower than the legally mandated minimum wage.

## Performance-based Compensation

We have established a compensation structure centered on salaries, supplemented by allowances, bonuses, and benefits. We regularly monitor and evaluate market trends and peer benchmarks, continuously reviewing the rationality of our compensation settings to ensure employees receive remuneration and benefits that are internally fair and externally competitive.

In terms of performance management, we have built a scientific and diversified performance evaluation system. By setting clear work objectives and expectations, we comprehensively assess employees' work outcomes, capabilities, and professional attitudes within the evaluation period. At the same time, we incorporate sustainable development-related requirements—such as R&D innovation, risk management, occupational safety, and quality and efficiency improvement—into relevant departments' and employees' performance indicators, motivating employees while promoting effective implementation of the company's sustainability policies.

Performance evaluation results serve as an objective basis for decisions regarding rewards and penalties, promotions, and appointments, and are also used to identify gaps and provide targeted guidance to help employees track and improve their work systematically. In 2025, the company strictly adhered to national laws, regulations, and internal compensation management systems to pay employees' salaries, effectively safeguarding their labor remuneration rights.

We apply differentiated performance assessments for different employee categories:



Management personnel

Performance is evaluated through multiple dimensions, including business results, personal reporting, democratic appraisal, and interviews.



Other personnel

Performance is assessed using a goal management approach, setting work objectives and indicators to evaluate and provide feedback on achieved results.



## Employee and Benefits



Building on the full implementation of statutory benefits, the company has established and continuously improved long-term welfare plans. Through diversified and employee-centric care initiatives, the company actively addresses employees' needs in physical and mental health support, medical and caregiving protection, and work-life balance, enhancing employees' sense of belonging and organizational cohesion:

- **Statutory benefits and supplementary coverage:** On top of the statutory social insurance and housing fund, the company has established an enterprise annuity system and purchased group commercial insurance (including overseas insurance) for employees.
- **Economic subsidies and allowances:** Based on job characteristics and actual employee needs, the company provides a variety of allowances, including business travel subsidy, housing allowance, relocation allowance, communication allowance, professional title/certification subsidy, teaching allowance, part-time work allowance, management trainee allowance, high-temperature/cold-weather allowance, meal allowance, festival allowance, and special-position allowances (e.g., night shift allowance).
- **Leave management:** In addition to statutory holidays, employees are entitled to annual leave, marriage leave, maternity/protection leave, caregiving leave, parental leave, breastfeeding leave, bereavement leave, sick leave, and personal leave. Leave duration is adjusted based on employees' years of service and relevant national laws and regulations, helping employees balance work and life and improving their well-being. During annual leave, marriage leave, maternity/protection leave, bereavement leave, and breastfeeding leave, salary is paid according to normal work standards. In 2025, employees applied for a total of 5,518 days of paid parental leave.
- **Health management:** Regular health management activities and union team-building events are organized to monitor employees' physical health and integrate wellness concepts into daily management and corporate culture.
- **Care for female employees:** New mothers are provided with childcare subsidies, and lactation rooms are equipped with drinking water, refrigerators, sofas, and other facilities to meet their needs during special periods.
- **Support for employees in difficulty:** A group assistance fund is established to provide necessary financial support to employees (or their spouses, children, parents, or parents-in-law) and retired employees facing major illnesses, sudden serious incidents, severe disabilities, or other family hardships, helping them cope with unexpected difficulties.

### Highlight Women Employee Care Month

C&D Real Estate organizes a series of Women Employee Care Month activities every March. During the event, C&D Real Estate Estate launches the "She-Power" special campaign to showcase the personal style and professional achievements of female employees across various business units, paying tribute to their active contributions to the company's development. At the same time, the company's local labor unions organize spring outings, handicraft workshops, flower arrangement sessions, fitness activities, and other events to help female employees relax and enhance their sense of well-being. On International Women's Day, C&D Real Estate also offers customized meals for female employees in the company cafeteria, providing thoughtful services such as healthy dietary combinations to convey care and attention for female staff.



Women's Care Month Activities

## Talent Cultivation

In terms of talent development, the company has built a systematic employee training framework centered around five key modules: competency models, course resources, instructor teams, operational mechanisms, and online learning platforms. Training content includes foundational business courses, specialized training, and risk prevention programs, with targeted development projects designed for new employees, key personnel, and middle-to-senior management. The company has also established a training center at its headquarters to coordinate and implement various training plans, providing employees with diversified learning opportunities, empowering their skills and career development, and strengthening the foundation for corporate talent growth.

In 2025, we conducted a total of 13,171 training sessions, accumulating 1,639,237 training hours, averaging 32 hours per person.

### Highlight "Business Management" Training of the Qingtenghui Program



In 2025, we continued to promote the development and operation of the core talent community, "Qingtenghui," organizing training with a focus on business management. The training was structured around three core modules: external courses to enhance participants' industry chain analysis capabilities; internal knowledge transfer, with experienced business leaders sharing practical insights; and executive roundtable discussions, fostering consensus on management through in-depth dialogue. Through systematic empowerment, the program provides solid talent support for the company's stable operations and business innovation.

### Highlight Campus Recruitment New Employee Training Camp

In 2025, we conducted a two-stage systematic training program for new employees recruited through campus hiring. The first stage, the training camp, focused on cultural integration and general business knowledge, helping new employees quickly gain an overall understanding of the company's operations through internal and external courses. For international management trainees, the company launched a dedicated "International Pioneer Program," introducing courses on international market insights, cross-cultural communication, and expatriate practices to enhance their global perspective and local adaptability, supporting the company's international talent strategy. Meanwhile, English onboarding manuals were provided for foreign employees to meet their work and learning needs and strengthen their alignment with the corporate culture. The second stage of the training camp focused on risk awareness and professional competence. Through a systematic explanation of the company's risk control system and business processes, practical courses on problem analysis and solving, effective communication, and client relationship management were offered to comprehensively improve new employees' job adaptation and professional maturity.



**Highlight "E-Learning" Online Training Platform**

In 2025, we continued to optimize the operation of the "E-Learning" online training platform by systematically organizing course resources, updating and redesigning the interface, and enhancing user experience and learning convenience. Centered on employee growth needs, the platform launched specialized sections including "Youth Hub, Qingtenghui Hub, Business Titans' Value Competition, Top Ten Industry Insights, ERP Practical Applications, English, and AI Hub," and organized 19 operational activities to foster an environment of self-directed learning and continuous development.

By the end of 2025, the "E-Learning" online training platform had offered a total of 10,639 courses, with 8,027 registered users, an average daily login of 1,173, a daily active rate of 16.61%, and an average learning time of 54.2 hours per user, making it an important channel for employees' routine self-learning and professional skills enhancement.

**In 2025**

A total of  
**10,639**  
courses on "E-Learning"  
online training platform

A total of  
**8,027**  
registered users

Daily active rate of  
**16.61%**

Average learning time of  
**54.2** hours per user



**School-Enterprise Collaboration**

We have systematically integrated "sustainable talent development" into its ESG strategic framework, continuously innovating school-enterprise collaboration models and expanding its recruitment network on a global scale. In 2025, we proactively "went out" by organizing 10 career planning courses and competitions, holding 20 in-depth university-enterprise seminars, and participating in campus events such as the Xiamen Promotion Conference in Sichuan universities and the International Culture Festival of Central South University. At the same time, we actively "brought in" talent by opening its corporate reception center and hosting visits from faculty and students of five leading universities, including Harbin Institute of Technology, creating a three-dimensional interactive loop integrating exhibition experience, alumni engagement, and business understanding. Through this two-way empowerment approach, we not only build a forward-looking pipeline of high-potential talent, but also supports partner universities in improving employment outcomes and international education standards, fostering effective alignment between educational resources and corporate needs, and achieving a win-win outcome for both academia and industry while promoting a sustainable talent ecosystem.

In 2025, leveraging resources from the Chinese Service Center for Scholarly Exchange (CSCSE), the Xiamen Municipal Human Resources and Social Security Bureau, and partner universities, the company actively participated in six recruitment fairs for international talent, connecting with outstanding overseas students from around the world studying in China. During the year, the company recruited 34 international graduates, covering 14 countries across Asia, Africa, Europe, and South America, and representing 16 languages. Through diversified recruitment channels, the company continues to optimize its talent structure, promote the development of international teams, and enhance cross-cultural communication and collaboration capabilities. This initiative not only strengthens the company's competitiveness in the global talent market but also demonstrates its commitment to inclusivity, diversity, and equal employment opportunities, further reinforcing the foundation for sustainable development.

**Occupational Health and Safety**

We adhere to the principle of "safety first, prevention-oriented, and comprehensive management," and upholds the philosophy of "safety-driven services, strategy-guided management." It has formulated the Occupational Health and Safety Policy, which was reviewed and approved by the Employee Representative Congress and endorsed by the Chairman of the Board. By continuously improving a series of internal systems, including the Regulations on Work Safety Management, Guidelines for the Construction of Work Safety Management System, and the Work Safety Regulations of Party and Government Joint Responsibility, Dual Responsibility for Each Post, Joint Effort for Management, and Accountability for Negligence, we have established a robust safety defense framework. We actively benchmark against international standards, with several core subsidiaries having obtained ISO 45001 Occupational Health and Safety Management System certification. In addition, the company has innovatively implemented a "classified and graded management + Safety Amoeba Teams" control model, supported by the Measures for Classified and Graded Safety Management, enabling differentiated and precise governance from macro-level systems to micro-level units. Through full life-cycle risk identification and hazard investigation, we strive to minimize all types of safety risks and build a strong occupational health and safety safeguard for its employees.

## Work Safety Management Organization

We strictly adhere to the Work Safety Law of the People's Republic of China and other applicable regulations, and continuously improves its work safety management system. A Work Safety Committee has been established as the central leadership body for safety management, chaired by the General Manager, with Deputy General Managers and heads of key safety units serving as Deputy Directors. An office under the Committee is responsible for daily operations, including implementing directives, formulating safety policies, reinforcing accountability, and overseeing hazard rectification. We have established a three-tier work safety management structure at the company, operating unit, and site levels. In accordance with the Measures for Classified and Graded Safety Management, control measures are refined at each level to ensure clear accountability and progressively strengthened supervision. Considering the diversity of its subsidiaries, the company adopts a classified management approach, categorizing units into three types based on ownership structure and risk level: Category A (key supervision), Category B (standard supervision), and Category C (prudent supervision), with dynamic adjustments and differentiated oversight to ensure targeted safety management. At the grassroots level, key safety units have established Work Safety Committees with clearly defined responsibilities formalized through official documentation. Other units, depending on workforce size, have either set up safety committees or assigned full-time or part-time safety management personnel to ensure adequate and compliant staffing.

In addition, we have extended its safety management system to cover overseas operations, off-site entities, and newly acquired or restructured businesses, incorporating them into a unified framework to ensure seamless integration and eliminate regulatory blind spots. To strengthen professional capacity, the company actively encourages safety management personnel to obtain Certified Safety Engineer qualifications and is building a professional team centered on such certified experts. For high-risk sectors such as metal smelting and hazardous chemicals, the company strictly enforces staffing requirements for Certified Safety Engineers, providing strong professional support for safety management.

In 2025, we achieved a 100% execution rate of safety responsibility agreements across all internal units and relevant external parties.

## Risk Management for Work Safety

We strictly implement and continuously optimize the Regulations on Work Safety Management, Safety Production Classification and Grading Management Measures, and Hazard Identification and Rectification System, establishing a dual-prevention mechanism combining risk classification control and hazard identification and remediation. By conducting comprehensive hazard identification and safety risk assessments, all units widely apply the Likelihood-Exposure-Consequence (LEC) method to classify operational risks, establish risk registers, and publicly display them on-site, ensuring clear responsibilities and effective controls.

