神州控股
DC Holdings

Stock Code：00861.HK

Digital China Holdings Limited

2024

Environmental, Social and Governance Report

Incorporated in Bermuda with Limited Liability

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Summary

2024 ESG Summary

Chairman's Letter

2024 is a year of accelerated global economic restructuring and a year full of challenges, with a complex global situation and slow industry growth. Meanwhile, AI is iterating and upgrading at an unprecedented pace, maintaining high market attention. In the face of a complex and ever-changing external environment and rapidly advancing technological waves, we consistently uphold the values of "Customer Success, Value Creation, Pursue Excellence, Open Collaboration". We use technological innovation as the driving force and sustainable development as the foundation. While promoting high-quality corporate development, we actively fulfil our social responsibilities, pursuing excellent ESG management and performance of DC Holdings.

Over the past year, DC Holdings has made significant progress in driving industry digitalization through its core technologies and has contributed new momentum to the digital economy alongside its ecosystem partners. We adhere to the core philosophy of "AI for Process" and empower industry digital transformation and upgrading through data intelligence technology. We have achieved continuous breakthroughs in areas such as smart supply chains, fintech, and smart cities, realizing a dual leap in both technological and commercial value. In terms of technological innovation, we have continuously increased our R&D investment. Our "YanCloud DaaS" core technology has been continuously upgraded and plays a key role in data value mining and release across various industries. Our supply chain control tower focuses on every detail of supply chain management, significantly reducing costs and improving efficiency for our clients. Our integrated middleware product "Sm@rtCCP" has been implemented in multiple provincial agricultural credit cooperatives, further enhancing the efficiency and security of local financial services. We successfully hosted events such as the "2024 DC Motivation" and the "Data + AI Empowering New-type Productive Forces for Government and Enterprises Forum", collaborating with ecosystem partners to promote the large-scale implementation of AI technology in multiple fields, pioneering a new industry paradigm of "Data + AI + Scenario." Additionally, we have expanded our presence overseas, accompanying several large enterprises in their international expansion, setting innovative benchmarks for local digital development. Every step of DC Holdings is dedicated to creating value for our clients.

As a main-board-listed company on the Hong Kong Stock Exchange, DC Holdings promotes the healthy development of our core business while consistently integrating environmental, social, and governance responsibilities into our strategy. We are committed to building a sustainable ecosystem that promotes technology for good and green development.

Guided by the dual carbon goals, we integrate green principles throughout our technology research and development and operational processes. By continuously optimizing intelligent algorithms and making micro-innovations in extreme details, we drive energy efficiency improvements across all supply chain links. Leveraging innovative energy-saving technologies in smart computing centers, we explore the low-carbon transformation of digital infrastructure. With an open and collaborative approach, we empower our industrial and logistics parks with green solutions, fostering a carbon reduction ecosystem with our industry partners. We firmly

believe that technological innovation is the key to addressing climate challenges, and corporate environmental responsibility not only lies in green operations but also in using technology to promote the sustainable development of the entire ecosystem.

Talent is the most valuable asset of a company and the core driving force for social progress. We continuously improve our diverse and inclusive organizational structure, focusing on the growth of "3 New" (new employees, newly promoted managers, and newly transferred managers). We provide an open and innovative development platform for employees through a systematic training system and career development pathways, helping each employee achieve self-transcendence. Through a comprehensive welfare system and mutual assistance mechanisms, we convey the warmth of "People-oriented" values. In the field of social responsibility, we focus on educational equity and rural revitalization, using digital technology to overcome geographical and resource constraints and inject vitality into underdeveloped areas. When natural disasters strike, our emergency response system is always at the forefront, using technology to protect life.

Effective governance is the cornerstone of long-term success. Guided by *Power of Time* and using weekly work reports as a tool, we elevate the effectiveness of strategic execution to a new level. Meanwhile, we deeply embed compliance principles into its operations, strengthening anti-corruption defences through integrity culture building and supplier collaboration. We also use customer satisfaction as a benchmark, continuously improving service quality to gain widespread market trust. These practices have earned us recognition from many institutions and affirmed the long-term trust of our stakeholders.

Standing at the intersection of technological revolution and the evolution of civilization, we are acutely aware that digital civilization will bring about transformative impacts on society, altering the way businesses develop, environmental factors, social structures, and organizational governance. In this context, we need to embrace the tide of the times with a more open mindset and innovative thinking.

First, we achieve the evolution of our organization through transformation, using digital transformation as a technical means to ensure excellence in operations, making the governance philosophy of excellence deeply rooted in the hearts of people, and turning it into the core competitiveness of the Company. At the same time, we introduce more outstanding talents based on strategic development needs, enabling more people to co-create and share the results with us. We strive to become and believe we can be among the final 10% in the transformation.

Furthermore, we will continue to explore the value release of data elements and the application of artificial intelligence in various scenarios, driving the practical implementation of AI through cutting-edge data technology. By building an open and innovative technical ecosystem, we will accelerate the deep integration of AI with industry needs, making intelligent technology a truly inclusive "Digital Foundation" for society. In the future, our solutions will be more deeply integrated into key areas such as green and low-carbon development, public welfare, and global collaboration, using technology to paint a more beautiful picture of digital civilization.

At the same time, ESG is not a solitary journey but a collective endeavour. We work with our upstream and downstream partners to build a community of shared responsibility, promoting the overall sustainable development of the industrial chain through technology sharing, standard co-construction, and capability co-cultivation. In the "Warehouse Network + Transportation Network" ecosystem of the supply chain, in the "Hundred Flags Initiative" covering all fields of data intelligence, and in the more than 2,600 ecological nodes across the country, we are willing to be pioneers and enablers, using digital tools to help small and medium-sized enterprises bridge the transformation gap.

Finally, in the face of the global wave of the digital economy, we will actively promote the mutual learning and integration of Chinese technical standards with international practices. On a global scale, with respect for cultural diversity as a prerequisite, we will explore innovative models for technology to empower global sustainable development. We firmly believe that the borderless nature of digital technology will ultimately bridge the development gap and become a digital bond for building a community with a shared future for mankind.

This is an era of boundless possibilities. As digital technology transcends the boundaries of time and space, and sustainable development becomes a global consensus, companies are no longer just creators of economic value but also drivers of civilizational progress. Inspired by the original mission of "Digital China", with the sharpness of technological innovation and the broad-mindedness of responsibility, DC Holdings is committed to advancing together with all fellow travellers on the journey of sustainable development, jointly writing a magnificent chapter for this era!

About This Report

The *Digital China Holdings Limited Environmental, Social, and Governance Report* (hereinafter referred to as "this report") is prepared in accordance with the *Environmental, Social and Governance Reporting Guidelines* of the Hong Kong Exchanges and Clearing Limited (hereinafter referred to as "HKEX") and in reference to the United Nations 2030 Sustainable Development Goals (SDGs) and the Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards). The aim is to articulate our environmental, social, and governance policies, as well as our work and achievements during the year, to a wide range of stakeholders.

Report Scope

Time Scope: This report covers the period from January 1, 2024, to December 31, 2024. To ensure the completeness and continuity of the narrative, the time range of some contents has been appropriately traced back or extended.

Organizational Scope: The terms "Digital China Holdings", "we", "the Group", and "the Company" primarily refer to Digital China Holdings Limited and its subsidiaries. The content of this report covers Digital China Holdings Limited and all its subsidiaries unless otherwise specified.

Preparation Basis

This report is prepared according to the following standards:

- Appendix C2 of the Listing Rules of the Main Board of the Hong Kong Exchanges and Clearing Limited, the *Environmental, Social and Governance Reporting Guidelines*

- the United Nations 2030 Sustainable Development Goals (SDGs)

- the Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards)

For more information, please refer to:

- Appendix 1: HKEX ESG Guide Index

- Appendix 2: GRI Standards Index

Data Explanation

Data Source: All information and data cited in this report are sourced from official company documents, audited annual reports, and data information collected and reviewed by the Company's functions/business units.

Measurement Explanation: Unless otherwise specified, all amounts shown in this report are presented in Renminbi (RMB).

Reporting Principles

This report adheres to the following reporting principles:

Importance: Key areas that have a significant impact on the sustainability of the Company's business operations are identified in combination with the Group's strategy and operations.

Quantification: Environmental and social issues are presented using quantified data where possible, along with the disclosure of relevant assumptions, calculation methods, and bases.

Consistency: Changes in statistical methods or key performance indicators (if any) are disclosed to ensure data comparability and avoid misleading report users.

Report Access

An online version of this report is published on the ESG page of DC Holdings' official website (ESG — Sustainability Reports — DC Holdings). Please visit for more details.

About Digital China Holdings Limited

Digital China Holdings Limited (referred to as "DC Holdings") was established in 2000 and listed on the Main Board of the Hong Kong Stock Exchange in 2001 (Stock Code: 00861.HK). Since its inception, DC Holdings has been committed to the mission of "Digital China", upholding the values of "Customer Success, Value Creation, Pursue Excellence, Open Collaboration". Focusing on China while looking to the world, we continuously break through and innovating. We adhere to the principles of leading concepts, leading technology, and leading practices. From IT infrastructure services, integrated IT services, and smart city services to fully focusing on the big data + AI strategy, we have always been committed to the deep integration of independent and innovative technologies with real-industry scenarios. These efforts continuously promote the digital and intelligent upgrading of industries and the reconstruction of business value, and empower the high-quality development of the real economy with technology.

Currently, DC Holdings is fully committed to unlocking the value of data elements and the commercial application of AI technology, guided by the "AI for Process" philosophy. By integrating a one-stop, end-to-end data intelligence solution, we aim to support enterprise process optimization and intelligent decision-making, enabling data to create value and AI to empower business development. In core scenarios such as smart supply chains, industrial manufacturing, fintech, and chain hotels, we have a broad service network and leading industry position, with rich industry experience and ecosystem partner resources accumulated in promoting industry digitalization and intelligence. Additionally, based on our industry-wide adaptable technical capabilities, we continuously drive the implementation of core technologies and solutions across various industries. Furthermore, DC Holdings has established mature business channels and extensive partnerships in multiple countries and regions both domestically and internationally, laying a solid foundation for global development.

Looking to the future, we will focus on building core capabilities, strengthening technological innovation and R&D, and continuously deepening core scenarios. We will promote the integration of the real economy and the digital economy, create new productive forces, and advance the construction of a digital economy in all aspects. We will establish ecological partnerships with more like-minded excellent enterprises and move together towards a smart and digital future!

Board ESG Statement

The Company and its Board comply with the requirements of the *Environmental, Social and Governance Reporting Guidelines* in Appendix C2 of the Listing Rules of the Hong Kong Stock Exchange, continuously promoting the improvement of the Group's ESG management system. We are committed to deeply integrating ESG into major decisions and business practices, and continuously enhancing the Board's supervision and participation in the Group's ESG affairs.

The Board has the highest authority over ESG-related matters, responsible for assessing and determining the Group's environmental, social, and governance risks, and ensuring that the Group has established appropriate and effective ESG risk management and internal control systems. The Board is accountable for the Group's ESG strategy, reporting, and supervision. The Board authorizes the audit committee to regularly review the Group's ESG strategy to ensure alignment with the Group's development strategy, and to regularly report to the Board.

The Board has established a systematic ESG risk management process to assess and manage ESG-related issues, focusing on the potential risk impacts these issues may have on the Company's business development. The Board regularly reviews progress against established ESG targets to ensure the Company's commitment to sustainability is effectively implemented and to timely adjust strategies to address the changing market environment and regulatory requirements.

ESG Management System

ESG Management Structure

Sustainability Strategy

DC Holdings is committed to integrating corporate value with social value, actively exploring the path of sustainable development. We incorporate environmental, social, and governance factors into the daily operations and management of the Group, making them a key component of the corporate development strategy. As a high-tech company that empowers core scenarios such as supply chain and finance with innovative big data and AI technologies, DC Holdings aims to be a leader in ESG practices, working with all stakeholders to create more shared value.

ESG Governance Structure and Reporting Mechanism

As the highest decision-making body for our ESG management, the board of directors is responsible for formulating the Company's ESG strategy and goals, assessing major ESG risks, and incorporating ESG considerations into the decision-making process to promote the Company's sustainable development. In terms of ESG, we have established a complete work group structure to ensure the effective implementation of ESG work:

- **ESG Steering Committee:** Composed of senior management, the Committee is responsible for clarifying the implementation path of the ESG strategy, formulating the ESG work plan, and supervising the ESG work group to achieve ESG goals.

- **ESG Coordination Committee:** The Committee is responsible for coordinating ESG work among various departments, promoting the implementation of ESG concepts at all levels of the Company, and ensuring the effective integration of ESG practices with business operations.

- **ESG Business Representatives from Various Departments:** The Representatives are responsible for implementing ESG-related work within their respective departments, collecting ESG data, implementing ESG management measures, and providing feedback on implementation to the ESG Coordination Committee.

Stakeholder Communication

Stakeholder Communication Mechanism

DC Holdings has established a comprehensive, multi-level stakeholder communication system, which serves as a core pillar of the Company's sustainable development strategy. We adhere to the communication philosophy of "Openness, Transparency, Mutual Benefit, and Win-Win Outcomes". On the basis of strictly fulfilling the information disclosure obligations, we proactively build multi-dimensional communication platforms, combining regular and ad-hoc communications to ensure smooth and timely information sharing with government agencies, investors, media, customers, employees, communities, and suppliers. We adopt differentiated communication strategies for the core issues of concern to different stakeholders, enabling the Company to better understand their expectations and integrate them into corporate development decisions.

Stakeholders	Concerns	Main Communication Channels
Government and Regulatory Bodies	— Compliance — Corporate Governance	— Meetings — Written Reports — Visits — Policy Consultation — Information Disclosure
Shareholders and Investors	— Business Development — Return on Investment	— Company Information Disclosure — Investor Meetings — Social Media Platform Interaction
Non-Governmental Organizations and Media	— Environmental Protection — Compliance Consultation — Philanthropy	— Industry Events — Press Conferences — Social Media Platform Interaction
Customers	— Product and Service Quality — Privacy Protection	— Customer Feedback — Meetings — Customer Service Hotline — Real-time Customer Support
Employees	— Training — Benefits — Career Planning — Healthy Work Environment	— Unions — Employee Meetings — Corporate Social Media — Regular Employee Satisfaction Survey Feedback
Community and Public	— Volunteer Services — Philanthropy — Environmental Protection	— Company Website — Company WeChat Official Account — Media Coverage — Periodic Community/Volunteer Activities
Suppliers	— Fair Cooperation — Integrity	— Meetings — Regular Assessments — Site Visits

In 2024, we carried out approximately more than 210 offline exchanges with investment institutions, and opened an investor flagship store on our WeChat official account and mini-program to release relevant information and public roadshow details. The cumulative number of views of the online public roadshows reached more than 5,000 times. We actively engaged in comprehensive exchanges and communication with the public, and received nearly 30,000 media coverage reports throughout the year. These interactions with stakeholders demonstrate the Company's emphasis on and practical actions in multi-party communication. Through continuous improvement of the communication mechanism, we not only share development information but also widely collect suggestions from all parties, promoting the sustainable and healthy development of the Company.

DC Holdings held a sub-forum at the 7th Digital China Summit, to discuss with the government, customers and industry experts on solutions for empowering the new-quality productivity of government and enterprises with data intelligence.

Seminar on Empowering Industries with Large Language Models with Changchun New Area and Peng Cheng Laboratory

DC Holdings was invited to attend the CITIC Securities 2024 Capital Markets Forum and delivered a keynote speech on AI empowering industrial manufacturing.

Seminar on Empowering Industries with Large Language Models with Changchun New Area and Peng Cheng Laboratory

ESG Issue Importance Assessment

We use a scientific approach to identify and evaluate ESG material issues, ensuring that the company resources are allocated to the most impactful areas of sustainable development. We analyse the results of stakeholder communication surveys, combine them with the group's actual situation, and refer to best practices both domestically and internationally. This analysis is conducted from two dimensions: "the Importance to Company and Business Operations" and "the Importance to Stakeholders", to screen and form a materiality matrix, guiding the improvement of ESG management and the preparation of ESG reports.

The materiality assessment results show that data security and privacy, intellectual property management, customer satisfaction, government regulation, and attracting and retaining talent are located in the high-priority area of the matrix. These issues reflect the characteristics of the Company as a technology enterprise and highlight the key concerns in the current market environment.

We incorporate the material issues identified in the assessment results into the ESG management system and have developed corresponding management measures and improvement plans. For example, regarding data security, we have strengthened information system security protection; for employee welfare and training, talent development and evaluation mechanisms have been improved; for environmental management, the application of energy-saving and emission reduction technologies has been enhanced. These measures not only respond to the expectations of stakeholders but also promote the sustainable development of the Company's business.

Government Regulation
Public Welfare Donations
Media and Analyst Disclosures
Addressing Climate Change
Energy Usage
Carbon Emissions
Waste Management
Water Resource Usage
Diversity and Inclusion Initiatives
Attracting and Retaining Talent
Employee Health and Safety
Employee Rights
Employee Training and Development
Supply Chain/Supplier Management
Anti-Corruption
Customer Satisfaction
Data Security and Privacy
Intellectual Property Protection

The Importance to Company and Business Operations

The importance to Stakeholders

Performance

2024 ESG Performance

Environment

Promoting Energy Conservation and Emission Reduction, and Protecting the Ecological Environment

Total carbon emissions −
68.37 million tons,
per capita carbon emissions − **0.35** tons

Total water consumption −
93,802.28 tons,
per capita water consumption − **4.87** tons

Total waste −
5,035.36 tons,
per capita waste − **0.26** tons

Total packaging material usage −
16,197 tons, packaging material consumption per order − **0.000104** tons

Environmental Compliance Rate:
100%

Providing employment opportunities for
19,268 people globally, with a **15%** increase year-over-year

4,751 female employees, accounting for **24.66%** of all employees, with **16.2%** in senior management

Employee turnover rate of **21.76**%, declining for the **fourth** consecutive year

7,413 members in the employee mutual aid fund, and 14 cases of employee assistance completed with a total compensation amount of nearly **800,000** yuan in 2024

Average employee training duration of **11.78** hours, **100%** employee training rate, and a **22%** increase of total training time

10 Hope Primary Schools built and operated in the past **10** years, distributed across **9** provinces

16,289 graduates educated in Hope Primary Schools accumulatively, with **3,104** current students

Collaborating with multiple levels of government, associations, enterprises and financial institutions across the country for industrial cooperation and innovation, serving millions of agricultural groups nationwide

Society

Supporting Employee Development, and Energizing Communities

Governance

Strengthening Corporate Governance, and Promoting Collaboration and Synergy

More than **210** offline exchanges with investment institutions, the establishment of an investor flagship store on our WeChat official account and mini-program to release relevant information and public roadshow details, and more than **5,000** views of the online public roadshow; actively engagement in comprehensive exchanges and communication with the public, and nearly **30,000** media coverage reports throughout the year

100% coverage of anti-corruption and integrity training for employees

100% signing rate of the Integrity and Honesty Agreement with non-original suppliers

16,794 Technical personnel, accounting for **87.16%**

3,177 proprietary intellectual property rights, including invention patents, software copyrights, etc.

