

# 暢捷通 Chanjet

暢捷通信息技術股份有限公司  
CHANJET INFORMATION TECHNOLOGY COMPANY LIMITED

(a joint stock company incorporated in  
the People's Republic of China with limited liability)  
Stock Code: 1588

## 2018

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT





Microblog of Chanjet



WeChat of Chanjet

## NOTE ON PREPARATION

### Organizational Scope:

2018 Environmental, Social and Governance Report (the “**Report**”) covers Chanjet Information Technology Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”). For the ease of presentation, wordings such as “Chanjet”, “we”, “our”, and “us” contained herein also refer to the Group.

### Reporting Period:

This Report is presented on an annual basis, and covers the period from 1 January 2018 to 31 December 2018. Some contents may go beyond the aforesaid period due to explanation needs.

### Basis of Preparation:

This Report is prepared in accordance with Appendix 27 Environmental, Social and Governance (ESG) Reporting Guide to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to the Sustainability Reporting Guidelines (GRI Standard) issued by the Global Reporting Initiative and other applicable standards.

### Explanation about the Data:

Monetary amounts involved in this Report are denominated in Renminbi, saved for those otherwise stated.

### Ways of Publication:

This Report is published online in traditional Chinese and English and is available on the website of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of Chanjet at [www.chanjet.com](http://www.chanjet.com).

# Contents

<b>Note on preparation</b>	2	<b>3. Value chain management</b>	22
<b>Statement from the management</b>	4	3.1 Optimise supply chain management	22
<b>About us</b>	5	3.2 Win-win cooperation with partners	24
Company profile	5		
Corporate governance	7	<b>4. Quality service</b>	27
Responsibility management	8	4.1 Diversified products and comprehensive service for MSEs	27
<b>1. Green development</b>	10	4.2 Improving user experience with quality services	30
1.1 Practicing emission management	10	4.3 Continuous incentive for R&D and innovation	34
1.2 Reducing consumption of resources	12		
<b>2. Seeking strength from employees</b>	14	<b>5. Anti-corruption</b>	38
2.1 Establishing a diversified team	14	5.1 Combating corruption and advocating integrity	38
2.2 Health and safety	17	<b>6. Investment in community</b>	39
2.3 Boosting the development of employees	18	6.1 Supporting the cultivation of accounting practitioners	39
2.4 Caring for the staff	20	6.2 Contributing to public welfare undertakings	42
		<b>ESG Index Table</b>	43



## Statement from the Management

In the era of new technology, the digitization and intelligentization of enterprises and public organizations prepare greater opportunities and broader stage for Chanjet to fulfill its mission, create social value and accomplish business pursuit. Adhering to the value of “Friend of Users, Professional Endeavor and Continuous Innovation”, the Company focuses on the financial and management services for micro and small enterprises (“**MSEs**”) to pursue scaled growth of cloud service business and efficient progress of software business and set up new marketing model of “connection, interaction, trust, value presentation and transformation” by grasping the opportunities arising from the accounting reform in the cloud financial era in the industry. In 2018, the annual revenue, net profit and total assets of the Company amounted to approximately RMB429 million, RMB107 million and RMB1,510 million, respectively.

While maintaining rapid growth of principal business, the Company, upholds the philosophy of sustainable development, proactively assumes its social responsibility on a voluntary basis, integrates the fulfillment of social responsibility into the management and operation of the Company and strives to bring along betterment to the clients, partners, employees, shareholders and the society because of the existence of Chanjet.

As we have always pinned the key of sustainable development on energy conservation and environmental protection, we are committed to the working and living concept of low carbon, environmental protection and sustainable development through strict control over discharge of greenhouse gases and wastes and active implementation of energy conservation measures in a bid to achieve low carbon, emission reduction, energy conservation and consumption reduction.

We insist on the “people-oriented” philosophy, regard our employees as invaluable treasures of the Company. In addition to the establishment of an equal and diversified employment

system and a well-improved impartial personnel appraisal mechanism in place, we value the protection of rights and interests of the employees, concern the physical and mental health of employees and strive to improve the sense of happiness and sense of belonging of employees.