In key risk management, the company maintains strict oversight of traditional high-risk activities, such as hot work, confined space operations, working at heights, temporary electrical installations, special equipment, and high-rise fire safety. Based on annual risk assessments and inspection reports, additional critical areas have been incorporated, including storage facility risks (e.g., fire, explosion, and toxic hazards in warehouses and tank areas), electrical fire risks, special equipment and vehicle hazards, confined space operation risks, and location-specific risks at overseas or remote sites (e.g., public security, public health), achieving comprehensive coverage and precise mitigation measures.

To enhance risk prevention effectiveness, the company actively promotes the application of intelligent and digital management tools. Building on the ongoing implementation of the Critical Hazard Management module on the safety management platform, which enables online approval and periodic inspection of hazardous operations, in 2025 the company further strengthened video surveillance coverage, implementing real-time monitoring of major hazards, confined space entries, and high-risk work areas. The company is also actively exploring smart fire-fighting systems and electrical fire monitoring for early warning, thereby improving safety alert capabilities and emergency response efficiency.



### Highlight Exploration of Intelligent Early-Warning and Monitoring Technologies

In the risk assessment of logistics warehouses, the company has explored the application of intelligent technologies to enhance risk prevention and control. To address electrical fire risks in storage areas, a combined electrical fire detection system has been deployed to monitor current, voltage, leakage, and temperature in real time. This system is integrated with the smart firefighting platform to provide early warnings of potential fire hazards. Networked smoke detectors have also been installed in temporary office areas. In terms of video surveillance, in accordance with the Regulations on Work Safety Management, monitoring systems have been deployed at critical points such as major hazard sources and confined space entrances, enabling real-time monitoring and image retention. Through these intelligent solutions, the company is gradually building a "real-time monitoring—intelligent early warning—rapid response" technical defense system, promoting a shift in safety management from reactive handling to proactive prevention.

## Work Safety Inspection

In accordance with the 2025 Safety Evaluation Plan and the Hazard Identification and Remediation System, our Safety Committee continuously strengthens the evaluation of the safety management system and on-site inspections, integrating inspection results directly into the annual safety assessments of all units. The company actively promotes its production and manufacturing subsidiaries to improve management systems based on the Guideline of China occupational safety and health management system (GB/T 33000-2016) and encourages eligible units to participate in external standardization ratings, subject to regular audits by government emergency management authorities, using external standards to drive internal management improvement. In 2025, the Safety Committee further intensified penetration-style inspections, conducting a total of 46 on-site unit inspections and identifying 401 hazards. Persistent and recurring safety issues were given targeted follow-up to ensure 100% remediation. The company also encourages company-wide participation in hazard identification through tools such as "Everyone Checks Hazards," strictly adhering to the "Five Implementations" and "Five In-Place" principles. The focus is on nine key areas including fire safety, electricity and gas use, and hazardous operations, with inspections benchmarked against major accident hazard standards. Through precise identification and remediation, the company ensures closed-loop hazard management and effectively enhances overall safety management performance.

In 2025

Conducting a total of

**46** on-site unit inspections

Identifying

**401** hazards

Ensuring

**100%** remediation of hazards



## Emergency Management for Work Safety

In accordance with the Emergency Management Regulations for Work Safety Accidents and the Regulations on Work Safety Management, we continuously improve our emergency management system, establishing a three-tiered plan framework that includes comprehensive emergency plans, specialized contingency plans, and on-site response procedures to ensure coverage of major risks. We strictly implements the principle of "rapid response and hierarchical reporting" for emergency information. In the event of a production safety incident, on-site personnel must immediately report to the site supervisor and follow hierarchical reporting to headquarters, with escalation allowed under special emergency circumstances. Once an incident is confirmed, the responsible unit must immediately activate the relevant emergency plan, and the unit leader must promptly arrive on-site to organize rescue operations, control hazards, secure the scene, prevent escalation and secondary disasters, and minimize casualties and property loss.

Regarding emergency drills, our regulations require each unit to conduct at least one drill annually, with units handling hazardous chemicals, metal smelting, or high-occupancy areas conducting drills at least twice a year. In 2025, key safety units carried out a total of 886 emergency drills covering scenarios such as typhoon and flood prevention, fire safety, high-altitude falls, mechanical injuries, chemical burns, hazardous substance leaks, and heatstroke, with 15,420 participants in total. For units found during supervision inspections not to have conducted drills as required, we promptly instructed corrective action, using inspections to enforce compliance, ensuring drill effectiveness, and continuously enhancing all employees' emergency response capabilities.

In 2025

A total of **886** emergency drills

A cumulative total of **15,420** participants.

## Training and Education on Work Safety

We place great emphasis on employee occupational health and safety education and conducts systematic, tiered safety training in strict accordance with the Work Safety Education and Training System and the Regulations on Work Safety Management. The system clearly designates the primary responsible person of each unit as the first-line accountable party and stipulates that employees who have not passed training are not permitted to work on-site. A comprehensive training record management system is established to accurately document training dates, content, participants, and assessment results, ensuring traceability and evaluability of the training process.

To enhance the relevance and effectiveness of training, each unit implements the Safety Training Outline based on actual conditions. Training content covers the latest national safety policies, laws and regulations, and fire safety requirements, with tiered and categorized training delivered according to employee roles. In 2025, the company reinforced training and assessment for the "three key employee categories" and developed special training programs for new employees, temporary staff, and outsourced personnel. Company-wide and unit-level initiatives included a total of 3,210 offline safety training sessions and 130 online courses, reaching 50,012 training participations. A total of 8,522 employees received safety training, achieving a coverage rate of 81%, effectively enhancing the emergency response capability and overall safety competence of all staff.

In 2025

A total of **3,210** offline safety training organized by company-wide and unit-level initiatives

Reaching **50,012** training participations.

Achieving a coverage rate of **81%**

## Contractor Safety Management

We have established a systematic management framework to oversee and mitigate safety risks associated with suppliers, contractors, outsourced units, and other third-party entities through institutional controls and process supervision. According to the Regulations on Work Safety Management, each unit is required to sign a Safety Management Agreement concurrently when entering into contracts with contractors or lessees. This agreement clearly delineates the safety management responsibilities of both parties and ensures that the company exercises unified coordination and supervision over the contractor's safety performance. Furthermore, the Guidelines for the Construction of Work Safety Management System require that all partners be incorporated into the company's unified safety management system, ensuring comprehensive coverage of responsibilities with no gaps. Through this approach, the company systematically strengthens oversight, enforces safety standards, and mitigates potential safety risks across all third-party operations.

## Occupational Health Management

We continuously strengthen the management of employees' occupational health, strictly complying with the Law of the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Provisions on the Administration of Occupational Health at Workplaces, and the Classification and Catalogue of Occupational Diseases. A comprehensive occupational health management system has been established and is continuously improved to safeguard employees' health. The company implements reasonable working hours and, based on job characteristics, adopts flexible work arrangements. In addition, employees have access to online occupational health training and psychological health assessments, fostering a safe, healthy, and comfortable working environment. In 2025, our occupational disease incidence rate was XX.

## Employee Assistance Program

We place great emphasis on employees' mental health and has continuously implemented the Employee Assistance Program (EAP) – the "Employee Mental Health Care Plan," a systematic and long-term mental health support initiative for employees and their family members. Collaborating with third-party professional institutions, the company ensures strict confidentiality of all counseling processes, helping employees effectively manage psychological stress and work-related challenges while mitigating health risks associated with mental well-being.

The EAP program includes the following services:

<p><b>Multi-channel Psychological Counseling Services</b></p> <p>24/7 counseling support is available, and employees can schedule consultations via phone, online platforms (WeChat Official Account, Enterprise WeChat), or face-to-face meetings to receive guidance from professional psychologists.</p>	<p><b>Professional Mental Health Resources</b></p> <p>Leveraging a dedicated team of qualified counselors, the program offers personalized guidance, behavioral improvement advice, and stress management support.</p>	<p><b>Crisis Intervention and Emergency Assistance</b></p> <p>In cases of sudden incidents, family crises, or significant psychological stress, the company activates special intervention mechanisms to provide timely counseling and support, helping employees navigate challenging situations.</p>	<p><b>Mental Health Awareness and Training</b></p> <p>The company organizes targeted training sessions and awareness campaigns to strengthen employees' mental health literacy and enhance self-adjustment abilities.</p>
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## Employee Health Management



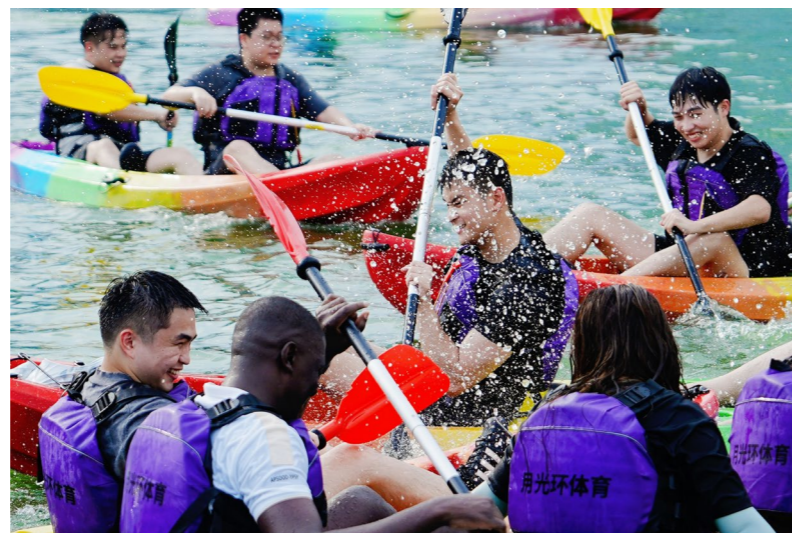
We have established a comprehensive occupational health management system, implementing legally required pre-employment, on-the-job, and post-employment health check-ups. On-the-job employees undergo annual health examinations, achieving 100% coverage. The health check-ups include both general and specialized assessments. Following the examinations, personalized health guidance and recommendations are provided to help employees systematically manage their well-being.

### To further promote employee health, we implement multiple initiatives

- Provide an on-site canteen that offers well-balanced and nutritious meals to ensure employees' daily dietary health.
- Set up employee fitness groups and offer a variety of exercise programs, such as yoga, swimming, and aerobics, along with professional guidance to help employees improve their physical fitness.
- Organize diverse cultural and recreational activities to enrich employees' after-work life and promote their physical and mental well-being.
- Regularly conduct occupational health lectures and awareness campaigns to disseminate health management knowledge, strengthen employees' health awareness, and support their self-health management.



Occupational Health Lectures



## Work Schedule Management



We strictly adhere to the Labor Law of the People's Republic of China and local regulations regarding working hours, arranging employee schedules reasonably and promoting work-life balance. A standard two-day weekend is generally implemented, ensuring employees' rights to rest and statutory leave, and preventing excessive or overloaded work to safeguard physical and mental health. For positions operating under flexible working hours or comprehensive working hour systems, We fulfills the required reporting procedures in accordance with regulations, strengthens attendance management and working hour supervision, and standardizes overtime approval processes. These measures prevent excessive overtime and create a healthy, safe, and compliant working environment for employees.



### Highlight Holiday Visits to Frontline Employees



In collaboration with multiple trade unions, the company's subsidiary, C&D Real Estate, conducts holiday visits and welfare activities for frontline employees. Leadership teams from various units engage directly with employees on-site, delivering festive greetings and care to those who remain committed to their posts. The Administrative Department provides logistical support and organizes warm-hearted events, such as Mid-Autumn Festival reunion dinners, allowing employees to feel the warmth of the company family beyond their daily work. These initiatives further enhance team cohesion and employee sense of belonging, motivating staff to engage in their work with renewed enthusiasm.



