



2023

**Environmental, Social
and Governance Report**

CONTENTS

Opening Address	04
About this Report	06
About CIFI	09
Sustainability Strategy	10
Feature Topic of the Year	12
Honors of the Year	16

Appendix I 2023 ESG Key Performance Indicators	96
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Appendix II List of Policies and Regulations	101
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Appendix III Content Index of ESG Reporting Guide	105
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01 Management

Sustainability Management

Governance Structure	22
Statement of the Board	23
Communication with Stakeholders	24
Materiality Management	26

Sustainable Business Management

Operation with Integrity and Compliance	30
Strict Risk Control	32
Promoting Supply Chain Sustainability	36
Partnering for Industry Development	39



Practice 02

Upholding Firm Commitment to Quality

Holding Fast to Product Quality	44
Strengthening Engineering Health and Safety Management	50
Ensuring Customer Service	54

Benefiting the Society with Warm Heart

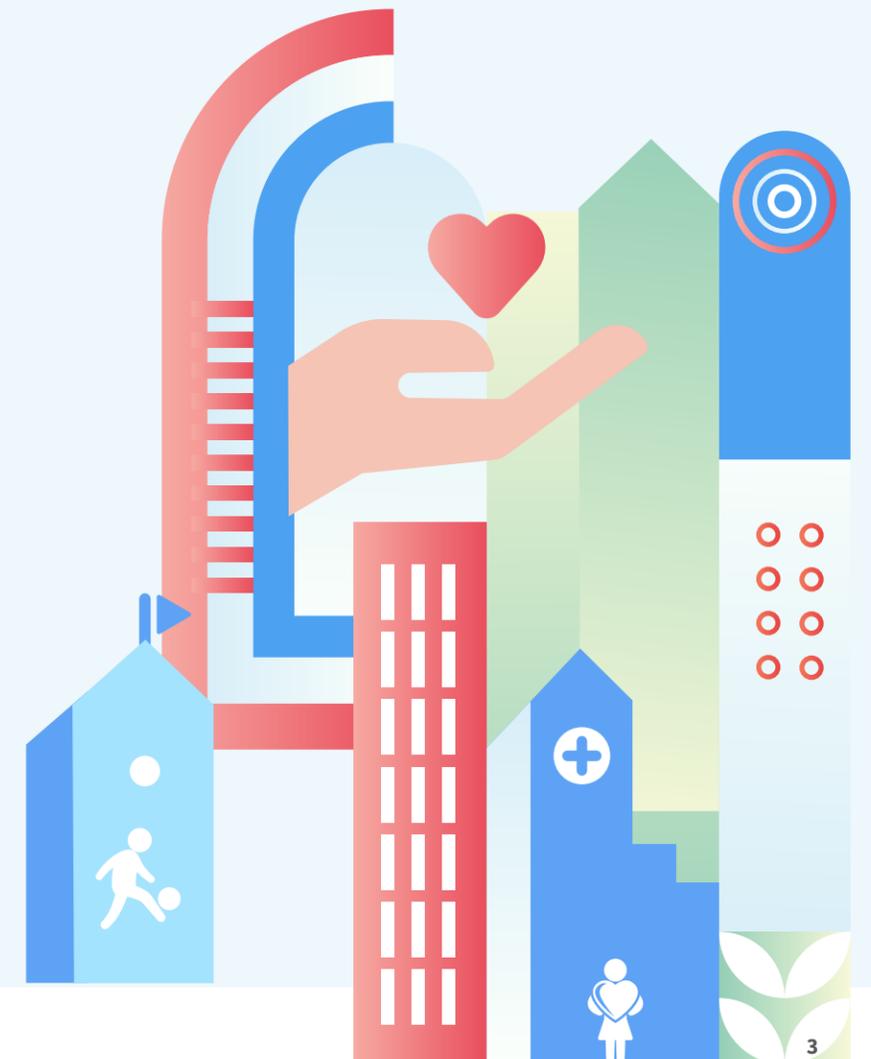
Deep Penetration in Philanthropy	88
Building Urban Ecosystem	90

Drawing a Blueprint for Environmental Protection

Response to Climate Change	60
Improving Green Construction	64
Building a Green Operation Environment	71

Encouraging Employee Growth

Focus on Talent Management	76
Care for Employee Development	79
Care for Employees	82



Opening Address



In 2023, the real estate market experienced fluctuating conditions, demonstrating initial upward movement followed by a subsequent decline. Despite policy-driven attempts to stimulate market sentiment, there was no discernible short-term improvement. CIFI remained dedicated to upholding its commitment to sustainable development, reinforcing its ESG management system as an essential area for ongoing effort amidst the industry's evolving landscape, marked by a notable shift in supply and demand dynamics. In the same year, CIFI bolstered its management and delivery, earning the award of "2023 Excellence in Quality Deliverability for Real Estate Companies" from the Guandian Index Academy. Amid economic pressure, CIFI still managed to maintain an above-average BBB rating from MSCI, underscoring the Company's accomplishments in ESG management.

Guaranteeing quality with heartfelt service

CIFI builds excellent quality with precision workmanship, delivering satisfactory products to customers through a full-cycle engineering control system, underscores responsible marketing management and adheres to the concept of "Quality First, Reputation First". By implementing material sampling and enhancing engineering process inspection during the procurement inspection, CIFI continuously enhances overall project quality. In 2023, CIFI secured 9 model government construction sites, established three "green labeled site for dust control", completed 22 excellent projects, accumulatively launched 106 Visible Buildings and recorded zero major safety incidents. To further enhance customer service, the CEO Direct Line received 8,895 customer feedback, achieving a 97% closing rate.

Green carbon reduction promotion

CIFI actively promotes green initiatives and low-carbon practices in alignment with the national carbon reduction efforts. The Company mobilizes its entire workforce to partake in green office activities and consistently promotes the procurement of sustainable products and green construction. CIFI also adheres to the guidelines outlined in IFRS S2 and TCFD to identify and manage climate change-related risks.

In 2023, CIFI spearheaded the themed activity "Green Office for a Better Carbon Future (绿色办公, 碳寻美好)". Energy consumption intensity at CIFI's administrative office decreased by more than 12% compared to 2022. Additionally, regarding green construction, the area which meet green building standards accounted for 99% of the completed GFA. CIFI launched 82 prefabricated projects, which comprised approximately 79.6% of the new projects.

Caring for talents and their growth

CIFI optimizes organizational control to cultivate talents, protects employees' rights and benefits, and strengthens communication channels to continuously support the physical and mental well-being and career advancement of employees. In 2023, as part of social responsibility initiatives, the number of disabled individuals we hired represented 0.5% among our workforce. Moreover, we continuously improved the platform to better facilitate employee learning and development, introducing 101 new courses and surpassing 1,000 daily active users in 2023. This led to a program platform utilization rate of over 80% and 100% internal coverage of online courses.

Charitable involvement to build community

CIFI involves in public welfare projects with a focus on promoting long-term initiatives such as affordable rental and commercial activities, aimed at creating an integrated urban ecosystem and fostering community vitality. In 2023, we continuously made donations to the scholarship and the bursary of the Jian'ou No. 1 Middle School and the Jian'ou No. 2 Middle School in the Fujian Province and were awarded the "China Charity List Model Project of the Year 2023".

In 2024, our commitment to sustainable development will persist as we enhance communication with all stakeholders and steadfastly advance towards the goal of ensuring the delivery of quality housing.



About this Report

INTRODUCTION

The Environmental, Social and Governance Report 2023 (the "Report") is the seventh environmental, social and governance report published by CIFI Holdings (Group) Co. Ltd. ("CIFI" or the "Company", together with its subsidiaries, collectively the "Group") since 2017. The Report articulates the main practices and key performances of the Group in the environmental, social and governance (ESG) field under the principles of materiality, quantitative, consistency and balance for the year ended 31 December 2023.

SCOPE OF THE REPORT

The Report mainly illustrates the ESG concept, practice and performance concerning the property development projects, commercial operation projects and relevant administrative work of the Group from 1 January 2023 to 31 December 2023 (the "Reporting Period"), with some content appropriately traced back to previous years.

Ever Sunshine Services Group Limited (Stock Code: 01995, "Ever Sunshine Services"), a subsidiary of the Company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), is primarily engaged in the business of property management services. Its performance in terms of environmental, social and governance for the Reporting Period is detailed in its environmental, social and governance report separately issued.

REFERENCE

To make it easy for expression and reading, the Company, together with its subsidiaries, is referred to as "CIFI", "we" or the "Company" in the Report.

SOURCE OF DATA

The Report derives its disclosure information from the Group's formal documents and reports, internal statistics information and related public information. Unless otherwise stated, RMB serves as the settlement currency for the information contained in this Report.

BASIS OF PREPARATION

The Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix C2 to the Rules Governing the Listing of Securities of the Stock Exchange, the Sustainability Reporting Standards issued by the Global Reporting Initiative and Real Estate Industry Standards issued by SASB (Sustainability Accounting Standards Board).

REPORTING COMMITMENTS

The Company undertakes that there are no false representations, misleading statements or material omissions in the Report. The board of directors of the Company (the "Board") is responsible for the truthfulness, accuracy and completeness of the contents of the Report.

AVAILABILITY OF THE REPORT

The Report is available in both Chinese and English. In case of discrepancy, the Chinese version shall prevail. An electronic version of the Report is available on the Stock Exchange's website and the Company's official website (www.cifi.com.cn).





About CIFI

Established in 2000 and headquartered in Shanghai, CIFI is principally engaged in property development, property investment and property management service business in the People's Republic of China (the "PRC" or "China").

We principally focus on developing high quality and end-users driven properties in mature segments in first- and second- tier cities as well as core cities in China. Our development projects cover various property types like residential, office and commercial complexes.

Looking forward, driving by our mission of "Building for a Better Life", CIFI strives to become a leading and well-respected real estate enterprise in China.

In 2023, setting a new record for annual deliveries since CIFI's establishment

In over 137 projects in 61 cities in China, CIFI delivered

118,000 property units



From the introduction of the industry's pioneering "CIFI Visible Building" in late 2019 to the end of 2023,

Visible Buildings nationwide

106

CIFI successfully delivered

80

Sustainability Strategy



In order to realize our corporate mission of "Building for a Better Life", we interpret the better life as "Quality Life", "Green Life", "Wonderful Life" and "Harmonious Life" under the guidance of the United Nations 2030 Sustainable Development Goals (SDGs). Based on compliance management and sustainable development, we practice long-termism and promote the Company's sustainable development.



<p>Quality Life</p> <p>We uphold the concept of "quality comes first" and the core values of "customer-centric", where we offer premium products and services with a spirit of craftsmanship and wholeheartedness. By empowering intelligent life with design innovation and technology innovation and upgrading the servicing system to improve product quality and customer experience, we provide customers with all-dimensional and full cycle "Wholehearted Service", so that they can live in with "Pleasure Life · Ardently Love".</p>	<p>Wonderful Life</p> <p>We establish a human resource system with the talent management concept of "Strategy Drives Common Success" and support employees' diversified progress with continuous improvement of the training system and clear and flexible career development channels. We build a culture of "Simplicity, Fairness, Sunshine, Respect, Trust and Openness" with extensive communication, listening and care, to create an open, diversified, equal and harmonious working atmosphere for employees.</p>
<p>Green Life</p> <p>We actively respond to the national "Dual Carbon" goal, implement the philosophy of sustainability in the full life cycle of the property, minimize the impact on the environment, promote the development of green and healthy buildings, and create green and healthy living. We also promote the low-carbon development of the city jointly with partners by advocating green low-carbon life, so as to build a green future.</p>	<p>Harmonious Life</p> <p>With the spirit of giving back to society and led by practicing the charity concept of "Dedication and Devotion with Concrete Actions", we have devoted to various charity sectors including support to education, anti-pandemic and disaster relief, rural revival and green environmental protection. We also make full use of our advantages to actively participate in urban development and operation, empower urban regeneration and promote urban prosperous development.</p>
<p>Sustainability</p> <p>Guided by the United Nations 2030 Sustainable Development Goals, we consider sustainability as a long-term objective, integrate environmental and social responsibility into our core corporate strategies, business expansion and daily operations, and contribute to the sustainable development of society while achieving fruitful results.</p>	<p>Compliance Management</p> <p>We regard integrity building as a top priority, adhere to the zero tolerance towards corruption and fraud, establish an integrity system of "not allowed to corrupt, not desiring to corrupt, not daring to corrupt", and build an "Incorruptible CIFI" culture. We earnestly improve our supervision and compliance system to mitigate integrity risks by sharing accumulated experience.</p>

Feature Topic of the Year

Green Office for a Better Carbon Future



Actively aligning with the national "dual-carbon" strategy, CIFI incorporates the principles of green and low-carbon development into its operations. The Company advances ESG sustainable practices and advocates for environmentally friendly and low-carbon initiatives. CIFI adheres to a trajectory of green and sustainable development, with a steadfast commitment to sustainable operations as the primary objective of the Company's development. To ensure the realization of this goal, the Company has orchestrated four stages of cultural promotion and development activities under the theme "Green Office for a Better Carbon Future (绿色办公, 碳寻美好)", namely "Energy Saving and Environmental Protection", "Recycling", "Low Carbon Transport" and "Joint Resource Creation". During the Reporting Period, the Company formally initiated the first two phases of these activities with the aim of holistically promoting the "Green Office" ethos. This endeavor aims to instill the principles of energy conservation, responsible electricity usage, water conservation, waste sorting, and cherish food into the fabric of daily life, striving to be a practitioner of low-carbon life and green office.



Energy Saving and Efficiency Improvement



2023

Compared to 2022, the energy consumption intensity of administrative offices decreased by more than

12%

CIFI attaches high importance to the conservation of electrical energy, and has taken measures to implement initiatives for saving electricity and enhancing efficiency. These measures include:

- Maximize the use of natural light and turn off lights for one hour at noon.
- Promptly turn off lights and air conditioners in the office area when being away, as well as after working hours.
- Maintain appropriate temperature settings for air-conditioning during winter and summer (keeping room temperature at 26 degrees centigrade), refrain from opening windows when air-conditioning is in use, and promote natural ventilation while reducing air-conditioning usage.
- Conduct nightly floor inspections in the headquarters building to ensure the power supply is turned off to prevent electricity wastage.
- Turn off conference room lights and related equipment promptly after meetings.
- Utilize automatic switching for conference room equipment, where possible, to reduce unseen energy consumption.



2023

Compared to 2022, the intensity of water consumption in administrative office decreased by about

3%

Since the launch of the "Energy Saving and Environmental Protection" campaign, the Beijing region, Northeast region, Southeast region, South China region, etc, with

9 regions in total

Paper consumption in the first quarter

1,313,000

sheets

Dropped to

869,000

sheets in the fourth quarter

showing a quarter-to-quarter

constant decline

Start off Small for Resource Saving

CIFI places great emphasis on resource conservation and has executed various initiatives to conserve water, paper and other resources, effectively implementing these conservation measures at primary level.

Water Consumption

Turn the faucet to a medium or low setting when cleaning cups, bowls and other utensils, and turn it off after use. Correctly use the toilet flush pressure valve to prevent prolonged water flow; timely report pipeline and duct leakages to prevent wastage.

Paper Consumption

Emphasize electronic processing and minimize the printing of paper documents. Prioritize double-sided printing and refrain from color printing unless necessary. Conduct preview checks before printing to prevent the production of waste paper. Recycle and reuse relevant material after the meeting, and repurpose waste paper for pasting receipts for reimbursement and informal document printing. Advocate for the on-demand use of paper towels (one at a time), hand sanitizer and other public restroom supplies is encouraged.

Other Measures

Promote the usage of office supplies based on necessity, encourage resource sharing, minimize wear and tear, and prevent loss. Appropriate manage and recycle office furniture, equipment, computers and other assets. Advocate for a paperless office, adopt online video conferences or live broadcasting, and promote the efficient scheduling of meetings. Encourage attendees to bring their own drinks to reduce the use of disposable paper cups.

In 2023, the water consumption in the office area was **0.64m³/sq.m**, marking a decrease of **0.05m³/sq.m** compared to the year of 2022. For 2024, the water consumption target for the office area will be an additional reduction of at least **0.02m³/sq.m** in the water consumption intensity compared with the year of 2023.

Feature Topic of the Year

More Details on Garbage Sorting



CIFI advocates for proper waste management through classification, and integrating this practice into daily work and life has been prioritized. Specific measures include:

- Segregate post-meal garbage, including leftovers, paper towels and packaging, and place them into the garbage bins accordingly.
- Ensure used batteries and other hazardous items are deposited in designated recycling points for hazardous waste.
- Encourage a reduction in take-out orders and promote the avoidance of food waste.

2023

Compared to 2022, the waste emission density of administrative office decreased by about

3%

Short Video Promotion in the Western Region

The Western Region actively embraced the initiative "Green Office for a Better Carbon Future" by producing three promotional videos addressing resource conservation, specifically paper, water and electricity, and also creating a song focused on electricity conservation. These materials effectively communicated and promoted the principles of energy efficiency and green office practices to the staff, vividly demonstrating how to implement these savings.

In 2023, the electricity bill in the Western Region decreased by 5% compared to the same period in 2022.



Screenshot of Short Promotional Video for the Western Region



Publicity in the Northeast Region and the Beijing Region

In response to the initiative "Green Office for a Better Carbon Future", the Northeast Region and the Beijing Region actively created diversified materials, including slogans, WeChat graphics, posters, environmental reminders, standing LED screens. These materials were regularly disseminated in work groups, providing colleagues with tips to conserve resources and energy in all aspects, and promoting the development of environmentally friendly habits.

In 2023, the Northeast Regional Division saw a 23% decrease in its electricity bill compared to the same period in 2022.

In 2023, overall printing volume in the Beijing Region decreased by 2.1% compared to the same period in the previous year, while the overall utility bill decreased by 37% during the same time frame.



Online WeChat Graphics Promotion



Offline Slogans, Posters and Environmental Signage

Visualizing Cost Saving in the Northwest Region

By digitally presenting cost savings in posters, the Northwest Region allows employees to appreciate the direct value of saving energy resources and promotes the concept of green office to office workers, enabling them to practically save energy and protect the environment at all times from the details of their work.



Poster in the Northwest Region

Honors of the Year



27th on the Shanghai Top 100 Service Enterprises List

百强证书
旭辉集团股份有限公司
2023上海服务业企业100强
(第27名)

13th on the Shanghai Top 100 Private Enterprises List

百强证书
旭辉集团股份有限公司
2023上海民营企业100强
(第13名)

48th on the Shanghai Top 100 Enterprises List

百强证书
旭辉集团股份有限公司
2023上海企业100强
(第48名)

Shanghai Enterprise Confederation, Shanghai Entrepreneur Association

BBB for MSCI ESG Rating

MSCI
ESG RATINGS

CCC B BB **BBB** A AA AAA

MSCI

Quality Case of Corporate Social Responsibility 2023

China Listed Company Summit

Real Estate Enterprise with Superior Performance in 2023

卓越指数·房地产年度卓越表现
2023 房地产卓越企业表现
旭辉控股(集团)有限公司

Real Estate Enterprise with Excellence in Quality Delivery in 2023

卓越指数·房地产年度卓越表现
2023 房地产企业品质交付力卓越表现
旭辉控股(集团)有限公司

Guandian Index Academy

8th of Top 20 Chinese Real Estate Enterprises in Deliverability in 2023

综合排名	企业名称
1	中海地产
2	绿城中国
3	龙湖集团
4	保利发展
5	融创中国
6	华润置地
7	金地集团
8	旭辉集团
9	招商地产
10	越秀地产

Xiamen Park Mansion Wuyuan Bay (厦门铂悦五缘湾上)

Top10 Luxury Housing with Perfect Delivery 2023

项目名称	所在城市	企业名称
大港御府	天津	华润置地
御府御邸	成都	融创地产
龙湖·景粼天序	武汉	龙湖集团
绿城·天津御府	天津	绿城中国
绿城滨江国际中心滨江壹号	杭州	绿城中国
厦门旭辉御基·铂悦五缘湾上	厦门	旭辉集团
未来城市·幸福里	佛山	华润置地
武汉·景粼天序	武汉	龙湖集团
招商湾·101公馆	肇庆	招商地产
中海锦城	广州	中海地产

Xiamen Park Mansion Wuyuan Bay (厦门铂悦五缘湾上)

10 Comfortable Residences in Deliverability in 2023

项目名称	所在城市	企业名称
保利和光尘樾	惠州	保利发展
公园都会	北京	旭辉集团
杭州未来中心	杭州	华润置地
金地品质美寓	呼和浩特	金地集团
绿城·武汉锦园	武汉	绿城中国
时代上城	成都	华润置地
招商·壹号院	广州	招商地产
越秀理工·壹号院	广州	越秀地产
招商锦城汇	深圳	招商地产
中海锦庐	杭州	中海地产

Beijing Park City (北京公园都会)

CRIC Product Strength Research Center

China Charity List Model Project of the Year 2023



荣誉证书
2023中国慈善榜
年度典范项目
福建省福州第一中学捐资助学项目
旭辉集团股份有限公司

Donation to Jian'ou No.1 Middle School, Fujian
China Philanthropy Times

2023 Tien-yow Jeme Civil Engineering Prize - Gold Award in Excellent Residential Community



2023年中国土木工程詹天佑奖优秀住宅小区金奖
博观云著项目
中国土木工程学会住宅工程专委会
二〇二三年十二月

Jining Boguan Yunzhu
(济宁博观云著)
Residential Engineering Steering Committee of the Chinese Civil Engineering Society

The First Caring Donated Corporation of "Fujian Charity Award"



荣誉证书
CERTIFICATE OF HONOR
授予 旭辉集团股份有限公司
首届“福建慈善奖”
爱心捐赠企业奖
福建省人民政府
二〇二三年五月

People's Government of Fujian Province

TOP10 Benchmark Project of Perfect Delivery in 2023



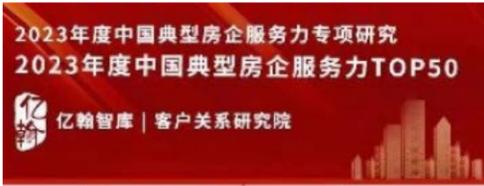
2023年度中国典型房企服务力专项研究
完美交付标杆项目TOP10
亿翰智库 | 客户关系研究院

排名	企业名称	排名	企业名称
1	万科地产	10	旭辉集团
2	龙湖集团	11	龙湖集团
3	中海地产	12	龙湖集团
4	绿城中国	13	龙湖集团
5	招商蛇口	14	龙湖集团
6	保利发展	15	龙湖集团
7	华润置地	16	龙湖集团
8	金地集团	17	龙湖集团
9	华夏幸福	18	龙湖集团
10	中国金茂	19	龙湖集团
11	碧桂园	20	龙湖集团
12	建发房产	21	龙湖集团
13	融创中国	22	龙湖集团
14	旭辉集团	23	龙湖集团

Tianjin Binhai Jianglai Mansion
(天津滨海江来)

EH Consulting, Customer Relationship Research Institute

TOP14 China Typical Real Estate Enterprise in terms of Service Capacity in 2023



2023年度中国典型房企服务力专项研究
2023年度中国典型房企服务力TOP50
亿翰智库 | 客户关系研究院

排名	企业名称	排名	企业名称
1	万科地产	20	旭辉集团
2	龙湖集团	21	龙湖集团
3	中海地产	22	龙湖集团
4	绿城中国	23	龙湖集团
5	招商蛇口	24	龙湖集团
6	保利发展	25	龙湖集团
7	华润置地	26	龙湖集团
8	金地集团	27	龙湖集团
9	华夏幸福	28	龙湖集团
10	中国金茂	29	龙湖集团
11	碧桂园	30	龙湖集团
12	建发房产	31	龙湖集团
13	融创中国	32	龙湖集团
14	旭辉集团	33	龙湖集团

01

Management



Sustainability Management

CIFI continues to enhance its sustainable governance, promote the seamless integration of ESG concepts into the Group's long-term development strategy, and strengthen control over environmental and social impacts of business development.