We are devoted to achieving common progress together with our business partners by improving the mechanism for supply chain management and channel partner management on a continuous basis. Meanwhile, we insist on pursuing mutual benefits and win-win results in a sincere, equal, mutually beneficial, cooperative and faithful manner.

We keep enhancing the quality of our product and service and focus on product innovation so as to repay the clients with advanced products and professional services, lead the industrial development by virtue of technological innovation and serve the MSEs in all aspects.

We persist in compliance operation and eliminate the occurrence of graft and corruption in any form; we also proactively pay back to the society by boosting the cultivation of accounting personnel, supporting the development of commonweal undertakings and firmly implementing the sustainable development concept into practice through concrete actions.

In the future, Chanjet will continue to focus on its own environmental and social matters, adhere to the mission of “facilitating MSEs’ development in operation and management through creativity and technology”, further improve and implement our own sustainable development systems and spare no effort to realize the vision of “becoming a worldwide leading provider of cloud services and software for MSEs” and “serving as the platform for partners and employees enjoying work, making achievements and sharing success”.

# About Us

## Company profile

Chanjet Information Technology Company Limited, a subsidiary of Yonyou Network Technology Co., Ltd. ("**Yonyou Group**"), was established in March 2010 in the People's Republic of China (the "**PRC**") and listed on the Main Board of The Stock Exchange of Hong Kong Limited on 26 June 2014.

Chanjet takes "facilitating MSEs' development in operation and management through creativity and technology" as its mission and is committed to becoming a worldwide leading provider of cloud services and software for MSEs. Our business covers providing MSEs at different development stages with such financial and management cloud applications such as Chanjet Good Accountant, T+ Cloud, Chanjet Good Business and Chanjet Easy Accounting Agent; providing professional accounting and purchase-sale-stock management software including the T1, T3, T6 and T+ series, and providing financial practitioners with financial and tax knowledge, trainings, exchanges and other consultation services via the Accountant Home community.

In order to keep abreast of the development trend of intelligent finance, financial-taxation interconnection and ecological integration in respect of financial and taxation services, Chanjet put forward the concept of "intelligent companies" for the first time in the industry in response to problems faced by traditional MSEs in their financial and management transformation. Such concept means to provide cloud management services that integrated "Personnel, Finance, Commodity and Customer" and intelligent cloud finance services that integrated finance, invoices and taxes. Hence, Chanjet satisfies MSEs' management and operation needs for intelligent analysis, intelligent marketing, intelligent sale and intelligent management under the circumstances of new economy and new retailing, facilitates the online businesses of enterprises and thereby changes the traditional business model and achieves sustainable profit growth.

### Corporate culture

<b>Mission:</b>	Facilitating MSEs' development in operation and management through creativity and technology
<b>Vision:</b>	Becoming a worldwide leading provider of cloud services and software for MSEs; serving as the platform for partners and employees enjoying work, making achievements and sharing success
<b>Core value:</b>	Friend of Users, Professional Endeavour and Continuous Innovation