# 03

## Governance



### Governance Performance Targets in 2025

- No significant losses arise from conflicts of interest
- No cases of money laundering or insider trading
- No major lawsuits or administrative penalties result from unfair competition
- Integrity and ethics training covered 100% of employees.
- A sustainability report is disclosed annually to update stakeholders on the company's sustainability governance achievements

Completion Status  Completed  In Progress  Unfinished



# Risk and Compliance Management



We regard risk management capability as one of the core competencies for maintaining healthy corporate development, elevating risk control to the strategic level of the Company. With the "specialization" operational strategy as the foundational basis, we have established differentiated business management structures and control processes tailored to different industries. By deeply integrating risk management with business operations, market dynamics, and industry characteristics, we ensure genuine "industry immersion and sector engagement." From risk management philosophy and organizational structure to process frameworks, implementation, and oversight, we continuously refine a comprehensive risk control system that covers the entire business process and full lifecycle. This has enabled us to build a "specialized, tiered, and process-oriented" risk management system that safeguards the Company's stable operations.

## Risk Management Structure

We have established a sound three-tier risk management structure with clearly defined responsibilities from top to bottom, and have formulated and continuously improved the "Internal Control Management Manual" as well as internal management systems including the "Management Guidelines of Supply Chain Operations Process," "Logistics Management Regulations," "Credit Management Regulations," and "Futures Business Management Regulations." We identify and assess various risks that may arise in the course of business operations, standardize and continuously optimize management processes for major business segments, strengthen control over critical business processes and key risk points, and effectively prevent risks.

The Company's risk management structure comprises the Board of Directors, headquarters executive management and functional management departments, as well as subsidiary executive management and relevant functional departments. Through tiered and multi-level management, we achieve flexible, appropriate, and efficient risk control.

### Three-tier Risk Management Structure



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

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

We have established a dynamic risk monitoring mechanism, conducting quarterly reviews and dynamic adjustments of key risk indicators in light of external market conditions and actual business operations. For potential or emerging risks and disputes identified in the course of business development, we strictly implement immediate reporting and rapid response procedures in accordance with internal regulations to ensure risks remain controllable. To enhance the effectiveness of risk prevention and control and effectively mitigate potential risks, we have integrated various risk control processes into our enterprise management systems. By

clarifying departmental responsibilities, strictly controlling hierarchical approval authorities, standardizing reporting pathways, and strengthening post-implementation tracking, we ensure the effective execution of risk control processes.

We have formulated systems including the "Regulations on the Management of Rewards and Punishments," "Risk Fund Management Measures," and "Interim Measures for Accountability of Violations in Business Operations and Investments," linking key risk indicators related to standardized operations and safe operations to the performance-based compensation of management personnel, thereby implementing risk management responsibilities. When assessing employee performance and compensation, we consider not only individual contributions and achievements, but also incorporate factors such as whether performance targets were achieved within controllable risk parameters and whether effective risk prevention measures were taken. Furthermore, if employees fail to fulfill their duties or engage in violations that lead to risk incidents, we will impose penalties including but not limited to public criticism, administrative warnings, and deduction of performance-based compensation, depending on the severity of their violations and the circumstances of the risk incidents.

## Risk Control and Compliance Inspection

The Audit Committee established under the Company's Board of Directors is responsible for reviewing and supervising risk management and internal control compliance. The Company's Audit and Supervision Department strengthens oversight by conducting risk inspections, internal control audits, and internal control evaluations of various functional management departments and subsidiaries. Through these risk control and compliance reviews, the Company identifies issues in the development and implementation of risk management and internal control systems and processes, proposes relevant rectification recommendations, and urges relevant units to implement corrective actions. This enables continuous improvement of risk management capabilities and achieves closed-loop management of "inspection-feedback-rectification-enhancement," ensuring risks are detected promptly and effectively controlled.

### In 2025, the Company mainly carried out the following risk control and compliance review work

- Organized and completed the annual internal control self-assessment work. In accordance with the risk management procedures in the Company's "Internal Control Manual," we conducted comprehensive and in-depth inspections of the effectiveness of the Company's internal control system operation, promptly identified deficiencies and implemented rectifications, ensuring the effectiveness and compliance of risk management processes;
- Completed 11 special audits, covering important risk areas including cost reduction and efficiency improvement, business management, fund management, engineering project bidding, policy impact assessment, post-investment management, and risk assessment of merger and acquisition targets. Through audit findings, we promoted the implementation of rectifications by audited units and optimized business processes and systems;
- Conducted quarterly periodic self-inspections on supply chain business compliance to examine whether business operations involve financing trade and false trade compliance risks, covering all operating units and commodities within the supply chain operations business;
- C&D Real Estate carried out normalized audit supervision, conducting special audits on business lines such as engineering, design, and marketing to strengthen frontline internal auditing and operational risk prevention and control; conducted irregular inspections and spot checks at the group level, cluster level, and business division level regarding risk points in sales management, including sales contracts and marketing expenses;
- Lianfa Group focused on risk-prone areas and key control links such as engineering bidding, marketing management, asset leasing, investment business, and fund management, strengthening daily supervision and inspection as well as special audit oversight. The Group promptly followed up on the rectification and implementation of identified issues, effectively preventing operational risks and enhancing internal control effectiveness.

The Company annually engages external professional institutions to audit the implementation and effectiveness of internal control processes at the corporate level, including development strategy and social responsibility, as well as at the business level for important operations such as supply chain operations, real estate development and operations, engineering projects, fund activities, and asset management. In 2025, we engaged an external audit institution to audit the effectiveness of our internal controls.

## Education on Risk Control

To deepen the risk culture, the Company actively promotes tiered and categorized risk control and compliance education and training activities that combine online and offline approaches. We disseminate risk control and compliance knowledge as well as risk management system and process standards to all employees, directors, and non-executive directors, strengthening the awareness of compliant operations and risk prevention across the organization, enhancing the risk management professional capabilities of personnel in relevant positions, and promoting the integration of risk philosophy and compliance consciousness throughout the entire business chain. In addition, we encourage employees to promptly report potential risks and formulate corresponding preventive or responsive measures. Employees who timely prevent events detrimental to the Company's interests will be rewarded in accordance with internal regulations.

### In 2025, we mainly carried out the following risk control and compliance education and training activities

- Organized specialized training on supply chain risk prevention, including:
  - Produced 6 series totaling 36 training courses on supply chain risk prevention, conducting training and examinations for employees in business marketing, auxiliary, administrative, and reserve series who joined since 2020;
  - Conducted systematic training on supply chain risk prevention for employees with 1-3 years of tenure, and ensured employees' familiarity and mastery of key risk training knowledge points through examinations;
- Conducted online systematic training on "Supply Chain Risk Prevention" and specialized training on "Distinguishing Truth from Falsehood, Preventing Compliance Risks," covering all employees to strengthen internal staff awareness of business compliance;
- Conducted 13 business compliance training sessions at various regional offices nationwide, covering nearly 2,000 employees, strengthening communication with regional offices and fostering a compliant business operation philosophy among their staff;
- Lianfa Group's engineering, marketing, investment, and other relevant business departments organized on-site and video conference sessions to explain newly added and revised risk management systems and risk prevention requirements, with examinations and other methods to reinforce training effectiveness.



# Commercial Behaviors



We uphold the corporate spirit of "Unity, Dedication, Integrity, and Progress," and adhere to high standards of business ethics and moral principles to guide our business activities worldwide. Through the formulation of the "Code of Business Conduct," we provide unified and clear behavioral standards and value orientation for the Company and its subsidiaries in key areas including integrity and compliant operations, conflict of interest prevention, anti-monopoly and anti-unfair competition, and anti-money laundering. We are committed to integrating awareness of integrity and compliance into every aspect of corporate operations and the upstream and downstream of the value chain. Through standardized, transparent, and responsible business practices, we build transparent and trust-based long-term relationships with all parties in the value chain, jointly forging a sustainable business ecosystem.

## Anti-Commercial Bribery and Anti-Corruption

The Company attaches great importance to corporate integrity and firmly opposes any form of commercial bribery and corruption. Through the formulation of the "Anti-Corruption and Anti-Bribery Policy," we clarify the Company's stance on anti-corruption and anti-bribery matters, the code of conduct that all employees should adhere to, and provide guidance on how to identify, prevent, and respond to corruption risks in business activities. We have formulated internal management systems such as the "Employee Integrity Self-Discipline Regulations," and the "Employee Integrity Management Regulations(Trial)" to regulate employees' integrity in professional practice and honest business conduct. Through systems including the "Human Resource Management Regulations," "Regulations on the Management of Rewards and Punishments," and "Supply Chain Operations Management Regulations," we incorporate integrity requirements into daily employee management and impose corresponding disciplinary measures for employees' violations of business ethics to ensure compliance with integrity and self-discipline requirements. In addition, we have incorporated relevant integrity requirements into the year-end performance assessments of the Company's management to reinforce integrity responsibilities.



## Integrity Risk Management

The Company implements internal integrity systems including the "Anti-Corruption and Anti-Bribery Policy," "Employee Integrity Self-Discipline Regulations," and the "1+X Special Supervision and Coordination Working System." The Company's Discipline Inspection Committee (hereinafter referred to as the "Disciplinary Committee") is responsible for coordinating and leading integrity construction and integrity risk control related work. Under the guidance of the Disciplinary Committee, the Company's Audit and Supervision Department is responsible for carrying out integrity risk assessments, integrity supervision and inspection, integrity education, and petition investigation, to continuously strengthen integrity risk control. At the same time, we have established an Integrity and Compliance Supervision Group, headed by the Chief Risk Officer, with members including heads of the Risk Control Audit Department, Operations Management Department, Credit Management Department, and Legal Department, and other relevant departments, to collaboratively carry out supervision of the Company's integrity and law-abiding operations. We have also established a Business Compliance Management Group to review various matters involving business compliance and strengthen risk management for integrity in business operations and business compliance. The Integrity and Compliance Supervision Group and the Business Compliance Management Group regularly report on integrity risk control work to the Company's management, which supervises and guides the Company's integrity risk control objectives.

Focusing on critical business processes, key risk areas, and pivotal positions, the Company has established a normalized and systematic integrity risk identification and assessment procedure to comprehensively identify and investigate integrity risk points, continuously strengthening supervision and monitoring mechanisms to ensure the healthy and high-quality development of the Company. The major integrity risk types identified and prioritized by the Company mainly include conflict of interest risks, commercial bribery risks, among others. In 2025, the Company organized self-inspection and self-correction as well as conflict of interest declarations for appointed cadres, including members of the management teams of the Company headquarters and its specialized groups, in accordance with the "Several Provisions on Integrity in Professional Practice for Leaders of State-Owned Enterprises" and requirements regarding investment recusal, business recusal, and employment recusal. We also organized 3,122 logistics-related practitioners to complete self-inspections focusing on key matters such as exercise of authority and prohibition of concurrent positions, with all personnel signing the "Commitment Letter on Integrity in Professional Practice for Logistics-Related Personnel."

## Supplier Integrity Management

The Company actively promotes the extension of integrity requirements to the supply chain, continuously strengthening supply chain integrity supervision through proactive advocacy, due diligence, contractual constraints, and collaborative oversight, committed to jointly fostering a clean, honest, and mutually beneficial business environment with suppliers and other business partners.