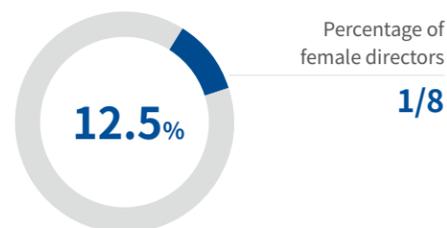
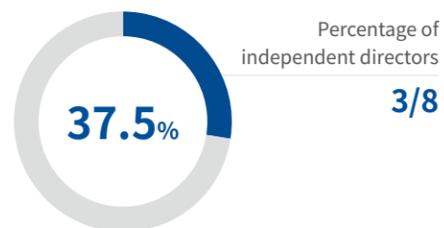


Governance Structure

An effective and robust governance structure is core to sustainability governance. We have established a top-down three-tier ESG governance structure to drive the Group's sustainable development in its entirety, from governance management to execution.



ESG Governance Structure



Statement of the Board

CIFI rigorously adheres to the "ESG Reporting Guide" of the Stock Exchange, continuously monitors the sustainability trends both domestically and internationally. Referencing the "IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information" and "IFRS S2 Climate-related Disclosures" issued by the International Sustainability Standards Board (ISSB), CIFI has strengthened the Board's role in the governance of the Company's ESG matters, including the oversight of the climate-related risks and opportunities.

As the highest governing body, the Board holds ultimate responsibility for CIFI's ESG management policy, strategy, goal setting and performance. The Board is accountable for establishing and maintaining effective ESG management and internal monitoring systems, conducting an annual review of the Environmental, Social and Governance Report of the Company, and assessing the Company's performance against annual key ESG targets. The ESG Management Committee, comprising the Chief Executive Officer, senior management, and department heads, regularly reports material ESG issues to the Board. An ESG Working Group is also established under the ESG Management Committee to oversee the execution of the Group's ESG plan.

We emphasize the significant impact of ESG risks and opportunities on the Group. Thus, the Group routinely evaluates ESG issues concerning risks, macro policies and stakeholder communications. The Board reviews the results of the ESG issues analysis and identifies the management and enhancement of key issues as an annual sustainability priority. Regarding the identification, assessment and management of climate change risks, the Board reviews and discusses the establishment of targets and complies with the "Guidance on Climate Disclosure" of the ISSB and the Stock Exchange.

CIFI has established environmental and social targets related to its business operations during the Reporting Period. The Board has reviewed and discussed on the formulation of such targets and regularly reviewed how the targets have been achieved. Additionally, the ESG Management Committee has set clear OKR targets for relevant management personnel to enhance ESG standards, aiming to promote the top-down achievement of ESG targets.

The Report has been reviewed and approved by the Board.



Communication with Stakeholders

We have established a regular communication mechanism with our stakeholders to grasp their expectations and perspectives on CIFI's ESG performance. Our stakeholders include government and regulators, investors and shareholders, customers, employees, suppliers and partners, industry associations, and the community.

Stakeholder Communication Mechanisms

Category of stakeholder	Major communication channel	Response
 Government and regulators	<ul style="list-style-type: none"> ◆ Strategic cooperation ◆ Information report ◆ Work report ◆ Statistic statement 	<ul style="list-style-type: none"> ◆ Respond to national policies and implement the government's management requirements ◆ Continuously reinforce the Company's compliant management and operation ◆ Develop and optimize the Company's strategic positioning, industrial direction and business initiatives
 Investors and shareholders	<ul style="list-style-type: none"> ◆ Publishing reports regularly ◆ General meetings ◆ Corporate communications ◆ Investor interviews and press conference 	<ul style="list-style-type: none"> ◆ Continuously identify and assess risks, formulate relevant measures to enhance the standard of corporate governance and risk management ◆ Regularly disclose business updates and ESG information and performance ◆ Actively respond to ESG ratings
 Customers	<ul style="list-style-type: none"> ◆ CEO Direct Line ◆ Customer satisfaction surveys ◆ Official WeChat account ◆ Customer service center ◆ Property center ◆ Marketing and sales site ◆ Customer reporting system ◆ Executive's Listening Campaign ◆ Email ◆ Short Message Service (SMS) 	<ul style="list-style-type: none"> ◆ Uphold scientific innovation, improve product and service quality, and strengthen supervision ◆ Ensure project safety and quality and protect customers' safety ◆ Establish a sound customer service system ◆ Improve customer communication mechanism ◆ Strengthen marketing management and information security

Category of stakeholder	Major communication channel	Response
 Employees	<ul style="list-style-type: none"> ◆ Staff training ◆ Staff forum ◆ Chairman's luncheon ◆ General manager's communication meetings ◆ Morning meetings ◆ Face-to-face performance appraisal meetings ◆ CEO Talk column ◆ Regular ESG progress interviews ◆ Four sessions of CIFI ◆ CEO's Q&A Box 	<ul style="list-style-type: none"> ◆ Improve the remuneration system and welfare mechanism ◆ Organize employee training and improve the career promotion mechanism ◆ Strengthen the safety management system and ensure the health and safety of employees ◆ Carry out employee activities, continuously build communication channels, and conduct employee satisfaction surveys
 Suppliers and partners	<ul style="list-style-type: none"> ◆ Supplier evaluation ◆ Supplier conference ◆ Email ◆ SMS 	<ul style="list-style-type: none"> ◆ Improve supplier management mechanism, including management of environmental and social risks ◆ Promote the development of green supplier chains ◆ Establish a platform to communicate with suppliers ◆ Conduct open procurement for a responsible supply chain
 Trade associations	<ul style="list-style-type: none"> ◆ Industry seminars and exchanges 	<ul style="list-style-type: none"> ◆ Raise suggestions on industry norms and promote sustainable development of the industry ◆ Promote the industry's fair competition
 Community	<ul style="list-style-type: none"> ◆ Social welfare activities ◆ Urban landscape maintenance ◆ Rural revival 	<ul style="list-style-type: none"> ◆ Provide local employment opportunities ◆ Help to drive urban revitalization and focus on cultural conservation ◆ Support to education, earthquake and disaster relief, rural revival and green environmental protection

In 2023, CIFI engaged in over 150 investor communication activities including "Go into CIFI" corporate visits. Furthermore, the Company proactively participated in strategy meetings organized by leading domestic and international brokerage firms to ensure ongoing communication with stock and bond investors, fostering and sustaining positive relationships with investors.

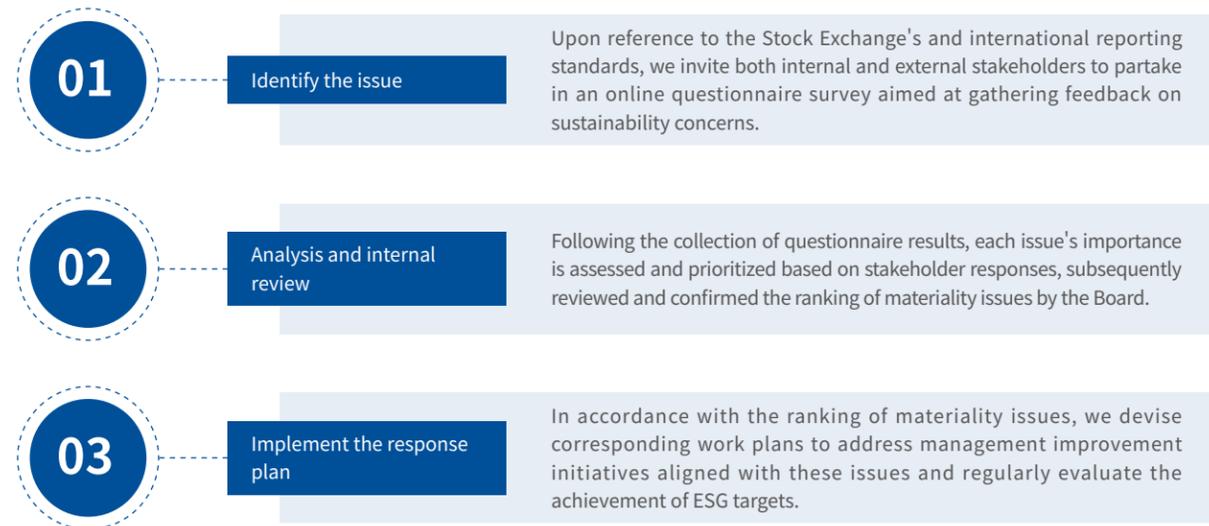
Materiality Management

We have identified 26 material issues by considering the disclosure requirements of regulators and stakeholder concerns, benchmarking ourselves against industry-leading companies, and ensuring that these issues hold significant importance to CIFI's business operations and the development of the industry. Through our materiality analysis result, the identified material issues are thoroughly detailed in the Report and are taken into account in the formulation of our internal development strategies and management policies.

Materiality Assessment and Analysis

In response to stakeholder expectations and requests and for the purpose of ESG management enhancement, the Group employs a three-stage process to identify and manage material issues.

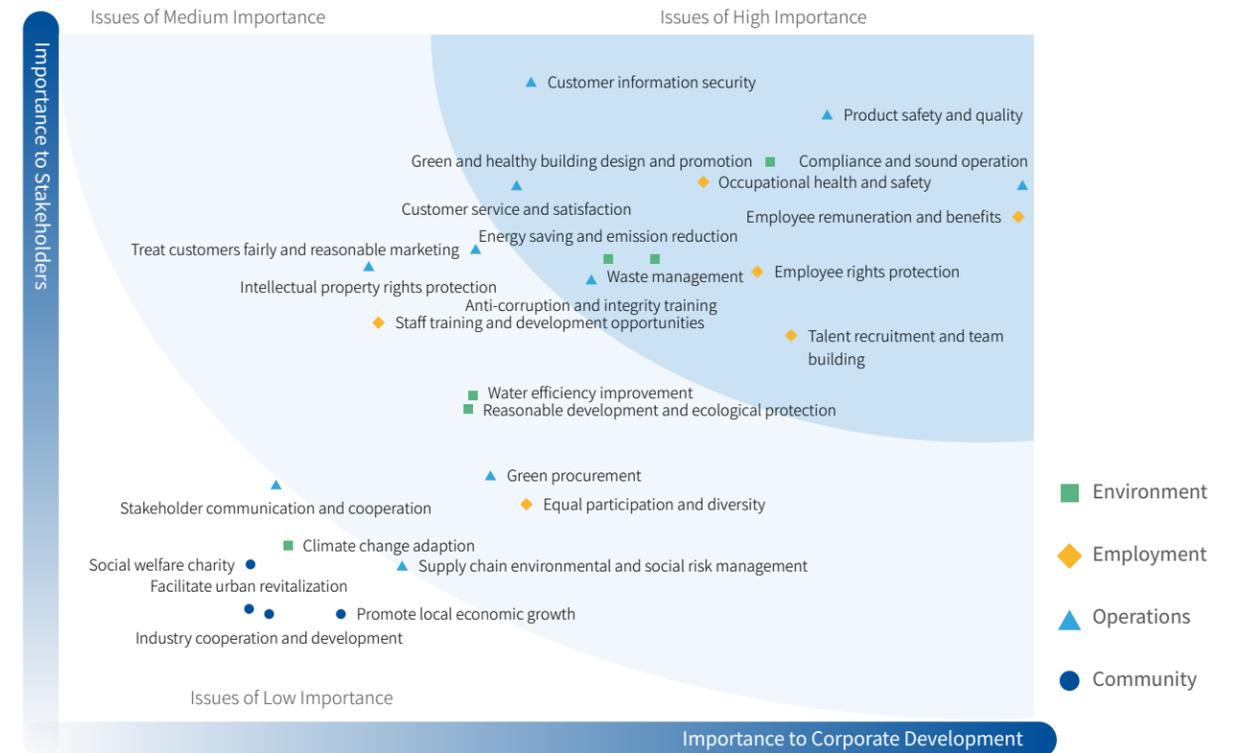
Assessment procedures for material issues



Materiality Matrix

We systematically assessed ESG issues, resulting in a matrix of material issues containing high, medium and low importance.

CIFI Materiality Matrix in 2023



CIFI Material Issues List in 2023

No.	Field	Material issue
1	Environment	Green and healthy building design and promotion
2	Environment	Energy saving and emission reduction
3	Environment	Waste management
4	Environment	Water efficiency improvement
5	Environment	Climate change adaption
6	Environment	Reasonable development and ecological protection
7	Employment	Talent recruitment and team building
8	Employment	Employee rights protection
9	Employment	Staff training and development opportunities
10	Employment	Equal participation and diversity
11	Employment	Occupational health and safety
12	Employment	Employee remuneration and benefits
13	Operations	Product safety and quality

No.	Field	Material issue
14	Operations	Customer service and satisfaction
15	Operations	Customer information security
16	Operations	Treat customers fairly and reasonable marketing
17	Operations	Green procurement
18	Operations	Supply chain environmental and social risk management
19	Operations	Intellectual property rights protection
20	Operations	Stakeholder communication and cooperation
21	Operations	Anti-corruption and integrity training
22	Operations	Compliance and sound operation
23	Community	Social welfare charity
24	Community	Facilitate urban revitalization
25	Community	Promote local economic growth
26	Community	Industry cooperation and development

Management Sustainable Business Management

CORE ISSUES

- Compliance and Sound Operation
- Anti-Corruption and Integrity Training
- Intellectual Property Rights Protection
- Supply Chain Environmental and Social Risk Management
- Green Procurement
- Industry Cooperation and Development
- Stakeholder Communication and Cooperation

KEY ACTIONS IN 2023

- Implemented integrity enhancement initiatives focusing on lean management and mitigation of fraud risk, centering around the "343 Integrity Ecological Governance System" and the "CIFI Six Military Regulations".
- Enhanced digitalization, including the incorporation of new features such as group complaint and case registration made to the litigation management system.
- Optimized the internal audit process, continuously developed and updated risk management tools, implemented automatic risk warning systems, and promptly acted on warning results.

IN RESPONSE TO



KEY PERFORMANCE IN 2023

No. of participants to the CIFI Occupational Conduct Code online exam	Participation rate	No. of anti-corruption training	Coverage of employee (including part-time)
2,349	71%	21 sessions	100%
Average training hour per employee	No. of risk management training	No. of participants	
1 hour	84 sessions	2,600+	
No. of suppliers	Rate of suppliers signing the Letter of Undertaking of Integrity		
3,026	100%		

Operation with Integrity and Compliance

CIFI recognizes responsibility governance as a core belief for the Company to uphold. We continue to improve corporate governance mechanisms, maintain vigilance over corporate risk management, adhere to business ethics, and enact sustainable governance practices.



ESG Management System

CIFI integrates ESG concepts into its corporate operations and continuously refines the ESG management structure to ensure effective management of ESG matters. Moreover, the Company adopts a systematic ESG management approach for formulating and implementing ESG strategies, objectives, policies and procedures. CIFI clearly identifies common ESG concerns of both the Company and stakeholders, encompassing areas such as green building design and promotion, anti-corruption and integrity training, occupational health and safety, as well as product safety and quality to ensure a close alignment of these issues with the Company's core business and long-term strategy.

The Company establishes specific ESG targets and KPIs tailored to its own situation and development needs while ensuring their measurability and achievability. Furthermore, the Group regularly evaluates and adjusts the effectiveness and implementation of its ESG management system, while transparently disclosing ESG-related information. Through the ESG management system, the Group is able to effectively identify and manage ESG factors, thereby enhancing its long-term value.

Integrity Enhancement

The Group diligently adheres to the relevant laws and regulations in the countries and regions where it operates. The Group actively promotes a culture of integrity characterized by "doing the right thing, eyeing the longtermism, and being honest and transparent." Furthermore, the Company implements integrity enhancement initiatives focusing on lean management and the mitigation of fraud risks. Specifically, these efforts center around the "343 Integrity Ecological Governance System"¹ and the "CIFI Six Military Regulations".

Anti-corruption Management Mechanism

The Company has developed anti-bribery and anti-corruption policies, including the "CIFI Group Management Policy of Supervision", "CIFI Group Management Policy for Accountability", "CIFI Group Manual of Business Conduct Code for Employees" and "CIFI Group Administrative Measures of the 'Four Responsibilities' Integrity Ecological Governance" to create a clearer and more equitable internal environment. The Company has disclosed the supervision and reporting system on its official website to support its sustainable development.

Business ethics and anti-corruption matters are referred to the Board for final decisions by the Audit and Supervision Department, as the executive body who responsible for managing business ethics and corruption. The Audit and Supervision Department operates under the Board and is overseen by the Group's Chief Executive Officer to ensure full independence and autonomy. The department reports directly to the Board and the Chief Executive Officer and is independent from other departments or individuals. If an employee reports fraud to their line manager or head of department, the line manager or head of department is required to refer the report to the Audit and Inspection Department. According to the established system, employees engaging in fraudulent behavior face dismissal penalties, and those violating criminal laws are referred to judicial authorities for appropriate action, reflecting a "zero-tolerance" approach to violations of laws and regulations. In 2023, one lawsuit involving corruption occurred.

¹ The "343 Integrity Ecological Governance System" includes three governance targets: fostering an ethical corporate environment, ensuring the safety of personnel, and upholding strong corporate governance. It also incorporates four governance subjects, including each company's management supervisor, human resources supervisor, the Group's headquarters functional lines, and auditing and supervision functions. Additionally, it integrates three "no" principles: ensuring the principle of "not allowed to corrupt, not desiring to corrupt, not daring to corrupt".

Channels for Reporting and Whistleblower Protection

The Group developed and published policies including "Supervision and Whistleblowing Guidance Notes" which is applied to suppliers as well. Such notes offer reporting channels such as mail, telephone, email and official websites. Employees and other individuals engaged with the Group, including customers and suppliers, can confidentially and anonymously report any misconducts related to the Group to Audit Committee or any designated committee composed of independent non-executive directors.

As per the "CIFI Group Management Policy of Supervision", we strictly forbid the disclosure of reported content and personal information such as the name, address and phone number of the whistleblower, and we emphasize the protection of the whistleblower's safety during the investigation and handling process. To prevent retaliation, CIFI publicly pledges to ensure fair treatment for whistleblowers who truthfully report under this policy, including safeguarding them from unfair dismissal, persecution or unwarranted disciplinary action, and addressing retaliation against whistleblowers and witnesses seriously.

Channels for Reporting

Whistle-blowing section on CIFI's official website:

<https://www.cifi.com.cn/contact/check.html>

Channels for Reporting

Mailing address: CIFI Center, Lane 1088, No. 39 Shenhong Road, Minhang District, Shanghai, PRC, 201106 (Attn: Chairman of the Board/Chairman of the Supervisory Committee)

Tel: (86) 8009880268

Chairman e-mail: ldsz@cifi.com.cn

Whistle-blowing e-mail: jubao@cifi.com.cn

SMS: (86) 18516702393

Online: CIFI official website and official WeChat account "廉洁旭辉"



Integrity Training

To prevent fraudulent behaviors, the Group has conducted a comprehensive program of online and offline training and communication on anti-corruption and business ethics, encompassing induction training, regular training, commitment to integrity, and supplier integrity management for all employees (including part-time employees) and suppliers. All suppliers are required to sign the "Letter of Undertaking of Integrity", and marketing personnel must sign the "Marketing Personnel's Letter of Undertaking of Responsibilities" upon joining the Group, undertaking not to accept kickbacks in marketing and procurement, and to refrain from embezzling or misappropriating funds in sales.

2023

2,349

with a participation rate of

71%

employees participated in the online examination of "CIFI Occupational Conduct Code"

21

Average training hour per employee

1 hour

anti-corruption training sessions were held to all employees, including part-time staff

Strict Risk Control

CIFI places great emphasis on risk management and complies with the "Company Law of the PRC", as well as other relevant laws and regulations. Moreover, it establishes a robust risk compliance and internal control management system to ensure effective management of all operation-related risk matters through cross-organizational cooperation among internal audit departments and through the implementation of the "CIFI Group Management System of Audit" and various related policies.



Risk Protection by Lines of Defense

The Group has established the Risk Management Committee as the supreme organization for risk management. It is responsible for creating a comprehensive risk management system, defining risk management duties, and implementing risk management responsibilities.



Organizational Structure for Risk Control

On the basis of the organizational structure for risk control, we have established three lines of defense for risk control.

The first line of defense

Composed of the regional front line business departments, identify and assess risks during the ordinary course of business, adopt necessary management measures and promptly engage to solve problems.

The second line of defense

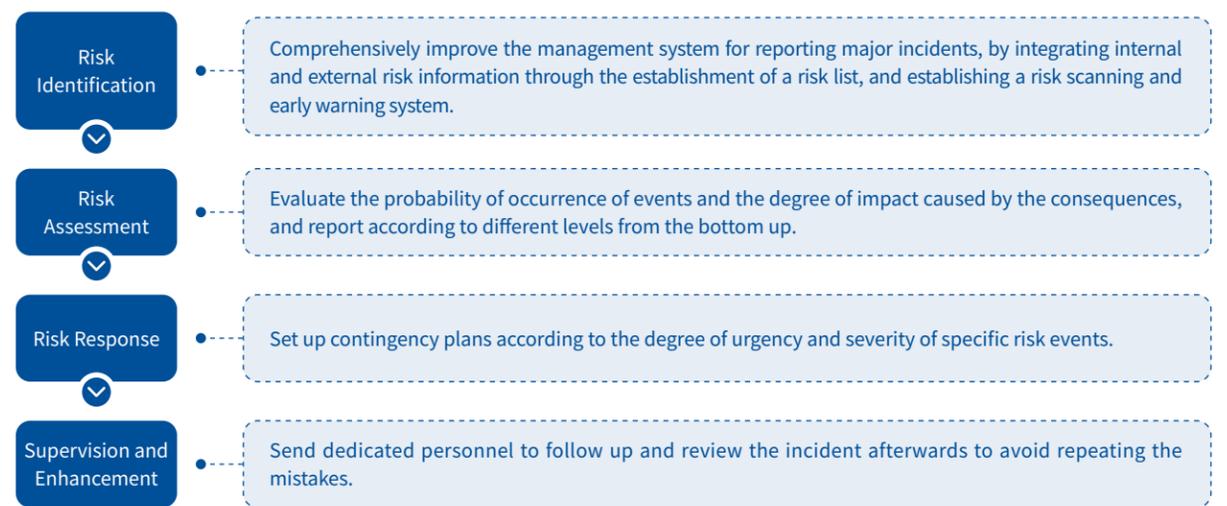
The supporting functional departments (such as the legal risk control department, financial management department and human resources department) establish risk management processes and control systems, build up system platforms, focus on identifying and preventing organizational systematic risks, use information technology to enhance risk management efficiency, and promote risk awareness among business departments.

The third line of defense

The Audit and Supervision Department, as the internal supervising department, independently and objectively conducts internal supervision and auditing and carries out accountability work, uses a digital risk monitoring system to enhance management and control efficiency.

Risk Control Process

CIFI follows a scientific risk management and control process, establishes management mechanisms for risk identification and assessment, conducts weekly communication regarding the Group's significant litigation risks, standardizes the early warning for irregular performance of regional contracts on a monthly basis, and adjusts the risk response plan according to actual circumstances. In 2023, all business departments strengthened the reporting of critical information for each department, specifying the standards and response strategies concerning relevant risk matters. For instance, the Financial Management Department actively improved the establishment of major risk reporting channels and accountability mechanisms, identified issues through self-inspection, regular inspections and sharing of big data, and engaged an external independent agency to review, in order to achieve prompt supervision and correction of deficiencies post-occurrence.