92 national, industry and group standards prepared and published, and **92** standards under research

0.022% complaint establishment rate, with **100**% customer complaint resolution rate

Awards and Honors

Awards and Honors in 2024

2023-2024 ECR Case Best Practice Project
ECR Professional Committee

ESG New Benchmark Enterprise Award
StockStar

2024 Top 100 Beijing Private Enterprises in Social Responsibility
Beijing Federation of Industry & Commerce

2024 ESG Profound Awards
CLS

28th in the 2024 ESG Excellence Performance Top 100 of HK Listed Companies
SSI-CWAM Leaders Growth 50 Index

1st in the 2024 ESG Performance Ranking of IT Industry of HK Listed Companies
SSI-CWAM Leaders Growth 50 Index

Best ESG Company Award
Zhitong Financial Information Technology

Best PR Team
Zhitong Financial Information Technology

Best Investor Relations Team Award
CLS

2024 Excellence Award for Corporate Social Responsibility
JIEMIAN

2024 Influential Enterprise
Blue whale News

Most Valuable Brand Award
CLS

Best Value Creation Award
Roadshow China Excellence IR

Best Investor Relations Award
Roadshow China Excellence IR

Golden Dawn Award — Best ESG Practice Light Award
Securities Market Weekly

2024 Big Data Solutions Top 50 — 1st Place
China Internet Weekly, DBC, CIS

2024 Data Intelligence Service Providers Top 50 — 1st Place
China Internet Weekly, DBC, CIS

2024 Digital Twin Solution Providers TOP 50 — 1st Place
China Internet Weekly, DBC, CIS

Excellent Achievement in the 2024 World Computing Conference Special Exhibition
World Computing Conference Organizing Committee

Highlights

2024 ESG Highlights: Digitalization and Intelligence Engines Driving, Innovation Leading the Future

1. Creating a New Paradigm of Digital-Physical Integration: Data Intelligence Driving the Value Reconstruction of All Industries

2. Exploring New Paths for Supply Chain Development: Innovative Technologies Enabling Enterprises to Enhance Quality, Reduce Costs and Increase Efficiency

3. Building a New Landscape: Inclusive Services Contributing to Sustainable Ecological Prosperity

2024 ESG Highlights: Digitalization and Intelligence Engines Driving, Innovation Leading the Future

In the wave of digital intelligence, DC Holdings always adheres to the development philosophy of innovation-driven growth, placing high importance on the innovation and application of artificial intelligence (AI) technology. We are dedicated to exploring the boundless possibilities of AI technology in the field of digital intelligence solutions, committed to delivering comprehensive value enhancement to our partners through meticulously crafted intelligent and green solutions, and working together with our partners to achieve greater success in the race of the digital intelligence era. In 2024, DC Holdings actively leverages its technical advantages and industry resource integration capabilities, continuously exploring new scenarios for digital intelligence applications.

1. Creating a New Paradigm of Digital-Physical Integration: Data Intelligence Driving the Value Reconstruction of All Industries

On May 9, 2024, DC Holdings, along with ITS and Digital China Group, co-hosted the opening ceremony of "2024 DC Motivation" at the Digital China International Innovation Center (IIC) in Shenzhen. The conference, themed "AI Landing, Boundless Imagination", focused on the landing application of AI technology in various industries, and announcing the new value proposition of AGI era centered on customers. This conference lasted for 20 days. On May 24th, at the 7th Digital China Summit, DC Holdings simultaneously hosted the "Data + AI Empowering New-type Productive Forces for Government and Enterprises Forum", which became one of the highlights of "2024 DC Motivation". In these two events, we comprehensively demonstrated its full-stack technical capabilities encompassing "AI infrastructure + data intelligence platform + AI applications and industry solutions". In terms of AI infrastructure, DC Holdings adopts the Simulation Model + Knowledge Graph + Artificial Intelligence as its core and builds an integrated computing power center architecture of "Computing Power, Data, and Algorithms". This enables the computing power of the intelligent computing center to be further enhanced. In terms of public data governance and application, we have prominently showcased the public data operation platform and relevant technological achievements in data governance that it has developed, leveraging its core technological advantages in breaking down data silos, promoting data circulation, and tapping into data value. These efforts aim to empower government and enterprise customers to unleash the value of their data. In the aspect of AI applications and business solutions, we have mainly demonstrated the application achievements of the Company in core supply chain scenarios and smart water conservancy scenarios.

- In the field of construction and application of intelligent computing centers, we used the HISO Heterogeneous Intelligent Computing Scheduling and Operation Platform, the HICA Heterogeneous Intelligent Computing Acceleration Platform, and the fully liquid-cooled integrated cabinet to address issues such as low utilization rate of heterogeneous intelligent computing resources and high energy consumption, and assist enterprises in building high-performance and low-energy-consuming intelligent computing infrastructure. Taking the intelligent computing center project in Changchun as an example, in the platform solution of the intelligent computing center, we, through the capabilities of generating traditional Chinese medicine evidence by the large-scale traditional Chinese medicine model, exploring new indications and new treatment methods, and constructing a quality evaluation system, have created conditions for the interpretation of traditional Chinese medicine in the context of Western medicine and the new application of old drugs. It also provides intelligent support for the development of the traditional Chinese medicine industry.

- In the field of public data governance and application, based on years of accumulation and precipitation from the practice of data governance for government and enterprises, we further ensure the sharing and circulation of data, by understanding data, purifying data, and providing asset management based on data standards and metadata. By constructing a complete data governance system, it realizes the effective management and utilization of data. By intelligently analyzing public data, the public data operation platform created by the Company empowers urban livelihood, healthcare, finance, and other scenarios, enhancing user experience and service efficiency, injecting new energy into urban sustainable development, and upgrading traditional government services, city perception, and city governance.

- In the field of smart water conservancy, we have built an urban knowledge graph platform, which can be applied to scenarios such as water safety, water environment simulation, intelligent operation and maintenance, and intelligent dispatching. This significantly improves the application efficiency of water conservancy knowledge. Moreover, from the perspective of the integration of artificial intelligence models and mechanism models and in terms of the business application of large language models, we continue to deeply explore and tap, providing assistance for the development of new productive forces in water conservancy.

2. Exploring New Paths for Supply Chain Development: Innovative Technologies Enabling Enterprises to Enhance Quality, Reduce Costs and Increase Efficiency

DC Holdings has been deeply engaged in the field of smart supply chain for more than 20 years, accumulating rich physical business operation experience and constructing a full-chain service system covering warehousing and logistics, transportation and distribution, e-commerce operation, cross-border trade, and supply chain digital systems. Taking "Technology-driven + In-depth Exploration of Scenarios" as the twin engines, we deeply integrate technology with industry solutions, and continuously build a differentiated competitive advantage by penetrating scenarios with technology, enabling customers to achieve lean supply chain management.

Relying on our independently developed full-link supply chain digital system, we have created functional modules such as visual data dashboards, intelligent scheduling, and abnormal situation early warning, significantly enhancing the added value of the business. Taking the supply chain control tower as an example, by connecting the data of all supply chain links such as procurement, manufacturing, sales, warehousing, transportation, and distribution, a multi-dimensional visual decision-making center was constructed, dynamically optimizing the delivery plan, and achieving the improvement of operation efficiency and precise cost control. In the case of a lighthouse customer, we completed the integration of 12 major systems and the development of 150 functions for a leading enterprise in the food industry, realizing the full-link visual management of core links such as in-plant and off-plant transportation and warehousing. It supports more than a thousand people from over 60 positions to work simultaneously, and has core functions such as intelligent scheduling, abnormal situation early warning, and dynamic monitoring. It helps the customer increase the delivery efficiency by 20%, the in-plant logistics efficiency by more than 20%, the warehouse efficiency by 5%, and reduce the consumption of consumables by 65%. This project successively won the double awards of the 2024 "Artificial Intelligence +" Application Scenario Challenge of the China Federation of Logistics & Purchasing and the 2024 Outstanding Contribution Award of the customer company.

We have further expanded our capabilities across the entire chain of research, production, supply, sales, and services, successfully implementing and deploying an overall data intelligence solution that connects the production and manufacturing with the sales. In the manufacturing field, we have built a full-domain data governance and intelligent analysis application platform for a leading enterprise. Based on the OEE model, it governs the operation data of production equipment, forms visual predictions and analyses, and conducts real-time monitoring and analysis of the production efficiency of the equipment during the actual production process. This empowers the improvement of production efficiency, cost optimization, and process reengineering. In the sales field, through the governance of historical sales and inventory data, we optimize prediction parameters and accurately construct a product sales prediction model. This has helped a leading communication enterprise increase the accuracy rate of sales forecasts from 50% to 80%, shorten the replenishment cycle by 20%, and improve the response speed by 30%.

The KingKooData supply chain big data management system has been comprehensively promoted in the Company's more than 150 operated warehouses and the warehouse network system both at home and abroad. It integrates the data from operation systems such as the Order Management System (OMS), the Warehouse Management System (WMS), the Transportation Management System (TMS), and the Billing Management System (BMS). Empowered by AI algorithms, it provides customizable big data analysis and supervision dashboards for supply chain managers in different industries. All warehouses are covered without blind spots by high-definition "Eyes in the Sky", enabling one-click remote management. Goods owners can view and trace the situation in real time through PCs, PADs, and mobile phones. There is a dedicated monitoring team that conducts closed-loop supervision and inspection. At the same time, in terms of green and low-carbon initiatives, through electronic signing and relying on the functions of the KingKoo system and PDA peripherals, we have achieved 100% paperless operation throughout the entire process of warehousing operations nationwide. Meanwhile, it has vigorously promoted the combined application solutions of new energy vehicles and the combination of paper slip pallets and pull-out forklifts to achieve the goal of protecting the environment, reducing costs and increasing efficiency.

In terms of empowering customers through the joint ecosystem, we launched the "JieMeng" Transportation Network Platform 2.0 in the year, achieving full coverage of all carriers, the entire process, and all scenarios. The platform can support various types of carriers such as third-party logistics companies, dedicated lines, fleets, and last-mile delivery services. It truly connects transportation enterprises into a network. During the transportation process, the platform also provides management functions for all links, including order placement, transportation scheduling, vehicle loading, pick-up and loading, in-transit transportation, transfer at distribution centers, and arrival and receipt. In terms of usage scenarios, the "JieMeng" Transportation Network Platform 2.0 can meet the needs of various scenarios such as pick-up and return to the warehouse, mainline transportation, urban distribution, less-than-truckload transportation, and full-truckload transportation. It effectively solves the long-existing problems of being small-scale, scattered, and disorderly in the field of logistics transportation, helps customers improve the efficiency of supply chain management, and reduces operating costs. At the same time, facing the carrier market, the platform has released many free functions, aiming at opening the door to digitalization for more small and medium-sized carriers.

In the future, we will continue to deepen our communication and cooperation with partners, expanding cooperation areas around integrated supply chains. Through technological innovation and resource integration, we will jointly explore digital solutions for more industry scenarios, creating green, efficient, and cost-effective logistics operation models. We are committed to building closer partnerships, working together to meet market challenges, achieving mutual benefits and win-win outcomes, and injecting new momentum into the high-quality development of the industry.

3. Building a New Landscape: Inclusive Services Contributing to Sustainable Ecological Prosperity

In the vast market landscape across the country, the service reach of DC Holdings has precisely extended to more than 2,600 outlets, covering 82% of the administrative regions nationwide. Among them, the coverage rate of prefecture-level cities is 100%, the coverage rate of municipal districts is 90%, and the coverage rate of county-level cities is 85%. Relying on the advantages of our extensive network, we can accurately address the needs of regional customers, and provide low-cost and highly responsive local delivery and operation and maintenance support. This drives the rapid penetration of the full-stack data intelligence solutions of "AI + Data" in sinking cities and counties. We attach great importance to service quality and have conducted various forms of online and offline training for service personnel at our outlets, promoting service guidelines and related cases, with more than 30,000 participants in this year.

With advanced AI, big data, and other technologies, combined with our mature standardized management experience, we help many small and micro enterprises solve the problems faced by management leasing, weak brand influence, and insufficient informatization in the early stages of development. From personnel training, process optimization, system improvement to quality control. Comprehensive output of advanced management models and brand endorsement support. This not only helps small and micro enterprises improve operational efficiency, but also enables them to quickly gain visibility in the local market, achieve significant sales growth, and effectively promote the development of private enterprises.

At the same time, relying on a dense sinking market service network, we actively participate in social welfare, providing convenient life services for enterprises and citizens. In 2024, we carried out activities such as enterprise door-to-door inspections, branch service days, community convenience activities, and assistance in agricultural product sales. These activities benefited over ten thousand people, enabling corporate and individual users in fifth- and sixth-tier cities or even remote areas to enjoy the same standard of digital service experience as those in first-tier cities. Through these measures, we actively practice corporate social responsibility in the sinking market, further enhance brand reputation, and form a good situation of win-win cooperation between the Company and society.
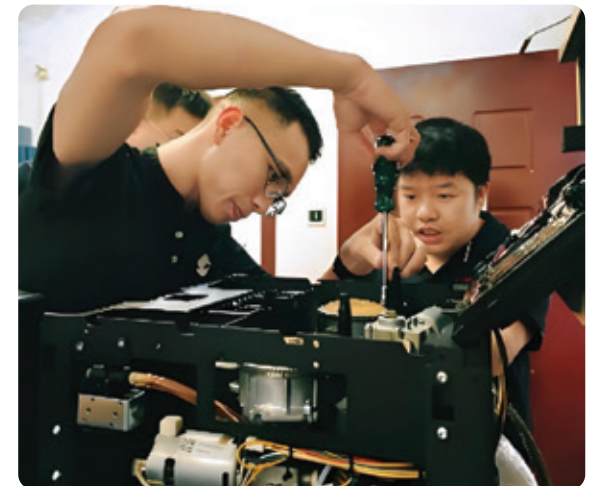

Free Door-to-door Inspections for Enterprises

Branch Service Days

Community Free Clinic

Outlet Training

Governance

1.0 Governance (G): Crafting a Responsible Corporate Governance System

1.0 Governance (G): Crafting a Responsible Corporate Governance System

1.1 Corporate Governance and Ethical Standards

A sound corporate governance structure is the cornerstone of a company's sustainable development. As a Hong Kong-listed company driven by technological innovation, DC Holdings is committed to establishing a robust corporate governance system and continuously improving governance standards to lay a solid foundation for the Company's long-term development.

1.1.1 Corporate Governance

Corporate Governance Structure

We strictly adhere to the external management standards set by the Hong Kong Stock Exchange's *Listing Rules* and *Corporate Governance Code*, as well as the requirements of the Company's *Articles of Association*. A standardized governance structure has been established, comprising the shareholders' meeting, board of directors, board committees, and senior management. Each governance body performs its duties in accordance with the law, maintains effective checks and balances, and operates in a coordinated manner to ensure the Company's standardized operations and sustained healthy development.

In 2024, the various governance bodies of the Company actively fulfilled their responsibilities, holding 1 annual general meeting and 8 board meetings. Each specialized committee also held regular meetings, including 4 meetings of the Audit Committee, 2 meetings of the Remuneration Committee, and 2 meetings of the Nomination Committee. All meetings strictly complied with the quorum requirements, ensuring the compliance and effectiveness of the decision-making process. According to the requirements of the Hong Kong Stock Exchange's *Listing Rules*, one-third of the directors are required to retire or stand for re-election every year. In 2024, we carried out the re-election of board members at the annual general meeting, involving 1/3 of the Board members.

Board Independence

The Board currently consists of 9 members, including 2 executive directors (one of whom is also the chairman and CEO), 2 external

non-executive directors, and 5 independent non-executive directors, with the majority being independent non-executive directors to ensure that board decisions align with the overall interests of the Company.

To ensure the objectivity and fairness of the Board's decisions, we strictly adhere to the independence criteria set out in Rule 3.13 of the *Main Board Listing Rules*, conducting rigorous evaluations of the independence of independent non-executive directors. All independent non-executive directors must pass an independence evaluation at the time of appointment and undergo regular annual assessments. On March 25, 2024, the Nomination Committee completed the annual independence evaluation of each independent director, ensuring that the Board's operations remain independent and in compliance with regulatory requirements.

Board Diversity

We recognize that a diverse board composition is crucial for maintaining innovation and improving decision-making quality. We have established a clear board diversity policy, emphasizing the importance of gender diversity. When determining the Board's composition, we consider multiple dimensions, including gender, age, cultural background, and professional experience, adhering to the principle of appointing the most qualified individuals. The proportion of female directors is 22%, and independent directors are external experts with expertise in technology, accounting, auditing, human resources, and risk management, providing professional support for board decisions. Through a diverse board composition, we gain a more comprehensive strategic perspective and professional guidance.

Committee Professionalism

All members of the Audit Committee are independent non-executive directors, with the chairperson being a director with an auditing background. Additional support is provided by experts in the technology industry and accounting. The chairperson of the Remuneration Committee is an independent non-executive director with industry knowledge and professional background. Most members of the Nomination Committee are

independent non-executive directors, further enhancing the professionalism and independence of each committee. Each committee strictly follows relevant procedural rules in performing their duties, providing strong support for the Board's scientific decision-making.

1.1.2 Compliance and Integrity

Building a Culture of Compliance and Integrity

DC Holdings always adheres to the core values of "Fairness, Integrity, and Honesty", viewing business ethics as a significant intangible asset of the Company. It continuously strengthens compliance awareness and is committed to building a healthy and transparent business ecosystem. To enhance the supervision of business ethics, DC Holdings has established an Audit Committee under the Board of Directors, chaired by an independent non-executive director. The Committee is responsible for overseeing the Group's business ethics and anti-corruption efforts.

The Group continuously improves its regulatory system centered around the *DC Holdings Clean Conduct Policy* and the *DC Holdings Reporting Policy*, clearly defining the red lines for clean conduct and maintaining a "Zero-Tolerance" attitude towards fraudulent behavior. This policy applies to all employees (including part-time) and partners, establishing a comprehensive risk prevention network. We uphold an anti-bribery policy of "Taking legal actions, Ensuring Honesty and Integrity, Resisting Corruption, and Providing Quality Service." Through a four-pronged anti-corruption mechanism of "Publicity, Prevention, Punishment, and Improvement", we ensure the effective implementation of various institutional requirements, providing a system guarantee for the Company's compliance operations. The reporting policy clearly states that employees and suppliers, as well as business partners, can openly report various fraudulent and non-compliant behaviors through the reporting mailbox (dchaudit@dcholdings.com). We provide corresponding rewards for reports that help the Company recover losses in a timely manner, and we implement personal information confidentiality measures to protect whistleblowers. Additionally, the risk management and internal monitoring departments closely monitor potential criminal activities such as money laundering and bribery in daily operations.