We clearly set forth anti-corruption and anti-bribery requirements for suppliers through the "Supplier Code of Conduct," strictly prohibiting suppliers from engaging in any form of embezzlement, extortion, or bribery, and requiring their business conduct to be lawful, compliant, and in accordance with business ethics. For third parties such as suppliers with whom we intend to establish business cooperation, the Company conducts due diligence in the form of qualification verification, on-site inspections, background investigations, and risk assessments to examine and prevent supplier integrity risks. Prior to cooperation with suppliers, relevant compliance departments are involved in the contract approval process to review supplier qualifications and integrity risks. We also require suppliers to sign integrity agreements or letters of commitment to integrity and law-abiding conduct, and incorporate anti-corruption clauses into business contracts, explicitly stating integrity and self-discipline requirements and penalties for violations to constrain supplier behavior and prevent integrity risks. During the course of business cooperation, we continuously monitor and track suppliers' business activities and external negative information, such as litigation or dishonesty. If a supplier engages in corruption or bribery, the Company will take measures including termination of business cooperation, claims for compensation, or other actions, and hold the supplier accountable for relevant responsibilities.

In 2025, as part of the "Qingfeng C&D 345" initiative, the Company sent bilingual Chinese and English versions of the "Joining Hands to Build an Integrity Defense Line — Integrity Notification Letter to Partners" to 1,839 domestic and international logistics suppliers, clearly communicating integrity requirements in professional practice and emphasizing the prohibition of commercial bribery, improper benefits transfer, and other violations.

## ■ Integrity Supervision and Inspection

The Company continuously strengthens daily supervision and inspection, special supervision, and targeted inspections around key areas and critical periods to promptly identify problems and deficiencies, strictly supervise and urge rectification and implementation, prevent integrity risks, ensure effective execution of integrity systems, and guarantee the practical implementation of integrity construction. For violations in business operations, the Integrity and Law Compliance Oversight Team and the Business Compliance Management Team conduct review and investigation, and impose penalties on relevant business units and personnel involved in corruption and violations in accordance with internal rules and regulations including the "Interim Measures for Accountability of Violations in Business Operations and Investment," "Employee Integrity Management Regulations," and "Employee Integrity Self-Discipline Regulations."

In 2025, we mainly carried out the following integrity supervision and inspection work

### In supply chain operations

Focusing on areas and business processes prone to integrity risks such as business entertainment, official vehicle management, and expense reimbursement, we conducted normalized supervision and unscheduled specialized inspections, covering operating entities including various specialized groups, regional and overseas platform companies. Adhering to a problem-oriented approach, we urged rectification and implementation of identified issues through issuing disciplinary notices, supervising system improvements, and conducting criticism and education. We also incorporated common problems identified through inspections into integrity risk early warnings and education and training content, achieving a virtuous cycle of inspection, rectification, and enhancement.

### In real estate business

C&D Real Estate organized and urged subsidiaries to promptly conduct self-inspections on integrity and self-discipline. Lianfa Group focused on key risk control links such as engineering bidding, marketing, leasing, investment, and funds, organizing various supervision and inspection activities, and urging subsidiaries to promptly carry out self-inspection and self-correction, with spot checks conducted on key subsidiaries.

### In line with operational realities

MACALLINE conducted supervision and inspection work covering fraud risks on operationally critical centers and shopping malls, and urged relevant units to promptly implement rectifications.

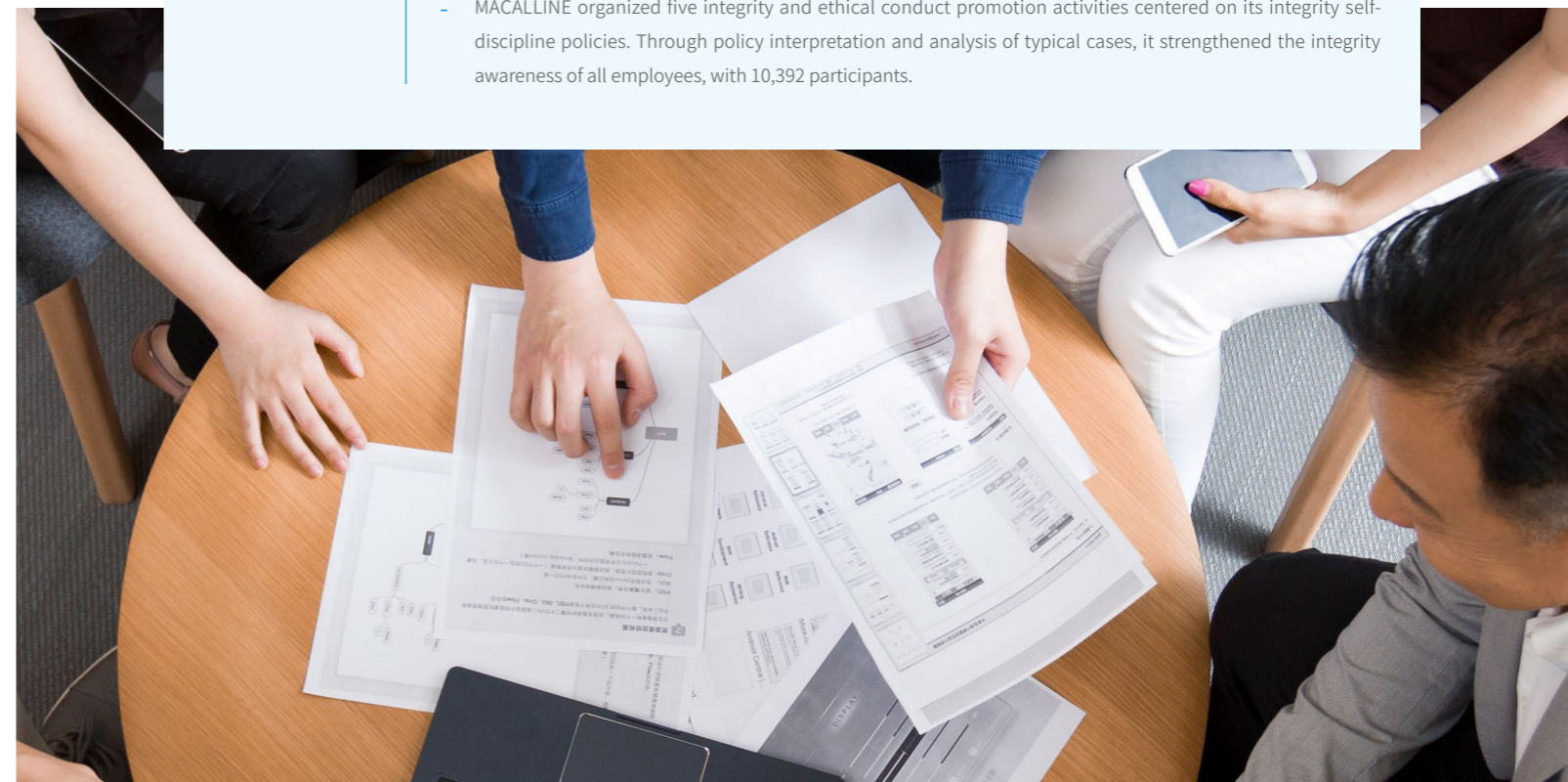
## ■ Integrity Training and Education

The Company continuously deepens the cultivation of integrity culture, innovates forms of integrity education, and relies on business-characteristic integrity culture brands combined with online and offline approaches to conduct comprehensive, multi-level, and diversified integrity education, advocacy, and training activities. These efforts enhance the integrity awareness of directors, senior management, and all employees, foster a strong atmosphere of integrity culture, and build a solid ideological defense line for integrity across the entire workforce.

In 2025, we carried out the following integrity education and training activities



- Utilizing the "Clean C&D" integrity promotion platform as the main channel, we conduct continuous integrity education through comics, videos, and other formats, communicating business ethics and integrity policy requirements to all employees.
- Through quarterly and semi-annual meetings of key operating units, we delivered integrity and compliance presentations to all employees, covering more than 400 participants.
- We conducted integrity discussions in a hierarchical and full-coverage manner, reaching over 3,000 employees. On the one hand, following the principle of "each level talks to the next", we provided one-on-one reminder education to managers, focusing on job-specific integrity risk points. On the other hand, we highlighted role-specific characteristics and, in light of business features, issued warnings on integrity risks in relevant processes.
- For Party members who have newly joined or transferred into the Party in the past two years, we organized integrity education activities focusing on the Code of Integrity and Self-Discipline of the Communist Party of China and the Regulations of the Communist Party of China on Disciplinary Punishments, clarifying the integrity and self-discipline requirements for Party members.
- Lianfa Group used its OA integrity education column to distribute anti-corruption and integrity-related learning materials to all employees on a monthly basis.
- MACALLINE organized five integrity and ethical conduct promotion activities centered on its integrity self-discipline policies. Through policy interpretation and analysis of typical cases, it strengthened the integrity awareness of all employees, with 10,392 participants.



Thematic Integrity Education Activities

- Based on the actual development of our international supply chain business, we innovatively launched a distinctive integrity promotion and education campaign at home and abroad under the theme of "Clean C&D Global Season". A professional promotional team was formed to deliver a series of presentations to platform companies in various domestic and overseas locations, reaching nearly 5,000 employees. Key initiatives included: 13 integrity presentations focusing on topics such as integrity in professional conduct, compliance, and honesty, followed by examinations to assess learning outcomes; the launch of an interactive integrity-themed activity called the "Clean C&D Guardian Plan", which uses immersive and experiential educational methods to guide employees in enhancing their integrity culture literacy; and three specialized presentations for key personnel in logistics operations, providing in-depth explanations of integrity risk points in logistics business and procurement management standards.
- C&D Real Estate organized a knowledge competition on the spirit of the Central Committee's Eight-Point Regulation, Party discipline, and corporate culture, attracting nearly 15,000 managers and employees from various units. In addition, it organically combined healthy sports with integrity education by organizing a "First Run of the New Year" activity for over 400 managers and employees, which included a session of integrity knowledge competition, enabling participants to learn and master integrity-related knowledge in a relaxed atmosphere.
- Lianfa Group organized its subsidiaries to jointly hold the "Compliance Garden Party for In-depth Learning and Education on the Spirit of the Central Committee's Eight-Point Regulation", featuring interactive sessions such as "Check-in and Joint Advocacy for Compliance", "Integrity in Mind, Never Stray", "Know the Red Lines, Oppose the 'Four Forms of Decadence'", and "Stay on the Right Track, Spread the Breeze of Integrity". Through this edutainment approach, the Group advanced the promotion of Party conduct and integrity education to the grassroots level and to employees in different regions.



1 "In-depth Learning and Education on the Spirit of the Central Committee's Eight-Point Regulation • Compliance Garden Party"

In addition, the company also provides multi-level and regular communication and feedback channels for all employees to encourage them to consult and report on matters or issues related to business ethics and integrity. For example, employees may directly report to their respective units or the disciplinary inspection and supervision departments, or consult and make suggestions through regular, hierarchical "one-on-one" integrity discussions.

## Anti-unfair Competition

The company always adheres to the principles of freedom, fairness and integrity in its business activities, taking antitrust and anti-unfair competition as the bottom-line requirements of its corporate business conduct. We strictly comply with relevant antitrust and anti-unfair competition laws and regulations of the country and the regions where we operate, and are committed to working with upstream and downstream partners in the value chain to maintain a fair, free and orderly healthy business ecosystem.

In terms of policies and systems, through our Code of Business Conduct, we set forth anti-unfair competition and anti-monopoly compliance requirements for the business activities of the company and its subsidiaries, strictly prohibiting any form of unfair competition, including misappropriation of trade secrets, market manipulation, concealment of facts, and abuse of privileges. In key business processes such as procurement and sales, we follow internal control systems and procedures to identify and manage unfair competition risks. In terms of supervision mechanisms, the company's Integrity and Compliance Oversight Task Force is responsible for conducting regular monitoring and review of the implementation and compliance with the Code of Business Conduct, ensuring that business activities are legal and compliant, and taking precautions to prevent and avoid unfair competition risks to the greatest extent possible.