Risk Control Process



Digital Applications

The Group has consistently improved its level of digitization and bolstered the effectiveness of risk control management. Relevant departments actively manage risks comprehensively by building a system platform and systematizing control through the authorization process to enable automatic scanning of risk issues, dynamic tracking of special events, and all-around full-calibre management data analysis.

Risk Control System

Name	Main Function
Contract Middle Office System	Provide tools to facilitate the development of comprehensive contract life-cycle management.
Post-investment Management System	Improve the post-investment performance management system and prioritize the post-investment performance management of critical risk projects. Equipped with features for report submission, supervision, early warning and audit trails to enhance post-investment management through digitization.
Intelligent Audit System	Enhance audit and supervision efficiency, and reduce operational risks by monitoring specific areas of audit risk.
Neural Network System	Conduct real-time risk monitoring and develop risk monitoring capabilities. In 2023, four new early warnings for project procurement prices were introduced to broaden the range of project early warnings.
"Xuxiaotong (旭晓通)" Risk Control Platform	Implement monitoring and early warning for various risks affecting project companies, partners and suppliers. Generate project due diligence reports with a single click, and leverage big data to improve risk management capabilities and control levels.
Administrative Penalty System	Establish information-based channels for compliance management and employ big data to monitor violations, bolstering implementation of compliance management strategies.
Litigation Management System	In 2023, the major cases classification was updated, and new functionalities including group complaint and case registration were incorporated.



Litigation Management System



"Xuxiaotong (旭晓通)" Risk Control Platform

Risk Management Training

To bolster risk management awareness and improve risk identification capabilities, the Group conducted comprehensive sessions on key points of policy guidance, training and examinations on their applications. In 2023, a total of 84 risk management training sessions were held, with more than 2,600 participants. These sessions included specialized training on customer risk response, stamp control and overdue delivery risk.

2023

No. of risk management training sessions

84

Strengthen Internal Audit

The CIFI Group has implemented several regulations and systems, including the "CIFI Group Manual of Business Conduct Code for Employees", "CIFI Group Administrative Measures of the 'Four Responsibilities' Integrity Ecological Governance", "CIFI Group Management System of Audit", "CIFI Group Management System of Supervision", "CIFI Group Management System for Accountability", "Administrative Measures of Declaration of Conflict of Interest" and "Administrative Measures for Inspection of Supervisory Cases" etc. In 2023, efforts were directed toward optimizing the internal audit process, continuously developing and updating risk management tools, implementing automatic risk warning systems, and promptly acting on warning results.

Audit and Supervision Management

CIFI has implemented a comprehensive review system that combines routine audits, special audits and unannounced audits to scan high-risk issues throughout the Group, and make inquiries during audits, strengthening internal control management. During the Reporting Period, the Audit and Supervision Department issued 10 audit reports.

We have incorporated the development and enforcement of business ethics standards into the scope of audit supervision. Furthermore, comprehensive audit supervision and inspection were rigorously conducted for all operational units at least biennially. During the Reporting Period, the Group completed 10 internal audit projects and 17 supervision projects. These audits covered real estate business and "real estate +" business, which span various regions such as Jiangsu, North China, Central China, Shandong, Qingdao and Nanjing.

2023

No. of audit reports issued

10

No. of internal audits completed

10

No. of supervision programmes

17

Risk Warning Control

The Group follows the principle of integrating audit supervision and risk prevention by incorporating relevant risk points into the intelligent audit system and neural network system. It involves using pre-defined risk early warning logic and real-time monitoring of crucial business risks based on major cases. Furthermore, the Group has expanded the scope of early warning, having developed a total of 21 subjects online as of the end of 2023. These subjects include main material of reinforcing steel, reinforcing steel construction, main material of concrete, concrete construction, templates, measurement fees, earth excavation, earth backfill, power supply inside and outside the red line, defense equipment, fire protection, electrical installation, cost consulting, supervision and consulting, windows and doors, main material of PC, PC installation, landscaping and greening works of the model area, facade decoration, non-model area landscaping and greening works, among others.

Protection of Intellectual Property Rights

CIFI complies with the "Copyright Law of the PRC", "Trademark Law of the PRC" and "Patent Law of the PRC" etc., and carries out unified management of the intellectual property rights of all parties to ensure that the Group does not infringe any trademarks, patents, copyrights, software copyrights or other intellectual property rights in the course of its operations.

We have internally established administrative measures including the "Administrative Measures of Trademark", "Administrative Measures of VI" and "Notice on Strengthening the Management of Intellectual Property Rights in External Advertising" to standardize the management of intellectual property rights. In order to strengthen the management of intellectual property rights, we proactively safeguarded our intellectual property rights by pursuing legal action and sending formal letters to prevent any potential infringement. This approach aimed to uphold our own intellectual property rights while respecting the rights of others. During the Reporting Period, the Group initiated 10 trademark objections, resolved 2 infringement disputes, and successfully registered 2 trademarks.

Promoting Supply Chain Sustainability

CIFI actively practices partner responsibility, standardizes supplier management through improved systems and processes, strengthens mutual benefit and assistance with suppliers, and works together to build a responsible supply chain.

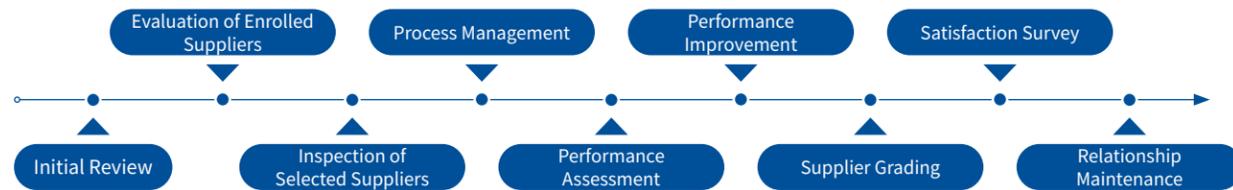


Supply Chain Sustainability Management

The Group actively promotes audits on supply chain sustainability. Through audits and assessments of suppliers' environmental management systems and labor practices, the Group strengthens supply chain management while practicing green procurement and promoting supply chain sustainability.

Strengthening Supply Chain Management

To promote the sustainable development of the supply chain and taking into account the Group's actual circumstances, we have made modifications to the "Engineering Procurement Management Measures", "Engineering Supplier Management Measures", "Guidelines for Procurement Management of Cooperative Projects" and "Strategic Procurement Management Measures". Moreover, we have incorporated new provisions for supplier classification and enhanced the stipulations for supplier management and evaluations. These actions have led to the establishment of a comprehensive supplier management system covering supplier introduction, assessment and elimination processes.



Supplier Management Process

During supplier evaluations, the Group prioritizes ESG factors such as environmental management, occupational safety and health, labor and human rights, business ethics, and anti-corruption. Suppliers with positive ESG performance are given priority to be included, while those with negative ESG information are not retained.

During the performance evaluation, we continuously assess the service quality of suppliers, promptly address and resolve issues, to ensure that suppliers fulfill the contracted delivery on schedule. During the Reporting Period, the Group conducted performance evaluations on 2,599 suppliers, producing supplier performance analysis reports from diverse regions. We took proactive measures to engage with unqualified suppliers and pursued subsequent enhancements.

2023

Performance evaluation on

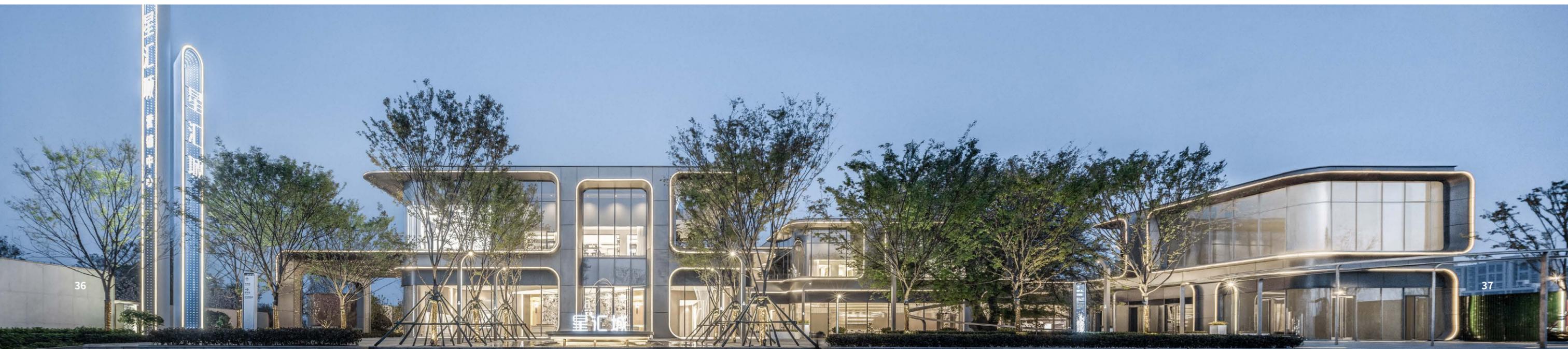
2,599 suppliers

Advancing Green Procurement

Adhering to the principle of "purchase only green supplies", the Group has taken part in the Green Supply Chain Action for China's real estate industry since 2016 and set strict requirements for our suppliers regarding environmental protection and product safety during the procurement process. To augment the green procurement standards, "Green Product Procurement Catalogue" has been devised, encompassing 13 categories of green products and materials, inclusive of companies and materials certified by the National Green Label.

As a member of the expert group of the joint purchasing of the China Urban Realty Association (the "CURA Joint Purchasing"), CIFI participated in the 13th batch of CURA Joint Purchasing in 2023, led the tender and procurement of 5 categories including air conditioners, solar water heaters and shower rooms and awarded tender to 14 tenderers, showing our engagement to actively promote the achievement of green joint procurement goals among the member companies. CIFI incorporated environmental compliance as a mandatory criterion for supplier shortlisting, utilizing tools such as environmental compliance whitelists to assess suppliers' corporate environmental regulatory records and mandating suppliers to disclose non-compliance reasons and implement corrective measures by specified deadlines.

Additionally, we engage with wood and flooring suppliers certified by the Forest Stewardship Council. Moreover, we allocate extra points in our evaluations to suppliers with environmental, quality, and safety certifications, including ISO 14001 for energy management systems, ISO 9001 for quality management systems, and OHSAS 18001 for occupational health and safety. As of the end of the Reporting Period, 150 strategic suppliers of the Group have attained ISO 14001 energy management system and ISO 9001 quality management system certifications.



Developing Supply Chain Integrity

The Group consistently promotes integrity and fosters a culture of integrity to eradicate corrupt behavior in the procurement process. We require suppliers to sign the "Letter of Undertaking of Integrity", obliging them to uphold business ethics and establish their own integrity and anti-corruption policies. When instances of commercial bribery, bid-rigging or other fraudulent behavior are discovered, the suppliers will be promptly blacklisted and prohibited from participating in CIFI's projects for two years. After the expiration of such period, they must undergo re-evaluation and approval by the headquarters to re-enter the qualified supplier pool. As of 31 December 2023, we had 3,026 suppliers and they all have signed the "Letter of Undertaking of Integrity".

2023

No. of suppliers

3,026

100%

suppliers have signed the "Letter of Undertaking of Integrity"

Enhancing Supplier Communication

CIFI has implemented a hierarchical communication mechanism with suppliers, regularly organizing conferences and forums, and conducting supplier evaluations and awards to foster multi-party cooperation and build mutual trust. Additionally, a delivery task force is established to manage supplier coordination on a weekly basis, with the Group Procurement Department monitoring and following up with feedback progress. In addition, contact information (e.g., phone number, e-mail address) is disclosed in the procurement contracts of regional companies to all performing suppliers, so that suppliers can provide timely feedback during the performance process.

Conducting Strategic General Contractor Forum to Build Stable and Mutually Trusting Relationships

On 6 March 2023, CIFI organized a strategic general contractor forum in Shanghai, engaging in extensive communication with 10 strategic general contractors. Through this forum and comprehensive communication with the general contractors, the Group strengthened the maintenance of key resources, laying a solid foundation for expanding the depth and breadth of cooperation in the future.



Partnering for Industry Development

CIFI actively collaborates with government bodies, industry associations, research institutes, and enterprises. The Company has actively engaged in numerous industry seminars and discussions organized by government departments and industry associations, aiming to contribute to the industry's long-term stability and healthy development.



A strategic cooperation agreement has been established with the renowned integrated building environment science center, the Building Research Establishment (BRE), to foster a long-term partnership in "Green + Real Estate". This partnership aims to advance the principles of sustainable development and ESG.

Additionally, strategic cooperation agreements have been signed with several banks, including the Bank of China. Furthermore, long-term strategic partnerships have been established with the People's Government of Huanggu District, Shenyang City, and Hainan Nongken Investment Holding Group Co., Ltd.

Strategic cooperation with the People's Government of Huanggu District, Shenyang City, Opening a New Chapter of Government-Enterprise Cooperation

On 1 February 2023, the People's Government of Huanggu District, Shenyang City and CIFI signed a strategic cooperation agreement at CIFI's headquarters in Shanghai. In light of the two ongoing projects in the Huanggu District, namely "CIFI Park Mansion" and "CIFI Platinum Times", CIFI will introduce a new energy industry center, financial industry building, digital economy industry park, and offer support in the projects related to the Chinese medicine industry at Huanggu District. Concurrently, CIFI will continue to leverage its expertise of real estate development, construction and urban services in Shenyang and provide project management services to the Huanggu District, and increase its investment in the district to collectively advance the local diversification of industries and the urban development.



02

Practice



Practice

Upholding Firm Commitment to Quality

CORE ISSUES

- Product safety and quality
- Occupational health and safety
- Customer service and satisfaction
- Treat customers fairly and responsible marketing
- Customer information security

KEY ACTIONS IN 2023

- Implemented a lifelong accountability system to ensure the quality of construction projects, integrated the "Survey, Design, Supervision, Construction, Building" 5-in-1 approach, and linked employee appraisal and assessment results to performance bonuses.
- Organized events like the "CIFI Engineers' Day", "Month of Engineering Quality", "Thunderbolt Action" and "Zero Defect Action" to prioritize quality enhancement and bolster employees' awareness of quality.
- Added new training on "Wang Xiaobao Channel Risk Control", and updated the knowledge base of "Green and Blue Book for Long March Combat", aiming to enhance employees' understanding of ethical sales practices.
- Built up the frontline order control teams and executed a group-wide action "from outsourced order control to self-regulation."

IN RESPONSE TO



KEY PERFORMANCE IN 2023

Measured roughcast house qualification rate

88.01%

Measured decorated house qualification rate

88.46%

No. of government model construction sites

9

No. of "green-labeled construction sites for dust control"

3

No. of "safety and civilization standard construction site"

12

No. of civilization and safety awards on provincial level or above

13

No. of excellent projects

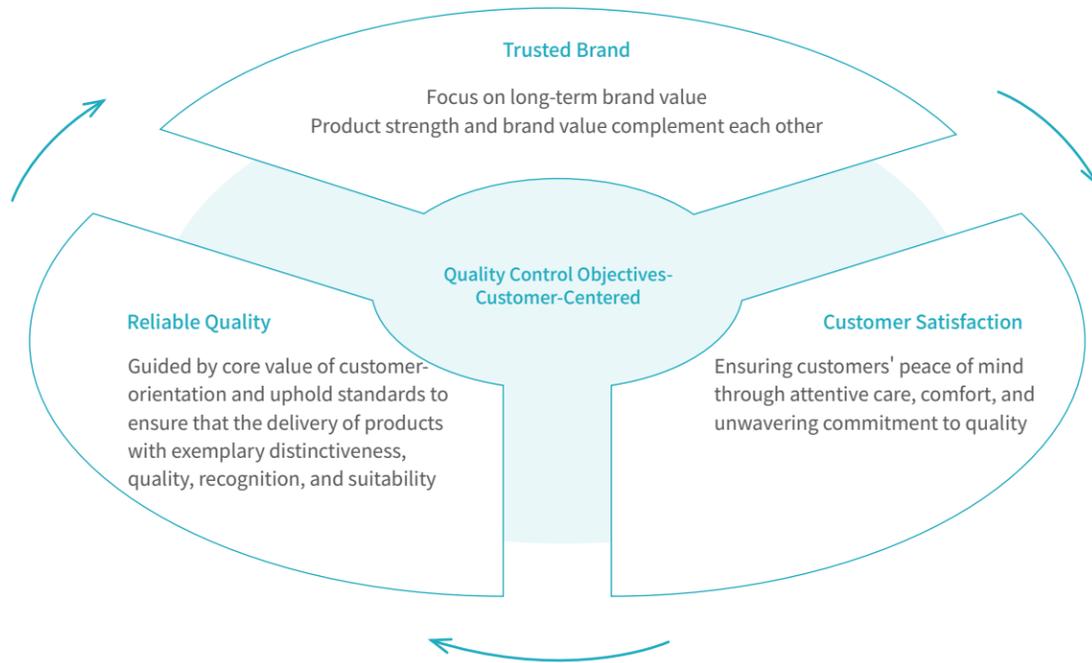
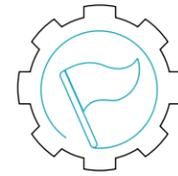
22

No. of major safety accidents

0

Holding Fast to Product Quality

CIFI establishes a sound full-cycle engineering control system, continuously improves the product quality and safety guarantee system, and creates enduring value for the company by carrying out product quality and safety training and promoting external certification of the quality system.



Full-cycle Engineering Control System

We continuously optimize the engineering control system, strictly control every link from the source of materials to delivery assessment, and strictly implement full-cycle engineering management to create lasting value for customers.

Improving systematic mechanisms

CIFI has implemented a lifelong accountability system to ensure the quality of construction project, integrated the "Survey, Design, Supervision, Construction, Building" 5-in-1 approach, and linked the employee appraisal and assessment results to performance bonuses.

At the same time, we have established a sound project management system and standard system, covering 31 standard guidance documents for 6 categories including quality, technology, materials, decoration, room repair and inspection. We carry out comprehensive quality control based on internally established standards involving all aspects of product design, production, testing and after-sales warranty to ensure that every step of the process meets the highest quality requirements.

As of 31 December 2023, we have revised the "Guidelines on Comprehensive Engineering Inspection", "Guidelines on Project Delivery Inspection" and "Engineering Inspection Evaluation and Reward and Penalty Management Measures" to enhance the accuracy of the description of duties and to clarify the details of process inspections and other requirements, so as to improve the overall quality of projects.

Standardized Engineering Management System

Technological Management Engineering Technology Management Measures Guidelines on Project Engineering Planning and Management Guidelines on the Sequence Construction Method Standards for Construction of Seepage and Crack Prevention Nodes Engineering Prohibited Practices Engineering Micro-Innovation Manual Visible Building Management Manual Operational Guidelines of CIFI Construction 2.0 System Manual of CIFI Construction 2.0 System	Quality Management Engineering Quality Management Measures Guidelines on Sample-led Practices Operational Guidelines on Measurement of Construction Quality Operational Guidelines for Engineering Quality at Hold Point Guidelines on Leakage Prevention Management Guidelines for Functional Testing of Projects	Safety Management Management Measures for Safety and Civilization Operational Guidelines for Disposal of Routine Events in Projects Operational Guidelines for Normalized Management of Project Response to Epidemics
Material Management Management Measures for Engineering Materials	Delivery and Repair Management Management Practices for Engineering Delivery and Maintenance Standards for Bottom Line Delivery Practices Operational Guidelines for Household Inspection of Projects Operational Guidelines for Property Acceptance Inspection of Projects Guidelines for Third-Party Maintenance Management of Projects Room Repair Management Standards and Cost Reservation Standards Operational Guidelines for Project Maintenance and Management	Progress Management Management Measures for Construction Progress Guidelines on Risk Management and Control of Works Progress
Information Management Management Measures for Engineering Information	Evaluation Management Operational Guidelines for Comprehensive Inspection and Evaluation of Group Projects Operational Guidelines for Group Project Delivery Inspection Management Measures for Inspection and Evaluation, Rewards and Penalties of Group Projects Operational Guidelines for Specialized Inspection and Evaluation of Group Basements Operational Guidelines for Inspection of Major Quality Risks in Construction Projects Operational Guidelines for Safety Inspection of Large-sized Machinery in Group Projects under Construction	
Decoration Management Management Measures for Whole-house Decoration Standard of Nodal Practice for Whole-house Decoration	Sustainability Management Management Measures for Engineering Sustainability	

Full-cycle Quality Management

The Group upholds the principles of "accountability through evaluation" and "effectiveness through inspection". We conduct comprehensive quality inspections of suppliers and contractors through regular assessments and audits to ensure the stability and reliability of each process. Furthermore, we track material quality, process management and delivery quality at every stage, utilizing methods such as third-party inspection and assessment, as well as drawing reviews to optimize delivery quality and ultimately enhance market competitiveness.

Strict Procurement Control

We prioritize suppliers with environmental, quality and safety certifications. We regularly monitor the performance of suppliers and contractors and conduct comprehensive quality inspections of incoming raw materials through on-site supervision and inspection. For key materials from tier 1 or direct suppliers, we commission third-party organizations to test their quality and increase inspection frequency and coverage to ensure stability and compliance with standards. Additionally, our tier 1 or direct suppliers are required to cascade quality and safety requirements to tier 2 or indirect suppliers and tier 3 or raw material suppliers through procurement agreements as a part of performance management of tier 1 suppliers. Relevant test reports and rectification opinions are shared with corresponding regions, which enforce their own material management requirements to close the loop on unqualified materials and establish a regularized self-inspection and self-correction mechanism. In 2023, we implemented sampling inspections of project raw materials during procurement to ensure compliance with quality standards among raw material suppliers.

Strong Process Management

The Group conducts annual process inspections for all residential projects under construction, covering civil construction process inspections, decoration process inspections and special basement inspections. In 2023, inspection and assessment covered 95 projects with a total of 153 sections, achieving 100% coverage of all projects under construction. All identified quality issues have been rectified and reviewed for closure on the project level. Third-party inspection units are engaged for specific projects to detect risks in a timely manner, and rewards and penalties are administered based on the inspection results. Additionally, an intelligent quality control system is established through the Banyou system to systematically manage the entire construction process, all participants and elements of project construction, enhancing project management and efficiency.

Delivery Assessment

Before delivery, a three-level inspection is conducted at project, regional, and headquarters levels. A dedicated delivery inspection and assessment team at headquarters should be established as required, which conducts actual measurement and visual observation, tests functional equipment in advance, reviews documents, and observes the current state of work to form the factual basis for inspection and assessment. Based on the Delivery Inspection Report, a rectification plan is formulated, urging relevant cooperative units to complete rectifications within the set deadlines, with subsequent review of the rectification results.

2023

Delivery assessment	Landscape 3rd party inspection	Measured roughcast house qualification rate	Measured roughcast house qualification rate
76.40 points	80.69 points	88.01 %	88.46 %

Product Quality and Safety Assurance System

In order to ensure that its products meet quality standards and safety requirements, CIFI insists on "delivering quality while ensuring delivery". CIFI has established an internal product quality and safety assurance system following the internationally recognized ISO 9001 quality standard, including the "FABRIC Craftmanship" system and product quality control systems. In 2023, the Group obtained ISO 9001 quality management system certification. The Group continually enhanced its internal management system through the internationally recognized quality management system to guarantee the high quality, safety and reliability of its products.

