



JIANGSU NANDASOFT TECHNOLOGY COMPANY LIMITED

江蘇南大蘇富特科技股份有限公司

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 8045)

A large green globe with a circuit board pattern, surrounded by various green trees and bushes. The globe is the central focus of the lower half of the cover.

**ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT
2021**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

About this ESG Report

1.	Scope of this ESG Report	2
2.	Our Sustainability Value	2
3.	Stakeholders of the Group	2
4.	Environmental Protection	
	(a) Emissions	4
	(b) Use of Resources	5
	(c) Air Pollutant Emission	7
	(d) Greenhouse Gas Emission	8
5.	Employee Care	
	(a) Working Platform	9
	(b) Development and Training	9
	(c) Labour Standards	13
	(d) Health and Safety	13
6.	Operating Practices	
	(a) Supply Chain Management	13
	(b) Product Responsibility	14
	(c) Intellectual Property Rights Protection	14
	(d) Anti-corruption	14
7.	Community Engagement	
	(a) Community Investment	15
	(b) Caring about Society	15



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS ESG REPORT

This Environmental, Social and Governance (the “ESG”) report is prepared in accordance with the ESG Reporting Guide contained in Appendix 20 to the Rules Governing the Listing of Securities on the GEM of the Hong Kong Exchanges and Clearing Limited (the “GEM Listing Rules”) and sets out the measures adopted by the Group regarding the environmental, social and governance issues during the period from 1 January 2021 to 31 December 2021. The directors of the Company confirmed that the Company has complied with all applicable provisions as set out in Appendix 20 to the GEM Listing Rules and has put in place effective ESG risk management and internal control systems.

1. SCOPE OF THIS ESG REPORT

The principal activities of the Company are sales of computer hardware and software products, trading of information technology-related products and equipment, provision of information technology training services, developing, manufacturing and marketing of network security software, internet application software, education software and business application software, provision of system integration services, research and development of medical materials and devices, provision of services in relation to building installation and information system integration, and property investments. Our principal place of business is in the People’s Republic of China. This ESG Report mainly covers our core business operations in PRC during the year ended 31 December 2021 (the “Reporting Period”).

2. OUR SUSTAINABILITY VALUE

The Group always insists on establishing and maintaining a sound corporate social image, practising corporate social responsibility, maintaining a healthy operating environment, and driving and promoting steady development in the environmental, social and governance aspects with the results of our own practices. We are committed to operating in a manner that is economically, socially and environmentally sustainable while balancing the interests of various stakeholders and providing valuable products to the society in a most efficient manner. Meeting this commitment is an important management objective of the Group, which is also the individual and collective responsibility of the Group’s employees.

3. STAKEHOLDERS OF THE GROUP

The Group places strong emphasis on the needs and expectations of every stakeholder, actively builds and continuously improves the communication mechanism with every stakeholder to promote co-development among various stakeholders and the Group. In addition to considering the needs of shareholders and customers of the Group, we also strive to minimize the impact of our operations on local environment and community and implementing green office philosophy and low-carbon environmental protection, while constantly paying attention to and supporting community development.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholders	Needs and expectations	Communication mechanism and effect
Investors	<ul style="list-style-type: none"> Interests maximization, cost control 	Daily communication, results disclosure, strategic planning, technological innovation
Clients	<ul style="list-style-type: none"> Orders delivered on time, competitive pricing, premium after-sales service, and confidentiality of customer information 	Meet with customers regularly, conduct customer satisfaction surveys, identify customer needs to effectively develop plans, perform contract review and progress control, and implement information security system
Staff	<ul style="list-style-type: none"> Staff interest guaranteed Staff career development Staff value accomplishment Staff physical and mental health 	Formulate talents building programs according to business needs, provide career planning training and professional skills training, enhance team building, improve promotion mechanism and remuneration distribution system, care for employees' physical and mental health and care for employees in difficulty
Government agencies	<ul style="list-style-type: none"> Compliance with national laws and regulations and ethical requirements Production safety Fulfilling social responsibility Energy saving and emission reduction Creating jobs Fighting corruption 	Strengthen the identification and assessment of relevant laws and regulations in the course of operation, timely provide safety knowledge training for staff, track and provide job opportunities, and participate in public welfare activities
Suppliers	<ul style="list-style-type: none"> Compliance with national laws, regulations and ethical requirements Fair co-operation Mutual benefit and win-win result 	Record the communication with supplier, maintain stringent supply process, sign relevant agreements, improve supply quality and reduce purchase cost effectively
Cooperative partners	<ul style="list-style-type: none"> Mutual benefit and win-win result Co-development 	Consultation mechanism
Community residents	<ul style="list-style-type: none"> Establishing good relationship Pollution and disruption proof Promoting community development Supporting education, public health and so on 	Comply stringently with system requirements, laws and regulations, adopt green and low-carbon office practices, endeavour to minimize the impact on the environment and community, and actively participate in public welfare activities