In 2025, the company did not have any major lawsuits or significant administrative penalties due to unfair competition.

## Complaint Mechanism and Whistleblower Protection

The company strictly complies with the relevant provisions of the Rules for Handling Complaints and Accusations by Disciplinary Inspection and Supervision Departments, as well as internal policies such as the Code of Business Conduct and the Anti-Corruption and Anti-Bribery Policy. We have established and continuously improved a complaint and reporting mechanism, encouraging stakeholders to promptly and proactively report any potential violations of business conduct standards, policies, or laws and regulations, thereby working together with stakeholders to foster an honest and transparent business environment. We provide employees, suppliers, customers, and other stakeholders with accessible and convenient internal and external reporting channels (including via letter, telephone, email, WeChat public platform, mobile client platform, or in-person reporting), and actively communicate these reporting channels to employees and business partners through various integrity education and training activities.

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

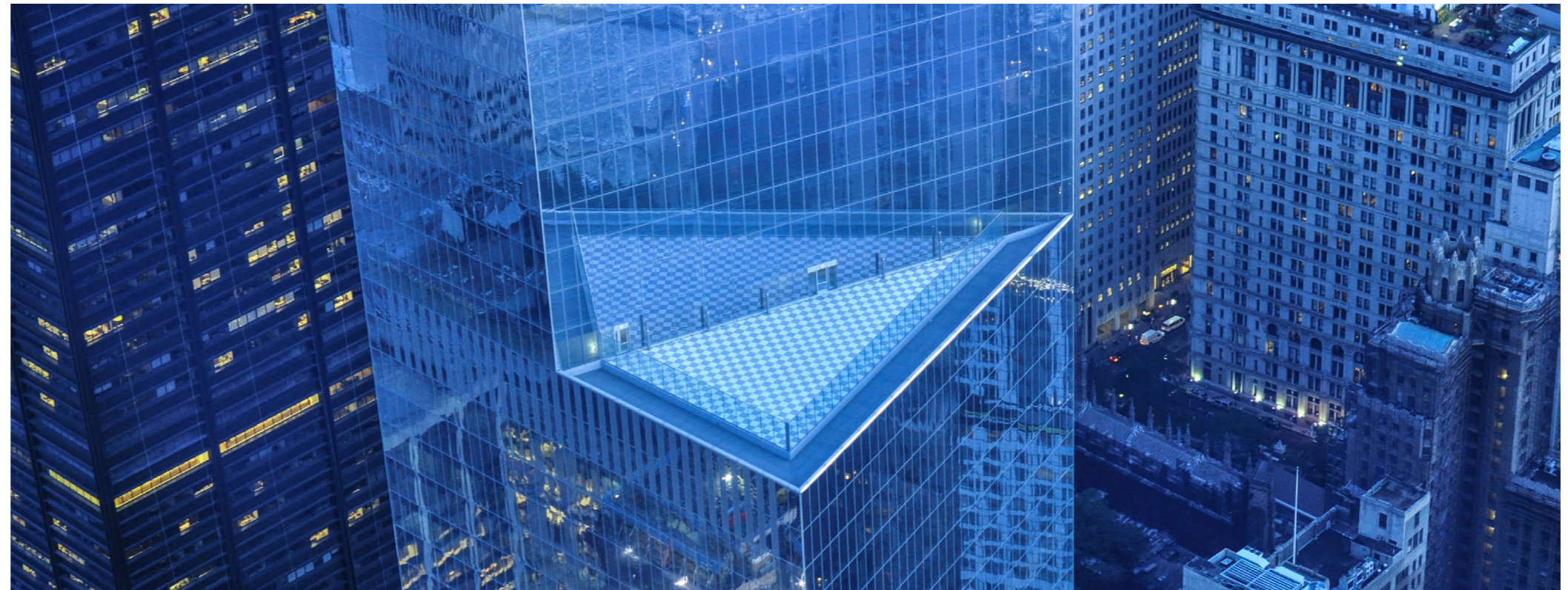
- @ **Complaint and reporting email:**  
compliance@chinaacnd.com
- ⚡ **Complaint and reporting address:**  
C&D International Building, 1699 Huandao East Road, Xiamen, China

The Company's Audit and Supervision Department receives and handles all complaints and reports, and conducts investigation procedures in accordance with relevant regulations and disciplines. If any illegal, non-compliant or disciplinary violation is verified, the Company will take corrective actions such as criticism and education, organizational measures, and disciplinary actions, depending on the circumstances and severity of the violation.

The company firmly safeguards the legitimate rights and interests of whistleblowers and complainants by establishing and implementing a whistleblower protection mechanism through policies such as the Code of Business Conduct and the Anti-Corruption and Anti-Bribery Policy. We allow both named and anonymous reports, and strictly enforce confidentiality requirements, prohibiting the disclosure of the whistleblower's identity and the content of the report. We maintain a zero-tolerance policy towards any form of retaliation. Any verified act of retaliation will be seriously dealt with and accountabilities pursued in accordance with applicable regulations, thereby effectively creating a safe and trustworthy environment for oversight for all stakeholders.

## Tax Compliance Management

The company strictly complies with national tax laws and regulations, including the Enterprise Income Tax Law of the People's Republic of China, as well as all applicable tax laws and regulations in the regions where it operates. We uphold the principles of integrity, transparency, and compliance in our tax management, and fulfill our tax payment and information disclosure obligations in accordance with the law. Tax-related matters are specified in our Financial Management Regulations, with designated personnel responsible for daily tax-related tasks, such as regular tax filings. We continuously monitor changes in tax laws and policies across different regions and promptly adjust the handling of tax matters accordingly. In 2025, the company paid a total tax amount of 153,96 million CNY.



### In 2025

the company paid a total tax amount of

**153,96** million CNY

#### ● Tax Risk Management

The company integrates tax risks into its corporate risk management framework and control processes, and has established a full-chain mechanism of "reducing risks upfront, focusing on response during the process, and promoting improvement afterwards" to ensure that tax risks are identified in a timely manner and effectively controlled. We continuously track developments in tax laws, regulations, and policies, and through regular advocacy and interpretation of tax policies, we enhance the sensitivity of relevant personnel to tax risks, identify potential tax risks in existing operations and new business expansion, and promptly formulate and implement control and response measures. We have established a tax liaison mechanism to create smooth channels for information dissemination and reporting between the company's headquarters and its subsidiaries. The headquarters communicates various tax policies and management requirements to subsidiaries to ensure that they implement such requirements in a timely and effective manner. Subsidiaries are required to promptly report their tax work progress and tax inspection status upwards, thereby strengthening dynamic tracking and process control over the effectiveness of tax management at the subsidiary level. In addition, the company has established an inter-regional platform tax inspection system, under which a task force is dispatched each year to audit the tax management of subsidiaries and to supervise the implementation of corrective actions for any identified issues.

#### ● Tax Compliance Training and Communication

We place great emphasis on continuously improving our tax risk management capabilities. By organizing internal and external tax compliance training and exchange sessions on an ad hoc basis, we strengthen the compliance and risk prevention awareness of relevant tax personnel, enhance their professional competence, and ensure that the company's tax management adapts to changes in laws, regulations, policies, and business directions. The company also promptly communicates external training resources and policy information to its subsidiaries, promotes the internal sharing of tax management experience, and fosters a positive atmosphere for learning and exchange.

In addition, the company has established a regular communication and interaction mechanism with tax authorities, and implemented a centralized specialist management mechanism for tax-related communications, effectively improving the efficiency of tax authority-enterprise communication.

## Data Overview

Environmental					
Metrics	Unit	2022	2023	2024	2025
<b>Environmental Investment</b>					
Annual total environmental investment	Ten-thousand CNY	2,086	3,789	15,090	15,706
<b>Emissions and Discharge</b>					
<b>GHG Emissions</b>					
Scope 1: Direct GHG emissions <sup>1</sup>		285,727	434,139	504,071	549,041
Scope 2: Energy indirect greenhouse gas emissions (market-based) <sup>2</sup>		220,443	539,580	984,530	929,060
Scope 2: Energy indirect greenhouse gas emissions (location-based)	tCO <sub>2</sub> e	220,667	546,093	994,284	1,000,857
Total GHG emissions (Scope 1+ Scope 2) (market-based)		506,170	973,719	1,488,601	1,478,101
Total GHG emissions (Scope 1+ Scope 2) (location-based)		506,394	980,232	1,498,355	1,549,898
Emission intensity	tCO <sub>2</sub> e / hundred-million CNY of operating revenue	61	128	212	220
<b>Air Pollutants</b>					
NOx emissions		44	49	115	113
SOx emissions	Tonne	4	8	92	104
PM emissions		2	2	8	14
VOCs emissions		/	/	/	6
<b>Wastewater and Related Pollutants</b>					
Total wastewater discharges	m <sup>3</sup>	3,149,769	8,641,873	10,134,989	9,975,845
COD emissions		347	377	528	499
BOD emissions		/	/	/	77
Ammonia nitrogen emissions	Tonne	3	2	5	3
Total nitrogen emissions		/	49	39	40
Total phosphorus emissions		/	/	/	2
<b>Waste</b>					
Hazardous waste generated <sup>3</sup>	Tonne	/	78	47,887	36,167

- Note

1.The Company's Scope 1 greenhouse gas emissions increased in 2025 from the previous year, primarily driven by higher coal consumption resulting from increased output in the papermaking segments.

2.The Company's Scope 2 greenhouse gas emissions and total greenhouse gas emissions (market-based) decreased in 2025 from the previous year, mainly reflecting the Company's continued optimization of its energy mix and active promotion of clean electricity.

3.The Company's hazardous waste mainly arose from the steel plate business. Hazardous waste generated in 2025 decreased from the previous year, primarily due to lower output in the steel plate business.

4.The amount of general waste generated and disposed of by the Company increased in 2025 from the previous year, mainly due to increased output in the copper smelting and papermaking segments.

Metrics	Unit	2022	2023	2024	2025
Transfer and disposal volume of hazardous waste		23	63	48,059	36,167
General Waste Generation <sup>4</sup>		/	337,378	1,257,105	1,690,240
Including: Industrial Waste Generated		/	130,772	1,132,030	1,565,367
Domestic Waste Generated		/	49,608	32,769	37,217
Construction Waste Generated		/	156,998	92,306	87,656
Transfer and disposal volume of general waste	Tonne	101,949	337,378	982,974	1,690,240
General Waste Recycled		/	113,500	144,806	1,564,219
Industrial Waste Recycled		/	113,500	144,806	1,564,219
Construction Waste Recycled		/	/	0	0
Domestic Waste Recycled		/	0	0	0
<b>Energy Consumption<sup>5</sup></b>					
Electricity Consumption	kWh	259,624,703	947,373,073	1,720,332,433	1,851,476,286
Including: Clean electricity consumption	kWh	392,010	10,834,236	18,176,772	135,312,878
Clean electricity ratio	%	0.15	1.14	1.06	7.31
Coal consumption	Tonne	137,412	166,254	181,876	205,244
Natural gas consumption	m <sup>3</sup>	105,488	39,117,790	52,767,011	51,405,296
Steam consumption	Tonne	5,861	16,889	206,977	53,708
Gasoline Consumption	L	914,023	701,654	1,728,416	717,283
Diesel consumption		494,618	446,758	2,143,085	1,961,264
Liquefied petroleum gas consumption	Tonne	1,323	7	668	952
Total energy consumption	tce	132,360	290,127	435,666	450,839
<b>Water Resources</b>					
Water withdrawal	m <sup>3</sup>	/	11,923,256	15,886,685	15,875,527
Water consumption		/	3,281,383	5,751,696	5,899,682
Water consumption intensity	m <sup>3</sup> / hundred-million CNY of operating revenue	/	430	820	879
Circulating water usage	m <sup>3</sup>	/	/	1,353,983	1,104,950

5.The Company's total energy consumption increased in 2025 from the previous year, primarily due to increased output in the copper smelting and papermaking segments. At the same time, the Company continued to optimize its energy mix by gradually reducing the reliance of its self-operated businesses on traditional energy sources such as steam, gasoline, and diesel, while steadily increasing the share of green electricity used and advancing its green and low-carbon transition.