## Corporate honour



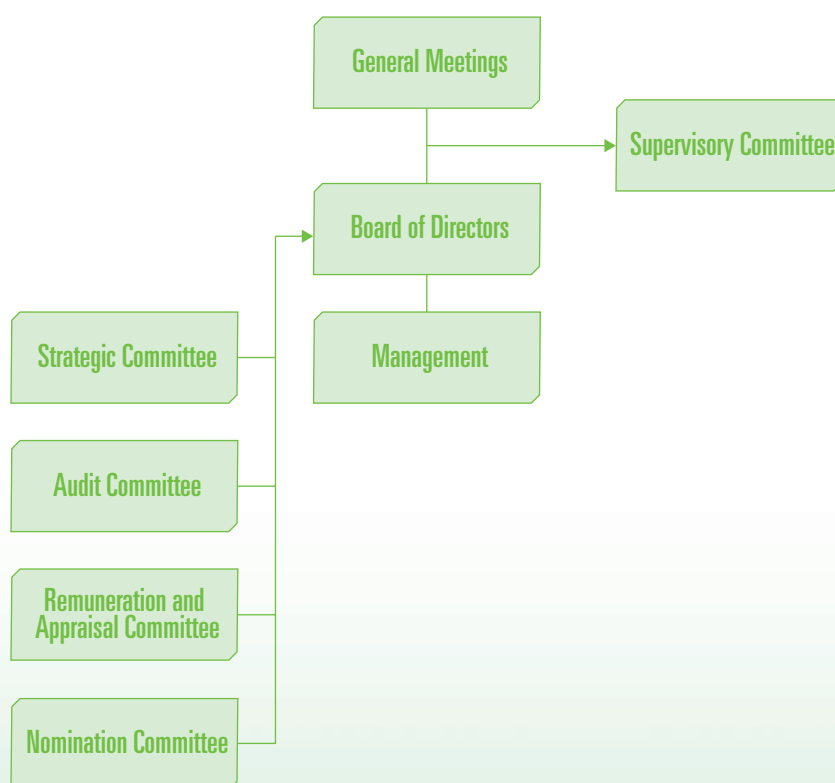
Honours and awards		Awarding organizations	
★	2018 China Enterprise Service•Jinpeng Award (2018中國企業服務•金鵬獎)	★	Service Alliance for Enterprise Innovation (創新企服聯盟), Entrepreneurship Ecology Promotion Commission of Zhongguancun (中關村創業生態促進會)
★	2018 Best Product in China's Cloud Computing in Finance and Taxation –Good Accountant (2018年中國雲計算財稅領域最佳產品-好會計)	★	China information industry trade association (中國信息產業商會), INFOSWS.CN (信軟網)
★	2017–2018 Trusted Cloud Industry Award – Enterprise-class SaaS (2017–2018年度可信雲行業獎-企業級SaaS)	★	China Academy of Information and Communication Technology (中國信息通信研究院)
★	2018 NBI Awards – Poll on Business Influence – Annual Service Influence Prize (2018 NBI Awards 商業影響力評選-年度服務影響力獎)	★	Pintu Group (品途集團), China Electronics Chamber of Commerce (中國電子商會)、China E-commerce Commission (中國電商委)
★	Best Employer Brand Communication Award in the 2018 Employer Branding Creativity Award in Greater China (2018大中華區雇主品牌創意大賽-最佳雇主品牌傳播大獎)	★	HRoot、WINGS



## Corporate governance

The Company has been improving its governance proficiency in a continuous manner and has observed the provisions under the Company Law of the PRC, the Securities Law of the PRC and other relevant laws and regulations as well as the requirements issued by domestic and overseas regulatory authorities including the Listing Rules, and continued to standardise and improve corporate governance structure. We have formulated a series of corporate governance-related normative regulations, including the Articles of Association, Rules of Procedure of General Meetings, Rules of Procedure of the Board of Directors, Rules of Procedure of Supervisory Committee, Working Rules of Strategic Committee, Working Rules of Audit Committee, Working Rules of Remuneration and Appraisal Committee, Working Rules of Nomination Committee, Working System for Independent Directors, Working Rules of President, Board Diversity Policy and Shareholders Communications Policies, thereby ensuring the law-abiding and compliance operation of the Company and making sure that the shareholders' general meetings, the Board of Directors and its special committees, the Supervisory Committee and the management of the Company would perform their duties and responsibilities in compliance with laws and regulations.

**Corporate governance structure of the Company is as follows:**



With a view to achieving sustainable and balanced development, the Company believes increasing diversity of the Board of directors of the Company (the "**Board**") as an essential element in supporting the attainment of its strategic objectives and sustainable development. All the appointments made by the Board will be based on meritocracy, and candidates will be adequately considered with reference to objective criteria, together with the benefit brought to the Board by adoption of board diversity. Selection of Board members will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be made based on the specific demand for talents of the various stages in the business development and strategic planning of the Company as well as the merits and contribution to be made by the selected candidates.

In 2018, the Company held a total of 10 Board meetings and 1 shareholders' general meeting and such meetings were attended by all directors.

# Responsibility management

The Company proactively fulfils its social responsibility and has taken measures such as setting up a Board-based social responsibility management system and responding to and satisfying the requirements of the stakeholders to boost the integration of social responsibility into our business operation in every regard.