We have formulated the *Director Responsibility Manual* in accordance with the requirements of the Hong Kong Stock Exchange, requiring directors to continuously strengthen their awareness of "Acting in Accordance with the Law, Ethics, and Responsibility", clarify the Company's reporting and anti-corruption policies to directors, and plan to conduct training on anti-corruption laws and regulations for directors. To ensure the effective implementation of policies and systems, we review the implementation of business ethics annually through operational audits and special audits. In 2024, we conducted business ethics training for employees, covering topics such as anti-bribery, anti-money laundering, and reporting procedures. Among them, 236 employees received specialized training on ethical standards and anti-corruption in the key area of warehousing and logistics, effectively enhancing the integrity awareness of frontline employees. Additionally, we innovatively launched the "AI DC Holdings, Anti-Corruption" interactive game, integrating the serious theme of anti-corruption into a lively and engaging format, which received widespread praise from employees; anti-corruption posters with the slogan "Integrity in Profession, Common Practice" were prominently displayed in all logistics parks, detailing the content and channels for reporting complaints to ensure transparency and openness of information.

Our subsidiary, Digital China System Integration Services Co., Ltd., was the first to obtain ISO37001:2016 Anti-Bribery Management System certification in 2023 and successfully passed the surveillance audit in July 2024, marking the standardization of the Company's anti-bribery management. We adhere to the anti-bribery policy of "A Taking Legal Actions, Ensuring Honesty and Integrity, Resisting Corruption, and Providing Quality Service", and continuously improve our anti-bribery management level through systematic management requirements and standardized operating procedures.

Inspecting and Correcting Fraudulent Behavior

When a report of suspected fraudulent behavior is received, the audit department is assigned to independently conduct the relevant investigation. After the investigation is completed, if any employee is found to have received any form of kickback or engaged in bribery, they will be immediately dismissed, and in serious cases, we will pursue legal responsibility. If any supplier or other business partner is found to have engaged in fraudulent or other violations during cooperation, we will blacklist them and terminate the partnership, and in serious cases, we will pursue legal responsibility. At the same time, for business departments found to have issues, corrective actions will be taken with the assistance of the risk management and internal control departments to address the business risks or vulnerabilities identified during the investigation.

In 2024, we investigated and handled 3 cases of fraud, resulting in the dismissal of 4 employees involved, with 2 of them being handed over to the judicial authorities for suspected illegal activities. This demonstrates the Company's firm stance of "Zero Tolerance" towards violations. The serious handling of these cases not only protects the Company's interests but also sends a strong warning signal to all employees.

Maintaining a Transparent and Healthy Ecosystem

In supplier management, we have signed the *Integrity and Honesty Agreement* with all non-original suppliers, integrating anti-commercial bribery requirements into the entire supplier management process. This promotes a spirit of integrity and honesty in cooperation, opposes commercial bribery, and builds mutual relationships based on trust, honesty, openness, and integrity. This standardized supplier integrity management system effectively prevents supply chain corruption risks and fosters a healthy business ecosystem.

As an important member of the Sunshine Integrity Alliance, DC Holdings actively participates in the construction of industry self-regulation systems, becoming a significant platform for promoting corporate integrity governance. We share data and information with the alliance in areas such as anti-fraud, and share experiences with industry partners to jointly create a transparent and honest business environment. Through the information security sharing mechanism, we exchange and share experiences in information security investigations and jointly combat information security crimes; through the sharing, automatic recognition, and early warning of information on law-violating and rule-breaking individuals, we increase the cost of violations; by participating in specialized training sessions such as *Anti-Corruption Strategies for Private Enterprises from a Criminal Law Perspective* and *Corporate Corruption Governance and Sustainable Development*, we continuously improve our anti-fraud management level.

Looking ahead, we will continue to uphold high standards of business ethics, continuously improve the integrity risk prevention system, and deepen the construction of integrity culture. We believe that only by working together with all stakeholders to maintain a clean and positive business environment can we achieve the long-term sustainable development of the Company and create greater value for society.

1.2 Risk Management and Internal Control

Effective risk management and internal control are the foundation of a company's stable operations. DC Holdings continuously improves its risk management system by establishing and improving internal control systems, integrating various risk management requirements into daily management activities and business processes, continuously enhancing risk prevention capabilities, and safeguarding the Company's sustainable development.

Internal Control System

The Group has established an internal control system with the Board of Directors as the highest decision-making body. We have formulated and implemented corporate management and internal control systems covering all business segments of the Company's operations, including but not limited to corporate social responsibility, human resources, financial activities, investment and financing management, procurement, asset management, sales, research and development, engineering projects, related-party transactions, guarantee business, financial reporting, information disclosure management, budget management, management of controlled subsidiaries, and information system management. By building a system platform and information technology systems, the internal control requirements are deeply integrated into business processes, linking each process node with responsible persons, achieving standardized, standardized, and visualized control throughout the entire process, forming a comprehensive and multi-level internal control network.

Risk Management Barrier

To further strengthen systemic risk management, the Group has established a comprehensive "Three Lines of Defence" risk management mechanism. This mechanism scientifically positions the operational level, specialized risk control, and independent auditing within the organizational structure, forming a progressively advancing risk management system. In this mechanism, the management of each business unit serves as the first line of defence, bearing the primary responsibility for daily risk management to ensure that risk control measures are effectively implemented at the front line of business. The professional compliance management department form the second line of defence, providing professional guidance and support to help business units enhance their risk management capabilities. The internal audit department acts as the third line of defence, continuously auditing and evaluating the effectiveness of the risk management system across all major business areas. Each line of defence performs its duties and collaborates, forming a complete risk prevention and control loop.

We have established a systematic risk management mechanism for risk identification, assessment, and response, achieving full-process risk management. To date, we have identified 109 risks, of which 39 are directly related to ESG, including environmental risks such as natural disasters and force majeure, social risks such as employee-related risks, social responsibility risks, and corporate culture risks, and governance-related risks such as compliance risks, tax risks, and policy risks. Appropriate preventive measures have been taken based on their risk levels. During the reporting period, we comprehensively conducted risk identification and assessment across all business areas, with the identification and assessment of compliance and corruption risks covering all major business operations of the Group. In response to identified potential risks or actual risk events, relevant departments promptly improved control measures, driving continuous optimization of the management mechanism.

First Line of Defence **Operation Management**	Mainly composed of functional and business departments at all levels of the Group, the first line of defence is responsible for day-to-day operations and management. The first line of defence identifies, assesses, and controls compliance risks in business processes.
Second Line of Defence **Risk Management**	Mainly composed of the Group's Compliance Management Department, the second line of defence is responsible for monitoring, analyzing, and evaluating compliance risks from a professional perspective, formulating corporate compliance management systems and processes, conducting systematic compliance risk assessments, and providing rectification suggestions and new compliance processes. The second line of defence assists the first line in establishing a sound risk management and internal control system.
Third Line of Defence **Internal Oversight**	Mainly composed of the Group's internal audit department, the third line of defence supervises and evaluaties the risk management system of the Group, and ensures the effectiveness of risk management and internal control systems.

1.3 Data Security and Privacy Protection

In the digital economy era, data has become one of the most valuable assets for enterprises. We deeply recognize the importance of data security and privacy protection for the sustainable development of business, viewing it not only as a compliance requirement but also as a significant component of corporate responsibility and core competitiveness. We adhere to the principle of "Safety First, Prevention-oriented, and Comprehensive Management", establishing a comprehensive, systematic, and standardized data security and privacy protection system to ensure that the data security and privacy rights of customers, employees, and partners are effectively protected.

1.3.1 Ensuring Data Security

Information Security Organizations

We place great emphasis on the organizational assurance of data security governance, building a top-down information security management structure. The Group's Information Technology Leadership Committee is the highest decision-making body of the information security management system, fully responsible for guiding data security and privacy protection efforts and implementing unified management across subsidiaries; the Information Technology Management Department, as the executing entity, is responsible for the execution, implementation, and supervision of the information security management system.

To ensure the principle of "Separation of Powers and Accountability" is implemented, the Information Technology Management Department has established a dedicated information security team, comprising the Information Security Committee, the Planning and Management Group, the Implementation and Operations Group, and the Audit and Control Group, each responsible for different stages of the information security system: planning, implementation, inspection, and improvement.

- The Information Security Committee makes decisions on information security planning and major security incidents;

- The Planning and Management Group is responsible for formulating and updating information security plans, developing annual security plans and budgets, managing the security system architecture, and enforcing security policies;

- The Implementation and Operations Group is responsible for executing information security plans, managing the security operations of information systems, continuous optimization, and training and promotion;

- The Audit and Control Group is responsible for daily monitoring of information security and conducting regular information security audits.

Each subsidiary and business unit is responsible for information security management within their jurisdiction. IT specialists within each department are responsible for promoting and enforcing information security policies and procedures among department personnel. All employees bear direct responsibility for the security of information assets within their usage scope, while their direct supervisors bear leadership responsibility. This comprehensive and hierarchical security responsibility system effectively ensures the implementation of the Company's security policies.

Information Security Measures

We transform security principles into daily executable standards and procedures, achieving institutionalization, process standardization, and routine practices, providing a solid organizational guarantee for technical protection measures.

In terms of data access permissions, we strictly adhere to the principle of least privilege, ensuring that employees can only access the data required for their work, preventing unauthorized access to data. The identity authentication system and permission management system work together, using multi-factor authentication, single sign-on, and role-based access control to

ensure the security of data access. In data security management, we encrypt all stored data, ensuring that both static and transmitted data comply with industry-standard encryption protocols to prevent data loss due to hardware failure, malicious attacks, or human error. A strict data backup and recovery mechanism is implemented, with regular offsite backups of core business data and immediate transmission to offsite data centers, forming a multi-layered protection that is geographically dispersed, effectively addressing risks from system failures to natural disasters. In network security protection, we adopt a multi-layered security strategy, combining technologies such as firewalls, intrusion detection systems, and intrusion prevention systems to monitor the internal network in real-time and prevent external attacks. All network traffic is transmitted over encrypted channels to prevent data from being intercepted or tampered with during transmission.

In daily project management, we place great emphasis on the effectiveness of information and data security management, clearly defining and supervising the implementation of relevant management standards at each stage:

- **Research phase:** Clearly define security requirements, and include specific security requirements in the research report, and conduct feasibility analysis; when preparing the design specification, respond to security requirements based on the research report, make corresponding security designs, and obtain review confirmation;

- **Coding phase:** Adhere to secure coding standards and undergo security reviews, perform regular backups, with all changed reviewed and confirmed by the client;

- **Testing phase:** In addition to necessary functional tests, conduct defect monitoring, risk vulnerability scanning, access control, and other security tests;

- **Pilot operation phase:** In addition to monitoring the system's operational status and performance, verify whether the client's security requirements are met by comparing with the research report;

- **Maintenance phase:** Focus on security inspections after the system goes live, perform regular patch upgrades, security hardening, and virus scans, and provide corresponding records.

To ensure terminal security, we regularly install security patches on office equipment and servers, conduct security scans and penetration tests, and continuously strengthen system security; implement strict device management, prohibiting personal employee devices from entering service areas; disable high-risk external channels on employee computers, such as email external interfaces and USB ports, to prevent data leakage at the source. At the same time, the data center implements strict access management, access control systems, and comprehensive video surveillance to ensure the physical security of core facilities.

In addition to implementing internal information security management, companies under China National Software & Service Co., Ltd. actively participated in industry standard setting, participating in the formulation of the *Data Security Governance Implementation Guidelines* under the guidance of the People's Bank of China (Financial Standards Committee) by the China Internet Finance Association, providing references and guidance for financial institutions to conduct data security. We have established and implemented information security protection measures and management systems for suppliers, working together with suppliers to ensure information security.

Authoritative Certification of Information Security

DC Holdings has built a systematic information security management system based on the ISO 27001 Information Security Management System standard, covering aspects such as the formulation of information security policies, organizational structure design, risk assessment processes, and personnel security management. Through the "Plan-Do-Check-Act" (PDCA) cycle model, we have achieved continuous iterative optimization of security management, ensuring that the information security system evolves in tandem with the Company's business development and external threat environment.

We place great importance on third-party certification of its information security system and actively obtain and maintain relevant certifications during the reporting period to enhance the Company's information security management level:

- Smart China (Beijing) Technology Co., LTD., Beijing Digital China Enovatech Technology Service Co. Ltd., Digital China Information Service Company Co., LTD., has ISO 20000, ISO 27001 qualification certification; Beijing Kejie Logistics Co., LTD has ISO 27001 qualification certification;

- Digital China Information Service Company Co., Ltd. has obtained the CCRC Information Security Service Qualification Certificate;

- The DC KingKoo Warehouse Management System of Beijing Zhiyun Instant Technology Service Co. Ltd. has obtained the *Information System Security Level Protection Level II* filing certificate and passed external independent audits.

System certification and external audits not only affirm the Company's information security management capabilities but also provide scientific basis and direction for continuous improvement. Each year, we conduct at least one internal information security audit and risk assessment to ensure the continuous effective operation of the security management system. Through the dual guarantee of authoritative certification and regular assessments, we have established a credible security standard system, providing reliable security assurance for customers and partners, and creating a "Trusted Data Space".

Data Security Training

We view our employees and contractors as the first line of defence for information and data security. Through systematic training and strict management, we have fostered a culture of security participation among all staff. We have established a multi-level, comprehensive security training system, covering practical knowledge such as phishing attack prevention, password management standards, and data compliance requirements, continuously enhancing the security awareness and skills of all personnel. During the reporting period, we organized phishing email drills covering all employees and conducted multiple training activities, including *Cybersecurity and Data Privacy Protection Training* and *Sales Security Training*.

We integrate data security training into the onboarding process for new employees, supplemented by confidentiality clauses in employment contracts and specialized commitment letters for cybersecurity positions, to help employees understand their responsibilities and obligations in information security, forming a top-down, tiered information security responsibility system.

1.3.2 Implementing Privacy Protection

Data Classification and Control

Based on the value and sensitivity of data, we have established a scientific data classification and grading system, ensuring the rational allocation of security resources.

In terms of data classification, we categorize data into personal identity data, contact information, financial data, health and biometric data, and business secrets, clarifying the characteristics and protection priorities of different types of data.

In terms of data classification, we have established a four-level data confidentiality system: Top Secret, Confidential, Internal, and Public. Differentiated security controls are implemented for data at different levels. Top Secret data is accessible only by specific personnel, requires encrypted storage and physical isolation, and operations must be approved by two people, with logs retained for over 10 years; Confidential data is stored encrypted and requires department head approval for access, with related logs retained for 5 years; Internal data is subject to basic encryption measures and is accessible only by official company employees, with related logs retained for 1 year; Public data can be disclosed externally but still requires content accuracy review to ensure the accuracy and standardization of information release.

Differential Protection Based on Customer Nature

Based on customer characteristics, DC Holdings has established differentiated privacy and security protection policies that comply with domestic and international data protection regulations and demonstrate the Company's respect for user privacy rights, laying a solid foundation for sustainable business development.

For corporate clients, we have implemented management strategies that balance security and compliance needs. According to customer requirements and potential legal dispute needs, corporate client data is stored in plain text, and signed paper versions are retained for 10 years as required by customers, to meet internal and external audit and legal needs.

For individual consumers, each business platform automatically encrypts consumer privacy data during transmission, and the receiving system cannot decrypt it on its own; customer service personnel can only see virtual customer information. Starting from the completion of the business, consumer privacy data stored in the system is desensitized and cleared after 3 months. For special business lines such as the DELL product line, we have established strict customer information management procedures, stipulating that all customer-related information, including system data, business emails, paper service orders, and downloaded reports, must be cleared within 90 days after service

completion, to prevent long-term storage of privacy data and reduce the risk of data misuse. We promise not to rent, sell or provide personal data to third parties for purposes other than transactions and services.

In addition, we have established a detailed *Data Security and Privacy Protection Statement*, explaining in clear and understandable language how information is collected, processed, stored, used, shared, and protected. A dedicated service hotline is set up for user inquiries, and non-essential data access is restricted at all stages of customer service. Users can review or update their personal information at any time through customer service channels. For any potential illegal collection or use of personal information, users can contact the Company at any time to ensure they have full knowledge and control over their data. We have also established a Data Subject Rights Request Response Process, providing clear channels and standardized procedures for users to access, correct, and delete their personal data, ensuring that consumer data sovereignty is fully respected.

Technical Shield for Privacy Protection

We have formulated and implemented the *Privacy Data Security Protection Regulations*, which clearly define the requirements for the entire lifecycle management of privacy data, preventing data leakage, tampering, and misuse, and ensuring that privacy data management complies with legal and regulatory requirements. This regulation applies to all employees, contractors, subsidiaries, and third-party partners, covering the entire process from data collection, storage, transmission, use, sharing, to destruction, forming a comprehensive and multi-layered privacy protection framework.

We have built a comprehensive technical protection system throughout the data lifecycle to safeguard customer privacy. During data collection, we strictly adhere to the principles of legality and minimization, collecting data only when necessary and with explicit authorization. In the storage phase, we use AES-256 or SM4 algorithms for static data encryption, implementing field-level encryption for sensitive data such as credit card numbers and phone numbers. During transmission, we mandate the use of corporate VPNs or encrypted channels, and large files are transferred via encrypted compressed packages with separate password transmission. For data sharing, we require third parties to have authoritative certifications such as ISO

Category	Example
Personal Identity Data	Name, ID number, passport number, social security number
Contact Information	Phone number, address, email
Financial Data	Bank account, transaction records, credit card number
Health and Biometric Data	Medical records, fingerprints, facial recognition data
Business Secrets	Customer lists, contracts, unpublished patents, strategic plans

27001 and to sign data protection agreements, allowing data transmission only through secure API interfaces and encrypted protocols.

We implement strict role-based access control and have established a *User Access Management Procedure*. Special permission restrictions are set for queries and exports involving personal data, and detailed system logs are recorded to ensure full traceability. All permission changes are documented and reviewed regularly, and the system automatically detects and reports any abnormal access behavior. Additionally, we have set up an IP whitelist for database server access to effectively block unauthorized access, reinforcing the defence for privacy data access. In development and testing environments, we use data masking techniques to ensure that real sensitive information is not exposed even within internal environments.

Through a scientific network segmentation strategy, we have divided our office network, test network, and production environment into three isolated zones. Application servers for public network access are placed in the DMZ zone, while core business systems and data storage are located in the secure zone. Cross-zone access is strictly controlled by firewalls, building a robust network security barrier.

1.3.3 Preventing Information Leakage

We have established a scientifically complete emergency response mechanism for data breach incidents, formulating management methods and contingency plans such as the *Information Security Incident Management*, *Phishing Email Emergency Response Plan*, and *Ransomware Emergency Response Plan*. These ensure that when a security incident occurs, it can be handled quickly, orderly, and efficiently. According to the *Customer Information Breach Handling Procedure*, we have established a tiered response and resolution standard for information breach incidents:

In terms of organizational structure, we have clearly defined the responsibilities of the Operations Director, DBA, operations personnel, product design and development personnel, and business department liaisons and managers in the event of a data breach. This has established a complete emergency response chain from identifying the problem to resolving it, ensuring seamless connections and efficient collaboration at each stage. For different types of data breaches, such as employee information leaks, system interface information leaks, and information leaks due to malware, detailed handling plans and procedures have been formulated, covering the entire process from problem identification, personnel mobilization, cause analysis, solution formulation, execution of loss prevention to customer communication, ensuring precise and effective response measures.

By establishing a scientific emergency response mechanism, we minimize the impact of data breach incidents. Through continuous improvement of the security protection system based on experience, we enhance overall security levels. Regular security drills and training continuously improve the team's emergency response capabilities, forming a complete closed loop of pre-incident prevention, in-incident control, and post-incident summary.