FEEDBACK FROM STAKEHOLDERS

We value and pay close attention to the expectations and demands of our stakeholders on the ESG performance of the Group. We welcome feedback from our stakeholders on our ESG approach and performance. Suggestions can be sent to us via the following channels:

Contact us:

NandaSoft Softech Park

No. 19 South Qingjiang Road, Gulou District,

Nanjing, Jiangsu Province

General line: 025-68528888

E-mail: office@nandasoft.com

Website: www.nandasoft.com



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4. ENVIRONMENTAL PROTECTION

Since sustainable development has already become the common pursuit of mankind, establishing an environmentally friendly sustainable development enterprise is the ideal that Group has always been adhering to.

We advocate conservation of resources, such as rational use of water and electricity and other resources. We implement scientific treatment measures for different types of office waste generated in the course of operations, so as to minimize the adverse impact of our production and operation activities on the environment.

In future, we will continue to spare no effort on environmental protection, fulfill our commitment to environmental protection and contribute to the sustainable development of the environment.

(a) Emissions

As a high-tech enterprise and different from traditional manufacturing industries, our impact on the environment is very limited. During the Reporting Period, our major emissions were gasoline, electricity, water, paper, computer and other non-hazardous waste. Such emissions were not related to any production-related air, water and land pollution regulated by national laws and regulations.

For emission treatment measures, the Group aims to support corporate sustainable development by conducting our business in an environmentally responsible manner. The Group is aware of the impact brought by climate change and strives to minimise the impact of our operations on the environment.

Therefore, we request our contractors to adopt eco-friendly approaches to reduce the environmental damage caused by materials and construction methods used, thus less greenhouse gas and wastes would be emitted and produced in the course of operations.

The Group complies with all applicable environmental regulations, and co-operates with its partners, including clients and suppliers, to operate in an environmentally responsible manner to achieve energy efficiency and to reduce, reuse and recycle waste.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(b) Use of Resources

We attached great importance to environmental protection in order to establish an environmentally-friendly enterprise. We pay close attention to the intensive and economical utilization of resources, and advocate environmentally-friendly office practices and travel, so as to greatly reduce the consumption of resources and thus reduce the damage to the environment.



For electricity utilization, staff are required to turn off all electric equipment before leaving for the day, set operating conditions and temperature standards for air-conditioners, and post gentle reminders for conserving electricity to help employees to raise their environmental consciousness.

For usage of papers, employees are encouraged to communicate with each other through emails and other online means to reduce paper consumption, implement double-sided printing to the greatest extent, and recycle used paper.

For usage of water, we put up water conservation tips and posters in toilets and hand washing places, strengthen the daily maintenance and management of water equipment, and timely repair damaged water supply pipes and facilities.

Energy consumption	Unit	2021		2020	
		Annual aggregate amount	Intensity of energy consumption/revenue '000	Annual aggregate amount	Intensity of energy consumption/revenue '000
Energy consumption	kWh	438,003	0.82	310,127	0.58
Gasoline	Litre	198,625	0.37	132,801	0.25
Water	M ³	6,224	0.01	7,526	0.01

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Gasoline**

The gasoline consumption of the Group's motor vehicles during the Reporting Period was approximately 198,625 litres in total (2020: approximately 132,801 litres) during the Reporting Period, representing an increase of approximately 65,824 litres from 2020, which was mainly due to the increase in overall mileage of travel as the Group increased its efforts in business expansion after the COVID-19 epidemic eased.

- The Group advocates minimizing business travel and using other effective means of communication to solve problems, such as teleconferencing or video conferencing.
- The Group encourages green commuting without compromising work efficiency, such as bus and subway transportation or centralized vehicle arrangement to reduce environmental pollution caused by energy consumption and vehicle emissions.
- Furthermore, we regularly review the compliance with emission standards for motor vehicles, whereby existing company vehicles are inspected by government-appointed inspection agencies and vehicles that do not comply with emission requirements are not allowed to use.