## • RESPONSIBILITY MANAGEMENT SYSTEM

The Board highly values the ESG work of the Company, and retains responsibility for the Company's ESG strategies and relevant reporting, including evaluating and determining the Company's ESG-related risks, ensuring that appropriate and effective ESG risk management and internal control systems are in place, reviewing the Company's performance periodically, and approving disclosures in the Company's ESG report. The Report will be published after reviewed by the Board.

Chanjet has set up a Sustainability Development Committee comprising senior executives of the Company to comprehensively guide, empower and coordinate relevant departments in promoting social responsibility efforts. Meanwhile, the Company has also established an ESG working group, which implements and promotes ESG-related tasks and integrates the ESG-related tasks into the daily operations of the Company under the leadership of the Sustainability Development Committee.

## • COMMUNICATIONS WITH STAKEHOLDERS

The Company maintains continuous communications with the stakeholders during its annual business course and has adopted diversified communication channels such as the stakeholder seminars for the shareholders, customers, business partners, employees and the community to listen to the expectations and propositions of the stakeholders and make corresponding replies on their opinions. From the perspective of sustainable development, the Company has sorted through and worked out a stakeholder communication form to provide foundation for the identification of material topics of the Company.

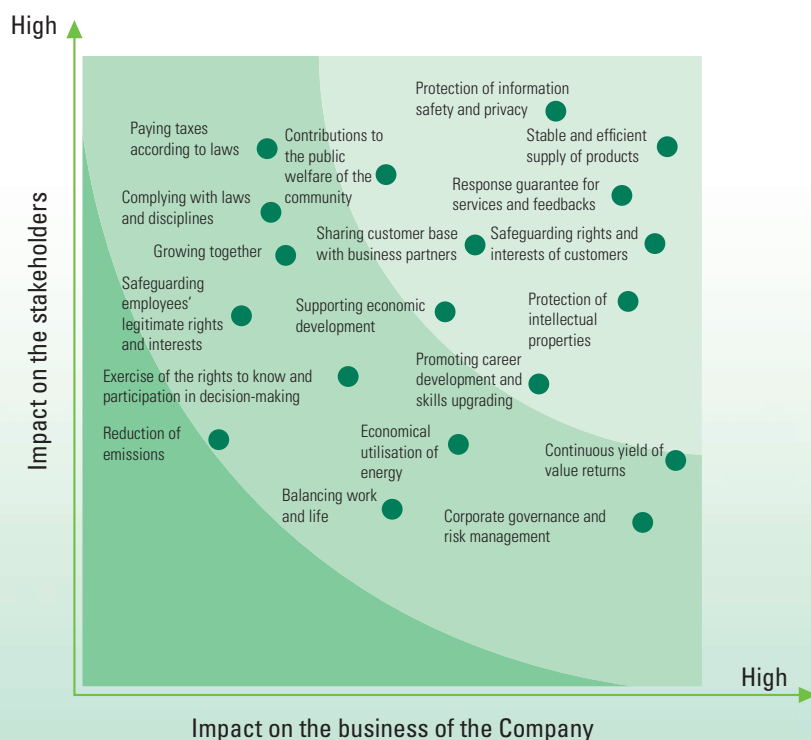
Stakeholder	Communication Channels	Topics of Concern
Shareholders	<ul style="list-style-type: none"> <li>Regular reports and information disclosure</li> <li>Shareholders' meeting</li> <li>Investors' surveys</li> <li>Presentation on business results</li> <li>Roadshow on business results</li> <li>Teleconference</li> </ul>	<ul style="list-style-type: none"> <li>Continuous yield of value returns</li> <li>Corporate governance and risk management</li> <li>Exercise of the rights to know and participation in decision-making</li> </ul>
Government/ Community	<ul style="list-style-type: none"> <li>Daily communications</li> <li>Information bulletin</li> <li>Public-Private-Partnerships</li> <li>Governmental review</li> <li>Volunteer services</li> <li>Philanthropic activities</li> </ul>	<ul style="list-style-type: none"> <li>Complying with laws and disciplines</li> <li>Paying taxes according to laws</li> <li>Supporting economic development</li> <li>Protection of intellectual properties</li> <li>Contributions to the public welfare of the community</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Daily services and communications</li> <li>Customer's satisfaction surveys</li> <li>Portal websites, WeChat official account, etc.</li> <li>Online service platform</li> <li>Customer service hotline</li> </ul>	<ul style="list-style-type: none"> <li>Protection of information safety and privacy</li> <li>Stable and efficient supply of products</li> <li>Response guarantee for services and feedbacks</li> <li>Safeguarding rights and interests of customers</li> </ul>