During the reporting period, we did not experience any data breach incidents.

Information Leakage Level	Response Time	Resolution Time
Level I: Emergency issues; specific phenomena include data leakage of more than 100,000 rows, or more than 5 infected machines	10 minutes, submit a fault handling plan within 30 minutes	Within 6 hours
Level II: Serious issues; specific phenomena include data leakage of 10,000 to 100,000 rows, or 2 to 5 infected machines	10 minutes, submit a fault handling plan within 30 minutes	Within 12 hours
Level III: Relatively serious issues; specific phenomena include data leakage of less than 10,000 rows, or 1 infected machine	Submit a fault handling plan within 10 minutes, 30 minutes	Within 24 hours

1.4 Technological Innovation and Quality Assurance

DC Holdings firmly believes that technology is the core engine driving sustainable social development. As a technology company with a sense of social responsibility, DC Holdings deeply embeds the "Technology for Good" philosophy in its corporate culture and development strategy. It is committed to continuous work innovation, improving the R&D system, strict quality control, and high-quality customer service, leading development with a sense of responsibility and empowering the future with the power of technology.

1.4.1 R&D Innovation

R&D Management System

We have established an efficient software R&D and application system, ensuring the smooth and orderly conduct of R&D work through a scientifically designed department structure and clear division of responsibilities. This system primarily consists of functions such as product solutions, technology R&D, testing, basic operations, and system applications, forming a complete R&D closed loop from requirement collection, function design, technology R&D, testing validation to system operation and customer service.

To ensure the standardization and effectiveness of R&D, we have formulated a series of standard norms and management systems, integrating quality requirements throughout the entire R&D process to ensure the reliability and stability of products. We have implemented strict R&D quality control measures, such as implementing requirement review and test case review mechanisms during the R&D process to ensure the accuracy of function development; conducting internal demonstrations before the launch of major functions and performing full process testing after launch to minimize system risks to the greatest extent.

In addition, in combination with our own management needs and industry transformation trends, we actively engage in R&D innovation activities that have a positive impact on the environment and society, helping to improve operational efficiency and save resource investment for ourselves and our partners. We also pay attention to the environmental impact of R&D activities, using public cloud leasing instead of purchasing servers, storage, and other hardware equipment, effectively reducing resource consumption.

Intellectual Property Protection

Over the years, DC Holdings has continuously increased its investment in R&D resources, with R&D achievements accumulating steadily. As of the end of the reporting period, we have owned 2,588 software copyrights, 164 patents, and 425 trademarks, totalling 3,177 intellectual property rights. We have established a comprehensive intellectual property management system, clearly defining planning, application procedures, incentive mechanisms, and confidentiality measures to fully protect the Company's innovative achievements.

We have taken a series of intellectual property protection measures to effectively safeguard the Company's rights and interests:

- Formulate intellectual property plans and budgets, to clarify the direction of intellectual property development;

- Standardize the *intellectual property application process using documents such as the Intellectual Property Application Intention Overview* and *Patent Technology Disclosure Document*;

- Establish an intellectual property incentive fund to encourage employee innovation;

- Sign confidentiality agreements with clients, prohibiting them from translating, decompiling, modifying, reverse compiling, reverse assembling, reverse engineering, or attempting to derive the source code of software products in any other way.

1.4.2 Quality Control

Enhance Quality Control Levels

DC Holdings adheres to the service philosophy of "Customer Success and Value Creation", continuously improving its product quality management system and customer service level to earn market recognition and trust. We have a mature project delivery management system based on PMBOK, a software maturity system based on CMMI Level 5, and ISO 9001 quality management system, as well as standardized testing and configuration management systems. It also has a comprehensive tool system for project management and engineering processes, effectively ensuring the effectiveness of project control and quality management. Our quality management system is established based on theories and certified management requirements from PMBOK, CMMI, CSMM, ISO, ITIL, and other standards.

DC Holdings places a high emphasis on quality management certification. Its subsidiaries have obtained numerous quality management-related certifications. As of the end of the reporting period, ITL, a subsidiary of the Company, provides comprehensive digital brain solutions for the entire supply chain, including end-to-end supply chain services. ITL holds the highest 5A logistics enterprise qualification in the logistics industry, AOE certification, multiple ISO system certifications, and has won numerous prestigious awards from various logistics industry associations, earning widespread recognition for its service capabilities and reputation.

We have established a comprehensive quality monitoring mechanism, including a three-level inspection system of headquarters quality control spot checks, regional quality control inspections, and self-inspections at business locations, to monitor

service quality comprehensively. This system focuses on operational metrics management, customer satisfaction management, quality audit management, and the design and continuous improvement of quality improvements, forming a quantifiable full-process quality control system. Based on key customer KPIs and overall operational metrics, we have established an operational system quality KPI monitoring system, regularly releasing monitoring reports and organizing periodic meetings with relevant business operation departments to promptly follow up on issue rectification and promote business process optimization.

We regularly update and reviews the operational system operation manual and organize employee training by corresponding managers to ensure consistent operation standards for the same project across different regions and business locations, maintaining stable service quality. For non-conformities and potential non-conformities, we follow the non-conformity management control procedure and improvement control procedure, adhering to the PDCA management approach for closed-loop management and monitoring.

Company	Qualifications
Beijing Zhiyun Instant Technology Service Co. Ltd	ISO 9001 Quality Management System Certification
Beijing Instant Technology Logistics Co., Ltd.	ISO 9001 Quality Management System Certification
	ISO 13485 Medical Device Quality Management System
Shanghai Instant Technology Logistics Co., Ltd.	ISO 9001 Quality Management System Certification
Shenzhen Instant Technology Logistics Co., Ltd.	ISO 9001 Quality Management System Certification
	ISO 22000 Food Safety Management System
Beijing Digital China Enovatech Technology Service Co. Ltd.	ISO 9001 Quality Management System Certification
	ISO 20000-1 IT Service Management System Certification
Digital China Information Service Company Co., LTD	ISO 22301 Business Continuity Management System Certification

Case: Ensuring Service Quality During Major Promotions of E-commerce

The "Double Eleven" Shopping Festival, as a super traffic node in the global e-commerce sector, poses an extreme challenge to the logistics industry, demanding "High Elasticity and High Concurrency." DC Holdings' smart supply chain business has experienced 15 years of "Double Eleven" promotion service test, driven by the core values of "Customer Success and Value Creation." Through comprehensive innovation in systems, personnel, processes, and logistics support, ITL has established an efficient, flexible, and sustainable promotional service support system. Simultaneously, it transforms high-pressure scenarios into opportunities for team culture building, achieving a win-win situation for customer value and organizational cohesion.

At the system level, facing an extreme scenario where order volumes surge to dozens of times the usual, we relied on the DC KingKoo System and the KingKooData big data platform to create a technical closed loop of "Dynamic Perception — Intelligent Decision-making — Rapid Response". Through digital monitoring of the entire business process, the system can capture key indicators such as order fluctuations, inventory levels, and transportation capacity in real-time, predicting bottlenecks and triggering early warning mechanisms in advance. This ensures the system can handle tens of thousands of orders per second during peak hours. Additionally, through intelligent order allocation algorithms, it coordinates the national warehousing and distribution network to achieve cross-regional resource allocation, ensuring that order fulfilment times remain stable within 48 hours. During major "Double Eleven" promotional events, we set up a KingKoo AI Assistant to send hourly updates on the progress of the promotion via enterprise WeChat groups, assigned specialists to follow up on abnormal issues, and established a dedicated quality dashboard for customers, allowing managers at all levels to view current operational quality in real-time. We also set up production warnings to alert on orders that were about to exceed the time limit, ensuring fulfilment times and maintaining the commitment to customers.

At the personnel level, to address the pain points of "Sudden Surge in Labor Demand And High Skill Matching" during major promotions, we have established a comprehensive human resources support system. It has formed a flexible labor resource pool by establishing long-term strategic partnerships with multiple professional labor companies across the country. Through a systematic rapid training mechanism, we ensure that the pass rate for new employee training meets the required standards. Additionally, from management to functional back-office staff, all personnel are deployed to the front lines to participate in basic tasks such as sorting and packing. This not only alleviates labor pressure but also reinforces the cultural recognition of "Customer Needs First" through the exemplary effect of "Executive Leadership." During the support process, inter-departmental cooperation was deepened, and support personnel thoroughly analyzed the warehouse workflow, actively raising issues and suggestions, laying the foundation for ensuring service quality during major promotions and enhancing subsequent service standards and experiences.

In terms of processes, we achieved maximum efficiency through business micro-innovations and fine-grained management of every link. For example, when serving Procter & Gamble, we pioneered an intelligent pre-packing and pre-sale sinking supply chain model. Based on deep analysis of consumer profiles, regional purchasing preferences, and other data, it pre-identifies best-selling product lists and regional demand volumes. In core hub warehouses, pre-packing zones are set up, and high-frequency products are pre-packed into "Semi-finished Orders". This significantly improves order processing efficiency during major promotions.

In terms of logistics support, a grand oath-taking ceremony was held before each major promotion to provide spiritual and cultural support. Additionally, a large number of "Motivation Packages" and "Supply Stations" were prepared to boost employee enthusiasm through immediate material rewards. We define the "Double Eleven" promotion as a "Large-Scale Corporate Team-Building Activity", transforming high-intensity service support into a practical scenario for cultural implementation. During the Double Eleven promotion, we have formed a team culture of "Raising Cups for Celebration in Victories, and Striving for Rescue in Defeat". This dual accumulation of capability and culture defines the core competitiveness of our smart supply chain.

Improving Customer Service Experience

We have established multiple customer communication channels, including corporate WeChat, email, telephone conferences, and on-site visits, to ensure timely and effective customer service in various communication scenarios. We analyse monthly customer KPI achievement, conduct monthly customer visits, and hold customer communication meetings to timely and accurately understand customer needs and evaluations. We provide free on-site inspections, equipment monitoring, and system maintenance services, benefiting over 240 corporate clients and more than 560 individual consumers.

Meanwhile, we place high importance on protecting customers' right to information. For corporate clients, we provide standardized tendering, quotation services, and explanations to clearly define the standard and value-added services offered and include the agreed service content and standards in the contract. For individual consumers, we publicly disclose product information, service procedures, and fee standards, and conduct a review process for promotional materials to ensure price transparency and service clarity.

In terms of customer complaint handling, we have established a standardized process and responsibility mechanism, and have built an escalation mechanism for abnormal situations. We receive customer complaints through customer service hotlines, liaison personnel, and email channels, and promptly respond to customer needs. For the content of customer complaints, we analyse the causes of the problems and formulates corrective measures, which are communicated to the customer. We also track the implementation of corrective actions to ensure effective resolution of customer complaints.

In 2024, we received 36 thousand customer complaints of, out of 164.05 million orders. The overall customer complaint rate was 0.022%, and the handling rate of customer complaints reached 100%. Among them, the Company's smart supply chain business received 32 thousand valid complaint cases, resulting in an overall complaint rate of 0.039%. To better protect customer after-sales service, we have integrated the customer service system with the courier system, achieving 24-hour real-time response for interception orders, significantly improving the speed of customer demand response. In 2024, the interception success rate reached 96%, a 1% increase from 2023. Additionally, we have established a real-time monitoring mechanism for original return orders, effectively reducing the risk of loss and customer complaints.

1.5 Supply Chain Management

DC Holdings adheres to the principles of "Altruism, Openness, and Win-Win Cooperation", continuously improving the supplier management system and enhancing the resilience of the supply chain. We are committed to building a sustainable and responsible supply chain ecosystem. Through systematic supply chain management, we ensure the stability of our operations while setting a benchmark for responsibility in the industry, promoting the healthy development of the industrial chain.

Efficient Supplier Management Structure

By establishing a systematic supplier management organizational structure, we achieve full-chain supplier management from market demand to final delivery, helping us build a professional supplier management system and enhance supply chain operational efficiency.

- **Business Management:** Lead supplier qualification review, evaluation organization, contract management, and payment supervision, serving as the core department for the entire lifecycle of supplier management.

- **Product Delivery:** Ensure the quality and standards of supplier deliveries, converting theoretical assessments into practical business value.

- **Marketing Solutions:** Provide professional recommendations for supplier selection from a technical solution perspective.

- **Regional Sales:** Act as a bridge between customers and the Company, ensuring that supplier selection meets end-user needs.

Refined Supply Chain Management

By the end of 2024, we have established stable cooperation with over 4,926 suppliers, including 110 overseas suppliers. This extensive network not only enriches the Company's resource pool but also enables it to offer more diversified and personalized solutions, enhancing market competitiveness. To ensure the efficient operation of this large supplier network, we have implemented a series of comprehensive management measures which applies to all suppliers:

During the supplier entry stage, we have established a multi-dimensional supplier evaluation system, setting strict supplier entry standards. Through market research, industry recommendations, sample testing, and on-site inspections, we evaluate the supplier's management and operational capabilities to select qualified suppliers and identify strategic partners with long-term cooperation potential.

- **Basic Qualification Assessment:** Ensure that suppliers meet the basic conditions for legal operation.

- **Risk Management Capability Assessment:** Evaluate the supplier's ability to respond to market fluctuations and emergencies.

- **Sustainable Development Potential Assessment:** Evaluate the supplier's performance in environmental protection and social responsibility.

- **Integrity and Compliance Assessment:** Evaluate the supplier's business ethics and compliance with operational standards.

For new suppliers, we sign the *Integrity and Compliance Agreement* to implement integrity and compliance management.

In the evaluation and dynamic management of suppliers, we not only focus on cost and service metrics but also comprehensively consider service capabilities, resource strength, professional skills, and other factors. We implement differentiated grading management of suppliers based on a multi-dimensional evaluation system. We regularly conduct supplier performance assessments, comprehensively evaluating key indicators such as service quality and environmental performance. It rewards outstanding suppliers with increased orders and provides clear improvement directions and support to underperforming suppliers.

To enhance the stability and efficiency of the supply chain, we provide comprehensive training and support to suppliers. Before collaboration, we ensure that suppliers fully understand the Company's management requirements and business processes, providing detailed operation manuals to help suppliers quickly master business skills. We share industry-leading information and technical knowledge with suppliers to help them continuously improve their innovation capabilities and promote the coordinated development of the industrial chain.

In addition, based on the complexity and uncertainty of the supply chain, we implement multi-level supplier risk management measures to address supply chain risks caused by delivery delays, technical failures, financial issues, and single-source issues:

Preventive measures: Through background checks and diversified supply strategies, implement "Dual Supplier" strategy in core business areas, ensuring at least one primary supplier and one backup supplier to guarantee timely and adequate supply.

Monitoring measures: Establish a supplier blacklist system, prohibiting suppliers with violations from entering and sharing blacklist information with other companies to form a joint punishment mechanism, avoiding cooperation with blacklisted companies through subcontracting.

Responsive measures: Develop emergency plans for high-risk scenarios to ensure rapid response in emergencies, minimizing the impact on company operations.

Suppliers' Environmental and Social Responsibilities

We deeply integrate environmental protection and social responsibility into our supply chain management practices, building a comprehensive green supply chain system to promote sustainable development across the entire supply chain. Our green supply chain system covers the entire product lifecycle, focusing on environmental impacts from raw material procurement, production, use, maintenance, to disposal. We prioritize the procurement of products listed in government energy-saving procurement and environmental labelling programs, and pay attention to the environmental impact of products during production, use, and disposal.

We have established a systematic mechanism for promoting environmental protection concepts through measures such as signing the *Environmental Protection and Occupational Health and Safety Maintenance Initiative*. Additionally, we monitor the environmental certification status of suppliers, requiring key suppliers to obtain ISO 14001 environmental management system certification. We focus on the substantive content of their environmental management capabilities, encouraging suppliers to establish robust environmental management systems and enhance their ability to assess environmental impacts throughout the product lifecycle, forming their own environmental improvement systems.

We consider the prohibition of child labor and the protection of workers' legal rights as important criteria in supplier selection, with strict entry standards and continuous supervision. We require suppliers to provide employees with safe working environments and necessary protections, such as additional insurance for high-risk operations like the transportation of high-end cabinets.

Environment

2.0 Environment (E): Building a Sustainable Digital Service Ecosystem

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2.1 Climate Change: Facing Global Ecological Challenges

We deeply recognize the challenges and opportunities brought by climate change, viewing the identification of climate risks and the seizing opportunities as a key driver for the Company's sustainable development. We have established a comprehensive climate risk management system, actively seizing the opportunities presented by the low-carbon transition, and continuously enhancing the Company's climate resilience.

Identifying Climate Risks

In terms of climate risk identification, we focus on two major dimensions: physical risks and transition risks. Physical risks mainly stem from the direct impacts of extreme weather events, global temperature changes, and sea-level rise on business operations, asset safety, and employee health; transition risks primarily arise from factors such as policy changes, technological innovations, and market shifts during the transition to a low-carbon economy.

Risk Type	Impact on the Company	Response Measures
Physical Risk		
Acute Risk	Heavy rain, snowstorms, and other weather conditions may affect the continuity and timeliness of our business operations; high temperatures or droughts may increase the energy consumption of office buildings and data centers, raising operating costs	We implement daily summer heat protection and winter heating to ensure comfort while avoiding excessive energy consumption; develop emergency plans for flood and snow disasters to minimize the impact of climate change on business operations
Chronic Risk	In the long term, it may be extremely unfavorable for the Company's operating environment, potentially leading to changes in operating areas or locations, or increased energy consumption and other adverse effects	We continuously invest in low-carbon initiatives, reduce energy consumption, and achieve the "Carbon Neutrality" goal as soon as possible
Transition Risk		
Policy and Regulatory Risk	We need to increase transparency in environmental information disclosure and energy consumption data; otherwise, there may be a risk of non-compliance	We regularly collect and compile relevant information, and enhance the promotion and training of related policies and regulations
Technology Risk	There may be issues with technology upgrades and product iterations in low-carbon technology	We increase research and investment in relevant technologies, gradually replace high-carbon products, and provide more low-carbon services and products
Market Risk	Failure to achieve a low-carbon transition may lead to customer loss and reduced market share, directly impacting the Company's revenue	We dynamically and promptly understand customer low-carbon needs, increase the procurement of clean energy, and provide more low-carbon services and products to retain target customers

For the identified physical risks, we have established a comprehensive early warning and response mechanism for extreme weather. By setting up a scientific warning classification system and formulating targeted emergency response plans, we effectively manage operational risks caused by various extreme weather conditions such as heavy rain, typhoons, snowstorms, high temperatures, and dense fog. For example, in managing heavy rain risks, we have established a four-level warning response mechanism from blue to red: when a blue warning is issued, we promptly activate the flood prevention plan and organize flood control materials; during a yellow warning, professional electricians ensure the safety of the power supply system and cut off hazardous power sources if necessary; during an orange warning, dedicated personnel are on duty to protect vulnerable assets; during a red warning, the full emergency response mechanism is activated to ensure personnel safety.