Metrics	Unit	2022	2023	2024	2025
Circulating water usage ratio	%	/	/	8.52	6.96
<b>Green Building</b>					
Basic-level green building	Count	/	9	3	0
One-star green building		/	2	8	0
Two-star green building		/	1	3	11
Three-star green building		/	0	0	0

<b>Employment</b>					
Metrics	Unit	2022	2023	2024	2025
Total employees	Person	32,847	49,752	47,422	51,318
<b>Employee Composition</b>					
<b>Employee Composition by Gender</b>					
Male	Person	20,411	30,837	29,781	32,969
Female		12,436	18,915	17,641	18,349
<b>Employee Composition by Age</b>					
Under 30	Person	/	14,928	12,942	12,606
Between 30-50		/	31,316	30,792	34,321
Over 50		/	3,508	3,688	4,391
<b>Employee Composition by Education</b>					
Masters degree and above	Person	1,715	2,177	2,225	2,355
Bachelors degree		12,295	19,262	18,888	19,894
College degree		9,604	13,575	12,560	13,348
Other degrees		9,233	14,738	13,749	15,721
<b>Employee Composition by Nationality</b>					
China	Person	/	/	47,325	51,107
Others		/	/	97	211
<b>Employee Composition by Function<sup>6</sup></b>					
Production personnel	Person	/	/	/	6,177
Technical personnel		/	/	/	5,864
Financial personnel		/	/	/	2,466
Management personnel		/	/	/	1,344

6 and 7: In 2025, the Company conducted a systematic review of employee job functions and reclassified functional categories based on the actual responsibilities of each role. Under the revised classification, certain positions are no longer categorized as management positions for reporting purposes.

Metrics	Unit	2022	2023	2024	2025
Business personnel	Person	/	/	/	10,511
Business support personnel		/	/	/	8,402
Property services personnel		/	/	/	16,554
Female production personnel		/	/	/	670
Female technical personnel		/	/	/	836
Female financial personnel		/	/	/	1,751
Female management personnel		/	/	/	274
Female business personnel		/	/	/	4,489
Female business support personnel		/	/	/	3,939
Female property services personnel		/	/	/	6,390
<b>Management Composition by Gender<sup>7</sup></b>					
Junior management personnel	Person	/	/	/	2,968
Female junior management personnel		/	/	/	893
Proportion of female junior management personnel	%	/	/	/	30
Management personnel (Mid-level and above)	Person	/	/	/	1,338
Female management personnel (Mid-level and above)		/	/	/	271
Proportion of female management personnel (Mid-level and above)	%	/	/	/	20
Including: Senior management personnel	Person	/	/	/	7
Female senior management personnel		/	/	/	2
Proportion of female senior management personnel	%	/	/	/	29
Local senior management personnel	Person	/	/	/	5
Proportion of local senior management personnel	%	/	/	/	71
<b>Management Composition by Nationality</b>					
China	Person	/	/	/	1,337
Other		/	/	/	1
<b>Labor Contract Signing</b>					
Labor Contract Signing Rate	%	100	100	100	100
<b>Freedom of Association and Collective Bargaining</b>					
Proportion of employees covered by collective agreements	%	/	100	100	100
<b>Employment of Disabled Individuals</b>					
Number of disabled employees hired	Person	5	26	24	53

Metrics	Unit	2022	2023	2024	2025
Proportion of disabled employees hired	%	0.01	0.05	0.05	0.10
<b>Employee Training<sup>8</sup></b>					
Total training participants	Participant	/	209,641	531,822	300,356
Including: Total training participants in the supply chain operations segment		/	/	174,294	55,324
Total training hours	Hour	6,354,357	2,138,972	1,387,623	1,639,237
Including: Total training hours in the supply chain operations segment		/	/	503,884	583,716
Total training sessions	Session	/	/	25,048	13,171
Including: Total training sessions in the supply chain operations segment		/	/	3,834	2,397
<b>Employee Welfare and Benefits</b>					
Total paid parental leave	Day	/	4,787	5,967	5,518
Paid family or caregiver leave (non-maternity)		/	/	3,530	5,299

<b>Market</b>					
Metrics	Unit	2022	2023	2024	2025
<b>Technology Research and Development</b>					
Total R&D investment <sup>9</sup>	Ten-thousand CNY	19,062	23,651	28,544	41,357
R&D investment as a percentage of revenue from principal operations	%	/	/	0.04	0.06
<b>Intellectual Property</b>					
Number of new patent applications		/	/	31	27
Including: Number of new patent applications in the supply chain operations business		/	/	0	0
Number of new patents granted		181	4	100	22
Including: Number of new patents granted in the supply chain operations business		/	/	1	0
Number of new copyright applications	Item	/	/	1	7
Including: Number of new copyright applications in the supply chain operations business		/	/	1	7
Number of new copyright registrations		/	19	27	28
Including: Number of new copyright registrations in the supply chain operations business		/	/	9	8
Number of new trademark applications		/	/	122	94
Including: Number of new trademark applications in the supply chain operations business		/	/	121	39
Number of new trademark registrations		/	90	39	60
Including: Number of new trademark registrations in the supply chain operations business		/	/	23	58

8.In 2025, the Company focused resources on deepening and refining its employee training system, with an emphasis on longer and more targeted specialized training programs. This increased both average training hours per employee and the depth of training content, while strengthening the professional capabilities and business expertise of core talent.

9.The Company continued to increase investment in digital and intelligent platforms and related technologies.

Metrics	Unit	2022	2023	2024	2025
Number of new intellectual property rights in the year	Item	/	/	166	110
Lawsuits arising from intellectual property disputes	Case	/	/	0	0
<b>Complaint Resolution</b>					
Total number of complaints	Case	22,221	5,476	4,126	3,872
Total number of complaints resolved		22,220	5,476	4,126	3,872
Complaint resolution rate	%	99.99	100	100	100
<b>Supplier Management</b>					
Total number of suppliers		41,397	126,728	137,557	158,919
Including: Number of suppliers in the supply chain operations business		/	/	135,273	149,300
Number of suppliers in Mainland China	Count	/	96,415	104,214	121,723
Including: Number of suppliers in Mainland China in the supply chain operations business		/	/	101,931	112,107
Number of suppliers in other regions		/	30,313	33,343	37,196
Including: Number of suppliers in other regions in the supply chain operations business		/	/	33,342	37,193
Number of new suppliers admitted during the year		/	12,357	12,047	13,704
Including: Number of new suppliers admitted during the year in the supply chain operations business		/	/	11,664	12,320

<b>Occupational Health and Safety</b>					
Metrics	Unit	2022	2023	2024	2025
<b>Work Safety Investment</b>					
Total annual investment in occupational health and work safe	Ten-thousand CNY	2,388	436	3,602	3,600
<b>Safety Training<sup>10</sup></b>					
Total occupational safety training hours	Hour	25,691	77,558	239,271	702,822
<b>Work Safety Accident</b>					
Extra-major accident	Case	0	0	0	0
Major accident		0	0	0	0
Serious accident		0	0	0	0
General accident		0	0	0	0
Number of work stoppages	Time	0	0	1	0
Duration of work stoppages	Day	0	0	45	0
<b>Occupational Health and Safety Performance</b>					
Occupational fatalities	Person	0	0	2	0

10.Total occupational safety training hours increased significantly in 2025 from the previous year, mainly because the Company continued to increase both the frequency and duration of training sessions.

Social Contributions					
Metrics	Unit	2022	2023	2024	2025
<b>Social Contributions</b>					
Social donations	Ten-thousand CNY	3,612	2,633	4,075	3,452
Total trade volume with countries along the Belt and Road Initiative	Ten-thousand US Dollar	/	1,696,078	1,446,825	1,729,627
Number of public welfare activities	Time	121	348	286	285
Total number of volunteer service participants	Participant	13,092	16,204	4,628	14,250
Including: Total number of volunteer service participants in the supply chain operations segment	Participant	/	/	3,192	1,660
Total volunteer service hours	Hour	5,013	9,984	12,307	14,249
Including: Total volunteer service hours in the supply chain operations segment	Hour	/	/	8,240	3,050

Governance					
Metrics	Unit	2022	2023	2024	2025
<b>Business Ethics</b>					
Anti-corruption Advocacy and Training (Supply Chain Operations Business)					
Proportion of employees briefed on anti-corruption policies and procedures	%	/	100	100	100
Proportion of employees received anti-corruption training	%	/	100	100	100
<b>Business Ethics Violations</b>					
Incidents of material loss to the Company caused by conflicts of interest		/	/	0	0
Incidents of money laundering or insider trading	Case	/	/	0	0
Incidents of litigation or administrative penalties arising from unfair competition practices		/	/	0	0

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

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

## SASB Index

SASB Topics	Accounting Metrics	Location
Energy Management in Retail & Distribution	CG-MR-130a.1: (1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable energy	Energy Usage Data Overview
Data Security	CG-MR-230a.1: Discussion of management approach to identifying and addressing data security risks	Data Security and Customer Privacy Protection
	CG-MR-230a.2: (1) Number of data security breaches (2) Percentage involving customers' personally identifiable information (PII) (3) Number of customers affected	Not available in this report
Fair Labor Practices	CG-MR-310a.1: (1) Average hourly wage (2) Percentage of in-store employees earning minimum wage, by region	Not Applicable
	CG-MR-310a.2: Employee turnover rate for in-store employees (1) Voluntary (2) Involuntary	Not Applicable
	Amount of legal and regulatory fines and settlements associated with labor law violations	Not Applicable
Workforce Diversity & Inclusion	CG-MR-330a.1: Percentage of gender and racial/ethnic group representation for (1) Management (2) All other employees	Equal Employment Data Overview
	CG-MR-330a.2: Amount of legal and regulatory fines and settlements associated with employment discrimination	Not Applicable
Product sourcing, Packaging, and Marketing	CG-MR-410a.1: Revenue from products third-party certified to environmental and/or social sustainability standards	Not Applicable
	CG-MR-410a.2: Description of processes to assess and manage risks and/or hazards associated with chemicals in products	Not Applicable
	CG-MR-410a.3: Description of strategies to reduce the environmental impact of packaging	Circular Economy
	CG-MR-000.A: (1) Number of retail locations (2) Number of distribution centers	Not Applicable
	CG-MR-000.B: Total area of (m2): (1) Retail space (2) Distribution centers	Not Applicable

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

Environmental			
Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
E.1 Resource Consumption	E.1.1 Water resources	E.1.1.1 Fresh-water consumption	Data Overview
		E.1.1.2 Circulating water usage	Data Overview
		E.1.1.3 The proportion of circulating water usage	Data Overview
		E.1.1.4 Water resource consumption intensity	Data Overview
	E.1.2 Materials	E.1.2.1 Consumption of non-renewable materials	Data Overview
		E.1.2.2 Consumption of toxic and hazardous materials	Not Applicable
		E.1.2.3 Material consumption intensity	Not Applicable
	E.1.3 Energy	E.1.3.1 Fossil energy consumption	Climate Response Data Overview
		E.1.3.2 Non-fossil energy consumption	Climate Response Data Overview
		E.1.3.3 The proportion of non-fossil energy consumption	Data Overview
		E.1.3.4 The total energy consumption	Climate Response Data Overview
		E.1.3.5 The energy consumption intensity	Data Overview
	E.1.4 Packaging materials	E.1.4.1 The amount of packaging materials used	Circular Economy Data Overview
		E.1.4.2 Light-weighting and reduction of packaging materials	Circular Economy
E.2 Pollution Prevention and Control	E.2.1 Wastewater	E.2.1.1 Wastewater discharge compliance	Pollutant Discharge
		E.2.1.2 Wastewater management and emission reduction measures	Pollutant Discharge
		E.2.1.3 Volume of wastewater discharge	Data Overview