Stakeholder	Communication Channels	Topics of Concern
Business Partners	<ul style="list-style-type: none"> <li>Project cooperation</li> <li>Daily business communication</li> <li>Establishment of industrial leagues</li> <li>Online service platform</li> </ul>	<ul style="list-style-type: none"> <li>Growing together</li> <li>Sharing customer base with business partners</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Employee trainings</li> <li>Employee club</li> <li>Portal websites, WeChat official account, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Safeguarding employees' legitimate rights and interests</li> <li>Promoting career development and skills upgrading</li> <li>Balancing work and life</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Green office</li> <li>Green procurement</li> <li>Environmental information disclosure</li> <li>Launching environmental protection promotion activities</li> </ul>	<ul style="list-style-type: none"> <li>Economical utilisation of energy</li> <li>Reduction of emissions</li> </ul>

## • SUBSTANTIVE ISSUES IDENTIFICATION

In accordance with Appendix 27 Environmental, Social and Governance Reporting Guide to the Listing Rules and relevant international standards, the Company communicates with the stakeholders on the relevant ESG topics, conducts respective evaluations on significant ESG issues relating to our business from the perspectives of the significance to the stakeholders and the significance to environment and society. Afterwards, the Company selects and forms the materiality matrix to serve as the basis of ESG concerns and disclosures of the Company.





# 1. Green development

## 1.1 PRACTICING EMISSION MANAGEMENT

Committed to reducing the effect of business activities on the environment, we carry out environmental protection practices and strictly comply with the Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》), Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), Beijing Environmental Sanitation Regulations on Municipal Appearance (《北京市市容環境衛生條例》), Implementing Scheme on the Mechanism for Domestic Wastes Classification of the National Development and Reform Commission and the Ministry of Housing and Urban-Rural Development (《國家發展改革委住房城鄉建設部生活垃圾分類制度實施方案》) and other relevant provisions. In 2018, Chanjet did not have any material violation in respect of environmental protection.

In order to further reduce impacts on the environment, the Company implements strict emission management to ensure effective disposition of emissions and adopts a variety of measures to reduce emission of greenhouse gases and generation of wastes.

- **Management on emission of greenhouse gases**

Chanjet does not possess or have control over any direct emission sources such as vehicles, engines, gas-fueled appliances, etc., does not utilize coal, gasoline, diesel, natural gas and other fuels, and therefore does not involve in direct emission of greenhouse gases. Emissions of greenhouse gases generated by Chanjet are mainly emissions from electricity consumed during the daily office work and indirectly generated during business trips.

The Company has adopted various measures to reduce greenhouse gases generated during the business operations of the Company:

- ★ The Company advocates teleconferences to decrease the employees' needs of business trips and in turn reduces possible emissions of greenhouse gases generated from travelling by transportation;
- ★ The Company does not provide shared business vehicles with a view to encouraging the employees to use public transportations and avoiding emission of greenhouse gases from gasoline, diesel or other fuels consumed by such company vehicles;
- ★ The Company provides the employees with new energy shuttle buses and staff quarters to reduce emissions of greenhouse gases due to commuting of employees.

## • Management of hazardous and non-hazardous wastes

Hazardous wastes generated during the business operations of Chanjet mainly comprise obsolete computer mainframes, displays, laptops, servers, printers and other scrapped electronic devices as well as used toner cartridges for printers, etc. The Company classifies and sends such hazardous wastes to qualified third-party or electronic device recycling companies for treatment.

Our non-hazardous wastes mainly include used office paper, domestic garbage and discarded office stationery, which are categorized and placed separately by the Company and collected by the property company for concentrated treatment subsequently.