In addressing transition risks, we actively align with policy directions, deploy emission reduction measures in advance, and implement energy-saving and emission reduction strategies through technological upgrades and management improvements. We regularly monitor and report emission data to higher environmental authorities, laying the foundation for achieving carbon peak and carbon neutrality and reducing adverse environmental impacts. For instance, the transformation of the building's heating and cooling direct-fired units has significantly reduced nitrogen emissions, not only meeting the latest national emission standards ahead of schedule but also providing ample room for potential future policy tightening, demonstrating the Company's forward-thinking and social responsibility.

Seizing Climate Opportunities

Based on our business development strategy and planning, we have identified the following climate-related opportunities in five areas: resource efficiency, energy sources, products and services, industry advancement, and resilience, and integrated them into our operational management and strategic planning.

Opportunity Category	Response Measures
Resource Efficiency	– Improve water resource utilization efficiency by using reclaimed water recycling technology – Use renewable materials for product packaging – Use more efficient transportation modes
Energy Sources	– Develop energy-saving and emission reduction plans, actively monitor energy usage data – Increase the use of low-emission green energy – Participate in carbon trading markets
Products and Services	– Develop and expand low-emission products and services – Adapt to changing consumer preferences
Industry Advancement	– Collaborate with universities for R&D – Promote supplier improvements in materials and use of eco-friendly materials
Resilience	– Participate in renewable energy projects and adopt energy-efficient measures – Increase the use of alternative resources

We organically integrate our operational management with climate opportunities, fully incorporating climate adaptation considerations into the design of park buildings to meet the business needs of the new trend of energy conservation and environmental protection. The buildings are primarily designed in a north-south orientation to maximize natural lighting and avoid the prevailing winter winds; high-performance double-glazed windows and doors and composite exterior insulation systems are used to enhance building energy efficiency; a 35.25% green space ratio has been achieved in the "DC Holdings Wuhan Science and Technology Park" project; and a comprehensive water resource recovery and conservation system has been established through water-saving fixtures and rainwater collection systems.

2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology

We regard "Digitalization, Decarbonization, and Intelligence" as the core path for transformation and development, continuously increasing efforts in energy conservation and emission reduction. We fully consider the importance of clean technology innovation for the Company's sustainable development, promoting green transformation through continuous technological innovation and management upgrades. During the reporting period, the Company and its multiple subsidiaries maintained valid ISO 14001 Environmental Management System and ISO 5001 Energy Management System certifications, and Shenzhou Digital Rongxin Software Co., Ltd. obtained carbon neutral certificate through ISO14064-1 carbon verification by China Quality Certification Center, laying a solid foundation for systematic environmental and energy management. During the reporting period, we did not incur any significant fines or non-economic penalties due to violations of environmental laws and regulations, and conducted 93 promotional and training activities on energy conservation and environmental protection, as well as 299 emergency drills for environmental incidents.

Energy Consumption Control

DC Holdings strictly adheres to the *Energy Conservation Law of the People's Republic of China* and consistently prioritizes resource management with a focus on "Conservation First" and the energy management goal of minimizing unit energy consumption. we have established a systematic energy and water resource management system, promoting energy conservation and consumption reduction from multiple dimensions, including business management, daily operations, and employee behavior. In the daily operational environment, we achieve effective energy conservation and consumption reduction through measures such as optimizing equipment and technological upgrades, enhancing comprehensive energy utilization, strengthening management and supervision, and promoting an energy-saving culture:

- Increase the intensity of equipment upgrades, phase out high-energy-consuming equipment, and promote the use of advanced technologies such as variable frequency devices;

- Enhance the recovery and utilization of waste heat and pressure to reduce energy waste;

- Scientifically set up distribution rooms to reduce line and transformer no-load losses;

- Regularly inspect and maintain equipment to reduce leakage and other issues.

- Scientifically manage the elevator transportation system and adjust the operation management of elevators;

- Adopt new low-power LED energy-saving lamps main office buildings and warehouses, and equip the underground garage lighting system with an automatic lighting control system, which adjusts the lighting brightness and duration based on light intensity and human activity;

- Strictly control non-production energy use, set agreed start and stop times for lighting and equipment in all public areas, assign responsible departments and personnel, and eliminate wasteful practices such as leaving lights and water running continuously;

- Establish an energy-saving and consumption reduction evaluation mechanism, incorporating energy consumption indicators into departmental annual performance evaluations;

- Conduct energy-saving education and publicity activities to enhance employees' energy-saving awareness;

- Promote green office practices and reduce the use of disposable items;

- Implement paperless reimbursement with electronic invoices to minimize paper usage.

Nighttime light patrol

Automatic lighting control system in underground parking

Shutdown status check of unattended electrical equipment at nights

Shared printers

Water Conservation

In water resource management, we comply with laws and regulations such as the *Water Law of the People's Republic of China* and the *Regulations on Water Withdrawal Permits and Water Resource Fees Collection and Management*. With the goal of minimizing water consumption generated by the Company's business activities, we continuously improve water-saving management systems, and implement multiple water-saving measures to encourage and guide enterprises to carry out water-saving renovations, enhance employee water-saving awareness, and achieve comprehensive water-saving management:

- Adopt water quality differentiation and recycling technologies to increase the reuse rate of water resources;
- Regularly inspect the water supply network, promptly repair leaks, and reduce the leakage rate of the network;
- Promote the use of water-saving faucets, toilets, and other water-saving devices;
- Recycle and reuse production water, such as cooling water and condensate water;
- Improve the water metering system, implement one meter per household, and achieve precise water management;
- Monitor high-water-consuming equipment closely to ensure water efficiency standards are met;
- Encourage companies to achieve policy support and tax incentives through water-saving renovations and technological upgrades.

Green and Low-Carbon Measures

With the goal of reducing the carbon dioxide equivalent emissions from overall business activities, we continuously advance sustainable development in its business operations and park development by implementing a series of carbon reduction measures, achieving significant results in energy conservation, emission reduction, and cost efficiency. In optimizing the energy structure, we prioritize purchasing clean energy from power suppliers, to reduce greenhouse gas emissions and contribute to regional sustainable energy development. In the field of technological innovation, we enhance energy efficiency through systematic technological upgrades, such as using SCB11 epoxy resin cast dry-type power transformers to achieve over 20% energy savings, promoting T5 energy-saving lighting systems to achieve 35% energy savings, and introducing frequency conversion technology in pump and elevator systems to achieve

a 30% efficiency improvement. Additionally, we focus on fostering climate change awareness among all employees. We conducted environmental education and training to guide employees to change their lifestyles and reduce carbon emissions at the individual level, thereby building a low-carbon culture throughout the Company.

Categorized Emission Management

We aim to minimize the environmental impact related to the waste generated by its business activities. We have established a comprehensive waste management system and process, categorizing and managing recyclables, non-recyclables, equipment waste, household waste, electronic waste, and chemical waste. Waste storage areas and recycling facilities are set up, and waste is recycled or disposed of based on its nature. The waste management ledger records detailed information on the amount of waste generated, classification, recycling volume, and disposal methods, ensuring that the waste recycling and disposal process is transparent and traceable.

- Paper, plastic, metal, wood, toner cartridges, ink cartridges, and other recyclable items are regularly collected by waste recycling agencies, and the collected items are recorded and documented;

- Worn-out brooms, mops, and other items with no utilitarian value are treated harmlessly by specialized agencies;

- For old parts, packaging materials, and other solid waste generated from equipment repair or updates, priority is given to disassembly and recycling. Unusable parts are handed over to specialized agencies for handling;

- For toner cartridges, ink cartridges, and other office consumables, we collaborate with suppliers to implement a "Trade-In" program, where suppliers are responsible for recycling and disposal;

- Waste mercury-containing light sources, spent lead-acid batteries, electronic waste, and light tubes are handled by qualified hazardous waste recycling stations;

- Chemical waste is treated harmlessly or utilized as resources by specialized agencies.

We collaborate with waste management agencies that have environmental qualifications and professional capabilities to ensure that waste disposal complies with national and local environmental regulations. We regularly review the qualifications and handling capabilities of these agencies to ensure that their processes are standardized and environmentally friendly.

All domestic wastewater from the Company is treated through the municipal sewage network, preventing any unauthorized dumping. Bathroom wastewater is treated in septic tanks before being discharged into the sewage pipes. The property management of the park regularly inspects the water pipes, joints, valves, and other sewage discharge facilities and the sewage network within the park, recording and scheduling repairs for any issues found. We ensure that the Company's sewage discharge detection complies with the national sewage discharge standards.

We strictly adhere to laws and standards such as the *Air Pollution Prevention and Control Law of the People's Republic of China* and the *Motor Vehicle Emission Periodic Inspection Standards*. We send vehicles to qualified inspection agencies at specified intervals to test for pollutants such as carbon monoxide and hydrocarbons to ensure they meet emission standards. We continuously monitor regulatory developments, improve vehicle emission management systems, and regularly inspect, maintain, and repair key components such as engines and exhaust purification devices to ensure compliance with emission standards. Additionally, we actively phase out high-emission old vehicles, balancing economic benefits with environmental responsibility.

We regularly organize training for employees on waste classification, environmental management, and energy conservation. Through posters, manuals, and internal websites, we promote the importance and methods of emission management to enhance employees' environmental awareness and operational skills, fostering good work and living habits to reduce emissions at the source. Furthermore, we have established an environmental reward system to encourage employee participation in waste classification and management.

Business Optimization: Pioneering New Paths in Green Logistics

DC Holdings is committed to innovation, actively optimizing its transportation structure and improving operational efficiency to reduce resource consumption and environmental impact in its smart supply chain business. We accurately identify opportunities for energy efficiency improvements and have implemented a series of energy-saving and efficiency-enhancing measures during the reporting period, effectively reducing resource consumption in daily warehousing and logistics operations.

In terms of energy consumption, we have focused on implementing energy-saving renovations in warehouses such as Shanghai Fengshu Warehouse, Kunshan Dianshan Lake Warehouse, Guangzhou Xunyu C Warehouse, Chengdu Prologis A Warehouse, and Wuhan High-Tech Logistics Park No. 1 Warehouse. We completed the replacement of LED energy-saving lamps of these warehouses, significantly reducing lighting energy consumption. During rest periods, production lines, high-power electrical equipment, and some lighting circuits in the warehouse operation areas are turned off. We have also set regulations for the use of air conditioning in offices, allowing it to be turned on when the indoor temperature exceeds 30 degrees in summer, with the temperature setting not below 26 $^\circ$C, and when the indoor temperature falls below 8 $^\circ$C in winter, with the temperature setting not above 20 $^\circ$C.

In terms of packaging material usage, we have optimized the specifications of 13 packaging material models. The EPE foam pads have been replaced from 35cm*60cm to 35cm*30cm, and the wide transparent tape has been replaced from 60mm to 15–48mm, effectively reducing the amount of packaging materials used per order. We have also promoted the reuse of waste materials such as cardboard boxes and pallets, and innovatively launched a secondary use plan for packaging boxes. During the reporting period, 52,835 packaging boxes were reused. The pilot project for packaging recycling at the Hangzhou Yuhang Ampersand Warehouse has increased the secondary utilization rate of packaging boxes to 78%, a 34% increase from 2023.

In terms of application system optimization, the Company's independently developed intelligent scheduling system has achieved intelligent order integration and precise route optimization, marking a significant breakthrough in clean technology innovation in the logistics field. By innovatively developing an intelligent scheduling system, it can achieve order integration and route optimization, effectively improving vehicle loading rates and reducing empty runs. Additionally, we have developed an electronic contract signing system to promote the digital management of the entire contract process. The electronic rates for procurement contracts and sales contracts in the logistics sector have reached 81.50% and 94.20%, respectively, significantly advancing paperless office practices.

In terms of adjusting the transportation capacity structure, we have implemented a fleet environmental upgrade plan, phasing out one high-energy-consuming vehicle in Shenyang and Guangzhou, and suspending two fuel-consuming vehicles in Shanghai and Shenzhen. In Shenzhen, Beijing, Fuzhou, and Hangzhou, a total of 12 electric vehicles have been added. We continue to promote the use of electric vehicles for urban deliveries by our cooperative logistics providers, encouraging downstream freight forwarders and dedicated lines to use electric vehicles to reduce exhaust emissions. Through systematic green logistics measures, the Company's use rate of new energy vehicles has increased by 44% year-over-year, with an estimated annual reduction of about 20,000 liters of fuel consumption, contributing practical experience to the low-carbon transformation of the logistics industry.

2.3 Smart Supply Chain: Technological Innovation Safeguarding the Ecosystem

Digital transformation is not only a crucial means to enhance corporate operational efficiency but also a key force in promoting green and sustainable development. As an industry-leading smart supply chain service provider, we have always integrated environmental protection concepts into the entire business development process. By continuously advancing low-carbon transformation in supply chain operations through technological innovation, ITL uses digital intelligence to safeguard a green future. During the reporting period, to promote the green transformation of the entire logistics supply chain, we focused on the following innovative projects:

Case 1: Innovative Practice of Digitalized Warehouse Management

In traditional warehouse management systems (WMS), the creation of picking orders often relies on manual screening and consolidation by order processors, and the quality of order processing directly affects the overall efficiency of warehouse operations. In 2024, we successfully developed and launched an automatic order creation function by systematizing the experience of order processing positions. This system can monitor the pool of pending orders in real-time and automatically complete order consolidation and picking order creation based on intelligent rules such as pre-defined automatic order creation scope and conditions, achieving a significant breakthrough from manual to intelligent order creation.

Innovation outcomes:

—   Improvement of operational efficiency: Replace manual experience with standardized intelligent algorithms to achieve more scientific order consolidation, effectively enhancing picking efficiency within the warehouse.

—   Promotion of green operations: Achieve paperless processing of documents, reducing resource consumption.

Case 2: Innovative Application of the Intelligent Signing Management System

We have developed the JieCloud Intelligent Signing System, which serves as a technical tool and the infrastructure for driving the digital transformation of the logistics industry. Through the innovative design of the trinity of "Security + Efficiency + Compliance", it addresses the core pain points of traditional document signing. As a result, the receipt return cycle is shortened by 70%, and the warehousing management cost is reduced by 50%. It provides a benchmark for paperless collaboration across industries and promotes the transformation of the industry from "Managing Documents Manually" to "Managing Data through the System".

Innovative Achievements:

— It resolves the disadvantages of traditional document signing, such as low efficiency, high cost, and high risk. It promotes the electronic reform of the document signing, enabling real-time transmission of the receipt of goods. Through paperless operation, the cost of a single signing action is reduced by more than 90%, accelerating the business process and enhancing environmental benefits.

— As a secure, reliable, legal, and compliant technical system, it realizes the dual authentication of the signing subject's identity, uses Facial Biometric Identification + Dynamic Random Password + Encrypted Login to ensure that the contract content cannot be tampered with. Authoritative CA certificates are used to guarantee the legal validity of the signature, and convenient judicial evidence collection is achieved through multi-node storage.

— -It supports multi-role permission management. The consignor, carrier, and consignee can view the document in real-time across platforms. Users can complete approvals and seal authorization on the APP or PC terminal, realizing the entire process online and adapting to flexible office scenarios.

In the future, we will carry out in-depth technical integration and continue independent research and development of the end-to-end closed loop of the entire chain from signing to storage. We will actively expand functions such as AI early warning for abnormal receipts of goods and blockchain evidence storage, and build the signing order system into the core hub of intelligent supply chain management.

Case 3: Intelligent Scheduling System

In the third-party logistics scenario, there are often multiple carriers to choose from for the same transportation route. Selecting the optimal carrier based on the characteristics of different goods has been a pressing challenge for the industry. In 2024, we independently developed an intelligent scheduling function, achieving intelligent allocation of transportation resources. This system allows users to preset a carrier resource library based on multiple dimensions such as different customers, origin, and destination. When the system receives a new order, it can automatically match the eligible carriers, calculate the quotes of each carrier using intelligent algorithms, and automatically assign the cost-optimal carrier to execute the transportation task.

Innovative Achievements:

— Transport Cost Optimization: Breaking the traditional model of relying on manual experience to allocate carriers, the system automatically calculates quotes from various carriers and intelligently matches them, achieving precise control and continuous optimization of transport costs;

— Resource Allocation Efficiency: The system's automatic allocation of carriers significantly reduces the workload of manual scheduling, greatly improving the efficiency of transport resource allocation;

— Environmental Benefits: Through intelligent allocation of carrier resources and route optimization, the system has increased vehicle loading rates, reduced empty running rates, and effectively lowered energy consumption during transportation.

Case 4: Collaboation with P&G to Set New Standards in Fast-Moving Consumer Goods Supply Chain

In the field of fast-moving consumer goods, we have been serving the world's leading consumer goods companies for many years, effectively meeting their requirements for supply chain response speed and flexibility in view of their numerous product categories, frequent promotional activities, large sales volumes, and wide range of order delivery regions. In 2024, in order to complete product delivery more quickly, efficiently and safely, we helped customers to develop a new DTC model, established efficient warehousing and distribution centers, and relied on digital means to forecast and respond to customer needs scientifically and reasonably.

We rely on the self-developed DC KingKoo supply chain management system and KingKooData supply chain big data application platform, combined with artificial intelligence models and algorithms, to obtain real-time order information, grasp the order quantity, shipment and collection of each warehouse in the country and other information, and quickly analyze the cause of delivery delay. By comparing with the forecast volume, we monitor the capacity of warehouses across the country, provide rapid feedback and adjustment, address warehousing congestion, and improve the performance of each process, thus greatly improving the overall efficiency of the whole supply chain. During the promotion period, we relied on the leading technical level and rich operational service experience to ensure the stable operation of the supply chain and meet the huge demand of fast-moving consumer goods brands in the country and abroad.


Case 5: Ultimate Supply Chain Solution Recognized as Best Practice by the ECR Committee

During the 618-promotion period, competition among e-commerce platforms is intense, and logistics efficiency becomes a key point of comparison.The 24-hour collection rate and the entire chain's efficiency are important evaluation indicators for the platform. Instant Technology Logistics (ITL), under DC Holdings, has developed an ultimate logistics experience solution for the Tmall flagship store, which has been recognized as the best practice project by the ECR Committee for 2023-2024 and selected into Blue Paper on Innovative Cases of Qianhai Shenzhen Hong Kong Modern Service Industry Cooperation Zone — Green & Intelligent Logistic and Supply Chain Service.

We support enterprises in creating values with a "Fast, Accurate, Good, and Cost-Effective" digital innovation model. By integrating warehousing and distribution and eliminating nodes, they achieve the fastest shipping and full-chain efficiency. Using systems like pre-packaging and weighing combined with process optimization, they ensure shipping accuracy. Through system upgrades, combining precise and fuzzy forecasts, they enhance user experience. They also identify cost-saving opportunities, optimize box sizes and layered goods, and reduce logistics costs.