- **Electric Power**

Due to business development needs, our electricity consumption increased over last year to 438,002 kWh (2020: 310,127 kWh), representing an increase of approximately 127,856 kWh. This was mainly because the Company increased its office efforts to capture the market after the COVID-19 epidemic eased, which led to an increase in electricity consumption despite the Company's strict control of electricity consumption. In order to further conserve electricity consumption, the Group adopted various measures to avoid electricity wastage, including but not limited to the following methods:

- All air-conditioners, meeting rooms and high-power electrical appliances of the Group in every area are checked on a daily basis to see whether there is any wastage or electrical fault, and equipment will be repaired and replaced timely once abnormality is found. Any daily lighting tubes, if malfunctions, will be replaced with energy-saving tubes. Any equipment and facility, if tested to be damaged or obsolete, will be replaced with energy-saving equipment of the same capacity;
- Turn off air conditioners and lighting lamps without delay when leaving for the day or after meetings to reduce electricity consumption, arrange staff on duty to inspect electricity utilization on a daily basis;
- Apply voice control in public area to save electricity effectively;
- Maintain air conditioning control in office area by setting its temperature level to ensure air conditioners are not operating at a too high or too low temperature;
- Advocate keeping office lighting off when there is sufficient sunlight for proper office work so as to save electricity; and
- Set turning on conditions and temperature standards for air conditioners, and post energy-saving reminders to help employees improving their environmental awareness.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Water Consumption**

Water consumption of the Group was approximately 6,224 cubic meters (2020: approximately 7,526 cubic meters), representing a year-on-year decrease of approximately 1,302 cubic meters, which was due to the effectiveness of the Group's continued initiatives to reduce water consumption. The Group will actively promote water conservation measures and enhance the management, repair and maintenance of water supply installation, facilities (including roof tanks) and instruments to reduce wastage rate so as to prevent wastage of water due to human errors or inadvertent switching errors.

- **Computers and Commodities (electronic waste)**

To reduce environmental damage caused by e-waste, we reuse or recycle telephones, computer parts and other products and reassess the usable value of e-waste.

- **Paper**

The Group takes active and effective measures to cultivate the habit of using electronic data storage for office work among employees, and encourage employees to use electronic documents for office work unless paper versions are necessary to reduce reliance on paper. A request system is in place for paper usage, and the administrative department registers individual paper usage to promote conservation. Meanwhile, we continue to maintain double-sided printing by default to remind employees to cultivate the habit of reducing photocopying waste and collect waste paper separately for recycling purpose, and to recycle discarded paper that has been used on one side for use on the other side, thereby reducing paper consumption.

During the year, the Group did not produce any non-hazardous or hazardous waste.

(c) Air Pollutant Emission

Nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and respirable suspended particulates ("RSP", also known as suspended particulates ("PM")), which are the major urban air pollutants, are mainly generated from vehicles, vessels, power plants and production plants where fossil fuels are commonly consumed. Up to the reporting date, the Group has not engaged in any business activities that involve substantial use of fossil fuels. In the opinion of the directors of the Company, the pollutant emissions of the Group in this respect are very limited.

Vehicle Exhaust Emissions	2021 Total emissions (kg)	2020 Total emissions (kg)
Nitrogen oxide ("NO _x ")	521.13	348.43
Sulphur oxide ("SO _x ")	2.91	1.95
Particulate matter emission ("PM")	46.17	30.87



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(d) Greenhouse Gas Emission

Global warming is one of the major issues of climate change nowadays, which is closely associated with the greenhouse gas emissions from the human activities. The risks associated with climate change are imminent. There is a broad scientific and policy consensus that actions must be taken to further quantify and assess the risks. Our Group shares the concerns of scientists and governments about these risks. We are committed to using energy in a sustainable and environmentally friendly way so as to reduce greenhouse gas emissions. We have adopted energy saving initiatives as described in the sections headed “Waste management” and “Use of resources”.