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
E.2 Pollution Prevention and Control	E.2.1 Wastewater	E.2.1.4 Volume of pollutants discharged in wastewater	Data Overview
		E.2.1.5 Concentration of pollutants discharged in wastewater	Not Applicable
	E.2.2 Exhaust air	E.2.2.1 Compliance of exhaust gas emissions	Pollutant Discharge
		E.2.2.2 Volume of air pollutants emitted	Data Overview
		E.2.2.3 Concentration of air pollutants emitted	Not Applicable
	E.2.3 Solid waste	E.2.3.1 Compliance of legal regulations on solid waste disposal	Waste Disposal
		E.2.3.2 Management of general industrial solid waste	Waste Disposal
		E.2.3.3 Disposal volume of general industrial solid waste	Data Overview
		E.2.3.4 Management of hazardous waste	Waste Disposal
		E.2.3.5 Volume of hazardous waste disposed	Data Overview
E.3 Climate Change	E.3.1 GHG emissions	E.3.1.1 Sources and types of GHG emissions	Climate Response
		E.3.1.2 GHG emissions management	Climate Response
		E.3.1.3 Scope 1 emission	Climate Response Data Overview
		E.3.1.4 Scope 2 emission	Climate Response Data Overview
		E.3.1.5 Scope 3 emission	Not Applicable
		E.3.1.6 GHG emission intensity	Climate Response Data Overview
	E.3.2 Emission reduction management	E.3.2.1 GHG emission reduction management	Climate Response
		E.3.2.2 GHG emission reduction	Climate Response
	E.3.3 Environmental rights trading	E.3.3.1 Participation in the carbon emission trading market	Not Applicable
		E.3.3.2 Participation in the energy rights, water rights, and pollution rights trading markets	Not Applicable
		E.3.3.3 Participation in green electricity trading	Not Applicable

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
E.3 Climate Change	E.3.4 Climate risk management	E.3.4.1 Climate risk management	Climate Response
E.4 Biodiversity	E.4.1 Impact of production, services, and products on biodiversity	E.4.1.1 Impacts of production, services, and products on biodiversity	Ecosystem and Biodiversity Protection
E.5 Measures for Resource and Environmental Management Systems	E.5.1 Setting low-carbon development goals and strategic measures	E.5.1.1 Setting low-carbon development goals and strategic measures	Climate Response
		E.5.2 Resource management measures	E.5.2.1 Water resource management
	E.5.2 Resource management measures	E.5.2.2 Material use management	Climate Response Circular Economy
		E.5.2.3 Energy use and energy efficiency management	Climate Response Energy Usage
		E.5.3 Monitoring, statistical reporting, and assessment system for energy-saving and carbon reduction	E.5.3.1 Monitoring, statistical reporting, and assessment system for energy-saving and carbon reduction
	E.5.4 Green environmental actions and measures	E.5.4.1 Clean production	Pollutant Discharge
		E.5.4.2 Green technology upgrading and recycling	Pollutant Discharge Circular Economy
		E.5.4.3 Green building renovation	Climate Response
		E.5.4.4 Green office and operations	Climate Response Circular Economy
		E.5.4.5 Green procurement and green supply chain management	Suppliers and Clients
		E.5.4.6 Environmental conservation public activities	Climate Response Environmental Compliance Management Ecosystem and Biodiversity Protection
	E.5.5 Green and low-carbon certification	E.5.5.1 Environmental management system certification	Environmental Compliance Management
		E.5.5.2 Green and low-carbon enterprise certification	Not Applicable
		E.5.5.3 Green and low-carbon product and service certification	Climate Response
	E.5.6 Legal compliance in environmental matters	E.5.6.1 Emergency response plan for environmental incidents	Environmental Compliance Management
E.5.6.2 Environmental violations and non-compliance incidents		Environmental Compliance Management	

 Social

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location	
S1 Employee Rights	S1.1 Employee recruitment and employment	S1.1.1 Corporate recruitment policy and implementation	Equal Employment Human Rights Protection	
		S1.1.2 Employee structure	Equal Employment Data Overview	
		S1.1.3 Prohibition of child labor and forced labor	Supply Chain Security Human Rights Protection	
	S1.2 Employee compensation and benefits	S1.2.1 Compensation philosophy and policy	S1.2.1 Compensation philosophy and policy	Human Rights Protection Employee Compensation and Benefits
			S1.2.2 Working hours and rest and leave	Supply Chain Security Human Rights Protection Employee Compensation and Benefits Data Overview
		S1.2.3 Compensation and benefits	Employee Compensation and Benefits	
		S1.2.4 Democratic management of employees	Human Rights Protection	
	S1.3 Employee health and safety	S1.3.1 Employee occupational health and safety management	S1.3.1 Employee occupational health and safety management	Occupational Health and Safety
			S1.3.2 Occupational safety risk management	Occupational Health and Safety
		S1.3.3 Response to safety incidents and work-related injuries	Occupational Health and Safety Data Overview	
		S1.3.4 Employee support and assistance	Career Development and Training Employee Compensation and Benefits	
	S1.4 Employee development and training	S1.4.1 Employee motivation and promotion policy	Human Rights Protection Career Development and Training	
		S1.4.2 Employee education and training	Supply Chain Security Career Development and Training	
		S1.4.3 Employee career planning and job change support	Career Development and Training	
	S1.5 Employee satisfaction	S1.5.1 Employee satisfaction survey	Not available in this report	
		S1.5.2 Labor disputes	Not available in this report	
		S1.5.3 Employee turnover	Data Overview	
	S2 Product And Service Management	S2.1 Product safety and quality	S2.1.1 Production standard management policies and measures	Safety and Quality of Products and Services
			S2.1.2 Quality management	Safety and Quality of Products and Services
			S2.1.3 Product recall and withdrawal	Not available in this report
S2.1.4 Adverse events related to products or services			Not available in this report	
S2.2 Customer service and rights		S2.2.1 Customer satisfaction	Safety and Quality of Products and Services	
		S2.2.2 Customer complaints and handling	S2.2.2 Customer complaints and handling	Safety and Quality of Products and Services Data Overview

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
S2 Product And Service Management	S2.2 Customer service and rights	S2.2.3 Customer information and privacy protection	Safety and Quality of Products and Services Data Security and Customer Privacy Protection
	S2.3 S2 Product And Service Management	S2.3.1 R&D and innovation management system	R&D and Innovation
		S2.3.2 R&D investment	R&D and Innovation
		S2.3.3 Innovation achievements	R&D and Innovation
S3 Supply Chain Safety and Management	S3.1 Supplier management	S3.1.1 Supplier selection and management	Supply Chain Security
		S3.1.2 Number and distribution of suppliers	Data Overview
	S3.2 Supply chain management	S3.2.1 Supply chain management policies and measures	Supply Chain Security
		S3.2.2 Supply chain security assurance and emergency plan	Supply Chain Security
S4 Social Contributions	S4.1 Tax payment	S4.1.1 Tax payment	2025 Sustainable Development Impact
		S4.2 Community co-building	S4.2.1 Policies and measures for participating in local community construction S4.2.2 Contribution and impact on the local community
	S4.3 Social welfare activities	S4.3.1 Policies and measures for participating in social welfare activities	Rooted in Communities, Growing through Mutual Benefit Care to Share, Aware through Public Welfare
		S4.3.2 Investment and effectiveness in participating in social welfare activities	Rooted in Communities, Growing through Mutual Benefit Care to Share, Aware through Public Welfare Data Overview
		S4.3.3 Development of barrier-free living environment	Rooted in Communities, Growing through Mutual Benefit Care to Share, Aware through Public Welfare
	S4.4 National strategy response	S4.4.1 Industrial transformation	Revitalizing Rural Areas, Advancing Together through Assistance Supporting Industry Development
		S4.4.2 Rural revitalization and regional collaborative development	Revitalizing Rural Areas, Advancing Together through Assistance Data Overview
		S4.4.3 Belt and Road Initiative and overseas responsibility performance	Supporting Industry Development Data Overview
		S4.4.4 Industry-specific features and other social responsibility performance	Suppliers and Clients Revitalizing Rural Areas, Advancing Together through Assistance Data Overview

 Governance

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
G1 Governance Strategy and Organizational Structure	G1.1 Governance strategy and processes	G1.1.1 Governance strategy formulation	Governance Structure and Mechanisms
		G1.1.2 Governance strategy supervision process	Governance Structure and Mechanisms
		G1.1.3 Governance strategy approval and review process	Governance Structure and Mechanisms
		G1.1.4 Leadership through Party-building	Not covered in this report
	G1.2 Organizational composition and functions	G1.2.1 Ownership responsibilities	Governance Structure and Mechanisms Risk and Compliance Management
		G1.2.2 Board of directors, supervisory board, and management organizational structure and functions	Governance Structure and Mechanisms
		G1.2.3 Appointment procedures and composition of the board of directors, supervisory board, and management	Governance Structure and Mechanisms
	G1.3 Compensation management	G1.3.1 Compensation plan for directors and supervisors	Governance Structure and Mechanisms
		G1.3.2 Transparency of the board's compensation	Governance Structure and Mechanisms
		G1.3.3 Reasonableness of management compensation	Governance Structure and Mechanisms
G2 Standardized Governance	G2.1 Internal control	G2.1.1 Internal audit	Risk and Compliance Management
		G2.1.2 Internal control structure, mechanisms, and processes	Risk and Compliance Management Complaint Mechanism and Whistleblower Protection
	G2.2 Business integrity	G2.2.1 Integrity construction system standards	Anti-Commercial Bribery and Anti-Corruption Complaint Mechanism and Whistleblower Protection
		G2.2.2 Effectiveness of integrity construction measures	Anti-Commercial Bribery and Anti-Corruption
	G2.3 Fair competition	G2.3.1 Fair competition system standards	Anti-unfair Competition Complaint Mechanism and Whistleblower Protection
		G2.3.2 Effectiveness of fair competition measures	Anti-unfair Competition

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
G3 Investor Relations Management and Shareholder Rights	G3.1 Investor relations management	G3.1.1 Investor relations management strategy	Investor Relations Management
		G3.1.2 Investor communication	Investor Relations Management
		G3.1.3 Establishment of the investor relations department	Investor Relations Management
	G3.2 Shareholder rights	G3.2.1 Shareholders' meetings	Protection of Shareholders' Rights and Interests
		G3.2.2 Communications with shareholders	Investor Relations Management Communications with Stakeholders
		G3.2.3 Shareholders' right to information and decision-making participation	Protection of Shareholders' Rights and Interests
G3.3 Creditor rights	G3.3.1 Credit evaluation	Not covered in this report	
	G3.3.2 Bond market compliance	Not covered in this report	
G4 Information Disclosure Transparency	G4.1 Information disclosure system	G4.1.1 Financial information disclosure	Information Disclosure Management
		G4.1.2 Non-financial information disclosure	Information Disclosure Management
	G4.2 Quality of information disclosure	G4.2.1 Regular monitoring, auditing, and evaluation of disclosures	Disclosed in 2025 annual report
G5 Compliant Operation and Risk Management	G5.1 Compliant operation	G5.1.1 Compliant operation system	Risk and Compliance Management Anti-Commercial Bribery and Anti-Corruption
		G5.1.2 Development of the compliance system	Risk and Compliance Management Anti-Commercial Bribery and Anti-Corruption
		G5.1.3 Specific process of compliance review	Risk and Compliance Management Anti-Commercial Bribery and Anti-Corruption
	G5.2 Risk management	G5.2.1 Risk identification and early warning	Risk and Compliance Management
		G5.2.2 Risk control and tracking	Risk and Compliance Management
		G5.2.3 Risk reporting and management	Risk and Compliance Management Anti-Commercial Bribery and Anti-Corruption Anti-unfair Competition Data Overview

## ESRS Index

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

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

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

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

# ISSB Index


## IFRS S1

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

## IFRS S2

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

# Independent Assurance Statement



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**Limited Assurance Report**

RSMZZ[2026]NO.361Z0439


**To the Shareholders of Xiamen C&D Inc.**

**I. Conclusion**

We have undertaken a limited assurance engagement on the selected key sustainability information for the year ended 31 December 2025 (hereinafter referred to as the “Sustainability Information”) as presented in the 2025 Sustainability Report (the “Report”) of Xiamen C&D Inc. (the “Company”).