The big data and AI capabilities of DC Holdings can support business operations at various stages of major promotions, including "Pre-promotion Planning, Mid-Promotion Command, and Post-Promotion Analysis". Before the promotion, by analyzing the lifecycle, sales trends, fluctuations, and turnover of products, the system can provide support for inventory preparation and offer sales forecasts and warehouse allocation suggestions. During the promotion, by predicting personnel efficiency and order volume, the system can achieve labor forecasting and adjust during the process to reduce labor costs. The system can also provide warehouse operation guidance to improve the smoothness of operations and ensure transportation efficiency through in-transit monitoring. After the promotion, the system can analyze user purchasing behavior to provide insights for corporate development and marketing strategy decisions.
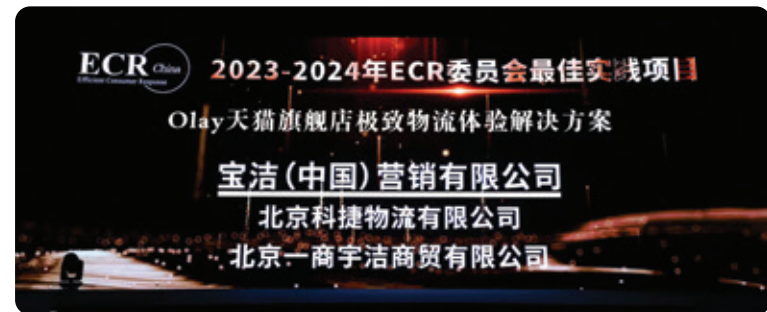
2.4 Digital and Intelligent Solutions: Innovative Solutions Leading Industry Green Transformation

We actively seize the opportunities brought by the digital wave, fully leveraging its technological innovation advantages. By providing digital and intelligent solutions to empower low-carbon transformation across various industries, we help build a resource-efficient and environmentally friendly society. In 2024, we continued to deepen the "Technology for Good" philosophy, using cutting-edge technologies such as cloud computing, big data, and artificial intelligence to provide green solutions covering environmental governance, resource management, and other fields. We have created a series of benchmark projects with industry demonstration significance, assisting cities in achieving refined environmental management.

Case 1: Smart Water Solutions Empower Sustainable Urban Water Resource Management

In the Yitong River Smart Water Project, we relied on advanced digital technology to create a comprehensive smart water management platform, achieving precise simulation and intelligent scheduling:

— By accurately and real-time simulating the operation process of "Plant-Station-Network-Pool" and the water environment status, it can conduct precise planning and operation analysis of drainage facilities, optimize the allocation and utilization efficiency of water resources, reasonably arrange the treatment and discharge paths of sewage, and avoid the waste and unreasonable use of water resources;

— In terms of water pollution simulation and source tracing, it can quickly and accurately locate the source of water pollution, take timely measures for governance, reduce the continuous damage of pollutants to the water environment, protect the ecological health of the Yitong River's natural water areas, and maintain the living environment of aquatic organisms;

— In the face of extreme weather challenges, equipped with flood forecasting functions and integrated intelligent scheduling drainage facilities, it can reduce the pressure on the urban drainage system through early warnings and intelligent guidance, effectively reduce the risk of flood disasters, protect urban ecological spaces and surrounding natural habitats, and enhance the city's resilience to climate change.

This project not only effectively improves the efficiency and effectiveness of water management within the region but also continuously creates social value in ensuring the safety of residents' lives and property, improving the urban hygiene environment, enhancing the sustainability of infrastructure, and supporting government decision-making and cooperation.

Case 2: Environmental Big Data Platform Assists Precise Environmental Governance

In the Yanqing Environmental Big Data Project, we constructed an "Internet + integrated environmental monitoring network" covering multiple environmental elements such as water, air, and sound, and supported environmental governance decisions through a supporting early warning and analysis system, creating a new model of smart environmental protection:

— By setting up 75 monitoring points and 915 sets of monitoring equipment, a dense monitoring network was formed to perceive the real-time distribution of regional pollution quickly and comprehensively. Five monitoring systems were established, including atmospheric environment monitoring, water environment monitoring, acoustic environment monitoring, pollution source monitoring, and three-dimensional environmental monitoring. The network and systems accurately lock down pollution sources and environmental conditions in each jurisdiction, provide data support for targeted governance of exhaust gas, wastewater, and particulate matter, and effectively improve air quality and river water quality.

— An ecological environment forecasting and early warning system, a pollution incident emergency management system, and a rapid source tracing analysis system for air pollution were established. These systems make full use of monitoring systems, meteorology, business subsystems, surveillance video and other data for analysis, and assess and warn of air quality through professional models, providing information support and decision-making basis for handling sudden pollution incidents, ensuring regional ecological and environmental safety.

— The "One Map" decision analysis system integrates data from multiple departments, enabling dynamic real-time display and intelligent switching of all ecological environment monitoring data, facilitating intuitive viewing of environmental quality data within the region, and providing comprehensive and accurate data support for government decision-making in environmental protection, promoting collaboration among environmental protection, meteorology, transportation, and land departments.

Furthermore, with the support of this project, the government's public portal website advances the public disclosure of real-time environmental quality data, enhancing public participation in environmental governance, fostering a positive situation of joint environmental protection by the government and the public, and raising overall social environmental awareness.
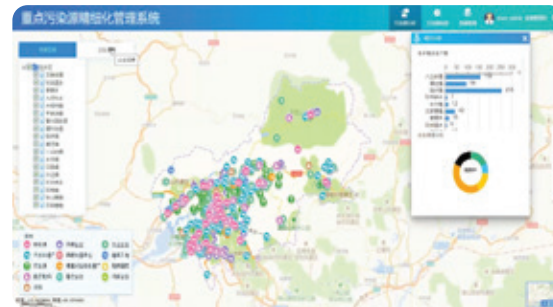
Case 3: Digital Asset Management Platform Promotes Green Operations

The independently developed Enovatech Agile Asset Management Platform by DC Holdings leverages new technologies such as the Internet of Things (IoT) and cloud computing to achieve comprehensive lifecycle management of all dispersed assets. This helps enterprises to monitor asset dynamics in real-time, identify potential faults and anomalies. In terms of intelligent asset management, the platform provides advanced functions such as smart prediction and smart alerts for asset lifecycle management, business collaboration, and asset data analysis, achieving comprehensive management of fixed assets, warehouses, and spare parts, reducing asset idleness, extending service life, and minimizing resource waste at the source. In terms of digital operational efficiency, the system supports modern methods such as QR code/RFID label management and mobile operations, significantly improving asset management efficiency and reducing resource consumption caused by traditional paper records.

The platform is applicable to various industries and scenarios, including real estate and hotels, manufacturing, state-owned enterprises, and government agencies, all of which can enhance asset management efficiency through the Enovatech Agile Asset Management Platform.
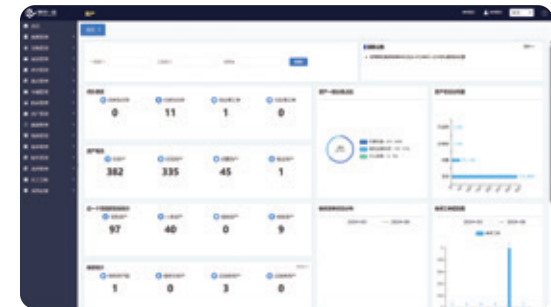
Society

3.0 Society (S): Sketching a Warm and Harmonious Social Blueprint

3.0 Society (S): Sketching a Warm and Harmonious Social Blueprint

3.1 Compliance in Employment

As a technology innovation company, DC Holdings fully understands that a sound talent management system is a key driver of sustainable corporate development. We always adhere to the core concept of "People-Oriented" and integrate it into every aspect of human resource management. We strive to create a fair, diverse, and inclusive development environment by establishing a comprehensive rights protection mechanism, standardized management system, and an open and inclusive corporate culture, thereby creating favorable conditions for the realization of talent potential.

#### 3.1.1 Standardizing Employment Management

We always prioritize employee rights and are committed to building harmonious and sustainable labor relations, laying a solid foundation for the long-term development of the Company. We strictly adhere to domestic laws such as the *Labor Law of the People's Republic of China* and international standards such as the *International Labour Organization Conventions*. We have formulated and continuously improved the *Recruitment Management System* and *Labor Contract Management System*, establishing a comprehensive employment compliance management system to firmly protect the basic rights and dignity of employees.

- We strictly prohibit any form of forced labor and employment discrimination and respect employees' rights to freedom of association and collective bargaining. We legally sign labor contracts with employees and, in accordance with relevant policies, pay social insurance and housing provident fund for employees, including old-age, medical, unemployment, work injury, and maternity insurance. For employees from Hong Kong, Macao, Taiwan, and overseas, we comply with local laws and the basic principles and rights declaration of the International Labour Organization, treating all employees equally.

- We explicitly prohibit the use of child labor and ensure that all employees meet the legal age requirements of the jurisdictions in which we operate. The onboarding process involves multiple checks by HR Business Partners, Employee Relations, and other relevant positions. If it is discovered that an applicant does not meet the minimum working age, they will not be processed for employment. Upon identifying any violations, we will immediately initiate corrective procedures and continuously optimize and update our onboarding processes.
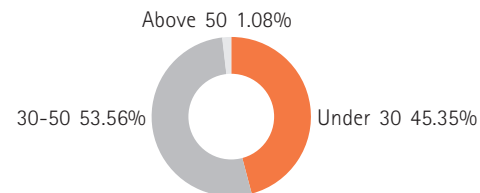
Employee Status

As of the end of this reporting period, the total number of regular employees in our group is 19,268, an increase of approximately 15% compared to the previous year, reflecting the Company's ongoing investment in business expansion and team building. Over the past four years, the number of employees has maintained steady growth, with an average annual growth rate within a reasonable range. In the future, we will continue to optimize human resource management, promoting the common growth of employees and the Company, and injecting strong momentum into the Company's long-term sustainable development.

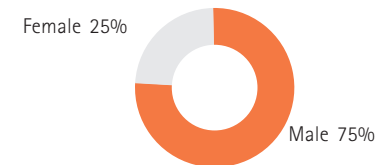**The Number of Full-Time Employees in the Recent Four Years**
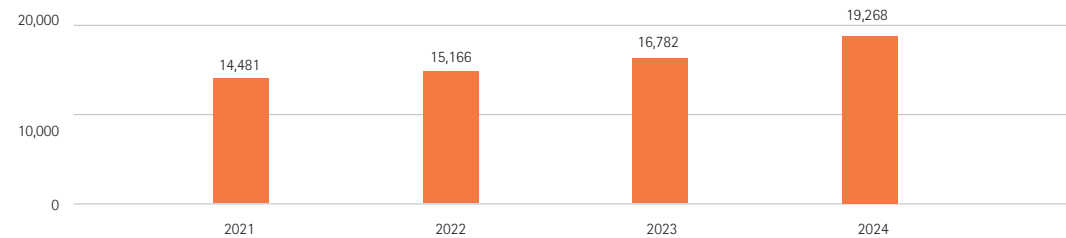
In 2024, the distribution of regular employees of DC Holdings by age, gender, education, and profession is as follows:
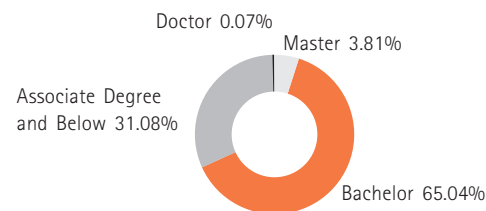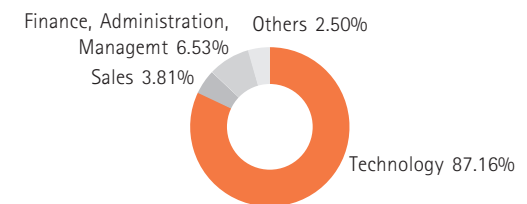
Staff Composition — Divided by Age

Above 50 1.08%
30-50 53.56%
Under 30 45.35%

Staff Composition — Divided by Gender

Female 25%
Male 75%

Staff Composition — Divided by Educational Background

Doctor 0.07%
Master 3.81%
Associate Degree and Below 31.08%
Bachelor 65.04%

Staff Composition — Divided by Profession

Finance, Administration, Managemt 6.53%
Others 2.50%
Sales 3.81%
Technology 87.16%

Employee Departure and Termination

We are committed to handling all departures in a fair, non-discriminatory, and consistent manner, ensuring that the legitimate rights and interests of each employee are fully respected. During the departure process, we strictly adhere to local laws and regulations and uphold the principles of transparency and fairness. For high-performing employees, we engage in proactive communication and implement personalized retention measures to minimize talent loss. If an employee's behavior violates company policies or laws and regulations, we will take appropriate disciplinary actions based on the severity of the violation, including but not limited to reprimands, termination, or referral to law enforcement, to maintain company discipline and overall interests.

During the reporting period, the Group was involved in 43 litigation cases due to employment issues, of which 19 cases were concluded. The main reasons for the concluded cases included project downsizing, employee misconduct, inability to perform work, and changes in the Company's objective circumstances leading to the termination of employment relationships. The Company won 37% of the concluded cases, while the remaining 63% of cases partially supported the employees' claims.

In 2024, the overall employee turnover rate of the Group was 21.76%, a decrease from 21.97% in 2023.

3.1.2 Promoting Diversity and Inclusion

DC Holdings actively promotes a culture of diversity and inclusion, dedicated to creating a work environment that respects differences, embraces diversity, and fosters value realization. We firmly believe that a diverse team can bring a broader perspective and deeper insights, which helps enhance the organization's overall creativity and competitiveness.

In our talent management practices, we adhere to the principle of "Appointing People Based on Abilities", ensuring fair treatment of every employee and candidate in recruitment, training, promotion, transfer, compensation, incentives, and benefits, without discrimination based on age, gender, health, marital status, family situation, race, color, or nationality. Through diverse recruitment channels, a robust internal referral system, and a continuously optimized talent management system, we attract, develop, and retain outstanding talent, infusing the Company with a steady stream of vitality for sustainable development. We also focus on

the personalized development needs of employees, providing a variety of career growth paths to help each employee realize their own value and grow together with the Company.

3.1.3 Safeguarding Health and Safety

We always prioritize the occupational health and safety of our employees, and have established practical occupational health and safety management policies to ensure a safe and healthy working environment. Currently, the companies under DC Holdings have obtained ISO45001 Occupational Health and Safety Management System certification.

ITL, the logistics subsidiary of the Group, involves warehouse and transportation personnel, whose work environment poses certain safety risks due to equipment operation, vehicle transportation, and cargo handling. To address this, we have formulated management systems such as the *ITL Logistics Safety Management Manual* and the *ITL Logistics Production Safety Accident Emergency Response Plan*, which comprehensively standardize safety operation procedures and emergency response mechanisms in warehousing and transportation. We ensure workplace safety through regular safety training, equipment inspections, and emergency response drills. We are committed to providing a safe and healthy working environment for all employees, ensuring the physical and mental well-being and occupational safety of every employee.

We strictly comply with the occupational health and safety laws and regulations of the regions where we operate, providing comprehensive health and safety protection for our employees. We update our occupational safety and health management measures as needed to ensure that every employee works in a safe and comfortable environment, thereby enhancing their happiness and sense of belonging.

2024 Occupational Safety and Health Initiatives

- **Air Purification:** The office building is equipped with a new air purification system, with regular filter replacement and cleaning and disinfection of air conditioning equipment.

- **Water Safety:** A domestic leading brand's nanofiltration direct drinking water system is used to ensure water safety and quality.

- **Security and Fire Safety:** 7*24-hour security is provided, with regular maintenance of fire and emergency equipment and fire drills.

- **Recreational Fitness:** The gym in the office building is open for free, equipped with rowing machines, spin bikes, and other facilities.

- **Caring for Employees:** A private space is set up for breastfeeding employees, providing special care.

- **Employee Activities:** Ongoing activities include swimming, badminton clubs, outdoor family days, and fun sports events

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There have been no employees who died due to work-related reasons in our group over the past three years. During the reporting period, there were no litigation disputes regarding the health and safety of employees. There were 28 work-related injuries, resulting in a loss of 958 working days.

3.1.4 Smoothing Communication Channels

Smooth communication channels are a crucial foundation for building a harmonious work environment and protecting employee rights. We adhere to the communication philosophy of "Openness and Transparency", advocating for equal and open dialogue between superiors and subordinates. We are committed to fostering a positive, harmonious, and candid communication atmosphere. To this end, we have established smooth communication channels and continuously optimized management mechanisms. Employees can convey their thoughts or suggestions regarding job satisfaction, compensation and benefits, labor protection, and career psychological counselling to their direct superiors, the human resources department, and management through direct communication, employee meetings, and seminars.

- **HRBP Communication:** Since 2022, we have established HRBP positions within each business department to provide professional support for departmental management while collecting employees' reasonable suggestions and feedback, and promptly relaying and addressing them.

- **Employee Meetings:** We established the employee meeting mechanism in 2019 and holds regular meetings annually. Employees can ask questions to management through a combination of online and offline methods, providing all employees with equal and open communication opportunities.

- **Seminars:** We periodically convene seminars for core management personnel and professional teams. Participants can speak freely and report on their achievements and issues in their respective work areas.

Case 1: Gathering Elite Talent, and Embarking on a New Journey — DC Holdings Convenes 2024 Kick-off Meeting

On March 1, 2024, we convened the 2024 kick-off meeting in Changchun, Jilin Province. All employees participated in the meeting through both online and offline methods. The meeting systematically reviewed and summarized the achievements of 2023, thoroughly analyzed existing issues, and provided a comprehensive outlook for 2024. Through close interaction and communication among participants, consensus was further consolidated and enthusiasm was ignited. Additionally, the meeting recognized outstanding teams to motivate all members to strive for greater success and create new glories.

Case 2: Business Group Strategic and Practical Meetings

In October 2024, we successively held strategic virtual meetings and practical meetings for various business sectors, providing strategic guidance for the Company's new stage of development and promoting employee participation in the Company's strategic development. Through various methods such as brainstorming, simulated debates, and team building, the meeting encouraged participants to fully interact and communicate candidly, achieving good communication results.

The employees discussed various key issues such as the strategic focus of the business group, business marketing models, ecosystem construction, brand culture, process construction, and organizational talent. They clarified the responsible persons for each task, laying the foundation for subsequent work progress.

Case 3: Focus and Re-launch — DC Holdings Convenes 2024 Annual Work Conference

On November 25, 2024, DC Holdings convened the annual work conference with the theme "Focus and Re-launch" at the Digital China Expo Center in Fuzhou. Seventy core backbone members from various business and functional departments attended the meeting. The conference adopted a combination of group discussions and centralized presentations. Participants studied and reviewed the work experiences of 2024 and summarized issues, while also formulating action plans for key tasks in 2025. This meeting further clarified the Company's strategic positioning and future direction, providing a clear roadmap for the next steps.

Case 4: Symposiums with Young Cadres and Young Technical Talents

In November and December 2024, we held symposiums for young cadres and young technical talents respectively. Encourage young talents to be proactive, innovative, and contribute to the company's development. At the symposium for young cadres, Guo Wei, the chairman of the Bureau, put forward requirements and expectations for young cadres, pointing out the direction for future development. The young cadres present actively made suggestions and put forward effective suggestions for the company's development. At the technical talent symposium, the leadership team responded and answered questions one by one, helping employees further clarify the Company's strategic main line, encouraging employees to maintain a spirit of self-driven learning, and injecting motivation into the team's continuous innovation and growth. Through the above meetings, the team's enthusiasm was stimulated, goal communication and value transmission were promoted, and young employees were helped to deeply reflect on their own positioning and career development, forming a good working atmosphere and injecting fresh vitality into the Company's development.