The data in respect of total greenhouse gas emissions during the year is set out below:

Total greenhouse gas emissions	2021 In tonnes	2020 In tonnes
Carbon dioxide (“CO ₂ ”) generated from use of vehicles	468.75	313.41
Methane (“CH ₄ ”) generated from use of vehicles	1.01	0.68
Nitrous Oxide (“N ₂ O”) generated from use of vehicles	68.03	45.49
CO ₂ from electricity consumption	275.94	195.38
Total CO ₂ emissions	813.74	554.96

5. EMPLOYEE CARE

It has always been the Group’s belief that employees are our most valuable assets and the cornerstone of our development. The Group’s fundamental approach to retaining outstanding talents is to pursue the development of the Company and promote the interests of its employees. Through a comprehensive remuneration and welfare system, diversified training and development opportunities and plentiful staff group activities, every employee can feel the care from the Group, thus creating a warm living and working atmosphere.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(a) Working Platform

The Group provides professional and people-oriented working and management environment, creating a warm and positive working platform for the staff.



(b) Development and Training

The Group is committed to strengthening its talent pool through establishing a compensation and benefits system and providing continuous and systematic on-the-job training and development to enable staff to keep abreast of the latest industry information and cutting-edge technological know-how. Accordingly, the staff is able to improve their individual competence comprehensively according to our business development objective, forging ahead and developing themselves during the development of the Company.

The Group always believes that talents are the essential element for its business growth, and the quality of its employees assures the sustainable growth and higher profitability of the Group. The Group focused on its yearly business objectives and work priorities, and integrated production, learning and research by leveraging on the strong and abundant teaching resources from Nanjing University, in a bid to establish a distinctive talents training management system. We persist in the path of talents-based development strategy, reserving and attracting highly professional and specialised talents for the Company's development.

Regarding the employee promotion mechanism, the Group only refers to the employee's working performance, experience and competence, and does not consider other irrelevant attributes such as marital status, physical condition, age and gender, etc.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has always been persistent in providing trainings for the staff, and putting in place competitive promotion channels for them in a bid to attract, develop and retain talents. At the same time, we encourage and sponsor staff to participate in internal and external professional trainings, which are mainly reflected in the followings:

– ***Established a sound talents training and management system***

We have established a sound talent training and management system, forming a closed loop process of training, application and performance while strengthening the foundation assurance works in talents training and management.

– ***Continuously improved the technical and professional level of talents***

We strengthened our human resources professional service technology, followed the Company's business development direction, gave full play to the intrinsic quality of talents in achieving development goals, identified trainers and training contents in a targeted manner, promoted the work skills and professionalism of professional and technical staff, and enhanced middle and senior management abilities in strategy planning, operational decision-making, resources integration, management innovation and crisis management.

– ***Intensified efforts to implement talents training and management measures***

We fully implemented talents training and management measures, accelerated building of talents team, broadened talents growth channels, improved training effectiveness, and fully exerted the exemplary and public relation roles of talents at all levels in their working fields. Being people-oriented, attaching importance to the training and development of talents, and stabilizing the talents team, we secured talents supply for the development of the Company.

Position	2021					2020				
	Male		Female		% of Employees Attended Training	Male		Female		% of Employees Attended Training
	Number of Employees under this Category	Number of Employees Attended Training	Number of Employees under this Category	Number of Employees Attended Training		Number of Employees under this Category	Number of Employees Attended Training	Number of Employees under this Category	Number of Employees Attended Training	
Senior Management	12	7	5	3	59%	13	5	4	2	41%
Middle Management	18	8	10	6	50%	19	8	9	8	57%
Junior Management	13	8	5	4	67%	16	8	7	5	57%
Executives	19	11	14	10	64%	22	13	15	12	68%
Non-Executives	132	105	44	30	77%	133	96	42	32	73%
Total	194	139	78	53	71%	203	130	77	59	68%



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

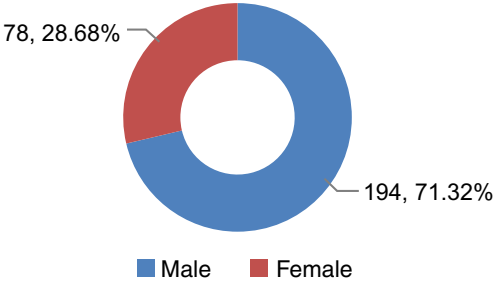
Overview of the Group's employees

As at 31 December 2021, the Group employed a total of 272 employees (2020: 280). The employment particulars were as follows:

- By gender

The Group has more male employees than female employees, which is generally in line with the characteristics of high-tech enterprises with a high concentration of male employees.