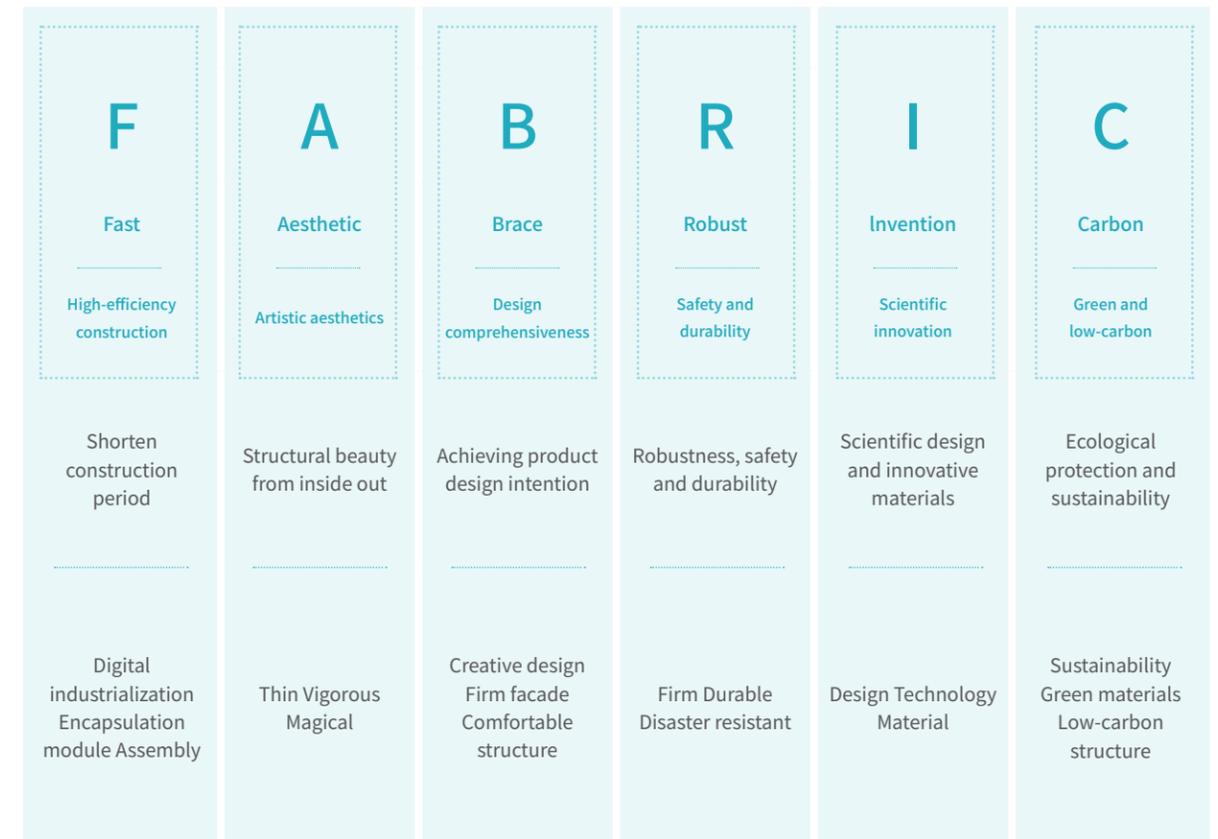


The Group obtained ISO 9001 Certification

"FABRIC Craftmanship" System

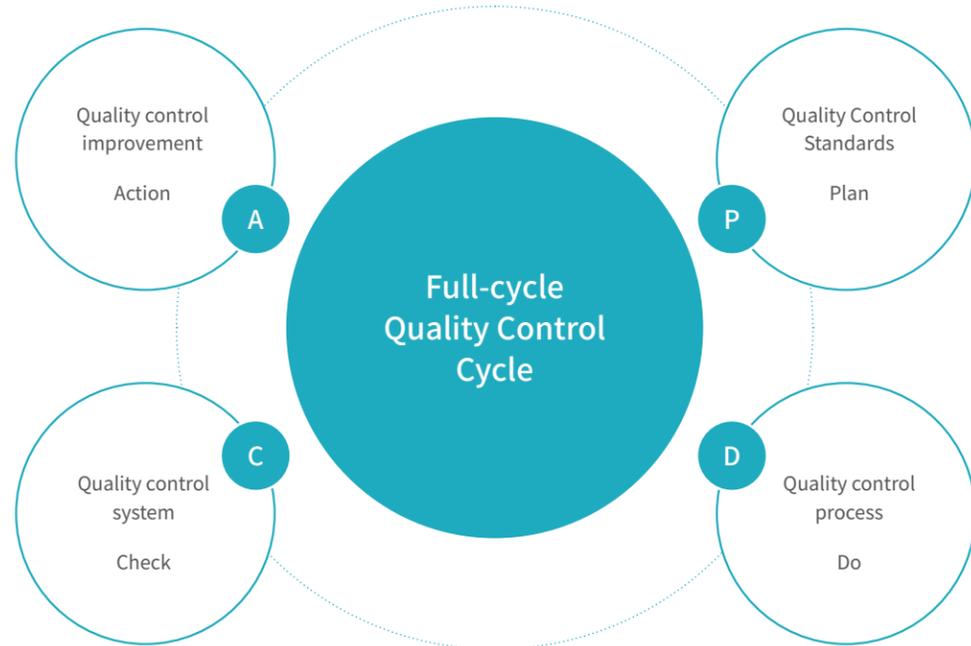
CIFI has released the "Design Guidelines for the FABRIC Craftmanship System", aiming to enhancing product competitiveness and achieving sustainable development goals through rigorous quality control, refined manufacturing processes, and technological innovations across six dimensions: high-efficiency construction, artistic aesthetics, design comprehensiveness, safety and durability, scientific innovation, and green and low-carbon measures.

"FABRIC Craftmanship" System



CIFI Quality Control System

We have implemented a comprehensive quality control system encompassing "quality control standards, processes, systems and improvement." This system incorporates stringent quality standards, a well-defined quality management process, as well as mechanisms for quality information feedback and rewards and penalties. The objective is to consistently enhance and refine the quality control system, elevating overall quality control standards to meet the dynamic demands of the market and customers.



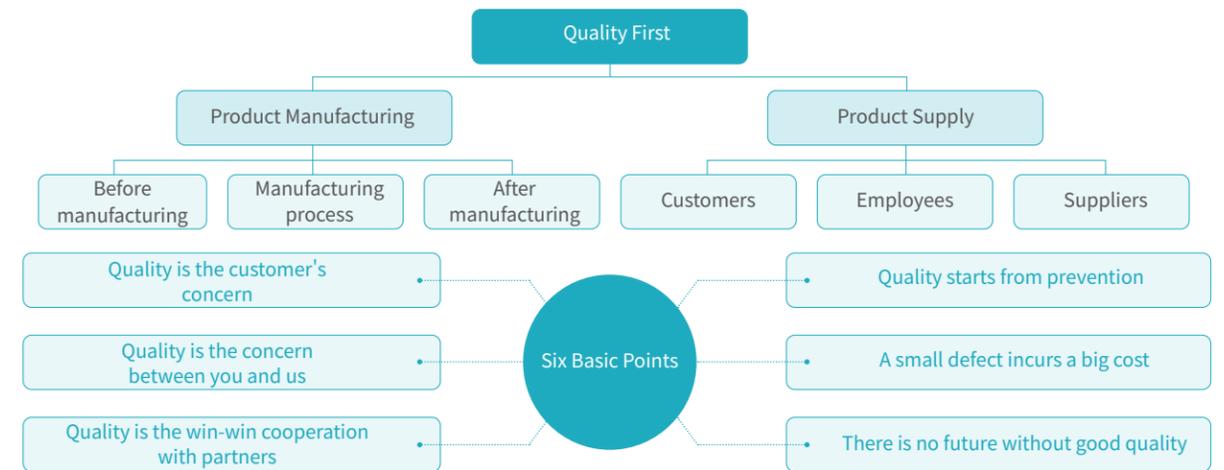
Quality Control Standards	Quality control process	Quality control system	Quality control improvement
<ul style="list-style-type: none"> Conduct top-level design from the 6 dimensions of high customer perceptions Consider customer needs in 9 dimensions of customer lives and use scenarios Apply the 18 methods of quality control, craftsmanship system and process standards 	<ul style="list-style-type: none"> Complete the translation and output of the top-level design of value through the product positioning meeting Clarify customer demand expectations in the form of Design 1 and 2 meetings Carry out joint review of regional construction drawings to ensure product quality 	<ul style="list-style-type: none"> Bi-region inspection Engineering, elevation and landscape testing Evaluation on delivery satisfaction Statistical feedback via digital online system Self-inspection and evaluation mechanism in each region 	<ul style="list-style-type: none"> Adopt after-action review (AAR) method to review and summarize the data statistics Continuously improve quality control standards based on the review results

CIFI Quality Control System

In 2023, we carried out comprehensive customer interviews that encompassed 113 projects across 18 cities, resulting in the completion of 417 questionnaires. Addressing the top concerns expressed by our customers, we engaged in-depth deliberations and developed strategic initiatives aimed at prioritizing and meeting the core requirements of our customers in the domains of product design and quality control.

Product Quality and Safety Training

The Group sticks to the principle of "Quality First", emphasizing comprehensive quality control across the entire product manufacturing process and ensuring high-quality products for customers, employees, and suppliers. To foster a culture of quality and safety and define the core values and concepts, we have established six fundamental points, highlighting the significance of quality and safety as a tangible demonstration of accountability to our customers and our products.



Culture of Quality and Safety at CIFI

In a bid to uphold stable and reliable project quality, we have integrated the culture of safety and quality into daily production processes. Regular training programs on quality and safety are conducted for all employees, contractors and supervisors. These sessions incorporate case analyses and practical exercises to deeply analyze the various links between quality and safety and enhance cognitive concepts and management skills in quality within the construction sector, ultimately raising the project's overall quality level. In 2023, initiatives such as "CIFI Engineers' Day", "Month of Engineering Quality", "Thunderbolt Action", "Zero Defect Action" and the "Engineering Manager League" were organized to concentrate on quality enhancement and bolster employees' awareness of quality.

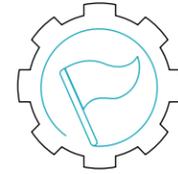
Shanghai CIFI Riverside Metropolis (上海旭辉·江山都会) was honored with the 2022 "Magnolia" Award (Municipal Quality Project) of Shanghai Construction Project and other accolades.



Quality and safety training in 2023		
Coverage rate for employee training	Coverage rate for contractor training	Coverage rate for supervisory unit training
95%	95%	100%
Average training hour per person	Average training hour per person	Average training hour per person
121 hours	92 hours	92 hours

Strengthening Engineering Health and Safety Management

CIFI is dedicated to establishing a robust health and safety management system and implementing exemplary health and safety projects through meticulous management. Concurrently, we actively conduct occupational safety training and enhance the safety awareness of our employees to guarantee workplace safety and employee health.



Health and Safety Control System

The Group adheres to laws and regulations including the "Work Safety Law of the PRC" and have developed and adhered to group-wide policies such as the "Administrative Measures for Safety and Civilization" and the "Operation Guidelines for Standardized Management of Safety and Civilization" etc. These policies oversee the standardized management process of safety and civilization and outline safety management particulars for contractors, subcontractors, supervisors and other relevant parties. The health and safety policies and standards of the Group also applies to our contractors, with the relevant clauses incorporated into their contracts, enforcing associated incentives and penalties. We use uniform standards including health and safety metrics to evaluate and disclose the health and safety performance of our contractors and employees, safeguarding the safety and health of each staff member and preventing safety incidents.

Quality and Safety Committee has been set up, with the Chief Executive Officer of the Company serving as its Chairman, assuming full responsibility for the oversight of quality and safety covering health and safety strategy and performance. Moreover, we conduct annual evaluations like audits of our health and safety policies, as well as regular inspections, reviews, and risk assessments to promptly identify and address potential safety hazards.

Quality and Safety Committee Composition

<p>Chairman</p> <p>Chief Executive Officer of the Company</p>
<p>Vice chairman</p> <p>Group Chief Engineer, Director of the Group Engineering Management Department</p>
<p>Members</p> <p>Persons in charge of the Group Engineering Management Department and the regional engineering departments</p>
<p>Major duties of the committee</p> <ul style="list-style-type: none"> To set annual quality, safety and environmental governance targets To formulate and promote the annual research on the quality and safety subject To carry out investigation, accountability and guidance for major quality, safety and environmental governance incidents To prepare and review the construction-related contents of the ESG report To coordinate scientific research and pilot projects on engineering quality, safety and technical innovations that cover the whole Group To convene quality and safety meetings every six months to summarize material semiannual and annual quality and safety issues and discuss the next plans To coordinate quality and safety work with other functional departments

The Group has been certified to ISO 45001 Occupational Health and Safety Management System and strictly complies with the standard for safety management.



The Group Obtained ISO 45001 Certification

Health and Safety Model Projects

CIFI has established safe and civilized construction targets, covering suppliers and contractors, and has implemented standardized management of safety and civilization throughout the entire process. The Company has orderly conducted safety inspections and emergency drills, continually enhancing the safety standards of construction and striving to achieve model projects in terms of health and safety.

CIFI safe and civilized construction target

Safe and civilized construction target	Target reached in 2023	Target reached in 2022	Target reached in 2021
The rate of accidents causing serious injuries is 0 ;	The rate of serious injuries and accidents was 0 ;	The rate of accidents causing serious injuries was 0 ;	The rate of accident causing serious injuries was 0 ;
Annual rate of general injuries ≤ 0.2% ;	Annual rate of general injuries was 0% ;	Annual rate of general injuries was 0.2% ;	Annual rate of general injuries was 0.3% ;
Accident causing minor injury shall not involve in more than 3 persons;	No accident causing minor injury;	No accident causing minor injury;	No accident causing minor injury;
Eliminate major accidents such as fire, traffic, explosion and equipment damage;	No major accidents such as fire, traffic, explosion and equipment damage;	No major accidents such as fire, traffic, explosion and equipment damage;	No major accidents such as fire, traffic, explosion and equipment damage;
Eliminate the loss of hazardous materials and damage pollution	No loss of hazardous materials and damage to pollution	No loss of hazardous materials and damage pollution	No loss of hazardous materials and damage pollution

In order to achieve these targets, CIFI has implemented an accountability system for safety accidents. The Company actively enhances the awareness of management and employees regarding their responsibilities and standardizes the process for rectifying problems and handling accidents. This is done through regular safety management risk assessments, as well as safe and civilized construction supervision and inspections that cover all operational projects of the Group. Additionally, health and safety performance is linked to the performance and remuneration of executives in relevant business units and other responsible persons.

- Safety Management Risk Assessment**

Conducting safety risk identification and assessment to identify, analyze, evaluate and monitor major safety risks in all of the Group's operating projects. Identifying hidden dangers in advance and formulating targeted measures, such as special control measures, in order to ensure safe production.
- Safety and Civilized Construction Supervision and Inspection**

Implementing two levels of safety control at headquarters and frontline levels. This involves various inspections, such as daily on-site inspections, special inspections, and holiday and pre-holiday inspections in compliance with national and local safety inspection regulations. Additionally, a third party is appointed to carry out comprehensive inspections, including safety inspections, with monthly rankings and other means to reward those with excellence and penalize those with poor performance, enhancing the efficiency of identifying and managing hidden dangers.
- Accountability for Safety Management**

Pursuant to the "Management Measures for Inspection and Evaluation, Rewards and Penalties of Projects" and other policies, clarifying the responsibilities of managerial personnel and employees at all levels in production safety, linking their compensation to the health and safety performance, such as comprehensive engineering inspections (including health and safety inspections) which would lead to corresponding incentives and penalties.
- Rectification of Problems and Handling of Accidents**

Adhering to the Group's internal process, immediate action will be taken to rescue the injured, remove the danger, and protect the scene when an accident occurs. An investigation team is formed to analyze the accident's cause and determine responsibility, providing corresponding treatment opinions and taking timely measures to prevent the recurrence of similar accidents.

Leveraging Innovative Technology to Ensure Engineering Safety

In 2023, all projects under construction adopted an information-based management platform for safety and civilization management, encompassing 6 key functions: safety education and training, dynamic monitoring, process management, equipment management, progress management, and ecological environment management. Utilizing measures such as VR security experience halls and daily dynamic monitoring, identified issues and risks are classified, and rectification at the project level is required within a specified period. This approach aims to reduce the likelihood of accidents and minimize unnecessary losses through technological interventions.

Safety Management Safety Education and Training	Dynamic Monitoring	Process Management	Equipment Management	Progress Management	Ecological Environment Management
Safety Education and Training Hard Hat Monitoring VR Safety Experience Hall Panoramic Monitoring System	Unsafe Behavior Unsafe Status	Unloading Platform Monitoring Inbound and Outbound Vehicle Management	Construction Elevator Safety Monitoring Tower Crane Safety Monitoring	Progress Management System	Dust Monitoring System

CIFI Information-based Platform Security Management Module

2023			
No. of government model construction sites	No. of green-labeled construction sites for dust control	No. of safety and civilization standard construction site at the provincial level or above	No. of civilization and safety awards at provincial level or above
9	3	12	13
No. of excellent projects	Accumulated No. of Visible Buildings launched	No. of major safety accidents	
22	106	0	

Workplace Health and Safety Training

In order to ensure workplace safety, we mandate weekly safety inspections and education for project staff, construction teams, and supervisory units. Additionally, all construction personnel must undergo "three-level" safety education. Personnel in special types of work are also required to undergo special training in safe operation techniques. For major construction projects and hazardous operations, targeted safety education must be provided to employees before operations commence. Concurrently, in accordance with seasonal safety control priorities, we continue to conduct monthly safety-themed activities, such as "100 Days of Safety Action", "Month of Safety Education and Training" and "Month of Safety Standardization Observation."



Launch of "100 Days of Safety"



Fire Safety Conference



Exhibition Safety Education



Safety Training and Education Briefing

We consistently evaluate and report the health and safety performance of both contractors and employees using the same standards.

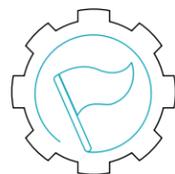
Safety Construction Training in 2023		
Coverage rate for training on workplace safety for employees	Coverage rate for supervisory unit safety training	Coverage rate for contractor safety training
100%	100%	91.15%
Average training hour per person	Average training hour per person	Average training hour per person
51 hours	45 hours	45 hours

¹ The "three-level" safety education refers to the safety education at the Company, the project department, and the construction team, and it is the necessary step for workers before they enter the site and start their work.



Ensuring Customer Service

CIFI puts customers first, adheres to the principles of integrity and fairness, and respects and protects the legitimate rights and benefits of every customer. We value customer satisfaction, adjust and optimizes service strategies, and ensure that customers can feel our professionalism and dedication in every interaction.



Protecting Customer Rights and Benefits

We always attach great importance to the information and privacy security of our customers, strictly protect their rights, and provide them with safe and reliable services through responsible marketing practices. We are committed to establishing mutual trust relationships and ensuring that the rights and benefits of our customers are fully respected and protected.

Responsible Marketing

We comply with the "Urban Real Estate Administration Law of the PRC", the "Measures for Administration of the Sale of Commodity Properties" and other laws and regulations, and have formulated responsible marketing systems such as the "Sales Personnel's Letter of Undertaking of Responsibilities", the "Marketing Personnel's Letter of Undertaking of Responsibilities", the "Seven Major Disciplines on Marketing, Bidding and Procurement Expenses" and the "Client Management System for Sales Personnel", which clearly regulate the behavior of marketing personnel to eliminate marketing activities that contain exaggeration and misleading consumers.

Information Disclosure

Following the "Operational Guidelines on Transparent Disclosure in Sales Offices", we display information at all sales centers of our projects, including sales licenses, contracts, pricing information and other pertinent details. We also provide information on neighboring facilities, various house types and delivery standards. We show our complaint hotline at the sales offices and in delivery notices, to protect customers' access to information and complaints, as well as to promote rational consumption.

Compliance Marketing

We establish and regularly revise the content standards for our external communications, including sales discourse, to ensure compliance and timeliness. Furthermore, all content published undergoes rigorous review by the legal department to uphold open and transparent marketing practices.

Marketing Training

Monthly targeted training is conducted for all sales staff to heighten their sense of compliance and responsible marketing. In 2023, additional training on "Wangxiaobao Channel Risk Control" was introduced, and the knowledge base of the "Green and Blue Book for Long March Combat" was updated to bolster the employees' awareness of ethical sales practices. During the Reporting Period, over 50 marketing-related training sessions involving more than 1,000 participants were conducted to further reinforce employees' awareness of compliance and responsible marketing.

Marketing Audit

We establish a specialized audit team to conduct routine internal audits and monthly third-party mystery customer visits to thoroughly assess the service management and compliance aspects of sales, including unannounced visits to sales halls, exhibition areas and show rooms. In 2023, the Group undertook a total of 120 third-party mystery customer visits across all 9 regional companies and 65 project, achieving an overall cumulative score of 93.5 points for the year.

Information Security and Privacy Protection

We strictly abide by the "Cyber Security Law of the PRC" and other relevant laws and regulations and formulate and implement the "CIFI Group Information Security Technical Standards and Working Guidelines", which standardizes the customer information encrypted storage, masked display, access control and the operation log keeping during information collection, storage and use.

In order to safeguard information security and customer privacy, the Group has established a top-down confidentiality management mechanism, issued the "Information Confidentiality Management Measures", and implemented confidentiality measures across technological, physical, and human dimensions. These measures involve setting up confidentiality levels, and differentiating access for various categories of confidential information such as business information, data assets, and third-party information.

- › **Technical defense:** We adopt technical means such as security protection software, detection of malicious IP addresses in the office network, intranet access, mail gateway, etc., restrict the use of third-party software, and activate keyword filtering and monitoring of attachments to avoid information leakage.
- › **Physical defense:** We conduct daily and weekly dynamic security testing and actively carry out security audits and inspections to comprehensively check the vulnerabilities, Trojans and other hidden dangers on the PC side and server side, and mandatorily require all employees to change their passwords on a regular basis.
- › **Human defense:** We limit access to customer data to authorized personnel, mandating the signing of Confidentiality Agreement and the "Undertaking of Attribution of Intellectual Property Rights of Functional Achievements" by employees having access to crucial confidential information. We maintain zero tolerance for leakage and seriously hold violators accountable for leakage.

During the Reporting Period, the Group organized training sessions on topics such as phishing emails, weak password protection and daily network security, with a participation rate of more than 80%. This training covered the technical and product teams of the Digital Technology Department at the headquarters, as well as the IT service teams in each region. Additionally, the Group conducted specialized training at the headquarters and various regions to prevent information security risks like phishing emails, network fraud, mailbox extortion, secret chat fraud and domain name hijacking, with a 100% participation rate through group-wide circulars and security presentations.