Youth Technology Talent Symposium Followed by a Team-Building Activity

In terms of appeal channels, we have established a communication management system and appeal handling mechanism covering all employees, and formulated the *Employee Appeal Management System* to standardize the appeal handling process. Employees who have objections to the process and results of rewards, punishments, promotions, demotions, or transfers can file an appeal according to the *Employee Appeal Management System*. After receiving their objections, we will form an appeal handling committee to accept the appeal. Under the principle of confidentiality, we handle the appeal events seriously and ensure that the legitimate rights and interests of employees are not infringed.

In addition, employees can also anonymously report relevant information to the audit department according to the procedures stipulated in the *Whistleblowing System and Reward Measures*. We follow the relevant regulations to conduct investigations and handle the reports. If an employee is retaliated against for whistleblowing, we will take measures against the retaliator, including but not limited to termination and referral to law enforcement, depending on the severity of the situation.

Employee Grievance Handling Process

— **Receiving Grievances:** The Human Resources and Administration Department is responsible for receiving employee grievances, and HRBP is responsible for investigating, gathering evidence, proposing preliminary handling opinions, participating in research, and providing feedback.

— **Establishing the Grievance Handling Committee:** A grievance handling committee is established, consisting of the department manager of the grievant, HRBP, and the head of the professional module of the Human Resources and Administration Department.

— **Mediation:** HRBP is responsible for investigating the cause of the grievance and providing preliminary handling and mediation based on the facts. If the grievant accepts the response, the grievance can be concluded.

— **Decision Making:** For grievances that cannot be resolved through mediation, HRBP signs an opinion on the grievance form and submits the form and investigation materials to the General Manager for review, who will make a decision based on company policies.

3.2 Employee Development

Talent is the core competitiveness of technology enterprises. We have always adhered to the strategy of talent cultivation as a key driver of enterprise development. By building a systematic compensation incentive mechanism, a comprehensive career development path, and a professional training system, we continuously strengthen our talent advantage, providing strong support for innovation and development.

3.2.1 Incentive System

We always regard internal fairness and gender equality as the core principles of compensation management, continuously optimizing the compensation incentive system. Through concrete actions, we promote the construction of a diverse and inclusive culture, ensuring that employees' compensation levels align with the market while also providing a more fair and sustainable career development platform for employees.

This year, we have continued to focus on the core goal of attracting and retaining talent by implementing a broadband compensation management mechanism. We have set differentiated salary ranges for different levels and positions, and determined compensation standards based on a comprehensive evaluation of position, individual capability, and performance, ensuring the fairness and competitiveness of our compensation policies.

We set monthly, quarterly, and annual performance review cycles based on business and position types. Performance evaluations begin with self-assessments by employees, followed by a comprehensive evaluation by their direct supervisors, considering key performance indicators (KPIs), values, and overall performance to determine performance ratings. In the annual assessment, the Human Resources and Administration Department determines the distribution of evaluation ratios based on departmental performance. Performance results are communicated through face-to-face feedback, and employees can appeal the evaluation results. Performance outcomes are used for bonus distribution, salary adjustments, training and development, promotions and appointments, job transfers or termination of employment, and rehiring and transfers. Through our performance evaluation system, we ensure that employee compensation is closely tied to their contributions, meeting the dynamic needs of the organization and talent.

We have established a variety of awards, including "Best Performance Contribution Award", "Outstanding Employee", and "Best Performance Growth Contribution Team Award", to recognize outstanding teams and individuals. We also provide excellent employees with rich learning and development opportunities, building a comprehensive incentive system that combines material and spiritual incentives. This effectively enhances employees' professional satisfaction and fosters a positive and upward organizational atmosphere.

In addition, to promote the Company's sustainable development, we have established a Restricted Share Award Plan, closely aligning the personal interests of employees with the Company's long-term development goals. This plan aims to motivate core teams and outstanding talents to grow and share success with the Company.

3.2.2 Development Mechanism

We firmly believe that talent is the Company's most critical resource. We continuously operate a dual-channel career development system, combining professional and management pathways, to provide employees with clear growth paths and meet their diverse development needs. Through annual comprehensive evaluations and talent assessments, we offer more resources and higher platforms to outstanding employees, assigning them more important responsibilities and positions to help them achieve greater value. To support global business development, we have also formulated the *Regulations for Dispatching Personnel to Hong Kong, Macao, Taiwan, and Overseas*, attracting employees to participate in the expansion of overseas markets and laying a solid talent foundation for the Group's internationalization strategy.

When evaluating employee promotions and leadership appointments, we consider a comprehensive range of factors, including work performance, skills and experience, departmental needs, fairness and justice principles, and career development needs. This ensures that promotion decisions are fair and reasonable, providing employees with a well-rounded career development path. During the reporting period, a total of 841 employees were promoted within the Group.

We encourage employees to proactively plan their career development paths and, in conjunction with the Company and departmental needs, provide them with opportunities for promotion within their current roles, lateral transfers, and role transitions. Additionally, we are committed to empowering employee growth through diverse pathways, solidifying their knowledge foundation with customized professional training, stimulating their potential with challenging tasks, broadening their career perspectives through rotational assignments, and encouraging participation in virtual organizational structures to gain cross-disciplinary collaboration experience.

Management Talent Development System

To support business development and enhance organizational capabilities, we conduct training for high-potential leaders in key positions. The training is led by a faculty comprising members of the President's Office, core management team members, and external guests. The training includes specialized sessions on financial management, human resources management, and marketing management, aimed at enhancing the business acumen and management skills of leaders.

- **Financial Management Workshop:** A group of 14 key financial personnel from the group participated in a 5-month learning and discussion program. The curriculum included topics such as group strategy, the latest digital transformation products and services, internal time management and strategic management, and external corporate valuation. The sessions focused on themes such as time management and strategic management, how financial work supports strategy, integration of business and finance, digital transformation, and organizational change practices, fostering in-depth discussions.

- **Human Resources Management Workshop:** A group of 14 key HR personnel from the organization participated in a two-month learning and discussion program. The curriculum included topics such as group strategy and its requirements for HR work, market value management and financial management, time management and strategic management, organizational change, and the development trends of HR work under new technologies. The program focused on the overarching theme of "How to Build an Organization Centered on Achieving Customer Success", exploring this theme from multiple dimensions through in-depth understanding and reflection. Participants submitted their insights, solutions, and implementation measures in the form of individual papers.

- **Marketing Management Workshop:** A team of 29 core managers from the group engaged in a topic-focused discussion, concentrating on the construction of "Customer-Centric" organizations, business processes, and management mechanisms. The workshop involved a deep analysis of the main issues existing in the marketing system and explored solutions.

Case: Marketing Management Workshop

The core management team members of DC Holdings gathered in Beijing to participate in the Marketing Special Task Force Workshop. The training focused on building an organization, business processes, and management mechanisms centered around the customer, covering the sharing of internal and external marketing practices and analyzing existing issues in the marketing system. During the workshop, participants engaged in multiple rounds of discussions on 12 key marketing issues, distilled four core topics, and proposed solutions. This workshop not only achieved a unified consensus at the cognitive level and clarified subsequent action plans but also reinforced the recognition of the core role of marketing and the importance of sales team development. Through the training sessions, a foundation was laid for optimizing marketing strategies and enhancing organizational efficiency, helping the Company to improve its competitiveness in a complex market environment and move towards building a more advanced marketing system and achieving long-term success..

After the annual appointment of managers, we provide management certification training for newly appointed general managers and directors. The training covers aspects such as role transition, personnel management, project management, business management, and time management. During the training process, we have developed 6 *Basic Management Skills Handbooks* tailored to different job categories, which serve as practical guides for managers in their daily work.

Professional Talent Exchange

As a company that drives its core with technological innovation, DC Holdings always upholds an unrelenting spirit of exploration at the forefront of technology and a leading role in industry development. We organized an annual technology conference where we not only comprehensively reviewed and summarized the technological achievements of the past year but also provided a platform for in-depth exchanges among technical elites within the Company and the industry. Through these exchanges, we continuously promote the iterative upgrading of our own technology and inject a constant stream of vitality into industry innovation, leading the industry to new heights of development.

3.2.3 Training Support

We place great importance on the growth and development of our employees, building a comprehensive training system to empower their growth and development. Through customized training courses, practical exercises, and mentor guidance, we provide employees with all-round learning opportunities to help them enhance their professional skills and overall qualities. At the same time, we focus on closely aligning training with business needs to ensure that employees can apply what they learn in their actual work, thereby enhancing their personal value.

Training Mechanism

For new employee training, we provide training courses covering a comprehensive analysis of the Company's business, in-depth interpretation of strategic goals, a review of the Company's development history, and the promotion of corporate culture, to strengthen employees' deep recognition of the company culture. Additionally, to help new employees quickly adapt to the work environment and smoothly integrate into the Company, we continuously operate a dual support mechanism of Buddy and Mentor, creating a comprehensive platform for integration and growth for new employees, achieving common development between individuals and the Company.

In terms of employee business improvement, each business department customizes and conducts targeted professional training courses based on actual business needs, ensuring that employees' professional skills are highly aligned with job requirements. At the same time, we fully utilize the online learning platform to provide employees with a wealth of general skills training resources, helping to enhance work efficiency and foster a more professional work ethic.

In 2024, the total training hours for group employees reached approximately 227,000 hours, a significant increase from 186,000 hours in the previous year, with a 100% training coverage rate. The training content covered leadership training, corporate culture training, general skills training, professional skills training, process and system dissemination, party and mass organization building, among others. Specialized topics included team management, new employee onboarding, financial management, with an average training duration of about 11.78 hours per person.

Professional Qualification Certification Support

We strongly support the growth and development of employees and teams, actively encouraging employees to participate in professional skills training, management skills training, or professional certification exams provided by external training institutions, as assigned by the Company or their respective departments. External training includes leadership management seminars, professional certification exams, professional open courses, industry or professional forums, visits, and exchange meetings, aimed at enhancing employees' professional skills and management capabilities, promoting the spread and exchange of corporate culture, and injecting vitality and competitiveness into the Company's development.

We have developed the *Technical Personnel Personal Certificate Incentive Program* to motivate technical staff to enhance their personal skills and actively pursue technical certifications. We reimburse training fees, examination fees, and renewal fees for employees who obtain or renew certificates listed in the *DIG Personal Technical Certificate List*. Additionally, employees who pay for their own certification exams and make the certificates available to the Company for free use receive performance evaluation bonus points, thereby encouraging continuous professional development.
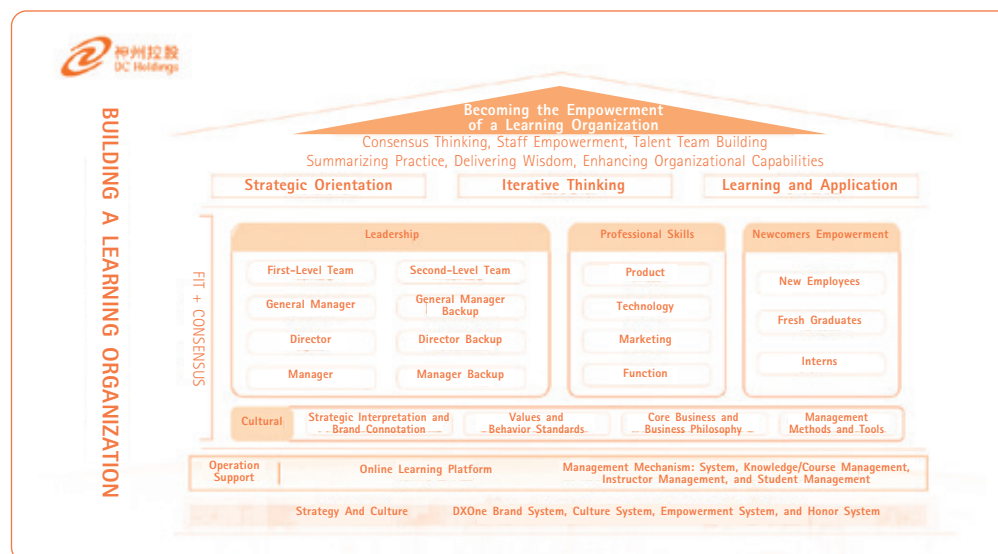
3.3 Employee Care

We are committed to building a comprehensive welfare system that covers all employees. Through a variety of cultural activities and comprehensive care measures, we closely integrate corporate culture construction with employee care, promoting mutual growth between the Company and its employees, and achieving a win-win development.

3.3.1 Employee Protection

We place a high priority on the physical and mental health of its employees, establishing a multi-level health protection mechanism. We provide comprehensive health and safety coverage for employees and their families, including medical insurance, commercial insurance, accident insurance, and life insurance. Additionally, we collaborate with professional medical institutions to offer a Peking University Medical Referral Platform, providing employees with convenient and efficient medical services. In terms of office environment, we have invested in new air purification systems, fitness facilities, and spaces for maternal and infant care, creating a healthy and inclusive work environment. Furthermore, we continuously organize health education activities to disseminate health knowledge and enhance employees' health awareness.

Supporting Employees in Need — Employee Mutual Assistance Fund

The Employee Mutual Assistance Foundation established by DC Holdings in 2008 is a significant measure of the Company's commitment to corporate social responsibility. In 2024, we continued to operate the Employee Mutual Assistance Foundation, deeply implementing the "Warmth Delivery" project, providing comprehensive care and support to employees in need, fostering corporate cohesion through humanistic care, and promoting sustainable corporate development through cultural construction. As of the end of this reporting period, the Employee Mutual Assistance Fund had 7,413 members, collected membership fees of 889,600 yuan, reviewed 15 employee claims in 2024, and completed assistance for 14 employees, with a total claim amount of 520,300 yuan, and claims in process amounting to 248,800 yuan.

3.3.2 Corporate Culture Construction

The Group Union adheres to the work principle of "Focusing on Employee Care, Fostering a Healthy Mindset, Enhancing Employees' Sense of Belonging, and Supporting Corporate Cultural Development", actively creating distinctive corporate

2024 Employee Outdoor Family Day Event

2024 Employee Outdoor Fitness Week Event

cultural activity brands. Since 2011, we have successively established employee swimming and badminton clubs. As of 2024, the two clubs had a total of 1,792 active members, with an average annual participation of over 1,694 people.

During the reporting period, the Group Union organized activities such as outdoor family days, outdoor fitness weeks, fun sports meetings, badminton singles tournaments, football team matches, and software park table tennis team matches, with a total of over 2,000 participants. These activities not only provided a platform for employees to relieve stress but also became important vehicles for transmitting corporate culture and enhancing team cohesion.

2024 Beijing District Employee Badminton Singles Competition

2024 Zhongguancun Software Park Table Tennis Team Competition

2024 13th Group Football Team Competition

3.4 Community Building

We deeply recognize the close connection between corporate development and social progress, and have always adhered to the concept of sharing the fruits of development. Through diversified measures such as educational support and rural revitalization, we actively practice corporate social responsibility, dedicated to promoting a harmonious and symbiotic social ecosystem.

3.4.1 Educational Support

Since 2002, we have launched a Hope Primary School construction plan, which it has consistently treated as a strategically significant public welfare project. Over two decades, we have worked with our employees to build 10 Hope Primary Schools in nine provinces, including Sichuan, Hubei, and Hebei (the Chengdu Fushun Hope Primary School and the Shanxi Lantian Hope Primary School were merged and closed by 2021). More than 16,000 students have benefited from these schools. To ensure the sustainability of the project, we innovatively established a "Party Building + Public Welfare" long-term operation mechanism, where each party branch and the regional platform of the Hope Primary School jointly undertake ongoing maintenance work, achieving a transformation from "Blood Transfusion" to "Blood Production." As of 2024, the 10 Hope Primary Schools have cumulatively benefited 16,289 students, with 3,104 currently enrolled students and 3,880 hours of volunteer service, demonstrating the project's profound impact in the fields of educational poverty alleviation and social public welfare.

The successful implementation of the Hope Primary School project would not have been possible without the collective efforts of the entire company. Under the leadership of management, participating in social public welfare has become a shared value pursuit for DC Holdings employees. In the future, we will continue to deepen school-enterprise cooperation, innovate support models, and contribute corporate strength to promoting educational equity and rural revitalization.

Case: Hope Primary Schools Donation Activity

In 2024, we actively carried out love donation activities for Hope Primary Schools and raised more than 50,000 yuan in the Party members' loving fund. The Smart Supply Chain Group's General Party Branch, in conjunction with the Zhengzhou platform, launched the "Hand in Hand • Lighting Hope" theme activity to provide comprehensive growth support for underprivileged students. During this event, all party members of the Smart Supply Chain Group's General Party Branch raised a total of 1,415 yuan, combined with donations from colleagues at the Zhengzhou platform and funding provided by the platform, to offer "Lunch Assistance", school supplies for the start of the semester, mooncake gift boxes, student milk, teacher gifts, and honor certificates to the underprivileged students of Cigudong Primary School.

In addition, as a result of Typhoon Haikui, Tangqian Central Primary School in Yongtai County, Fuzhou suffered the significant losses. We donated two sets of advanced multimedia teaching equipment to the school. This not only greatly alleviated the pressure of post-disaster reconstruction but also provided strong technical support for teaching activities, rejuvenating classroom teaching. As a result, we received a letter of gratitude from Tangqian Central Primary School.

3.4.2 Industry-Academia-Research Collaboration

DC Holdings actively establishes close strategic partnerships with universities, research institutions, and industry associations. Through various forms such as joint research, technology transfer, and talent cultivation, we promote the deep integration of technological innovation and industrial practice. We are committed to converting academic research results into practical productivity, injecting new vitality into corporate development, and providing a practical platform for universities and research institutions to facilitate the implementation of research outcomes.

In December 2024, as a technical support unit, we empowered the second Henan Province Logistics Industry Skills Competition, aiming to promote the cultivation of skilled talents and technological advancement in the modern logistics industry, and to foster industry exchanges and cooperation. The competition was organized by the Henan Provincial Development and Reform Commission, the Human Resources and Social Security Department, and the Education Department, and hosted by the Logistics and Purchasing Federation, with the Henan Transportation Vocational College as the organizer. It received enthusiastic responses from university students, teachers, and corporate employees, with 71 teams from across the province showcasing their skills. Our independently developed "DC KingKoo" system integrates advanced warehouse management (WMS), transportation management (TMS), and bill management (BMS) functions, providing a real logistics operation environment for the contestants, ensuring the professionalism and fairness of the competition. This is also the second time "DC KingKoo" has been designated as the official competition system for logistics, following its selection in March 2023.

The competition has achieved the positive outcomes of promoting education through competition, enhancing training through competition, and driving industry development through education. We have helped the logistics industry in Henan Province to reserve skilled talents and set a benchmark for digital transformation, effectively promoting industry exchanges and cooperation to new heights. In the future, we will continue to uphold the spirit of innovation and service, deeply participate in more industry competitions and development projects, continuously optimize technology and solutions, and work together with all parties to create a more glorious chapter of modern logistics industry development, firmly advancing on the path of assisting industry upgrading and social economic progress.