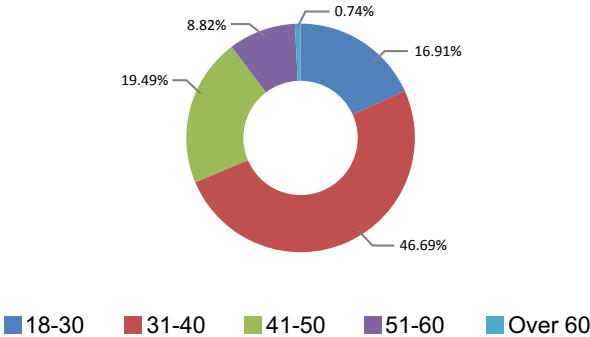
The distribution of the Group's employees by gender in 2021



- By age

The Group's employees are concentrated within the age of 40 in 2021, maintaining a younger workforce in general.

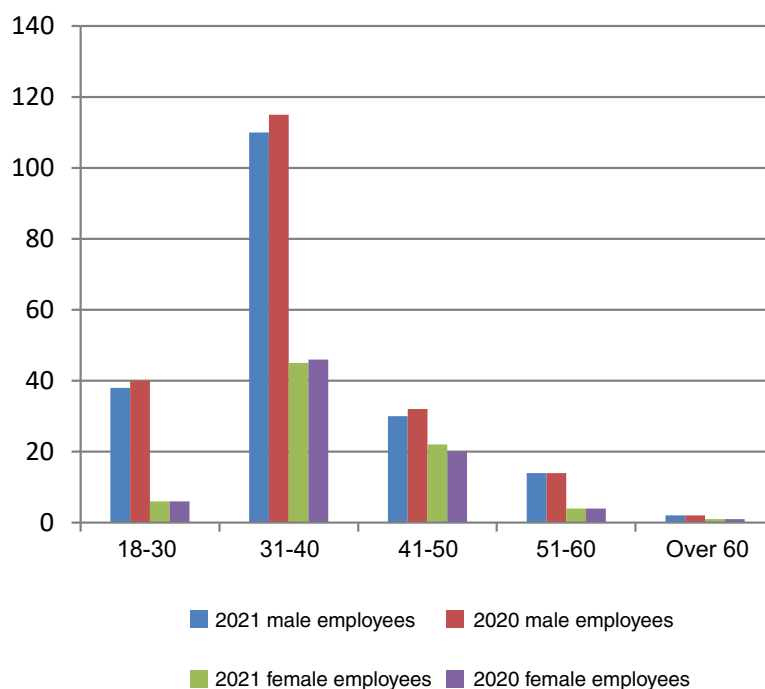
The distribution of the Group's employees by age in 2021



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- By gender and age

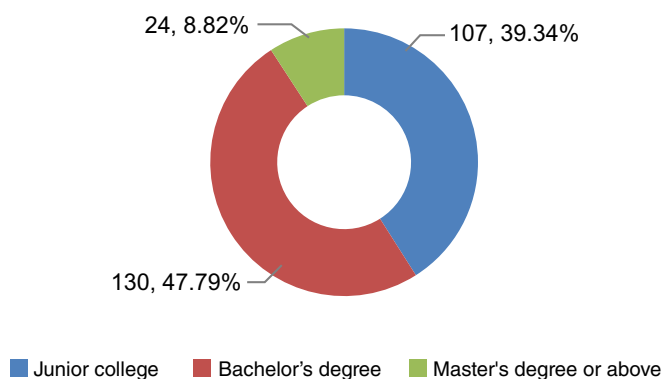
Comparison of distribution of the Group's employees by age and gender



- By education

The Group is a high-tech enterprise with a majority of employees holding bachelor or above degree. The overall distribution of employees' education levels reflects the characteristics of knowledge-intensive enterprises.

The distribution of the Group's employees by education in 2021



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(c) Labour Standards

The Group has complied with labour laws and government regulations as specified by Hong Kong and other regions of the People's Republic of China (the "PRC" or "China"). No person under 18 years old is employed by the Group and no employee's salary is paid lower than the minimum wage specified by the government regulations in each jurisdiction. The Group has established a code of conduct for directors and employees (the "Code of Conduct ") which is applicable to the directors, the management and employees of the Group and has been clearly communicated to all employees, including new employees.

The Code of Conducts mainly includes three principles:

- No solicitation or acceptance of benefits and no provision of benefits
- No conflict of interests
- Data confidentiality

The Group provides competitive remuneration package to each employee together with sound welfare benefits including Five Insurances and One Fund, namely medical insurance, endowment insurance, maternity insurance, work injury insurance and unemployment insurance and housing provident fund.