2023

No. of customer privacy data leakage incident

0

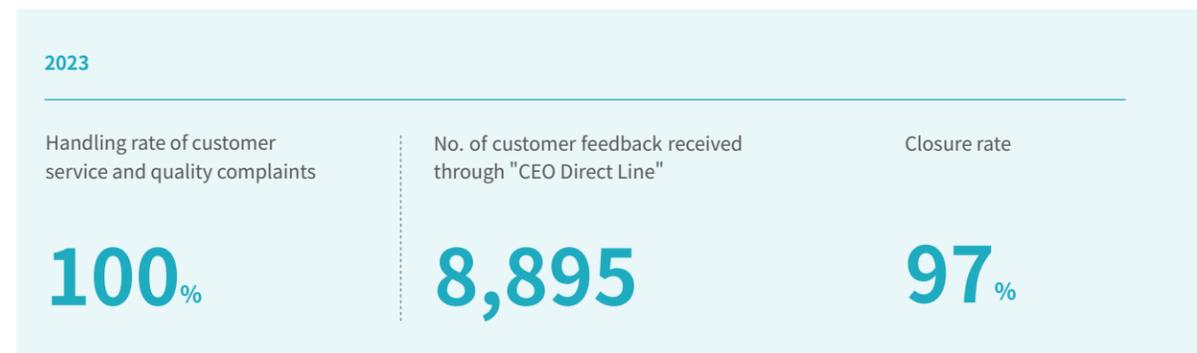


Focus on Customer Satisfaction

CIFI is proactively enhancing its customer feedback mechanism, actively seeking customers' input to ensure their needs are promptly addressed and resolved. The belief is rooted in the understanding that by attentively listening to feedback and continuously improving services, genuine enhancement of customer satisfaction can be achieved, resulting in the trust and support of the clientele.

Improving Customer Feedback Mechanism

To facilitate smooth and convenient channels for customer complaints, CIFI has established a comprehensive customer feedback platform, which includes channels such as the WeChat account "CEO Direct Line (CEO 直通车)", 400 service hotline and complaint mailbox. All complaints are processed via the "Joyful Heart Assistant (悦心助手)" system, and assigned to responsible personnel, ensuring a response to the customer's request within 30 minutes, and continuous communication until the complaint is closed. In 2023, a total of 24,153 customer service and quality complaints were received, all of which were resolved, resulting in a 100% handling rate. Additionally, 8,895 customer feedback was received through "CEO Direct Line", with a 97% closing rate.



Launching Executive's "Listening Campaign (聆听行动)" to Improve Customer Service Quality

In August 2023, CIFI officially launched the executive's "Listening Campaign". This campaign actively listen and response to the opinions and suggestions of new and existing customers through various means including interviewing existing customers and face-to-face meeting new customers upon delivery. We practice the customer-centric concept through practical actions, and optimize and improve customer service through the long-term "Listening Campaign" to meet the constantly changing customer needs.



Enhancing Customer Satisfaction

CIFI continues to optimize its customer service, focuses on improving the service capabilities of its frontline team on the basis of existing platforms and activities. Further, leveraging regular satisfaction surveys, we gain a deeper understanding of customers' needs and expectations to ensure customer satisfaction towards our service.

"CIFI Club House (旭客家)"

CIFI has integrated the customer relations application "CIFI Club" and the marketing application "CIFI Home" into an online and offline platform to address customer complaints and repairs. Furthermore, a new satisfaction research system was implemented in 2023, allowing customers to score and evaluate CIFI's products and services, contributing to continuous service improvement.

"Wholehearted Maintenance (悦心保养)" Service

We conduct "Wholehearted Maintenance" services every year to provide homeowners with home maintenance and repair services. In 2023, we conducted 153 on-site maintenance in 58 projects, serving over 100,000 homeowners. In the future, we will continue to carry out such services to enhance our customers' overall living experience.

"Wholehearted Renovation (悦居焕新)" Plan

This is a program we have launched to revitalize older communities. In 2023, we completed 76 modification work for 44 communities in 17 cities, rejuvenating the communities to present a better and more enriching living experience.

In order to strengthen the fundamental quality management and enhance the service capabilities of the frontline team, in 2023, CIFI built the frontline order control team and implemented the initiative from outsourced order control to self-regulation across the entire organization. This program aims to enable the Company to exercise better control over service quality, deliver attentive property management and services to customers, and enhance responsiveness to customer requests.

During the Reporting Period, CIFI conducted satisfaction surveys utilizing both its own research system and third-party research organizations. These surveys adopted various methods, including telephone interviews and online questionnaires, and were centered on aspects such as property management, daily operation and response, and shopping mall facilities. In 2023, the customer satisfaction rate stood at 66.9%.

Practice

Drawing a Blueprint for Environmental Protection



CORE ISSUES

- Tackling climate change
- Design and promotion of green and healthy buildings
- Water efficiency
- Energy conservation and emission reduction
- Product safety and quality
- Rational development and ecological protection
- Industry cooperation and development
- Waste management

IN RESPONSE TO



KEY PERFORMANCE IN 2023

Area which meet green building standards in the completed GFA

99%

Percentage of renewable energy technology in new projects

79%

Percentage of prefabricated buildings in new projects

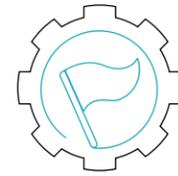
79.6%

KEY ACTIONS IN 2023

- Constantly tracked and followed IFRS and TCFD requirements for management.
- Actively developed reclaimed water recycling technology for water reusing.
- Fully applied the "CIFI Cloud" platform and introduced intelligent energy control solutions.

Response to Climate Change

The Financial Stability Board (FSB) established the Task Force on Climate-Related Financial Disclosures (TCFD) in 2015 to provide guidance to companies for preparing sustainability reports, enabling voluntary disclosure of climate-related financial risks. In 2023, the International Financial Reporting Standards (IFRS) Foundation issued its inaugural standards, the General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and the Climate-related Disclosure (IFRS S2). IFRS S2 incorporates all TCFD disclosure recommendations and is further refined and upgraded. CIFI, aligning with the recommendations of IFRS S2 and TCFD, demonstrates its long-term commitment to environmental sustainability and user comfort through proactive risk management awareness and initiatives. We identify physical risks and transition risks and thoroughly assess their potential impact on the business. Simultaneously, we continuously enhance our climate-related risk management by implementing targeted measures to mitigate financial impacts across the entire value chain. Proactively embracing opportunities arising from the transition, CIFI actively strengthens its capabilities in low-carbon development.



Governance

The Risk Management Committee is the highest responsible institution in charge of risk management. CIFI has integrated climate-related risk management into the Group's comprehensive management system for overall management.

Strategy

Based on the risk categories recommended in IFRS S2 and TCFD, CIFI has identified 22 climate-related risks with greater impact and possibility, including 10 physical risks and 12 transition risks, from the perspective of its own business type and operations, and in conjunction with national policies, industry trends and stakeholder concerns.

We have conducted assessments on each risk in terms of the possibility of the events and the degree of impact on the Group. In order to ensure the risk assessment results are in line with the current operational position of the Group, all relevant departments have participated in the risk assessment process, and have concluded with the following risk matrix.



Ranking in Risk Assessment

Market risks	Change in customer preferences	1
Policy and regulation risks	Green building targets and standards	2
Technological risks	Green construction technology	3
Policy and regulation risks	Energy structure and energy use	4
Acute risks	Typhoon	5
Policy and regulation risks	Carbon pricing	6
Other impacts to stakeholders	Supply chain (upstream and downstream)	7
Policy and regulation risks	Waste management standards	8
Technological risks	Energy technology	9
Acute risks	Extreme downpours	10
Acute risks	Extreme heat	11

Market risks	Cost and supply of raw materials	12
Other impacts to stakeholders	Investors	13
Acute risks	Floods	14
Acute risks	Extreme cold	15
Policy and regulation risks	Disclosures of environmental information	16
Chronic risks	Rising temperature	17
Chronic risks	Pressure and unstable supply of water resources	18
Chronic risks	Rising sea levels	19
Other impacts to stakeholders	Local communities	20
Acute risks	Drought	21
Chronic risks	Land desertification	22

Risk Management

Physical risks

CIFI adheres to the "CIFI Group Operation Guideline for Handling Routine Matters of Projects" to address potential adverse impacts resulting from extreme weather events. Through identifying high-impact weather events in the guideline and establishing a comprehensive and effective response mechanism for acute climate risks, attempts have been made to minimize their effects on project construction and prevent losses caused by extreme weather. In response to various high-impact weather events, project teams promptly monitor weather warnings and notifications from relevant higher-level departments, enabling early preparations and deployments. Additionally, in the extreme heat events, cyclones or other severe weather, CIFI dynamically adjusts operational hours in accordance with national regulations and requirements. Effective measures are implemented to reduce heat and maintain warmth, thereby preventing potential loss of personnel and property.

In order to further safeguard the personal and property safety of the residents and to enhance their living experience in all aspects, we have proactively enhanced the resilience of our buildings against extreme weather conditions. This includes considering potential physical risks during the project design phase, such as implementing the typhoon-resistant design in coastal areas, raising mechanical drainage levels in sunken plazas and concave sites, and adjusting the plus-minus zero elevation of the first floor in riverine projects to mitigate flood risk. In addition, we continue to improve the "CIFI Group Guidelines for Electromechanical Cold-Resistant and Warming Design" and other guidelines to fulfill the requirements of the project design in each region for extreme cold and other abnormal weather.

Transition Risks

Policy and regulation risks

China is actively addressing climate-related risks and opportunities and is gradually setting carbon reduction targets and policies. We comply with and respond to national regulations and policies related to the reduction of carbon emissions, and strive to cut carbon emissions and reduce carbon intensity from our own operations. At the same time, we pay close attention to related regulations and policies, analyze the trend of Carbon Peak and Carbon Neutrality policies, and begin preparation in advance. By complying with the "CIFI Group Design Guidelines for the FABRIC Craftsmanship System", we integrate "sustainable development" into our structural design concepts, adopt green materials and low-carbon structural forms, and endeavor to achieve the carbon peaking and carbon neutrality goals and assume its due social responsibility.



Market risk

The government's commitment to reduce carbon emissions highly coincides with consumers' willingness to upgrade their consumption concepts. CIFI has conducted a timely analysis of its customer base to pinpoint changes in consumer preferences. The "CIFI Group Design Guidelines for HUMAN Intelligent Healthy Life 3.0" sets out design requirements by benchmarking the international WELL certification system in response to the increasing customer preference for low carbon and health. Additionally, we put forth the "FABRIC Craftsmanship" system based on the idea of sustainability and gives buildings innovative and green characteristics through the use of green materials and low-carbon structures while guaranteeing architecture beauty, security and economics, and creating top-tier products in the field of green buildings.



Technical risks

We have vigorously promoted the application of renewable energy in every project and followed relevant guidelines including the "Design Guidelines for Solar Water Heating System of CIFI Group" to provide reasonable design of energy structure and maximize renewable energy application for projects in all regions. To respond to the local governmental policies for ultra-low energy consumption buildings, we actively explore the ultra-low energy consumption technology system. As the first residential project in Shanghai to apply for and pass the evaluation of Shanghai's ultra-low energy consumption program, Shanghai Century One Mile has achieved a reduction in energy consumption by more than 50% through the use of advanced green technologies such as renewable energy utilization, high-efficiency heat recovery, high-efficiency energy-using equipment and building insulation.



In addition, we actively apply intelligent energy efficiency management systems to provide fine-grained energy control over the daily operation and user energy consumption of the building. Through the introduction of intelligent sensors and automation systems, we have realized real-time adjustment of various parameters (such as temperature, humidity and light) inside the building to achieve efficient and energy-saving operations. We use passive design and energy modeling to deepen the building layout and reduce the reliance on energy-consuming equipment, contributing to low-carbon and energy-saving operation and maintenance.

Opportunities

Driven by the global trend of sustainable development and green buildings, CIFI has capitalized on the market opportunities and advanced innovation in green building initiatives. We have improved building efficiency and quality through the extensive use of prefabricated buildings in new construction projects and significantly reduced the energy consumption and carbon emissions of our buildings through the implementation of ultra-low-energy building designs, such as Shanghai Century One Mile.

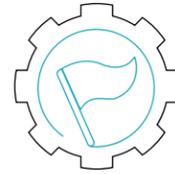
Mertics and Targets

Reasonably setting management indicators and short, medium, and long-term climate goals helps CIFI to address and manage the growing climate risks. CIFI has carried out greenhouse gas inventories, established a comprehensive metrics system, formulated medium and long-term carbon reduction action plans, and regularly reviews the results of carbon reduction efforts, striving to achieve the 'carbon peak' by 2030 and 'carbon neutrality' by 2060. CIFI will continue to improve building energy management in the future, introduce green energy and recyclable building materials, explore low-carbon technologies, and contribute to the country's 'dual carbon' goals and the realization of sustainable development for the whole society.



Improving Green Construction

CIFI rigorously adheres to the laws and regulations such as the "Law of the PRC on Land Administration" and the "Regulations of the PRC on Nature Reserves", which govern the development of greenfield and brownfield sites, as well as biodiversity conservation. We attach great importance to the application of green environmental technologies in building design and accelerate the research and practical application of innovative technologies in the fields of green and healthy buildings, building industrialization, sponge cities, energy saving and carbon reduction, and intelligent control. We are dedicated to championing the concept of green innovation, leveraging our robust capacities in research and development and achieving technological breakthroughs to propel the high-quality advancement of green buildings.



Leading Green Construction

Green and Healthy Design

We place utmost importance on the research, development and innovation of green building technologies, such as prefabricated buildings and low-carbon structures, and actively promote the design and implementation of green and healthy building systems. To this end, we have promulgated the "CIFI Group Design Guidelines for the FABRIC Craftsmanship System", affirming our commitment to integrating sustainable development into our structural design concepts. This encompasses the adoption of environmentally friendly materials, utilization of low-carbon structural forms, and the pursuit of Carbon Peak and Carbon Neutrality goals to fulfill our social responsibility. Furthermore, we persist in advocating for the implementation and application of the "CIFI Group Design Guidelines for HUMAN Intelligent Healthy Life 3.0", diligently overseeing the low-carbon and green management of the entire building life cycle from design to operation, and promoting the sustainable development of buildings and cities.

In our endeavors to enhance thermal insulation performance, we purposefully expand green spaces through green roofs and vertical greening to offer residents a verdant and comfortable living environment. Additionally, we endeavor to employ green and recyclable materials, to promote the green and low-carbon design concept.

Chengdu CIFI Center (成都旭辉中心), a green TOD¹ multi-functional complex project

Chengdu CIFI Center, located in Wenjiang District, Chengdu, is the first TOD multi-functional complex project in Wenjiang under Chengdu's TOD strategic layout, which meets the design requirements of the 2-star National Green Building.

- We have reduced lighting waste and light pollution by optimizing the lighting design and layout. Meanwhile, we tracked the building's energy consumption in real time through the energy monitoring system to avoid unnecessary energy consumption.
- We set up a reclaimed water reuse system to collect high grade gray water, which is treated by reclaimed water equipment and replenished to the cleaning tank at rainwater engine room, for basement washing and cleaning.
- We have designed a rainwater collection system to collect roof rainwater in separate zones, which is used for ground watering and greening irrigation after subsequent processes.
- We prioritize the use of renewable building materials. The use of renewable materials including wood, steel, glass, recycled bricks and crushed stone accounts for more than 10% of the project needs.

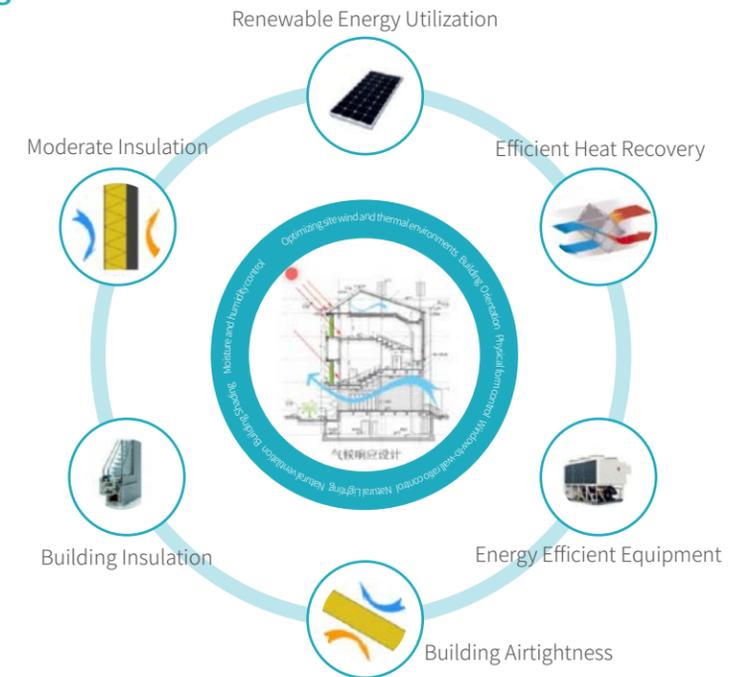


¹ Transit-Oriented Development

Reducing Consumption and Saving Water

Green and low-carbon buildings are inherently linked to the utilization of low-energy consumption and water conservation technologies. We meticulously monitor the energy and water usage of buildings and implement cutting-edge energy management and water conservation equipment to facilitate the development of green and low-carbon buildings.

In 2023, our primary focus was on enhancing energy efficiency. Through the adoption of advanced energy-saving technologies and equipment, such as high-efficiency air-conditioning system, LED lighting and energy monitoring systems, we have significantly decreased energy consumption and greenhouse gas emissions. Furthermore, we have optimized the building structure during the design phase to ensure ample natural lighting and enhance the thermal insulation performance of the building, thus further mitigating energy demand.



Schematic Diagram of Ultra-Low Energy Consumption Building Technology System

Promotion of Water Saving Equipment for Effective Water Resource Utilization in Changsha Yuhua CIFI Lane (长沙雨花旭辉里)

In 2023, CIFI actively promoted water conservation and reclaimed water recycling equipment in Changsha, Chengdu and Shaoxing to facilitate water resource recycling. In the commercial part of Yuhua CIFI Lane project in Changsha, a three-tier graded metering design was implemented to accurately control water consumption. Simultaneously, all installed sanitary appliances complied with the water efficiency standards for three-stage water-saving devices, meeting the relevant national standards. Water-saving irrigation methods such as micro-irrigation or drip irrigation were employed in the landscaping irrigation area.



2023

Projects applying solar technology

53

Accounting for

51.46%

Projects applying ground source heat pump systems

2

Projects applying solar photovoltaic technology

6

Comfortable Living Environments

We are dedicated to creating an environment that is friendly to all, particularly for individuals with disabilities. In 2023, accessible elevators capable of accommodating stretchers were installed in certain completed project. In the design phase of certain development projects, we have given full consideration to various accessibility needs, such as providing ramps for individuals with disabilities, accessible toilets and elevators. Additionally, the interior public areas of buildings feature rounded corners on walls and pillars, along with safety grips or handrails.

Building a Sponge City

CIFI remains dedicated to promoting the "CIFI Group Design Guidelines for Sponge City", which seeks to enhance building resilience against climate change impacts. In 2023, CIFI designed 67 new sponge city projects, accounting for 52.34% of the total number and covering 52.19% of the area.

Environmentally-Friendly Materials

During the design phase, we prioritize the use of recyclable materials to create a low-carbon and environmentally friendly living experience. This includes extensive use of high-strength steel such as H-beam and cold-rolled steel plates to minimize concrete usage, thereby reducing the project's carbon footprint. Furthermore, we employ Low-E glass with exceptional thermal insulation and heat-insulating properties to decrease energy consumption while ensuring adequate luminosity. Additionally, the amount of utilization of recycled bricks for both the building's exterior walls and interior decoration represents 20% of the amount of bricks that the project requires. Where practical, locally sourced aggregates are used to minimize the environmental impact of long-distance transportation.

Green Building Certification

CIFI remains dedicated to implementing green and sustainable concepts throughout the entire lifecycle of buildings. Our commitment includes actively increasing the proportion of meeting green building standards in areas such as environmental protection, innovation, efficiency improvement and intelligent construction, and promoting low-carbon development in urban areas.

In 2023, we adhered to the green building targets set in the previous year.

- All residential products must meet a minimum of one-star green building design standard, with 100% of S-series¹ projects meeting one-star or two-star green building standards and 100% of T-series² projects meeting two-star or three-star green building standards.
- All newly-acquired commercial projects adhere to the two-star green building design standard, with high-end projects aiming to achieve the three-star certification standard for green buildings and healthy buildings. These projects are encouraged to meet the requirements of certifications such as LEED, WELL, BREEAM, and others, and to declare their certifications based on project conditions.

In 2023, we engaged in active communication with the International WELL Building Institute (IWBI) and the British Research Establishment (BRE) regarding strategic cooperation opportunities, R&D investment, and the process of obtaining dual certifications from WELL and BREEAM. Strategic cooperation agreement has been signed by both parties. At the same time, we are fulfilling our commitments to greenfield development with specific projects to be completed by 2024.

In 2023, our numerous projects excelled in energy conservation, environmental protection, and resource utilization, establishing themselves as industry benchmarks.

¹ Smile series - urban prime residential products in mainstream section

² Top series - high-end residential products in core urban areas

2023

No. of completed projects

60

No. of projects meeting the green building standard

60

Proportion

100%

Completion GFA

6,744,700
sq.m

GFA meeting green building standard

6,726,700
sq.m

Proportion

99%

Shaoxing CIFI Cmall (绍兴旭辉 Cmall) Deeply Explored Green Low-carbon Technology Sources

Shaoxing CIFI Cmall, situated in the Zeshuipai on the east side of Shaoxing downtown, was opened in July 2023. The GFA is 93,532 square meters, incorporating 3 above-ground floors and 2 underground floors. The structural form is a frame structure and equipped with a water system of central air-conditioning. It is categorized as a Class A public building under the design standard for energy efficiency of public buildings, and meets the two-star green building standard. The project incorporates measures such as air conditioning pipe insulation and exterior wall insulation to ensure energy efficiency and indoor comfort. Additionally, it features an IoT system and energy consumption monitoring system, which collect data through intelligent sensors and analyze and optimize the collected data via a cloud platform to enhance energy use efficiency and system operation reliability.



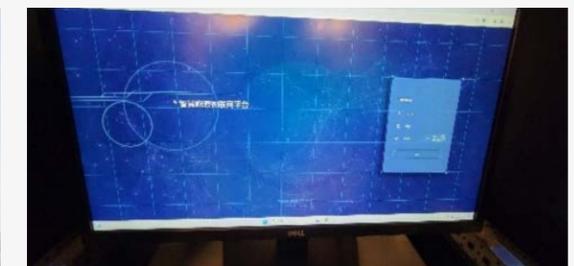
Air Conditioning Pipe Insulation



Energy Monitoring System



Exterior Wall Insulation

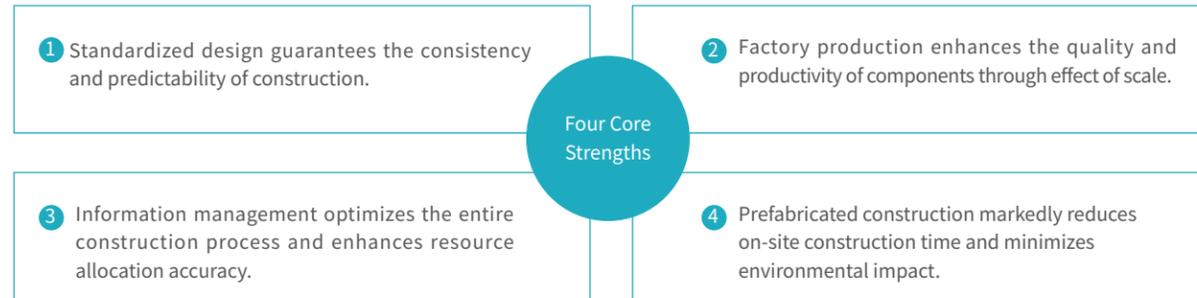


IoT System

Prefabricated Building

In 2023, CIFI further advanced the application and development of prefabricated construction technology, actively embracing emerging prefabricated technologies such as SPCS/EVE prefabricated system and prefabricated basement technology.