In addition, the subsidiaries under DC Holdings have joined authoritative industry associations in the fields of finance, technology, etc., and actively participated in relevant work such as research on the development of China's fintech industry and technical research and breakthroughs. It has continued to carry out in-depth cooperation with the "National Institute of Finance and Development", a national-level financial think tank. It has established industry-university-research cooperation with top domestic universities such as Tsinghua University, the University of Science and Technology of China, Beijing University of Aeronautics and Astronautics, and Southwestern University of Finance and Economics. It jointly established the "Joint Laboratory for Digital Intelligent Decision-Making" with the University of Science and Technology of China. It has cooperated with the Financial Technology Research Center of the National Institute of Finance and Development to publish *Digital Finance + Innovative Practices of Fintech in New Productive Forces* and participated in the compilation of the first domestic *White Paper on the Development of Digital Finance in China*. Strategic cooperation has been reached with Tencent Cloud on the "TMF Mobile Development Platform" to jointly expand the market and conduct R&D activities. We officially signed the "HarmonyOS Ecosystem Thousand Sails Plan" with Huawei, becoming one of the first certified development service providers for Huawei's "HarmonyOS", and launched a "HarmonyOS Edition" full-channel financial solution for banks.

Case: The Research on Performance Optimization Techniques for Core System Information Innovation Promotes Financial Innovation and Development

A subsidiary of DC Holdings, in collaboration with Huawei and Tencent, has led the release of the Research on Performance Optimization Techniques for Indigenous Core Systems in the Information Innovation Sector. This project enhances the compatibility and performance of the self-developed distributed core system with domestic software and hardware, providing practical references for performance optimization of core systems in the industry, and laying the groundwork for market promotion and application in financial institutions such as banks. The project won the first prize in the financial sector integration track of the 2024 Information Technology Application Innovation "Grand Competition" co-hosted by Beijing University of Aeronautics and Astronautics, Beijing Institute of Technology, and the China Electronics Standardization Association Information Technology Application Innovation Working Committee.

Key Performance Table

2024 ESG Key Performance Table

Environmental Section

Social Section

Key Performance Table

Environmental Section

Resource Consumption Data

Indicator	Unit	2024	2023	2022
Direct Energy Consumption	(MWh)	2,652.76	1,461.81	1,630.10
− Total Gasoline Consumption	(L)	11,438.15	7,395.43	14,324.30
− Total Diesel Consumption	(L)	1.00	22,776.33	29,787.72
− Natural Gas Consumption	(m³)	235,939.00	121,028.00	120,438.00
Indirect Energy Consumption	(MWh)	11,731.89	12,337.39	13,647.90
− Purchased Electricity Consumption	(MWh)	11,731.89	12,337.39	13,647.90
Total Energy Consumption	(MWh)	14,384.64	13,799.21	17,264.53
Per Capita Comprehensive Energy Consumption	(MWh/person)	0.75	0.82	1.14
Comprehensive Energy Consumption Density	(MWh/10,000 orders)	0.88	/	/
Total Water Consumption	(tons)	93,802.28	80,475.58	110,168.98
Per Capita Water Consumption	(tons/person)	4.87	4.80	7.26
Water Consumption Density	(tons/10,000 orders)	5.72	/	/
Steam Consumption	(tons)	120.00	430.00	719.00
Per Capita Steam Consumption	(tons/person)	0.006	0.03	0.05
Steam Consumption Density	(tons/10,000 orders)	0.0073	/	/
Packaging Material Consumption	(tons)	16,197.00	15,179.00	23,122.00
Average Packaging Material Consumption Per 10,000 Order	(tons/10,000 order)	1.04	1.22	1.30
Packaging Material Recovery Assisted for Customers	(tons)	0.90	/	/

Notes:

1. The consumption of gasoline and diesel by the Group mainly comes from the Company's own vehicles (We stopped using diesel vehicles, and gradually scrap and sell diesel vehicles); the consumption of natural gas is mainly used for heating and other equipment in the company building; the steam used comes from municipal heating units. The Company strengthened the daily statistical work of relevant data, and the accuracy and comprehensiveness of relevant data were further improved. In 2024, the consumption of gasoline increased, the consumption of diesel decreased, and the consumption of natural gas increased. The direct energy consumption was 1,190.95 MWh more than in 2023, with an increase rate of 81%.

2. Due to the increase in direct energy consumption in 2024, the energy consumption for the year increased by 4.24% compared to 2023. Energy consumption is calculated based on the consumption of purchased electricity and fuel, using the applicable coefficients specified in the *General Rules for Calculating Comprehensive Energy Consumption*.

3. The Group's water source comes from municipal tap water. In 2024, the water consumption increased by 13,326.70 tons compared to 2023, with an increase rate of 17%.

4. The number of employees in our group over the past three years is: 19,268 in 2024, 16,782 in 2023, and 15,166 in 2022. In the recent three years, the number of employees in the Company has been rising steadily, while the energy consumption per capita has shown a downward trend. The Group's order volume in 2024 was 164.05 million orders, which was used to calculate the consumption density of various resources. Since only the supply chain business involved the consumption of packaging materials, the order volume used for calculating the average consumption of packaging materials per 10,000 orders is the order volume of the supply chain business (155.27 million orders).

Greenhouse Gas Emission Data

Indicator	Unit	2024	2023	2022
Greenhouse Gas Emissions from Direct Emission Sources (Scope 1)	(tCO_2e)	541.58	348.11	431.83
− Emissions from Gasoline Consumption	(tCO_2e)	25.34	15.79	32.37
− Emissions from Diesel Consumption	(tCO_2e)	0.0027	60.64	81.32
− Emissions from Natural Gas Consumption	(tCO_2e)	516.23	271.68	260.41
Greenhouse Gas Emissions from Indirect Emission Sources (Scope 2)	(tCO_2e)	6,295.33	10,654.21	11,833.03
− Emissions from Purchased Electricity Consumption	(tCO_2e)	6,295.33	10,654.21	11,833.03
Total Greenhouse Gas Emissions	(tCO_2e)	6,836.91	11,002.32	12,207.14
Per Capita Greenhouse Gas Emissions	(tCO_2e/person)	0.35	0.66	0.80
Greenhouse Gas Emissions Density	(tCO_2e/10,000 orders)	0.42	/	/

Notes:

1. Based on the nature of the business, the Group's primary gas emissions are greenhouse gas emissions, which originate from the use of fuel and the purchase of electricity generated from fossil fuels.

2. The Group's greenhouse gas emissions are mainly carbon dioxide. The greenhouse gas emission data for 2024 is presented in CO_2 equivalent and is calculated based on the applicable coefficients published in the *2022 Power CO_2 Emission Factor* and the *General Rules for Calculating Comprehensive Energy Consumption* by the Ministry of Ecology and Environment of the People's Republic of China.

3. In 2024, the overall greenhouse gas emissions decreased by 38% compared to 2023, due to the reduction of electricity CO_2 emission factor.

4. The number of employees in our group over the past three years is: 19,268 in 2024, 16,782 in 2023, and 15,166 in 2022. In the recent three years, the number of employees in the Company has been rising steadily, while the greenhouse gas emissions per capita has shown a downward trend. The number of orders of the Group in 2024 was 164.05 million.

Social Section

Waste Data

Indicator	Unit	2024	2023	2022
Hazardous Waste Generation	(tons)	7.46	1.00	1.00
− Used Toner Cartridges and Ink Cartridges	(tons)	4.75	/	/
− Used Batteries	(tons)	2.71	/	/
Per Capita Hazardous Waste Generation	(tons/person)	0.00039	0.00006	0.00007
Hazardous Waste Generation Density	(tons/10,000 orders)	0.00045	/	/
Non-hazardous Waste Generation	(tons)	5,027.79	1,365.00	1,280.00
− Household Waste	(tons)	1,201.20	/	/
− Non-hazardous Office Waste	(tons)	3,826.59	/	/
Per Capita Non-hazardous Waste Generation	(tons/person)	0.26	0.08	0.08
Non-hazardous Waste Generation Density	(tons/10,000 orders)	0.31	/	/

Notes:

1. The types of hazardous waste involved in the operation of our office buildings mainly include used toner cartridges and ink cartridges from printing equipment, and used batteries from some electrical equipment. These hazardous wastes are centrally managed and handed over to qualified recycling units for recycling. Due to the improvement in the accuracy and comprehensiveness of the statistical data related to the supply chain business this year, the amount of hazardous waste in 2024 increase by 646% compared to 2023.

2. The types of non-hazardous waste involved in the operation of our office buildings mainly include household waste and non-hazardous office waste. Due to the improvement in the accuracy and comprehensiveness of the statistical data related to the supply chain business this year, the amount of non-hazardous waste in 2024 increased by 268% compared to 2023.

3. We estimated the household waste generated by our office buildings based on the *Emission Source Statistical Survey Method and Coefficient Handbook* published by the Ministry of Ecology and Environment. Non-hazardous office waste is centrally handed over to recycling companies for disposal, and the data statistics include all office buildings of our group located in mainland China.

4. The number of employees in our group over the past three years is: 19,268 in 2024, 16,782 in 2023, and 15,166 in 2022. The number of orders of the group in 2024 was 164.05 million.

Employee Data

Indicator Name		Unit	2024	2023	2022
Active Employees					
Total Number of Employees		(persons)	19,268	16,782	15,166
By Type	Full-Time Employees	(persons)	19,268	16,782	15,166
	Part-Time Employees	(persons)	0	0	0
By Gender	Number of Male Employees	(persons)	14,517	12,768	11,481
	Percentage of Male Employees	(%)	75.34	76.08	75.70
	Number of Female Employees	(persons)	4,751	4,014	3,685
	Percentage of Female Employees	(%)	24.66	23.92	24.30
By Age	Proportion of Employees Under 30 Years Old	(%)	45.35	46.93	52.35
	Proportion of Employees Aged 30−50	(%)	53.56	51.91	46.68
	Proportion of Employees Over 50 Years Old	(%)	1.08	1.17	0.98
By Region	Proportion of Employees in Mainland China	(%)	99.47	99.22	99.36
	Proportion of Employees in Hong Kong, Macao, and Overseas	(%)	0.53	0.78	0.64
By Profession	Proportion of Technical Personnel	(%)	87.16	84.67	81.68
	Proportion of Sales Personnel	(%)	3.81	5.08	5.82
	Proportion of Financial, Administrative, and Management Personnel	(%)	6.53	6.89	9.19
	Proportion of Other Service Personnel	(%)	2.50	3.35	3.32
By Education Level	Proportion of Doctor's Degree Holders	(%)	0.07	0.09	0.10
	Proportion of Master's Degree Holders	(%)	3.81	3.69	3.79
	Proportion of Bachelor's Degree Holders	(%)	65.04	61.91	61.68
	Proportion of Associate Degree and Below Holders	(%)	31.08	34.31	34.43

Employee Departure Data

Indicator Name		Unit	2024
Departed Employees			
Number of Departed Employees		(persons)	5,359
Employee Turnover Rate		(%)	21.76
By Type	Full-time Employee Turnover Rate	(%)	21.76
	Part-time Employee Turnover Rate	(%)	/
By Gender	Male Employee Turnover Rate	(%)	23.01
	Female Employee Turnover Rate	(%)	17.67
By Age	Employee Turnover Rate for Under 30	(%)	26.10
	Employee Turnover Rate for 30-50	(%)	17.83
	Employee Turnover Rate for Over 50	(%)	13.64
By Region	Employee Turnover Rate for Mainland China	(%)	21.68
	Employee Turnover Rate for Hong Kong, Macao, and Overseas	(%)	35.03
By Profession	Technical Staff Turnover Rate	(%)	22.34
	Sales Staff Turnover Rate	(%)	23.04
	Financial/Administrative/Management Staff Turnover Rate	(%)	13.12
	Other Service Staff Turnover Rate	(%)	19.57
By Education Level	Turnover Rate of Doctor's Degree Holders	(%)	13.33
	Turnover Rate of Master's Degree Holders	(%)	17.81
	Turnover Rate of Bachelor's Degree Holders	(%)	20.46
	Turnover Rate of Associate Degree and Below Holders	(%)	22.92

Note:

1.   Employee turnover rate = number of employees who left/(end-of-year number of employees + number of employees who left during the year)* 100%.

Employee Training Data

Indicator Name		Unit	2024
Number of Trained Employees		(persons)	19,268
Percentage of Trained Employees		(%)	100
Total Training Hours		(hours)	226,977.80
Average training hours		(hours)	11.78
By Gender	Number of male employees trained	(persons)	14,517
	Total training hours for male employees	(hours)	177,382.32
	Number of female employees trained	(persons)	4,751
	Total training hours for female employees	(hours)	49,595.48
By Position Level	Number of presidents and vice presidents trained	(persons)	25
	Total training hours for presidents and vice presidents	(hours)	954.76
	Number of senior managers to general managers trained	(persons)	1,389
	Total training hours for senior managers to general managers	(hours)	38,504.01
	Number of managers trained	(persons)	1,770
	Total training hours for managers	(hours)	29,588.67
	Number of general employees trained	(persons)	16,084
	Total training hours for general employees	(hours)	157,930.36

Note:

1.   Percentage of trained employees = number of trained employees/total number of full-time employees.

Appendix

2024 ESG Appendix

Appendix

Appendix 1: HKEX ESG Guide Index

Level	Content	Position in the Report
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note:* Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology
	KPI A1.1 Types of emissions and related emission data.	2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology
	KPI A1.2 The total amount of hazardous waste produced (measured in tons) and (if applicable) its density (such as per unit of output, per facility).	Key Performance Table
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Table
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology
	KPI A1.5 Description of emission target(s) set and steps taken to achieve them.	2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology, 2.3 Smart Supply Chain: Technological Innovation Safeguarding the Ecosystem
	KPI 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).	Key Performance Table
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Table
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology
	KPI 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.	Not Involved
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Key Performance Table
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.1 Climate Change: Facing Global Ecological Challenges, 2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.1 Climate Change: Facing Global Ecological Challenges, 2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology

Level	Content	Position in the Report
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) 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.	3.1 Compliance in Employment, 3.2 Employee Development, 3.3 Employee Care
	KPI B1.1 workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	3.1 Compliance in Employment, Key Performance Table
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	3.1 Compliance in Employment, Key Performance Table
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) 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.	3.1 Compliance in Employment
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.1 Compliance in Employment
	KPI B2.2 Lost days due to work injury.	3.1 Compliance in Employment
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.1 Compliance in Employment
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note:* Training refers to vocational training. It may include internal and external courses paid by the employer.	3.2 Employee Development
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.2 Employee Development, Key Performance Table
	KPI B3.2 The average training hours completed per employee by gender and employee category.	3.2 Employee Development, Key Performance Table
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.1 Compliance in Employment
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	3.1 Compliance in Employment
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	3.1 Compliance in Employment
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	1.5 Supply Chain Management
	KPI B5.1 Number of suppliers by geographical region.	1.5 Supply Chain Management
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	1.5 Supply Chain Management
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	1.5 Supply Chain Management
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	1.5 Supply Chain Management

Level	Content	Position in the Report
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) 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.	1.4 Technological Innovation and Quality Assurance
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Involved
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	1.4 Technological Innovation and Quality Assurance
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	1.4 Technological Innovation and Quality Assurance
	KPI B6.4 Description of quality assurance process and recall procedures	1.4 Technological Innovation and Quality Assurance
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	1.3 Data Security and Privacy Protection
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.1 Corporate Governance and Ethical Standards
	KPI 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.	1.1 Corporate Governance and Ethical Standards
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.1 Corporate Governance and Ethical Standards
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	1.1 Corporate Governance and Ethical Standards
Aspect B8: Community Investment	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.	3.4 Community Construction
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	3.4 Community Construction
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	3.4 Community Construction
Climate-related Disclosures	Governance Responsible for overseeing climate-related risks and opportunities of Information on the governing body (which may include the Board of directors, committees, or other equivalent governing bodies); the role of management in the governance processes, monitoring measures, and procedures used to monitor, manage, and supervise climate-related risks and opportunities.	2.1 Climate Change: Facing Global Ecological Challenges
	Strategy Climate-related risks and opportunities, business models and value chains, strategies and decisions, financial condition, financial performance, and cash flows, climate resilience.	2.1 Climate Change: Facing Global Ecological Challenges
	Risk Management The processes and related policies used by the issuer to identify, assess climate-related risks, and to determine their priority and maintain monitoring; the processes used by the issuer to identify, assess climate-related opportunities, and to determine their priority and maintain monitoring (including information on how the issuer may and how to use climate-related scenario analysis to identify climate-related opportunities); how the identification, assessment, prioritization, and monitoring processes of climate-related risks and opportunities are integrated into the issuer's overall risk management process, and the extent of this integration.	2.1 Climate Change: Facing Global Ecological Challenges
	Indicators and Goals Greenhouse gas emissions, climate-related transition risks and opportunities, capital deployment, internal carbon pricing, compensation, industry benchmarks, climate-related targets.	2.1 Climate Change: Facing Global Ecological Challenges

Appendix 2: GRI Standards Index

Indicator Number	Indicator Content	Report Content
GRI 1	Foundation	Summary
GRI 2	General Disclosures	Summary
GRI 3	Material Topics	Summary
GRI 201	Economic Performance	Summary
GRI 202	Market Presence	Summary
GRI 203	Indirect Economic Impacts	Summary
GRI 204	Procurement Practices	1.5 Supply Chain Management
GRI 205	Anti-corruption	1.1 Corporate Governance and Ethical Standards
GRI 206	Anti-competitive Behaviour	1.1 Corporate Governance and Ethical Standards
GRI 207	Tax	Summary
GRI 301	Materials	1.5 Supply Chain Management, 2.3 Smart Supply Chain: Technological Innovation Safeguarding the Ecosystem
GRI 302	Energy	2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology
GRI 303	Water and Effluents	2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology
GRI 304	Biodiversity	Not Involved
GRI 305	Emissions	2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology
GRI 306	Waste	2.2 Energy Conservation and Emissions Reduction: Boosting the Development of Green Ecology
GRI 308	Supplier Environmental Assessment	1.5 Supply Chain Management
GRI 401	Employment	3.1 Compliance in Employment
GRI 402	Labor/Management Relations	3.1 Compliance in Employment
GRI 403	Occupational Health and Safety	3.1 Compliance in Employment
GRI 404	Training and Education	3.2 Employee Development
GRI 405	Diversity and Equal Opportunity	3.1 Compliance in Employment
GRI 406	Non-discrimination	3.1 Compliance in Employment
GRI 407	Freedom of Association and Collective Bargaining	3.1 Compliance in Employment
GRI 408	Child Labor	3.1 Compliance in Employment
GRI 409	Forced or Compulsory Labor	3.1 Compliance in Employment
GRI 410	Security Practices	Not Involved
GRI 411	Rights of Indigenous Peoples	Not Involved
GRI 413	Local Communities	3.4 Community Construction
GRI 414	Supplier Social Assessment	1.4 Technological Innovation and Quality Assurance
GRI 415	Public Policy	1.4 Technological Innovation and Quality Assurance
GRI 416	Customer Health and Safety	1.4 Technological Innovation and Quality Assurance
GRI 417	Marketing and Labelling	1.4 Technological Innovation and Quality Assurance
GRI 418	Customer Privacy	1.3 Data Security and Privacy Protection

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