The scope of our engagement comprised the following:

<ul style="list-style-type: none"> <li>• <b>GHG</b></li> <li>— Scope 1: Direct GHG emissions (tCO<sub>2</sub>e)</li> <li>— Scope 2: Indirect GHG emissions from purchased energy (tCO<sub>2</sub>e)</li> <li>— Total GHG emissions (tCO<sub>2</sub>e)</li> <li>— Emission intensity (tCO<sub>2</sub>e / hundred-million RMB of operating revenue)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Air Pollutants</b></li> <li>— NOx emissions (Ton)</li> <li>— SOx emissions (Ton)</li> <li>— PM emissions (Ton)</li> <li>— VOCs emissions (Ton)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Wastewater and Related Pollutants</b></li> <li>— COD emissions (Ton)</li> <li>— BOD emissions (Ton)</li> <li>— Ammonia Nitrogen emissions (Ton)</li> <li>— Total Nitrogen emissions (Ton)</li> <li>— Total phosphorus emissions (Ton)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Hazardous Waste</b></li> <li>— Transfer and disposal volume of hazardous waste (Ton)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Energy Consumption</b></li> <li>— Electricity Consumption (kWh)</li> <li>— Green electricity consumption (kWh)</li> <li>— Green electricity ratio (%)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Water Resources</b></li> <li>— Water withdrawal (m<sup>3</sup>)</li> </ul>



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<ul style="list-style-type: none"> <li>— Coal consumption (Ton)</li> <li>— Natural gas consumption (m<sup>3</sup>)</li> <li>— Steam consumption (Ton)</li> <li>— Gasoline Consumption (Litre)</li> <li>— Diesel consumption (Litre)</li> <li>— Liquefied petroleum gas consumption (Ton)</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Total employees (Person)</b></li> <li>— Total employees (Person)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Employee Composition by Gender</b></li> <li>— Male (Person)</li> <li>— Female (Person)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Employee Composition by Age</b></li> <li>— Under 30 (Person)</li> <li>— Between 30-50 (Person)</li> <li>— Over 50 (Person)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Employee Composition by Education</b></li> <li>— Master degree and above (Person)</li> <li>— Bachelor degree (Person)</li> <li>— College degree (Person)</li> <li>— Other degrees (Person)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Employee Composition by Function</b></li> <li>— Production personnel (Person)</li> <li>— Technical personnel (Person)</li> <li>— Financial personnel (Person)</li> <li>— Management personnel (Person)</li> <li>— Business personnel (Person)</li> <li>— Business support personnel(Person)</li> <li>— Property services personnel(Person)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Management Composition by Gender</b></li> <li>— Management personnel (Person)</li> <li>— Male management personnel (Person)</li> <li>— Female management personnel (Person)</li> <li>— Proportion of female management personnel (%)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Parental Leave</b></li> <li>— Total paid parental leave (Day)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Employment of Disabled Individuals</b></li> <li>— Number of disabled employees hired (Person)</li> <li>— Proportion of disabled employees hired (%)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Employee Training (Supply Chain Operations Business)</b></li> <li>— Total training participants (Participant)</li> <li>— Total training hours (Hour)</li> <li>— Total number of training sessions (Session)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Occupational Health</b></li> <li>— Occupational fatalities (Person)</li> <li>— Occupational fatality rate (%)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Work Safety Accident</b></li> <li>— Extra-major accident (Case)</li> <li>— Major accident (Case)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Non-affiliated suppliers (by Geographical Distribution) (Supply Chain Operations Business)</b></li> </ul>

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<ul style="list-style-type: none"> <li>— Serious accident (Case)</li> <li>— General accident (Case)</li> </ul>	<ul style="list-style-type: none"> <li>— Number of suppliers in Mainland China (Count)</li> <li>— Number of suppliers in other regions (Count)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Intellectual Property (Supply Chain Business)</b></li> <li>— Number of new patent applications (Item)</li> <li>— Number of new patents granted (Item)</li> <li>— Number of new copyright applications (Item)</li> <li>— Number of new copyright registrations (Item)</li> <li>— Number of new trademark applications (Item)</li> <li>— Number of new trademark registrations (Item)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Volunteer Service (Supply Chain Operations Business)</b></li> <li>— Total number of volunteer service participants (Participant)</li> <li>— Total volunteer service hours (Hour)</li> </ul>

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the reporting criteria disclosed in the Company’s 2025 Sustainability Report.

**II. Basis for Conclusion**

We conducted our engagement in accordance with:

- *International Standard on Sustainability Assurance 5000, “General Requirements for Sustainability Assurance Engagements” (ISSA 5000)* issued by the International Auditing and Assurance Standards Board (IAASB); and
- *Sustainable Information Assurance Engagement Standard 6101 – Basic Standard (for Trial Implementation) (the “National Standard”)* issued by the Ministry of Finance of the People’s Republic of China.

Our responsibilities under these standards are further described in the “Practitioner’s Responsibilities” section of this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

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

We have complied with the independence and other ethical requirements of:

- *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA); and
- *Code of Ethics for Chinese Certified Public Accountants and the Independence Standards for Chinese Certified Public Accountants* issued by the Chinese Institute of Certified Public Accountants (CICPA).

We have thereby fulfilled our ethical responsibilities. Throughout the engagement, we have applied the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the following standards:

- *International Standard on Quality Control (ISQC) 1, “Quality Controls for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements”*, issued by the IAASB; and
- *Quality Management Standards for Accounting Firms (Nos. 5101 and 5102)* issued by the Ministry of Finance of the People’s Republic of China.

Accordingly, the firm maintains a comprehensive system of quality control that includes documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable laws and regulations.

### III. Other Information

Management is responsible for the other information contained in the Company's 2025 Sustainability Report. The other information comprises all information included in the Report other than the Sustainability Information and our independent practitioner's assurance report thereon.

Our conclusion on the Sustainability Information does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our engagement on the Sustainability Information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Sustainability Information or our knowledge obtained in the engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### IV. Considerations Related to the Comparability of Sustainability Information

Sustainability information, in particular non-financial information, is not currently subject to globally or industry-wide uniform assessment and measurement standards. Different entities may use different policies, methods, and assumptions to measure and report similar information. Consequently, the direct comparability of sustainability information disclosed by different entities may be limited due to such differences, and users of the Report should be mindful of this when making comparisons.

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### V. Management's Responsibilities for the Sustainability Information

Management is responsible for the preparation of the Sustainability Information in the Report in accordance with the reporting criteria set out in the 2025 Sustainability Report. This responsibility includes:

- Designing, implementing, and maintaining internal control relevant to the preparation of the Sustainability Information so that it is free from material misstatement, whether due to fraud or error;
- Selecting and applying appropriate reporting criteria, and assessing the continuing appropriateness of such criteria; and
- Making judgments and estimates that are reasonable in the circumstances, and providing related disclosures as necessary.

### VI. Practitioner's Responsibilities

Our objective is to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. We conducted our engagement in accordance with the National Standard and ISSA 5000.

In performing our procedures, we exercised professional judgment and maintained professional skepticism throughout the engagement. Our procedures included:

- Obtaining an understanding of internal control relevant to the preparation of the Sustainability Information (but not for the purpose of expressing an opinion on the effectiveness of such internal control), identifying and assessing the risks of material misstatement, and designing and performing procedures responsive to those risks;
- Obtaining sufficient appropriate evidence to provide a basis for our conclusion; and

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- Evaluating the appropriateness of the reporting criteria selected by management and the overall presentation of the Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and scope from, and therefore provide a lower level of assurance than, a reasonable assurance engagement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A misstatement is considered material if, individually or in the aggregate, it could reasonably be expected to influence the economic decisions of users taken on the basis of the Sustainability Information.

**VII. Summary of the Work Performed**

**1. Independent Limited Assurance Procedure**

In accordance with the requirements of the National Standard and ISSA 5000, and exercising professional judgment, we designed and performed the following procedures, among others:

**(1) Risk assessment Procedures**

- Interviewed management, the sustainability reporting team, and relevant functional departments to understand the reporting process;
- Evaluated the applicability of the reporting criteria to the Company’s business;
- Identified and assessed the risks of material misstatement of the Sustainability Information; and
- Obtained an understanding of the Company’s internal control system for the collection, reporting, and monitoring of sustainability information.

**(2) Data verification Procedures**

- Evaluated the design of key structures, systems, processes, and controls used by the Company to prepare the Sustainability Information;
- Performed testing, on a sample basis, of the processes for collecting and reporting the Sustainability Information;
- Recalculated key metrics and compared them to the data disclosed in the Report;
- Tested, on a sample basis, the consistency between source data and system records; and
- Performed analytical procedures on significant fluctuations to assess their reasonableness.

**(3) Disclosure compliance assessment Procedures**

- Evaluated whether the Sustainability Information was prepared in accordance with the applicable reporting criteria;
- Assessed the consistency of qualitative statements with quantitative data within the Report; and
- Considered whether the presentation of the Sustainability Information was misleading.

**(4) Other procedures**

Other procedures we deemed necessary.

**2. Comparative Information**

**(1) Assurance Status of Comparative Information**

The comparative information for 2024 included in the Report has been subject to limited assurance by our firm, and a limited assurance report with an unmodified conclusion was issued on 10 April 2025. This assurance engagement was conducted

in accordance with the International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements (ISSA 5000).

**(2) Explanation of Changes in Scope of Assurance for Historical Periods**

Sustainability Information	2024 Assurance Scope	2025 Assurance Scope	Reason for Change
VOCs emissions (Ton)	Not included	Added	Newly disclosed by the Company
BOD emissions (Ton)	Not included	Added	I Newly disclosed by the Company
Total phosphorus emissions (Ton)	Not included	Added	Newly disclosed by the Company
Production personnel (Person)	Not included	Added	Newly disclosed by the Company
Business support personnel (Person)	Not included	Added	Newly disclosed by the Company
Property services personnel(Person)	Not included	Added	Newly disclosed by the Company
Administrative personnel (Person)	Included	Removed	New Category Created Following Adjustment of Employee Functional Classification

**(3) Impact of Reporting Boundary Changes on Comparative Information**




During the reporting period of 2025, the reporting boundary of the company changed due to the following events:

- The Company acquired Jiangsu Zhongli Group Co., Ltd.

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RSMZ CHINA (特殊普通合伙) LLP [牛云志], Chinese Certified Public Accountant  
 Beijing, China [刘小飞], Chinese Certified Public Accountant

April 22, 2026

普通合伙)  
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