We are dedicated to adhering to the "Design Guidelines of Leakage Prevention for Fabricated Projects" and integrating fundamental concepts into our construction. We highlight four core strengths:



The prefabricated technology effectively reduces energy and water consumption and mitigates noise pollution during the construction process. It addresses common issues in traditional construction, such as quality instabilities and schedule delays. Additionally, it enhances the quality and productivity of building components, significantly reduces material and waste generation, and further diminishes overall energy consumption.

2023



In 2024, we are fully committed to complying with the requirements in respect of prefabricated buildings under the land lease conditions.

Using Green and Low-Carbon Materials

CIFI is dedicated to minimizing environmental and health impacts from the source and offering environmentally friendly green products to the market.

In 2016, we took the lead to participate in the Real Estate Green Supply Chain Initiative, which enforces stringent requirements for suppliers and their products in terms of environmental friendliness and safety throughout the procurement process.

In 2023, we actively advocated for the adoption of joint green procurement objectives among members of the CURA Joint Purchasing. We also promoted the selection and utilization of green products and led the procurement of five categories in the 13th batch of the CURA Joint Purchasing, including air conditioners, solar water heaters and shower rooms. Furthermore, we constantly improving the "Green Product Procurement Catalogue" and the "White List" of green building materials, serving as a reference for the incorporation of green and healthy materials in projects.

Green Product Procurement Catalogue

- 01 Chrome-free aluminum alloy profile
- 02 LED lamps and lanterns
- 03 Solar water heater
- 04 Air energy water heater
- 05 Smog free ventilator
- 06 Grade 1 Energy Efficiency Wall-hung Furnace
- 07 Reflective heat insulation coating
- 08 Precast concrete sandwich insulation wall panel and SW silicone graphene non-removal molded insulation panel
- 09 Low-e Glass
- 10 E1 grade man-made panels
- 11 Lead-free or low lead faucets
- 12 Water-saving toilet
- 13 Inverter air conditioner

Strengthening Construction Environment Management

CIFI places great emphasis on the environmental management of construction sites. Save for adding rating standards for construction management into the "Green Building Operation Form", we also strictly implement the "Administrative Measures for Green Construction", "Administrative Measures for Safety and Civilization" and "Operation Guidelines for Standardized Management of Safety and Civilization" in order to specify a series of measures in relation to environmental protection during the construction process.

Energy Consumption

We advocate reducing energy consumption and minimizing the use of high-energy and high-emission materials. This includes implementing energy-saving measures, such as using shaft elevators and energy-efficient light fixtures. Additionally, we aim to upgrade the construction system by adopting new materials and methods. This includes promoting the use of mechanical steel reinforcement connections to minimize the amount of steel used, implementing thin and plaster-free plastering to decrease cement usage, and utilizing pre-paved anti-adhesive waterproofing materials and high-precision flooring to reduce the protective and leveling concrete layers, as well as overall concrete usage.

Waste Water

- The installation of slurry tanks and sedimentation tanks are required by regulations in pile foundation construction, along with regular pumping.
- A rainwater recycling system is set up for utilizing treated rainwater and wastewater in road cleaning and greening maintenance at the construction site to minimize emissions.
- Built septic tanks and sedimentation tanks, and handle wastewater discharge procedures to ensure compliance with discharge standards for the discharged wastewater.

Dust

- Enforce strict adherence to local control regulations.
- Utilize commercial concrete, ready-mixed mortar and other materials to minimize on-site mixing.
- Erect close fencing around the site, install spraying facilities along the fencing and implement overhead spraying for tower cranes in specific projects.
- Implement the coverage of all dust-prone materials for the piles.
- Conduct wet operations for earth excavation.
- Install vehicle washing equipment at the entrance and exit for washing vehicles upon entry and exit.
- Implement hardening of construction site pavement.
- Implement closed transportation for slag soil vehicles.
- Prioritize project basement conditions and greening, thereby reducing the duration of soil exposure.

Waste

- Allocate a designated area for centralized stockpiling, with the general contractor responsible for unified removal and centralized treatment.

Waste Gas

- Reduce open-flame operations and strictly control welding, cutting and other behaviors that tend to generate air pollution.
- Strictly prohibit the burning of construction waste, open fire heating, etc. on the project site.
- Use electric vehicles as on-site transportation vehicles wherever feasible.
- Use municipal power supply in site if available and prohibit the use of generator power supply.
- Non-road transportation vehicles need to meet the environmental requirements; strictly prohibit the operation of unqualified vehicles on-site.

In 2023

Changsha Park Mansion (长沙铂悦湘江), Changsha Central Palace (长沙铂宸府) and Shenyang Platinum Times (沈阳铂辰时代)

were awarded the accolade of Green Labeled Site



The systematic implementation of the above measures ensures the safety and civilization of the construction site, while also achieving energy conservation and emission reduction.

In 2023, we implemented a range of on-site inspection procedures in our construction projects, involving the scrutiny of lighting equipment on the construction site to guarantee the use of low-angle, low-brightness, directional lamps and lanterns in order to minimize the effects of light pollution on local residents and the environment. Nighttime construction site inspections is strengthened to ensure the appropriate use of lighting fixtures and timely adjustment of lighting angles and brightness to prevent light pollution.

In 2023, three of CIFI's projects under construction were awarded the accolade of Green Labeled Site by the local government, by having achieved "three savings and one environmental protection" during construction. This ensured that regular construction activities could continue during the dust control period, maintaining the progress, quality and continuity of workers' duties.

Building a Green Operation Environment

CIFI is dedicated to advancing the philosophy of intelligence and low-carbon business and actively employs sustainable operational methods, including low-energy operations, green leasing and green office initiatives, etc. CIFI reduces carbon emissions and enhances resource efficiency in property operations through equipment renovations and innovation in operational models and measures.



Intelligent Energy Consumption Monitoring

CIFI constantly adheres to the "Management System for Energy Saving and Consumption Reduction", ensuring precise, meticulous and intelligent energy control.

In 2023, we extensively utilized the platform "CIFI Cloud (旭云)" to establish precise energy efficiency standards during project planning and design phases, including specific indicators for building insulation, ventilation, lighting, etc., to ensure that new projects achieve industry-leading levels. Leveraging the IoTs and artificial intelligence technology, intelligent energy control solutions were integrated into our projects.

In 2023, CIFI's new projects in Huai'an and Shaoxing employed intelligent sensors and automation systems, enabling real-time adjustment of parameters such as temperature, humidity and lighting in buildings to achieve high energy efficiency.

Apart from the CIFI Cloud platform, we have employed the passive design and energy modeling approach in several projects. This method reduces energy consumption by optimizing building layouts and utilizing natural ventilation and lighting to minimize reliance on mechanical equipment.

Decarbonized Commercial Operation

We prioritize energy conservation and emission reduction in buildings, embrace green operational concepts, and endeavor to achieve low-carbon commercial operations. In 2023, we achieved the following outcomes in low-carbon operations:

Low Carbon and Energy Efficiency

2023

Savings in actual electricity consumption compared to budgeted electricity consumption

11.2%



Waste Management

100% of the projects have contractually engaged professional third parties to collect and manage the waste on a regular basis.



Enhancing Water Efficiency

In 2023, the valve of water facilities such as bathroom urinals, hand basins, squatting pit foot valves, etc. in commercial projects were adjusted to avoid wastage caused by excessive water flow. Meanwhile, green irrigation was planned to optimize the irrigation cycle according to the season. Plaza stones were cleaned according to weather conditions, which saved a total of nearly 18,000 tons of water.



Installation of Exterior Sunshade on Dome Glass in Chengdu CIFI Plaza (成都旭辉广场) Saved Energy

In 2023, an energy-saving reconstruction was performed for the dome glass of Chengdu CIFI Plaza (成都旭辉广场) in the Xindu District, Chengdu. Subsequent to the installation of sunshades and under similar outdoor temperature conditions, the average temperature at the room boundary field decreased by 3°C, and the average temperature at the test points of the inner dome glass surface decreased by 28°C. The overall shading measures and the daily ambient temperature of the unshaded indoor samples led to a reduction of approximately 5°C. Over 93 days of high summer temperatures, a total of 8.5 kWh of energy was conserved.



Green Leasing

CIFI enhances the environmental performance management of tenants across various aspects such as merchant entry, daily operations, environmental promotion and monitoring. It designs and adheres to the "Decoration Manual Guidelines" and "Limit of Hazardous Substances in Wallpaper of Interior Decoration Renovation Materials", etc., in addition to setting forth requirements or recommendations in contracts regarding electrical materials, power usage of electronic appliances, exhaust gas emissions, and oil and sewage discharge utilized by tenants in their decorations to ensure alignment with national and regional environmental protection regulations and norms. Moreover, the Company restricts the use of high heat-generating and high-power consuming lighting fixtures in the stores and requires all materials to meet national environmental protection criteria, prohibiting the use of materials with formaldehyde exceeding the standard.

We actively comply with the "Regulations of Waste Separation" and implement waste sorting. Merchants' domestic and food waste are sorted and delivered to designated recycling organizations for recycling and reuse. Waste oils, greases and kitchen waste from catering merchants are managed by professional recycling companies. Bulky waste, recyclable materials, construction waste, disposable tableware, etc., must be separately disposed. Hazardous waste like paint, used lamps, and energy-saving lamps must be stored separately, instead of discarded arbitrarily, and regularly recycled and disposed by professional units.

Additionally, measures such as daily morning meetings, training, preaching and knowledge competitions are put in place to raise waste sorting awareness among commercial tenants. The compliance of commercial tenants with regard to electricity, water and exhaust emissions is regularly monitored. In 2023, CIFI conducted 24 specialized training workshops on energy conservation, electricity usage and water conservation for commercial tenants. Over the year, CIFI tracked the commercial tenants' consumption of water, electricity, oil and smoke emissions on a monthly basis and communicated with them 136 times in total, and also conducted special inspections of the merchants' consumption of water and electricity on a quarterly basis and accumulated 46 inspections. Throughout the year, CIFI performed a total of 136 inspections on the merchants' smoke ducts.

Energy-saving Office Environment

CIFI has initiated a comprehensive four-phase green office campaign encompassing "Energy Saving and Environmental Protection", "Recycling", "Low Carbon Transportation" and "Joint Resource Creation". This initiative is a proactive response to the national "dual carbon" strategy and showcases CIFI's commitment to green and low-carbon development, as well as its dedication to ESG sustainable development. With a focus on daily practices including energy conservation, water preservation, cherish food and eco-friendly travel, CIFI aims to embody the values of a low-carbon lifestyle and environmentally conscious office operations.

In 2023, CIFI headquarters organized yearly activity planning, involving the distribution of promotional materials like posters and posts through social media to encourage participation among all regions. The campaign shows active engagement by the employees, and each region tailored its activities based on their specific circumstances. For more information, please see the Feature Topic of the Year section on pages 12 to 15 of the Report.



Practice Encouraging Employee Growth



CORE ISSUES

- Recruitment and team building
- Employee remuneration and benefits
- Employee rights protection
- Equal participation and diversification
- Employee training and development opportunities
- Stakeholder communication and cooperation
- Occupational health and safety

IN RESPONSE TO



KEY PERFORMANCE IN 2023

Training hours per employee

52 hours

Internal growth rate of cadres

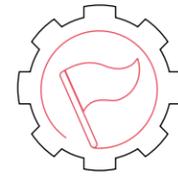
100%

KEY ACTIONS IN 2023

- Implemented the extreme survival mode to align expenses with operations, achieved streamlined personnel, controllable expenses and enhance efficiency.
- Promoted organizational reform to align with business and operations and streamlined platform and city structure.
- Implemented a long-term incentive framework and involved all staff to safeguard the asset value.
- Constantly reinforced the talent supply, and stabilized core personnel.
- Upholding corporate culture and maintaining continuous communication showed outcome, and organizational confidence steadily restored.

Focus on Talent Management

In 2023, CIFI continued to drive organizational reform to ensure effective alignment with our business and operations. We optimized our organizational management and control model, and iterated our position grading system and talent standards to align overheads with operations, thereby enhancing marketing effectiveness. Additionally, we activated internal talent resources, facilitated talent flow, and strengthened marketing talent team.



Equal and Diversified Employment

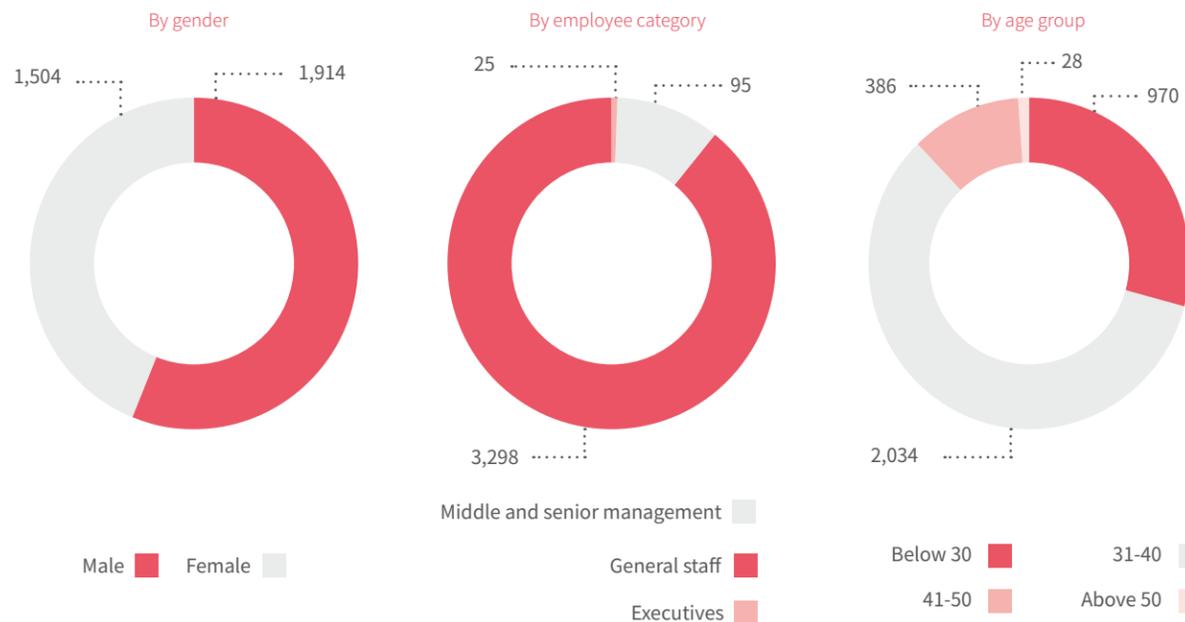
Total workforce¹

3,418

CIFI upholds the recruitment concept of diversity and equality, valuing each employee. We adhere to relevant laws and regulations, such as the "Company Law of the PRC", the "Labor Law of the PRC" and the "Interim Provisions on Labor Dispatch". Our recruitment practices are guided by the principles of fairness and impartiality, ensuring equitable treatment of employees from diverse nationalities, ethnicities, races, genders and age groups, while safeguarding the legitimate rights and interests of all employees.

In 2023, CIFI conducted extensive recruitment activities and recruited 298 new employees, bringing the total number of the Group's employees to 3,418 as at 31 December 2023. There is one female director, accounting for 12.5% of the Board.

In 2023, the proportion of employees with disabilities was 0.5%. Moving forward, we will enhance collaboration with local disability associations and actively create more employment opportunities for individuals with disabilities, fulfilling our corporate social responsibility.



¹ Excluding Ever Sunshine Services

CIFI was awarded the "Talent Management Benchmarking Enterprise Award" and the "Top Employer in Professional Credibility" in 2023.



CIFI Bright Moon Talent (皓月生) Recruitment Supported Quality Employment

The CIFI Bright Moon Talent recruitment program aims to attract highly promising college students with a strong drive for success. The program facilitates rapid integration into the workforce through an all-scenario learning roadmap, intentional practical experience and scenario-based training within the "five-in-one" development system. By leveraging these approaches, we ensure that Bright Moon Talent swiftly acclimates to their roles, delivers consistent outputs and solidifies their expertise. This nurtures their potential to become exceptional sales professionals and key figures in marketing management, displaying the distinctive qualities of the CIFI brand. The standout features of the Bright Moon Talent recruitment program include:

- **Passion:** Embracing enthusiasm while young
- **Profession:** Offering excellent instruction within a robust system
- **Partner:** Building close-knit teams with zero distance
- **Platform:** Providing specialization within a broad platform
- **Payment:** Promoting diversification and exceptional returns



level-5 talent training system for Elite Bright Moon Talent

Protection of Rights and Benefits

According to the "Labour Law of the PRC", CIFI has developed the "Administrative Measures for Labour Employment" to regulate labour standards and establish harmonious labour relations. We strictly adhere to the "Regulations on the Prohibition of Child Labour" of the PRC and meet the requirement of International Labour Standards to ensure the legal labour rights and interests of our employees.

We are committed to eradicating the behaviors of child labour and forced labour, ensuring legal employment practices. Furthermore, the Group has implemented effective labour protection policies and is dedicated to enhancing the working environment for employees and fostering their participation in management.

We reject all forms of discrimination, upholding the principles of equality and inclusion, and respecting each individual employee and his/her age, gender, faith, race, etc., as we strive to foster a culture of "simplicity, fairness, sunshine, respect, trust, and openness".

CIFI has been certified to the ISO 45001 Occupational Health and Safety Management System, and rigorously adheres to this standard in safety management.

Remuneration and Benefits

In 2023, we continuously optimized our remuneration system by implementing a job-based salary structure and adopting a flexible salary adjustment mechanism for job changes to promote talent mobility and ensure internal fairness. During challenging period we have implemented diversified incentives, including the special incentive scheme "Weathering the Storm Together", to confront challenges alongside our employees and share the Company's growth achievements. Concurrently, we have implemented the OKR (Objectives and Key Results) management methodology, shifting the focus from performance management to performance empowerment, with the aim of efficiently achieving organizational goals.

Performance Management

The Group has set up the "Administrative Measures for Performance", which provides clear regulations on performance management, cultural values, evaluation requirements and key processes, and conducts performance evaluation and management for different employees on an annual or quarterly basis. Performance evaluation has an impact on employees' salaries, bonuses, benefits and appointments and dismissals.

In 2023, we adhered to the principle of remuneration management based on job positions, and adopted flexible salary adjustments for job changes. We conducted a unified salary review in the first quarter of the year and implemented unified salary adjustments for high-performing, high-potential and growing personnel. Based on personnel allocation, we ensured internal flexibility in post-deployment, while prioritizing controllable overall labor costs to provide employees with fair and competitive salaries, ensuring the rewards of professional growth and career advancement.

In response to employees' cross-regional mobility, we have fully implement a considerate policy to encourage talent mobility by providing subsidies for off-site postings and city transfer allowances due to organizational restructuring, development needs, or to support employees' career development.

We adhere to the philosophy of "joint creation, common responsibilities, and shared benefits", consolidate long, medium and short-term incentives and establish a comprehensive compensation and benefit system. For safeguarding the asset value of the Company, and setting up individual incentives, we align the bonus rewards with the achievement of realistic performance targets and the progress of incentives, effectively drive the achievement of the business goals. Through shortening the incentive cycle, we have enabled the effective implementation of the Group's core strategic orientation.

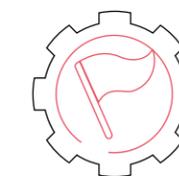
Employee Benefits

We provide our employees with a comprehensive welfare package, including social insurance, housing provident fund, paid annual leave and holiday benefits. Furthermore, we organize regular staff activities to foster camaraderie and uplift morale among our employees.

- Bonus points reward platform: In 2023, the points reward platform distributed points with the total value of over RMB1.23 million, with 13,221 redemptions by employees. Redeemed prizes included e-card vouchers, e-commerce shopping, food and beverage, bill payments, daily necessities, transportation and travel, with a total value of RMB1.93 million.
- Housing scheme: To alleviate the burden of home purchases among our employees, we offered financial subsidies to employees. During the Reporting Period, 2 employees received subsidies.
- Employee Care Fund: A fund has been set up to help employees tide over difficult times and provide them with emergency relief and warm care.
- Regular benefits: We provide various regular benefits to our employees, including afternoon tea, holiday gifts, and birthday or festival greetings. In 2023, we introduced the "1230 Energy Refueling Station" to offer logistical support for employees. Furthermore, we organized activities at the Dragon Boat Festival, distributed welfare points, and enhanced the organizational atmosphere with festive care.

Care for Employee Development

We are dedicated to training and developing exceptional employees. Our comprehensive training system offers diverse, high-quality training to enhance employees' professionalism and overall abilities. Additionally, we provide a clear promotion path to motivate continuous learning and personal development among our employees.



Multi-dimensional Training System

CIFI prioritizes personnel development and training and implements various programs tailored to different groups and hierarchical levels. In 2023, the training initiatives encompassed business, management, and key group training, achieving a comprehensive 100% coverage rate. The "Management Foundation 100 (管理筑基 100)" program accommodated over 200 online trainees and 150 offline trainees. Additionally, the training for major operational lines has been extended to cover more than 500 employees within the management officer group and major operational lines. Moreover, the crisis leadership program covers over 300 cadres.

Business

Newly launched training program for major operation lines, including 16 courses in 3 series, namely "Interpenetrating One-Section-One-Policy Management Strategy", "Implementing One-Section-One-Policy Management Strategy", and "Enhancing Management Officers' Management Capabilities".



Management

Promoted the training program "Management Foundation 100" to help newly appointed managers successfully transform, including 5 offline sessions, attracting more than 200 online trainees and more than 150 offline trainees, with a 97% pass rate of internal interviewer and mentor certification.



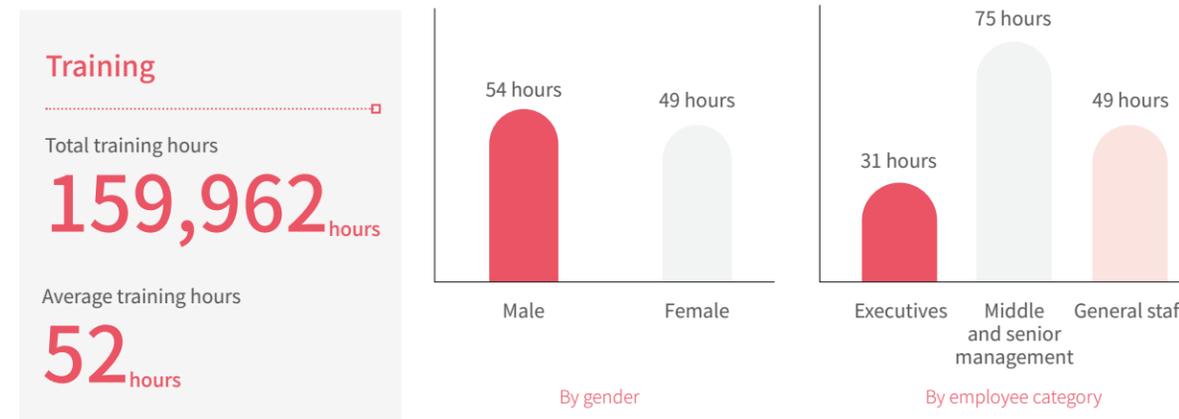
Key Groups

Launched the Leadership Transformation Program for cadres, sorted out the challenges and changes in leadership transformation in the new era, refined the behavior of excellent cadres, established a portrait of excellent managers, and improved the relevance of the program.



Managerial Talent

Carried out high-quality training and debriefing of "Morning Glory Talents (旭日生)" and "Elite Morning Glory Talents (精英旭日生)".