The Company has adopted various measures to reduce the generation of hazardous and non-hazardous wastes:

- ★ Promoting the use of rental electronic devices instead purchased ones to reduce the odds of obsolete electronic devices. So far, rental devices have taken up over half of equipment used in the Company;
- ★ Using large-scale printers instead of printers with toner cartridge, which enables direct feed of toner without use of cartridge and thereby avoids the production of used toner cartridges;
- ★ Collecting the hard drives from obsolete computers and retrofitting the same into removable memories for the employees for reuse, and collecting parts of obsolete devices for reuse in the repair of other devices to reduce obsolete electronic devices and parts.

## • Management of sewage disposal

Chanjet does not generate any discharge of industrial waste water during the course of business operations, and the small amount of domestic sewage is due to water usage of employees in the office zone, which is discharged into the municipal pipeline directly after being treated through the septic tank in the office park zone. Chanjet also promotes water saving measures within the reach of the Company to scale down the generation and discharge of sewage.

The performance data of the Company in respective of emissions in 2018 is as follows:

Indicators	Unit	2018	2017
Total emission of greenhouse gases*	(tCO <sub>2</sub> e)	<b>108.48</b>	154.94
Reduction in emission of greenhouse gases as compared to last year	(tCO <sub>2</sub> e)	<b>46.46</b>	—
Per capita emission of greenhouse gas*	(tCO <sub>2</sub> e/person)	<b>0.12</b>	0.19
Total electronic wastes	(sets)	<b>121</b>	362
Hazardous wastes generated	(tonnes)	<b>0.54</b>	2.70
Per capita hazardous wastes generated	(Kg/person)	<b>0.58</b>	3.40
Non-hazardous wastes generated	(tonnes)	<b>16.08</b>	12.48
Per capita non-hazardous wastes generated	(Kg/person)	<b>17.31</b>	15.60

\*Note: In 2018, the statistic basis of greenhouse gases emission indicators was amended, and thus corresponding amendments were made to the figures for relevant indicators in 2017.

## 1.2 REDUCING CONSUMPTION OF RESOURCES

The Company is devoted to practicing energy conservation and emission reduction in the course of business operations by consistent promotion of green development philosophy, and has been in strict compliance with Law of the People's Republic of China on Energy Conservation (《中華人民共和國節約能源法》), Environmental Protection and Ecological Construction Plan in Beijing during the "Thirteenth Five-Year Plan" Period (《北京市“十三五”時期環境保護和生態建設規劃》) and other national and local laws and regulations with regard to energy conservation and environmental protection. In addition, the Company also upholds the working and living concepts of low-carbon, environmental protection and sustainable development in the ordinary course of business operations and proactively fulfils its commitments on energy conservation and environmental protection in a bid to contribute to environmental protection in its power. Besides, we require employees to go easy on resources such as paper and toner in as provided in the Code of Conduct for Employees, regularly post bulletin board regarding "popularization of energy conservation" and demonstrate promotion materials on energy conservation and environmental protection at the cafeteria and office areas, thereby proactively advocating a green and eco-friendly working model and lifestyle.

- **Decreasing energy consumption**

Energy consumed by Chanjet is mainly electricity used for the operation of electronic devices and the central air conditioner. In this regard, the Company has adopted various measures to promote energy conservation and environmental protection as well as reducing energy consumption:

- ★ Reducing the use of equipment: the Company has ceased the purchase of servers and as an alternative, has adopted the cloud servers provided by Alibaba Cloud gradually, which leads to a substantial decrease in the energy consumption required for the operation of physical servers;
- ★ Using energy saving appliances: all lightings of the Company are energy efficient lamps instead of the traditional ones for the purpose of reduction of electricity consumption;
- ★ Putting an end to energy waste: the employees of the Company are required to switch off electrical devices not in use, employees who work overtime or arrive earlier are encouraged to switch on energy efficient lamps bright enough for their own use, the utilization frequency of air conditioners are required to be stepped down as far as possible, and short-time standby mode is set for the computers. All such initiatives represent the Company's endeavor for energy conservation and reduction of energy consumption from the trivial perspectives.