(d) Health and Safety

The Group attaches importance to physical and mental health of the employees, arranges a variety of group activities and health check-ups regularly for employees. Employees will enjoy paid annual leave, maternity leave and marriage leave legally according to their actual conditions and needs, so as to ensure that every staff can work and live happily. In 2021, the Group had no safety incident and work related fatalities.

6. OPERATING PRACTICES

(a) Supply Chain Management

Efficient supply chain management can impact cost and quality, and mitigate social or environmental risks that an organization may face. To this end, we place a high priority on our supply chain and seek to build deeper relationships with the partners we work with. Suppliers must follow our strict standards to demonstrate sustainable development in different operational, economic, social and environmental areas. In order to become a supplier of the Group, organizations are required to pass a questionnaire assessment in which their production management processes are evaluated. Existing suppliers are assessed biannually and are required to follow the contents of the Code of Conduct on anti-corruption and bribery matters and to declare any conflict of interest. Due diligence is also conducted by way of on-site inspections and verification of products or services as necessary to ensure that suppliers are compliance with the Group's stringent standards.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(b) Product Responsibility

We are committed to providing the highest standards of products and services throughout our operations. Achieving these standards involves the application of dedicated systems and procedures to ensure compliance with both local and international specifications. In respect of data privacy, we will sign confidentiality agreements with all our partners and comply with all relevant laws. We attach equal attention to product promotion and ensure that all product advertising and promotion programmes are cross-checked for accuracy of description.

The Group has ensured the quality of its products to the satisfaction of its customers. The Group has developed standard procedures to recover products with quality defects and the management will review these procedures on a regular basis. During the year of 2021, there was no customer complaint or product recall for the Group.

As at the end of the year, the Company had obtained the following certifications:

Time	Certification No.	Name of Certification
November 2017	GB/T29490-2013	Intellectual Property Management System Certification
March 2018	Su Jing Xin Ke Ji [2018] No. 169 (蘇經信科技[2018]169號)	Passed the review of the provincial software enterprise technology center
December 2021	GR/202132006944	High-tech Enterprise Certificate

(c) Intellectual Property Rights Protection

The Group has been strengthening the protection and day-to-day management of intellectual property rights for a long time, and has standardized the filing of all patents obtained by the Company and assigned a dedicated department to be responsible for the application, protection and management of intellectual property rights.

(d) Anti-corruption

We attach great importance to our corporate culture of honesty and integrity because we believe it is an advisable move and help maintain our corporate image. In compliance with the laws and regulations of China and of other countries, we have established anti-corruption policies which are set out in our human resources policies and guidelines.

Whenever we enter into employment contracts with our employees, they are fully briefed on the relevant anti-corruption laws and guidelines to ensure that they comply strictly with them and perform their duties in good faith. All employees are expected to discharge their duties with integrity and to comply with relevant local and international laws applicable to them or to the Group. The Group closely monitors the conduct of its management staff to prevent misconducts among the Board, senior management and staff, such as prohibiting transfer of benefits when considering new customers, suppliers or any project investment.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The procedure for whistle blowing is as follows:

- Misconducts may be disclosed in writing, by telephonic or in person. However, all reports are encouraged to be made in writing, so as to assure a clear understanding of the issues raised;
- Although there is no requirement in the policy, it is recommended that individual reports be made by name;
- All reports shall be submitted directly to the chairman of the Board;
- The Group will conduct an internal investigation and determine what actions are necessary to protect the reputation and integrity of the Group; and
- Where criminality is suspected, the relevant member of the Group will promptly report this to the local authorities.

As at the end of the Reporting Period, the Group was not aware of any defaulting behaviour of material corruption.

7. COMMUNITY ENGAGEMENT

(a) Community Investment

Community investment is a crucial element in fulfilling our corporate social responsibility. We encourage and support our staff to participate in the volunteer services at leisure times. As a responsible enterprise, we have long been committed to social care and corporate social responsibility. During the Reporting Period, we actively devoted ourselves into charities and public welfare activities. The Group strives to conduct its business in a socially beneficial manner and to carry out its work in an environmentally friendly and sustainable way.

(b) Caring about Society

We have a deep sense of social concern and responsibility, and actively participate in social charity and social welfare activities to contribute to the harmonious development of society.