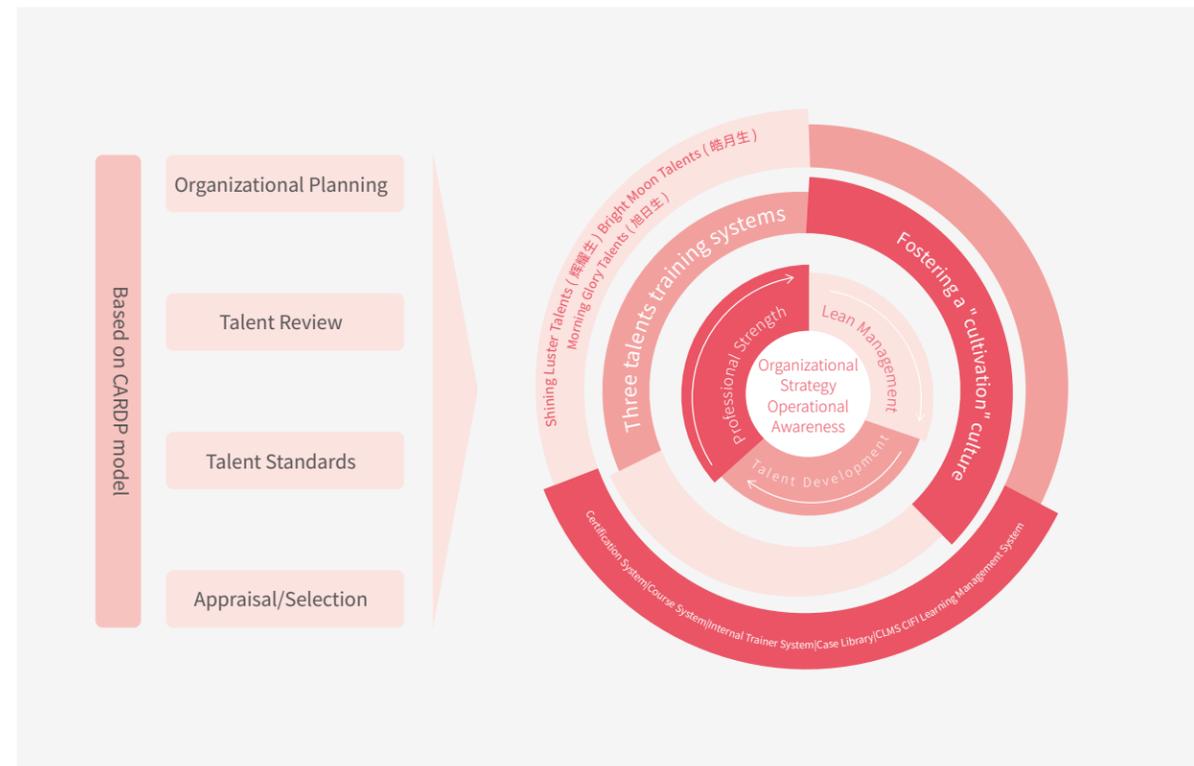
Kirkland's Four Levels Assessment Model is a widely utilized assessment approach in both educational and corporate training settings. It comprises four levels: reaction, learning, behavior, and results assessment. In 2023, we persisted in employing Kirkland's model to evaluate the efficacy of learning and subsequently refine the structure and substance of our training endeavors, with the goal of enhancing training efficiency.

Digital Training Platform

In 2021, CIFI developed an online learning system which achieved a coverage rate of 90% in 2022. Subsequently, in 2023, CIFI further refined and optimized the online learning platform. Backend courses were organized and a total of 1,566 courses were made available. Additionally, 101 new courses were introduced, leading to a significant increase in the number of daily active users on the platform to more than 1,000 and the project platform utilization rate exceeding 80%. In 2023, the internal coverage rate of online courses reached 100%, and the system was extended to benefit selected "Real Estate +" business segments.

Lean Promotion Plan

CIFI has developed an optimal talent allocation model by thoroughly analyzing talent allocation mechanisms and exploring and identifying an effective talent allocation method and path. Through continuous refinement of our processes, we have enhanced the efficiency and service quality. We have strategically defined the direction of talent allocation and meticulously outlined the eight steps involved, thereby offering substantial support to the team and significantly boosting the efficiency and efficacy of talent allocation.



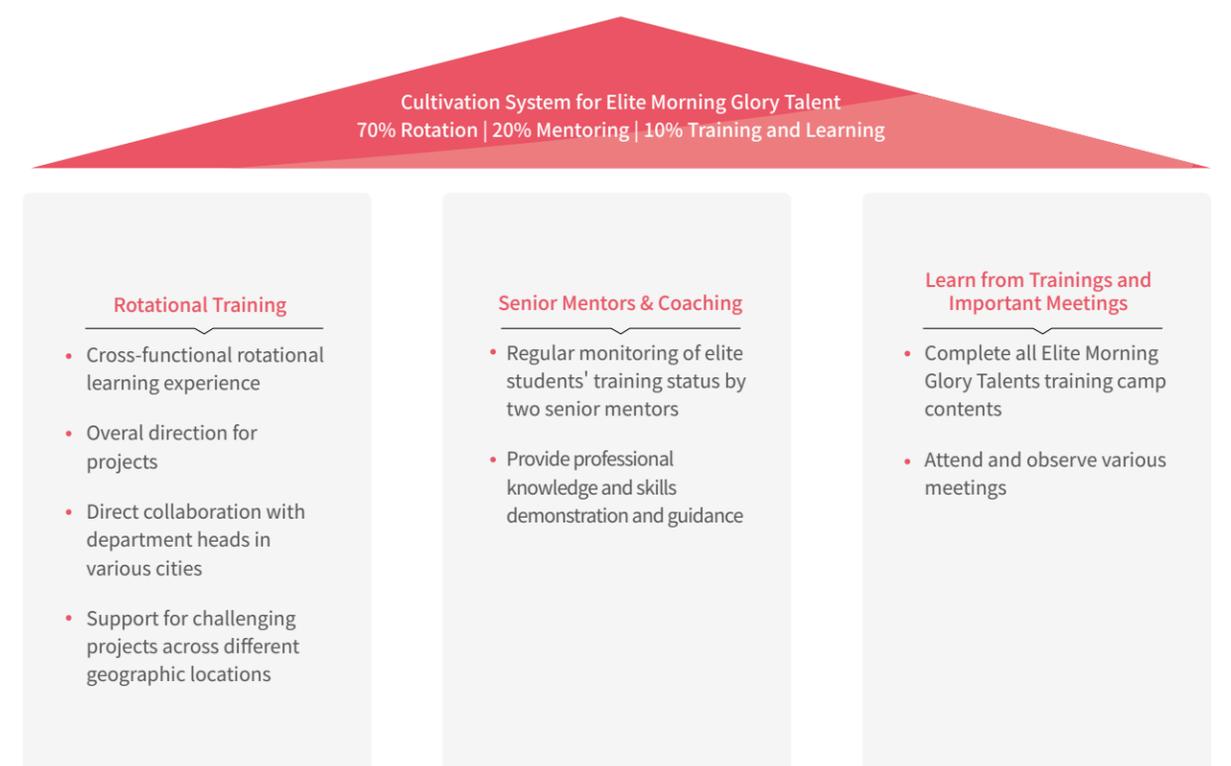
CIFI Talent Development System

Cadre Committee

In 2023, CIFI sustained the operations of the Cadre Management Committee, consolidating the cadre echelon at all levels and significantly augmenting the capabilities of the cadres. The annual internal growth rate of various cadres was 100%. Moreover, the list of reserve cadres underwent reorganization and evaluation in coordination with the talent inventory. Special attention was devoted to individualized planning and execution of cultivation and developmental paths, ensuring uninterrupted internal supply. Approximately 50% of cadre mobilization was involved in cross-regional deployment, facilitating flexible and expedient allocation, enabling swift placement into vacant positions within two weeks. As for the reserve talents in crucial roles, dynamic inventory and management were conducted to reinforce the talent pipeline, resulting in an internal growth rate of 98% in key positions.

"Elite Morning Glory Talents (精英旭日生)" Program Created Composite Talents

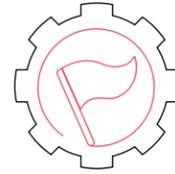
In 2023, CIFI continued to prioritize and increase investment in managerial talent training. The talent training program encompassed various training initiatives, such as the "Morning Glory Talents" training, training for separate lines, and the "Elite Morning Glory Talents" training, which collectively involved 327 managerial talents. During the first half of the year, the general training for "Morning Glory Talents" across all departments was successfully conducted, and in the latter half of the year, the fourth batch of "Elite Morning Glory Talents" graduated. Simultaneously, the selection and optimization of the fifth batch of "Elite Morning Glory Talents" took place, with a focus on enhancing the training program through the implementation of "zigzag" training and the development of multifaceted career paths for these interdisciplinary talents. These strategic efforts aimed to expand the growth opportunities for the "Elite Morning Glory Talents" and contribute to the realization of the organization's strategic objectives.



Elite Morning Glory Talent Training System

Care for employees

CIFI is committed to building a more harmonious corporate culture. We actively listen to our employees, seek their perspectives and feedbacks and address their concerns promptly. Additionally, we provide regular health checkups to help them pay heed to their health and enhance their ability to perform their duties effectively.



Emphasis on Employee Communication Channels

We recognize the importance of open communication with our employees under a people-oriented attitude. We value their insights and suggestions as essential to the Group's development. Therefore, we actively gather their feedback and incorporate it into our strategic planning and decision-making processes.

In 2023, we established a regular communication mechanism for our core employees. We conducted a comprehensive survey to assess their satisfaction with communication, achieving a response rate of 79%.

Based on employee feedback, we implemented the following improvement plans:

- Regional Level: We provided feedback on employee concerns, urged the regions to ensure the frequency and quality of communication, and answered employee confusion in a timely manner. The headquarters tracked the implementation of communication initiatives on a quarterly basis.
- Headquarters Level: We organized workshops to develop tailored communication solutions and tactics for general issues and collaborated on the execution of BP plans.

2023

90.3%

of employees communicated with their immediate supervisor at least once every two weeks

86.3%

of employees communicated with their indirect supervisor at least once per month

Overall satisfaction rate for communication with immediate and indirect supervisors

4.6/5

New President's Mailbox and Special Morning Meetings Enhanced Multi-Channel Communication

In 2023, we implemented a bottom-up communication strategy to enhance employee feedback. We established a new President's Mailbox, a dedicated channel for employees to submit concerns and suggestions directly to the CEO. This complemented existing communication channels, including morning meetings, senior executive talks, and departmental meetings. The President's Mailbox helped address concerns related to staff retention, and morale under organizational restructuring and promptly responded to employee inquiries to ensure a shared understanding and strengthen employee confidence.



Employee Well-being Initiatives

We prioritize the physical and mental well-being of employees. We encourage an active lifestyle and provide daily transportation, a cafeteria, snacks, and other benefits.

"630, 1230 Boosting Energy Refueling Station" to Support the Employees

During peak work periods, such as June 30 and December 30, we provided warm support. We set up an "Energy Refueling Station" in the pantry. This provided employees with a variety of food and beverages to replenish their energy. Additionally, we extend the air conditioning hours to ensure a comfortable work environment for those working overtime.



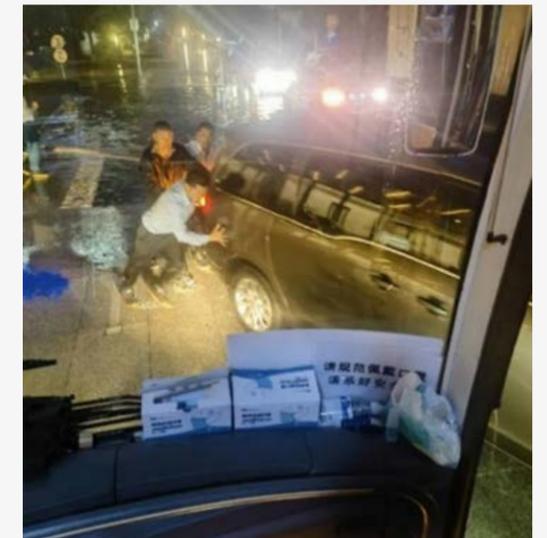
Mothers' Room in CIFI

Our headquarters building has clean mother-and-baby rooms equipped with essential amenities, including a refrigerator, sterilizer, and microwave oven. In recognition of our commitment to supporting working mothers, we received the "Lovely Mothers' Room" title from the Women Workers' Committee of the Shanghai Federation of Trade Unions in 2023. We will continue to provide a supportive environment for female employees.



Protecting Off-duty Employees in the Rainstorm

On 21 July 2023 a sudden rainstorm caused traffic disruptions near our headquarters building around Hongqiao, Shanghai. To ensure the safety of our employees, the administration team immediately mobilized resources. The shuttle team issued four additional trips to transport stranded employees home. The successful navigation of a paralyzed road and a deep-water pit was met with warm applause from the grateful employees.



Employee Work-Life Balance

CIFI upholds the values of "Happiness, Health, Abundance, and Progress" for its employees. We organize employee care activities during traditional festivals and key events to foster a festive atmosphere and express our appreciation and care. These initiatives aim to promote work-life balance, enhance employee engagement, and cultivate a sense of community.

Colorful Festive Activities Enriched Employee Work and Lives

In order to send greetings and gratitude to CIFI female employees on International Women's Day, the Company held activities in the headquarters to present handmade gifts to every female employee and extend best wishes.



To enhance the atmosphere of reunion and cohesion during the Mid-Autumn Festival, and to strengthen the belief in unity among employees and the Company, the Company hosted a special mid-autumn morning party featuring lively activities and entertainment. The event showcased our commitment to the cultural values of "health, happiness, abundance, and progress." Over 200 employees participated.



During the Dragon Boat Festival, the Company organized a fun dart wheel game and distributed traditional Dragon Boat Festival delicacies, such as rice dumplings and scented buns, among our employees. Nearly 100 employees enjoyed this festive celebration.



During Thanksgiving Day, to foster a culture of gratitude, the Company initiated an activity where employees could exchange thank-you cards. The Company encouraged them to express their appreciation for colleagues who exemplify our values of collaboration, unity, and mutual support. Over 80 employees participated in this meaningful event.



Practice

Benefiting the Society With Warm Heart



CORE ISSUES

- Social welfare charity
- Urban revitalization
- Promote local economic growth

IN RESPONSE TO



KEY PERFORMANCE IN 2023

Employee volunteers

120

Employee volunteers participated in social service

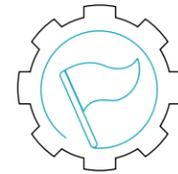
1,080+_{hours}

KEY ACTIONS IN 2023

- Continuous public welfare efforts in donations to schools and earthquake and disaster relief, including donations to the earthquake-stricken areas in Gansu Province to support the disaster relief

Deep Penetration in Philanthropy

CIFI is committed to the mission of "Building for a Better Life", and considers it as our commitment to take social responsibility. We adhere to the value of "long-termism", uphold the concept of "great love and altruism (大爱利他)" and actively contribute to public welfare and charity discreetly, while deeply integrating the concept of public welfare into its brand culture.



CIFI Foundation is dedicated to making positive contributions to society through the operation of professional organizations. The Foundation prioritizes education and shows particular concern for rural revitalization and regional development. It has gradually established four major public welfare modules, namely "donation to education, green environmental protection, rural revitalization, and earthquake and disaster relief". Through these public welfare projects, CIFI provides not only financial support but also emphasizes the importance of physical and personal engagement in public welfare activities, encouraging CIFI personnel to personally partake in various charitable actions. This commitment aims to ensure that those in need receive practical assistance, ultimately leading to improved lives, more vibrant cities, and a harmonious society. In 2023, CIFI donated approximately RMB800,000 for education. In addition, in December 2023, after the earthquake in Gansu Province, CIFI donated approximately RMB100,000 to the affected area to support the relief work.



Education stands as a cornerstone in CIFI's public welfare initiatives. CIFI recognizes education as an extension and inheritance of corporate social responsibility and remains dedicated to nurturing the educational growth and development of young individuals, staunchly devoted to contributing to and cultivating talents for the country.



CIFI Scholarship and Bursary Awarding Ceremony at Jian'ou No. 2 Middle School

CIFI funded the construction of a gymnasium and a swimming complex at the Jian'ou No. 1 Middle School, both certified as national two-star green building, which was recognized as the "Quality Case of Corporate Social Responsibility 2023" by the organizer of the China Listed Company Development Forum.



CIFI's continuing contributions to the Jian'ou No.1 Middle School were also acclaimed as the "China Charity List Model Project of the Year 2023" by the China Philanthropy Times.



2023

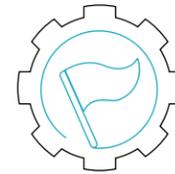
Employee volunteer service

1,080+ hours



Building Urban Ecosystem

Always mindful of the mission to "Building for a Better Life", CIFI has actively undertaken the development of urban complex ecosystems. This includes participation in renovation projects across various cities to preserve urban culture, as well as involvement in community redevelopment initiatives aimed at fostering community vitality and enhancing urban prosperity.



Providing Affordable Housing

CIFI prioritizes housing provision in its urban renewal projects, actively engaging in the construction and management of affordable housing. The Company is dedicated to dismantling housing barriers and offering more housing choices for families through affordable housing programs, catering to the needs of new citizens and young individuals. As of the end of 2023, LingYu had over 37,000 housing units nationwide included in the affordable house project, spanning more than 10 core cities such as Shanghai, Beijing, Hangzhou, Nanjing and Chengdu. Adhering to the business philosophy of "customer first", LingYu consistently enhances its products and services to accommodate the diverse housing needs of new citizens and young individuals in urban areas. Simultaneously, LingYu focuses on the psychological development of its tenants and reinforces the connections between tenants and the community and across tenants through the tenant committee, the tenants' convention and the community alliance, fostering a welcoming community.

In 2023, LingYu also partook in developing two group standards, the "ESG Management System Requirements for the Accommodation Industry" and the "ESG Evaluation Guidelines for Accommodation Companies", led by the China Hospitality Association. This aim to improve the hospitality industry through its own practices and provide robust backing for the prevalence of ESG standards.

In line with meeting the diverse housing needs of different groups, we have initiated the construction of a rental platform to offer flexible rental solutions. Through advancing the development of the rental market, we contribute to a more judicious allocation of urban housing resources.

"LingYu" offers one-stop integrated service for rental housing in China, catering to various business scenarios in the leasing sector

LingYu offers extensive consulting, operational management and asset management services to Chinese corporate clients dedicated to rental housing development. It encompasses all business scenarios within the leasing sector and provides innovative and tailored solutions. The three product lines, i.e. the integrated rental community branded "Umi Community (柚米社区)", the white-collar apartment branded "Umi Home (柚米寓)" and the service-based hotel apartment branded "Berkesy Residence (博乐诗)", serve the entire user lifecycle and address rental needs at different stages.



LingYu showcases professional product research and development capabilities, ensuring optimal alignment of its products with customer needs. Leveraging extensive experience in constructing rental residences, LingYu has gained profound insight into the rental requirements of new citizens and young individuals in urban settings. Continuously enhancing its product system, LingYu aims to improve the living experience of the rental community across three key aspects including living space, intelligent community and public space.

As the earliest entrant to the integrated rental community sector within the industry, LingYu demonstrates refined operational capabilities. Currently, it owns or operates more than 40 communities across China. Leveraging its pioneering advantage and successful experience, LingYu actively implements eight competencies, including landlord service, property management, service management, community culture, safety management, marketing management, revenue management and commercial management, to establish an efficient operational system and support the achievement of operational goals.

Accomplishments in operation management

GOP rate	Expected to operate	2023 China Housing Rental Enterprise Brand Communication List
91%	300,000 units	Top 1
Project occupancy rate	Assets under management	2023 Profitable Housing Rental Enterprises in China
94%	RMB 100 billion	Top 1
People served		
2,700,000+		



Taiyuan Village-in-the-city Community Renovation Project Created a Beautiful New City

In 2023, the relocation houses for the village-in-the-city community renovation of Sanji Village in the Sanji area of Taiyuan were completed and delivered one by one, utilizing CIFI's sixth-generation product system and the Visible Buildings system. In alignment with the local government's objective to develop a "strong, rich, beautiful and prosperous" new city in the northern region, ongoing efforts were made to advance the planning and construction of local businesses, schools, hospitals and related projects.



Creating Affordable Commercial Projects

CIFI is dedicated to enhancing the living experience of community residents by introducing commercial and service facilities. Simultaneously, the Company actively supports local small and micro-enterprises, fostering entrepreneurship while striving to establish an affordable commercial environment for community business.

Supporting services for community business encompass community living facilities, fresh food supermarkets, small-scale restaurants, lifestyle retail, children's education and recreation. This diversified business model addresses residents' diverse needs, transforming the community into an integrated living area for work, leisure and education.

In its pursuit of community development, CIFI not only focuses on providing essential amenities but also on fostering the growth of local small and micro-enterprises, contributing to the economic prosperity of the community. This comprehensive and affordable business environment not only enriches the living experience of residents but also generates employment opportunities, fostering community interaction and vitality.

In 2023, CIFI offered promotion subsidies for 607 merchants in more than 10 projects nationwide with direct subsidy amount of approximately RMB3.81 million. CIFI offered 489 discounted advertising spots for merchants in the amount of with nearly RMB410,000 in total.

- From January to July 2023, discounted advertising spots were provided to commercial tenants facing operational challenges at Chengdu CIFI Plaza.
- From August to September 2023, discounted advertising spots were provided to stabilize commercial tenants suffering loss at Shanghai Yangpu Powerlong CIFI Plaza.
- In November 2023, Nanchang CIFI Center invested in boosting the sales of commercial tenants and reducing their price-to-rent through a combination of tenant discounts and shopping mall promotional subsidies, successfully dropping the ratio from 20% to 11% for tenants in distress.
- In December 2023, Nanchang CIFI Center extended support to struggling commercial tenants by leveraging advertising spots in the underground garage, which are typically harder to lease.
- In July 2023, Shaoxing CIFI Cmall employed advertising splicing to aid in challenging commercial tenants.

Operating Urban Complexes

Based on the cultural and geographical characteristics of each city, CIFI integrates the two commercial product lines, "CIFI Cmall" and "CIFI Lane" to develop unique commercial complexes in each city. This approach continually revitalizes the city's image and drives local industry and consumption to cater to diverse consumer demands. CIFI is committed to consistently enhancing the image of each city and advancing urban industry and consumption to meet diverse consumer needs. Moreover, by establishing three distinct highlight spaces, the "OPEN HOUSE", the "Kids' Wonderland (童趣天地)" and the "Nine Alley Street (九巷街)", CIFI seeks to create engaging and emotionally compelling products and spaces for consumers.



Two Major Commercial Product Lines at CIFI

As of the end of the Reporting Period, CIFI had developed over 30 distinctive commercial complexes across the nation, with a GFA exceeding 2.78 million sq.m. This achievement reflects CIFI's expansive presence throughout East China, Central China, North China, Northwest China and Midwest China.

Moving forward, CIFI remains dedicated to advancing the construction of premium urban commercial complexes, aiming to enhance the city's overall development and upgrade the urban experience.

CIFI Cmall

"CIFI Cmall (旭辉 Cmall)" is a large-scale shopping center targeting urban youth, fashionable families and the young middle class, offering a pleasant life experience through diverse industries such as retail, dining, entertainment, services, parent-child activities, fashion zones and etc.. It aims to contribute to the high-quality development of the city by injecting new vitality into urban life.

Huai'an CIFI Cmall (淮安旭辉 Cmall), a Premium Commercial Benchmarking Project

The Huai'an CIFI Plaza (淮安旭辉广场) complex, located in the Huai'an Eastern New Town and the hinterland of the Economic and Technological Development Zone, spans a total of approximately 670,000 sq.m and integrates the CIFI Cmall, North and South Markets, offices, apartments and residences.

Huai'an CIFI Cmall, which opened in January 2023, covered a total volume of around 80,000 sq.m, addressing the absence of a commercial center in the eastern part of Huai'an. It is poised to become a new landmark in the Huai'an Economic and Technological Development Zone, thereby contributing to the improvement of the urban landscape and enhancing residents' consumption experiences.



CIFI Lane

The product line of "CIFI Lane (旭辉里)" caters to urban families and fashionable white-collar workers as a captivating destination to enrich daily life to fulfill the high-frequency consumption requirements for living, socializing, entertainment, and parenting, ultimately contributing to an enhanced quality of life.

Shanghai Changshou CIFI Lane (上海长寿·旭辉里), a Premium Commercial Benchmarking Project

Located above the double subway exit at the core of the Changshou Road business district within Shanghai's central area, Shanghai Changshou CIFI Lane represents a commercial venture integrating premium dining, nightlife attractions, popular retail outlets, cutting-edge entertainment offerings and other experiential lifestyle amenities. The project is committed to delivering a comfortable, sophisticated, and avant-garde office and living experience for local customers.

The project integrates the Shanghai CIFI Tower (上海旭辉企业大厦), a super A-grade office building, and Changshou CIFI Lane, a premium commercial structure, with a GFA of approximately 80,000 sq.m, among which commercial space covers nearly 20,000 sq.m. It hosts several of Shanghai's flagship stores and has garnered recognition by being awarded international LEED Gold, WELL Gold pre-certification and national two-star green building certification. The building sets a new standard for office premises and stands as a prominent landmark in the commercial landscape of the area.

Noteworthy is the unmistakable design of the terraced field at the CIFI Tower in the business district, conceived by a globally acclaimed design team and drawing inspiration from Chinese landscape elements. The building's sleek contours create captivating interplays of light and shadow during the evening, reminiscent of the wind swaying across terraced fields.



CIFI serves not only as a developer but also as a community collaborator. Our active engagement includes the management of urban complexes, with the aim of creating a richer lifestyle for residents through the integration of cultural, entertainment and educational components.

CIFI TOD¹ Project

Relying on the transit-oriented development model, CIFI has been gradually implementing TOD mixed-use projects. These projects incorporate low-carbon, green and healthy design principles to foster efficient and sustainable urban development.

Wenjiang Chengdu CIFI Center (温江成都旭辉中心), a TOD Benchmark Project

Chengdu CIFI Center (成都旭辉中心), situated in the Wansheng Urban Railway Hub, Wenjiang District, Chengdu, represents the inaugural TOD mixed-use complex project in Wenjiang under the Chengdu TOD strategy. The primary objective of this development is to establish a prototype for urban TOD and formulate a new central core framework in west Chengdu. Encompassing approximately 282 acres or 188,000 sq.m, the project leverages the Chengdu Metro Line 4 Wansheng Station for TOD mode development, covering residential, educational, commercial and park facilities within the station, alongside urbanization TOD complex centers. The initial phase of the residential community has been completed, the adjacent central park has been open to the public, and the construction of the shopping center has reached its highest point.



(Artist's impression)



(Artist's impression)

Inaugurated in 2022, CIFI TOD Central Park was conceived in line with the concept of Britain's new garden city, aiming to establish an ecologically intelligent community with an overarching landscape design mirroring a future urban garden parlor. The TOD Park integrates closely with nature while also incorporating elements of contemporary fashion, notably via the futuristic Gate of the Future that seamlessly merges interactive technological art installations with the surrounding lawn.



¹ Transit-Oriented Development

Appendix I 2023 ESG Key Performance Indicators

LIST OF ENVIRONMENTAL KEY PERFORMANCE

Key Performance Indicators	Unit	Administration ¹	Construction in Progress ²	Commercial Operation ³
A1 Emissions				
A1.1 Types of emissions and respective emissions data				
Total wastewater discharge	tonnes	-	1,212,534.04	-
Cyclic water consumption	tonnes	-	84,495.65	-
A1.2 Direct and indirect greenhouse gas emissions				
Greenhouse gas emissions (Scope I) ⁴	tonnes of CO ₂ e	508.40	-	3,475.89
Greenhouse gas emissions (Scope II) ⁴	tonnes of CO ₂ e	1,170.90	25,235.26	23,044.18
Greenhouse gas emissions (Scope I, II)	tonnes of CO ₂ e	1,679.30	25,235.26	26,520.07
Greenhouse gas emission intensity	tonnes of CO ₂ e/sq.m. GFA	0.04	0.001	0.04
A1.3 Total hazardous wastes produced				
Waste cartridges/toner cartridges	tonnes	2.82	-	-
Waste batteries	tonnes	0.17	-	-
Waste lamps	tonnes	0.96	-	1.90
Waste electronic products	tonnes	0.39	-	-
Density of hazardous waste	kg/sq.m. GFA	0.10	-	0.003
A1.4 Total non-hazardous wastes produced				
Domestic wastes	tonnes	123.32	-	60,835.64
Metal scraps	tonnes	-	3,059.15	-
Earthworks	tonnes	-	10,144,518.61	-
Concrete	tonnes	-	120,986.39	-
Bricks	tonnes	-	15,992.30	-
Wood	tonnes	-	8,002.36	-
Density of non-hazardous waste	Tonnes/sq.m. GFA	0.003	0.50	0.09

Key Performance Indicators	Unit	Administration	Construction in Progress	Commercial Operation
A1.4 Non-hazardous waste recycled				
Steel bars	tonnes	-	7,103.90	-
Woods	tonnes	-	24,261.48	-
Concrete	tonnes	-	21,895.48	-
Formwork	tonnes	-	36,946.56	-
A2 Use of Resources				
A2.1 Direct and/or indirect energy consumption by type				
Total energy consumption ⁵	kWh	3,754,785.54	44,249,098.93	57,804,476.14
Direct energy consumption	kWh	1,701,650.89	-	17,397,363.14
Indirect energy consumption	kWh	2,053,134.65	44,249,098.93	40,407,113.00
Energy intensity	kWh/sq.m. GFA	86.49	2.16	87.02
Electricity consumption	kWh	2,053,134.65	44,249,098.93	40,407,113.00
Petrol consumption	Litres	180,529.92	-	-
Diesel consumption	Litres	2,431.00	-	-
Natural gas consumption	m ³	4,803.40	-	1,607,621.00
LPG consumption	Kg	803.50	-	-
A2.2 Water consumption				
Water consumption ⁶	m ³	27,807.30	2,848,006.70	366,968.00
Water intensity	m ³ /sq.m. GFA	0.64	0.14	0.55

Description on the scope of data and data calculation

¹ The scope of the environment data of administrative offices covers the headquarters of the Group and the administrative office areas of 9 regions, business divisions and city offices in China.

² The scope of the environmental data of projects under construction covers 113 projects under construction of 9 regions and business divisions of the Group.

³ The scope of the environment data of commercial operation covers 12 commercial projects operated by the Group, of which there were 2 additional commercial projects compared with 2022.

⁴ Greenhouse gas emissions (scope 1) are mainly derived from direct energy consumption generated from business vehicles and staff canteens. Greenhouse gas emissions (scope 2) are generated from the indirect energy consumption caused by the consumption of purchased electricity, the data sources of which are the bills of relevant expenses and the register kept by administrative offices. In particular, the greenhouse gas emission factors in relation to direct energy are referenced from the Reporting Guidance on Environmental Key Performance Indicators issued by the Stock Exchange, while the greenhouse gas emission factors in relation to purchased electricity are referenced from the Notice on Doing a Good Job in the Management of Greenhouse Gas Emission Reports for Enterprises in the Power Generation Industry (2022 Revision) issued by the Ministry of Ecology and Environment of the PRC in February 2023.

⁵ The types of energy consumed by the Group in 2023 include fuel for business vehicles, fuel for staff canteens and purchased power, the data sources of which are the bills of relevant expenses and the register kept by administrative offices. In particular, the energy consumption factors are converted with reference to the conversion factors provided by the International Energy Agency and the General Rules for Calculation of the Comprehensive Energy Consumption (GB 2589-2020) of the PRC.

⁶ The Group's water consumption is mainly supplied by the municipal network water supply, the data sources of which are water bills, financial reimbursement records and administrative account records.

LIST OF SOCIAL KEY PERFORMANCE

Key Performance Indicators		2023	
B1	Employment		
B1.1	Total workforce by gender, employment type, rank, age group and geographical region and proportion		
		Number of employees	Proportion (%)
By gender	Male	1,914	56.00%
	Female	1,504	44.00%
By employment type	Full time	3,418	100.00%
	Part time	0	0.00%
	Intern	0	0.00%
	Dispatch	0	0.00%
By rank	Executives	25	0.73%
	Middle and senior management	95	2.78%
	General staff	3,298	96.49%
By age group	Below 30	970	28.38%
	31-40	2,034	59.51%
	41-50	386	11.29%
	Above 50	28	0.82%
By geographical region	Chinese Mainland	3,416	99.94%
	Hong Kong, Macau and Taiwan regions	2	0.06%
	Overseas	0	0.00%
Total number of employees ¹		3,418	
B1.2	Employee turnover rate by gender, age group and geographical region		
		Number of employees leaving employment ²	Employee turnover rate (%) ³
By gender	Male	1,235	64.52%
	Female	959	63.76%
By age group	Below 30	1,032	106.39%
	31-40	1,000	49.16%
	41-50	145	37.56%
	Above 50	17	60.71%

Key Performance Indicators		2023	
By geographical region	Chinese Mainland	2,193	64.20%
	Hong Kong, Macau and Taiwan regions	0	0.00%
	Overseas	1	0.00%
Total employee turnover rate		2,194	64.19%

Key Performance Indicators		2023	2022	2021
B2	Health and Safety			
B2.1	Number and rate of work-related fatalities in each of the past three years (including the reporting year)			
	Number of work-related fatalities	0	0	0
	Rate of work-related fatalities	0.00%	0.00%	0.00%
	Number of work-related injuries	4	7	20

Key Performance Indicators		2023	
B2.2	Lost days due to work injury		
	Lost days due to work injury		75
B3	Development and Training		
B3.1	Number of employees trained and average number of hours of training by gender and rank		
		Number of trained employees	Average training hours per employee ⁴
By gender	Male	1,723	56.01%
	Female	1,353	43.99%
By rank	Executive	25	0.81%
	Middle and senior management	95	3.09%
	General staff	2,956	96.10%
	Total employee trained	3,076	90.00%
B3.2	Average training hours completed per employee, by gender and category of employee (hours)⁵		
By gender	Male		54
	Female		49

Description on the scope of data and data calculation

¹ The total number of employees as of 31 December 2023 includes the number of all employees engaged in the real estate development business, Shanghai Xinzhi Construction Co.,Ltd. and Shanghai CIFI Health Technology Development Co.,Ltd, which excludes Ever Sunshine Services.

² Number of employees leaving employment includes the number of employees who leave voluntarily or passively.

³ Employee turnover rate is calculated with reference to the Reporting Guidance on Social KPIs (《社会关键绩效指标汇报指引》) issued by the Stock Exchange, of which Total turnover rate of employees = Total number of employees leaving/Total number of employees*100%; Turnover rate of the specified category = Employees in the specified category leaving /Number of employees in the specified category leaving*100%.

⁴ The percentage of employees and employees in a specified category who took part in training is calculated with reference to "Reporting Guidance on Social KPIs" (《社会关键绩效指标汇报指引》) issued by the Stock Exchange, i.e. Percentage of trained employees = Number of trained employees/Total number of employees *100%; and Percentage of trained employees in the specified category = Number of trained employees in the specified category/Number of trained employees*100%.

⁵ The average training hours for trained employees and trained employees in a specified category is calculated with reference to "Reporting Guidance on Social KPIs" (《社会关键绩效指标汇报指引》) issued by Stock Exchange, of which the Average training hours for trained employees = Total number of training hours/Total number of employees; Average training hours for trained employees in the specified category = Total number of training hours for employees in the specified category/ Number of employees in the specified category.

Key Performance Indicators		2023
By rank	Executives	31
	Middle and senior management	75
	General staff	49
Average training hours per employee		52
B5	Supply Chain Management	
B5.1	Number of suppliers by geographical region	
	Total number of suppliers	3,026
	Suppliers in China Mainland	3,026
	Suppliers in Hong Kong, Macau, Taiwan regions and overseas	0
B5.2	Number of suppliers where practices on the engagement of suppliers are being implemented	
	Number of suppliers where relevant policies (especially environmental protection and social policies) are being implemented (entity)	3,026
	Number of suppliers signing Letter of Undertaking of Integrity (entity)	3,026
B6	Product Responsibility	
B6.1	Number of products and service related complaints received⁶	
	Number of complaints received (time)	24,153
	Number of complaints handled (time)	24,153
	Percentage of complaints handled (%)	100.00%
B7	Anti-corruption	
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period	
	Number of corruption lawsuits (cases)	1
B7.3	Anti-corruption training provided for directors and staff	
	Number of anti-corruption training (session)	21
B8	Community Investment	
B8.2	Resources contributed to the focus area	
	Charity donation amount (RMB million)	1
	Number of employee volunteers	120
	Total hours of employee volunteer service (hour)	1,080

Scope of data and calculations

⁶ The number of complaints about products and services are obtained from the statistics of "Joyful Heart Assistant (悦心助手)" system of CIFI.

Appendix II List of Policies and Regulations

ESG Indicators	Laws and Regulations	Internal Policies
A1: Emissions	Environmental Protection Law of the PRC	CIFI Group Design Guidelines for HUMAN Intelligent Healthy Life 3.0
A2: Use of Resources	Water Pollution Prevention and Control Law of the PRC	CIFI Group Design Guidelines for the FABRIC Craftsmanship System CIFI Group Design Guidelines for Sponge City
A3: Environment and Natural Resources	Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste Law of the PRC on Prevention and Control of Environmental Noise Pollution Regulations of the PRC on the Prevention of Pollution Damage to the Marine Environment by Land-sourced Pollutants Land Administration Law of the PRC Regulations of the PRC on Nature Reserve National Catalogue of Hazardous Wastes Management Regulation on Hazardous Wastes Manifests Regulations of Waste Separation	CIFI Group Design Guidelines for Solar Water Heating System CIFI Group Standard for Green Residence CIFI Group Standard for Healthy Residence Green Building Operation Form Administrative Measures for Green Construction Administrative Measures for Safety and Civilization Operation Guidelines for Standardized Management of Safety and Civilization Standards for Sewage Discharge of Construction Sites Administrative Measures for Transportation and Reuse of Construction Waste Management System for Energy Saving and Consumption Reduction Design Guidelines of Leakage Prevention for Fabricated Projects Decoration Manual Guidelines Limits of Hazardous Substances in Wallpaper of Interior Decoration Renovation Materials
B1: Employment	Labour Law of the PRC Labour Law of the PRC Contract Law of the PRC Employment Promotion Law of the PRC Social Insurance Law of the PRC Interim Provisions on Labor Dispatch Provisions on Minimum Wages	Administrative Measures for Labour Employment Annual Incentive Rules Overtime Work Management System Administrative Measures for Performance

ESG Indicators	Laws and Regulations	Internal Policies
B2: Health and Safety	Labour Law of the PRC Law of the PRC on the Prevention and Treatment of Occupational Diseases Work Safety Law of the PRC Fire Protection Law of the PRC Emergency Response Law of the PRC Regulations on Reporting, Investigation and Handling of Production Safety Accidents Interim Provisions on the Investigation and Treatment of Hidden Dangers of Safety Production Accidents Regulation of the PRC on Work-Related Injury Insurance Provisions on the Administration of Occupational Health at Workplaces Regulations on Safety Production Management of Construction Projects Classification and Catalogue of Occupational Diseases	CIFI Group Management System of Accountability Administrative Measures for Safety and Civilization Operation Guidelines for Standardized Management of Safety and Civilization CIFI Project CI Image Standard Operation Guideline for Handling Routine Matters of Projects Green Building Operation Form
B3: Development and Training	--	Training Management System Evaluation Management System
B4: Labour Standards	Labour Law of the PRC Provisions on the Prohibition of Using Child Labour Law of the PRC on the Protection of Minors	Organizational and Human Resources Management Principles Administrative Measures for Labour Employment Administrative Measures for Performance Management Overtime Work Management System
B5: Supply Chain Management	Tendering and Bidding Law of the PRC	Cost Management System Procurement Management System Administrative Measures for Engineering Procurement Administrative Measures for Engineering Suppliers Strategic Procurement Management Measures Group Procurement Inspection Management Measures Operational Guidelines for Supplier Graded Management Green Product Procurement Catalogue CIFI Group Supplier Conduct Code

ESG Indicators	Laws and Regulations	Internal Policies
B6: Product Responsibility	Securities Law of the PRC Anti-Unfair Competition Law of the PRC Interim Provisions on the Prohibition of Commercial Bribery Anti-Monopoly Law of the PRC Law of the PRC on Protection of Consumer Rights and Interests Cybersecurity Law of the PRC Personal Information Protection Law of the PRC Patent Law of the PRC Copyright Law of the PRC Regulations on the Protection of Computer Software Advertising Law of the PRC Trademark Law of the PRC Product Quality Law of the PRC	Administrative Measures of Trademark Administrative Measures of VI Undertaking on the Intellectual Property Rights of Service Invention Creations Confidentiality Agreement Engineering Quality Management Measures Hold Point List Engineering Technology Management System Operational Guidelines for Inspection and Assessment of Group Project Delivery Standard of Nodal Practice for Whole-house Decoration Operational Guidelines for Project Delivery Inspection Transparent Disclosure in Sales Offices 2.0 Letter of Information on Subscription Guidelines on Site Opening Activities Management Measures for Delivery Operational Guidelines for External Public Announcement of Project Cases Management Measures for Customer Incidents Management Measures for Customer Group Complaints of CIFI Group CIFI Group Information Security Technical Standards and Working Guidelines Warm Neighbors Convention Administrative Measures for Information Confidentiality Product Quality Control Management Manual of CIFI Group Marketing Personnel's Letter of Undertaking of Responsibilities Sales Personnel's Letter of Undertaking of Responsibilities Operation Guidelines for Unified Management of Projects and Customers 7 Major Disciplines on Marketing, Bidding and Procurement Expenses Notice on Strengthening the Management of Intellectual Property Rights in External Advertising 2022 CIFI Group Administrative Measures of Technical Design 2022 CIFI Group Design Guidelines of Excavation Support 2022 CIFI Group Management Guidelines for Geo-technical Engineering Investigation Demonstration Zone Standard Module and Standard Building Encapsulation 2022 CIFI Group Non-Residential Electric and Mechanical Design Guidelines Product Configuration and Quota Design Guidelines for Residential Projects in 3rd-and-4th Tier Cities 2022 CIFI Group Quota Design Guidelines for Residential Projects 2022 Edition Design Fee Quota Standards and Design Supplier Base 2022 CIFI Group Guidelines of 18 Methods for Cost Reduction and Efficiency Improvement on Residential Structure Design

ESG Indicators	Laws and Regulations	Internal Policies
B6: Product Responsibility	Urban Real Estate Administration Law of the PRC Construction Law of the PRC Regulations on Quality Management of Construction Works Regulations on Management of Urban Real Estate Development and Operation Regulations on Property Management Measures for Administration of the Sale of Commodity Properties	2022 CIFI Group Guidelines of 18 Methods for Cost Reduction and Efficiency Improvement on Residential Electric and Mechanical Design 2022 CIFI Group Design Guidelines for Sponge City 2022 CIFI Group Design Guidelines for Central Ventilation System 2022 CIFI Group Design Guidelines for Distribution Box System 2022 Group CIFI Design Guidelines for Residential Building Construction and Detail Drawing 2022 CIFI Group Electric and Mechanical Proposal Template 2022 CIFI Group Intelligent Proposal Template Demonstration Zone Standard Module and Standard Building Encapsulation 2022 CIFI Group Standard Template of Design Contract 2022 CIFI Group Foundation Scheme Template 2022 CIFI Group Excavation Support Scheme Template 2022 CIFI Group Structural Scheme Template Administrative Measures of Engineering Sustainability
B7: Anti-corruption	Civil Code of the PRC Company Law of the PRC Anti-Money Laundering Law of the PRC Anti-Unfair Competition Law of the PRC Interim Provisions on Prohibition of Commercial Bribery	CIFI Group Management System of Supervision CIFI Group Management System of Audit and Supervision CIFI Group Management System of Audit and Supervision CIFI Group Management System of Accountability CIFI Group Administrative Measures for Inspection of Supervisory Cases CIFI Group Administrative Measures of the "Four Responsibilities" Integrity Ecological Governance Administrative Measures of Declaration of Conflict of Interest Management System for the Purchase of Properties by Senior Executives and Their Associates Operational Guidelines for the Regulation of Intermediary Management Operational Guidelines for the Regulation of Temporary Borrowing from Channels CIFI Group Manual of Business Conduct Code for Employees Supervision and Whistleblowing Guidance Notes Integrity Guidance Notes Letter of Undertaking of Integrity

Appendix III Content Index of ESG Reporting Guide

ESG subject areas, general disclosures and KPIs		Chapter
A1 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Drawing a Blueprint for Environmental Protection
A1.1	The types of emissions and respective emissions data.	Gas pollutant emission is immaterial for the Group's operation
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I
A1.5	Description of emission target(s) set and steps taken to achieve them.	Drawing a Blueprint for Environmental Protection
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Drawing a Blueprint for Environmental Protection
A2 General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Drawing a Blueprint for Environmental Protection
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Drawing a Blueprint for Environmental Protection
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Drawing a Blueprint for Environmental Protection
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's principal products and services do not involve the use of packaging materials
A3 General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Drawing a Blueprint for Environmental Protection
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Drawing a Blueprint for Environmental Protection

ESG subject areas, general disclosures and KPIs		Chapter
A4 General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Drawing a Blueprint for Environmental Protection
A4.1	Description of significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Drawing a Blueprint for Environmental Protection
B1 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Encouraging Employee Growth
B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Appendix I
B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I
B2 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Upholding Firm Commitment to Quality
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I
B2.2	Lost days due to work injury.	Appendix I
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Encouraging Employee Growth
B3 General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Encouraging Employee Growth
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I
B3.2	The average training hours completed per employee by gender and employee category.	Appendix I
B4 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	Encouraging Employee Growth
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Encouraging Employee Growth
B4.2	Description of steps taken to eliminate such practices when discovered	Encouraging Employee Growth
B5 General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Operations Management
B5.1	Number of suppliers by geographical region.	Appendix I
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Sustainable Operations Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Operations Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Operations Management
B6 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Upholding Firm Commitment to Quality
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable

ESG subject areas, general disclosures and KPIs		Chapter
B6.2	Number of products and service related complaints received and how they are dealt with.	Upholding Firm Commitment to Quality Appendix I
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Sustainable Operations Management
B6.4	Description of quality assurance process and recall procedures.	Upholding Firm Commitment to Quality
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Upholding Firm Commitment to Quality
B7 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Sustainable Operations Management
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Appendix I
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Sustainable Operations Management
B7.3	Description of anti-corruption training provided to directors and staff.	Sustainable Operations Management
B8 General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Benefiting the Society with Warm Heart
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Benefiting the Society with Warm Heart
B8.2	Resources contributed (e.g. money or time) to the focus areas.	Benefiting the Society with Warm Heart



旭辉控股(集团)有限公司
CIFI HOLDINGS (GROUP) CO. LTD.