- **Cutting down on water consumption**

Water resources consumed by Chanjet are mainly tap water and drinking water used by the employees in the workplace. The Company has adopted various means to avoid waste of water resources and has not discovered any problems in sourcing and utilising water resources:

- ★ Touchless faucets have been installed in the office areas to reduce waste of water resources;
- ★ Water saving reminders are posted in public areas to promote the employees' awareness of water saving.

• **Using less paper**

The Company advocates paperless office in an attempt to use less paper in the course of business:

- ★ In the implementation of electronic office, most of the Company's approval procedures got handled online, and offline printed approvals only accounts for 5% of the total approvals;
- ★ The Company has set user access to the printers and employees have to swipe through before printing such that the use of paper documents would be lessened as a result of fewer times of invalid printing.

• **Scaling down the usage of packaging materials**

The Company promotes green development philosophy, a majority of its products are sold or utilized through cloud approaches, and only has a few physical products. Packaging materials of the Company mainly comprise packing boxes, printed instructions and ROM discs sourced from outside:

- ★ The Company promotes the use of encryption software and cloud approaches instead of physical products. So far, output of physical products of the Company has decreased to around 30,000 sets per annum from 200,000 sets per annum, which help save a substantial amount of product packaging materials;
- ★ The Company applies eco-friendly packaging for its software products to ease the impact of discarded packaging materials on the environment.

Major resource consumptions of Chanjet in 2018 includes:

Indicators	Unit	2018	2017
Total electricity consumption	(kWh)	<b>142,778.22</b>	203,920.90
Reduction of electricity consumption as compared to last year	(kWh)	<b>61,142.68</b>	—
Consumption of comprehensive energies	(tonnes of standard coal)	<b>17.55</b>	25.06
Per capita consumption of comprehensive energies	(tonnes of standard coal/person)	<b>18.85</b>	31.25
Total water consumption	(tonnes)	<b>463.00</b>	346.62
Per capital water consumption	(tonnes/person)	<b>0.50</b>	0.43
Total packaging materials*	(tonnes)	<b>8.4</b>	25.2
Packaging materials per unit of production	(Kg)	<b>0.28</b>	0.28
Decrease proportion of packaging materials	%	<b>67</b>	25
Number of rental facilities	(sets)	<b>486</b>	355

\*Note: Given the figure for "total packaging materials" under the Energy and Resources Consumption Indicators as set out in the 2017 Environmental, Social and Governance Report is incorrect, correction is hereby made in this report and the figure for the 2017 indicator of "total packaging materials" in this report shall prevail.



## 2. Seeking strength from employees

### 2.1 ESTABLISHING A DIVERSIFIED TEAM

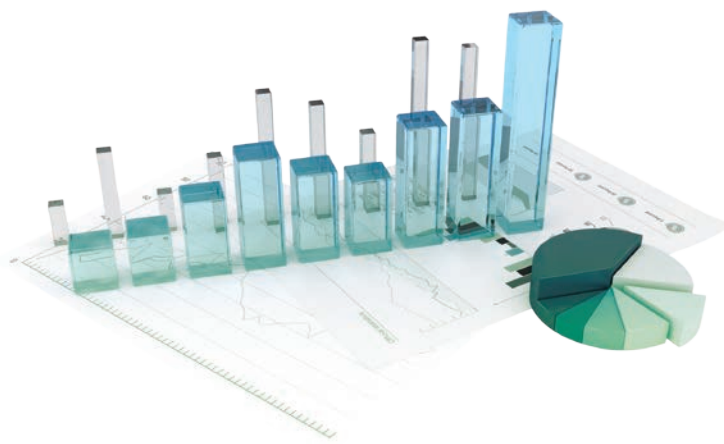
In full compliance with the Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China and Law of the People's Republic of China on the Protection of Minors and other state laws and regulations, we enter into formal labour contracts with our employees, fully guarantee employees' rights and interests in respect of employment, dismissal, promotion, working hours, vacation, salary and welfares, diversity, anti-discrimination, equal access, etc., safeguard the rights to information, participation and supervision of employees and stand out against child labour and forced labour in any form to establish an equal and diversified workforce.

During the year, the Company did not have any breach in respect of exploiting child labour and forced labour, nor was there any lawsuit resulting from employment disputes.

- **Equal employment**

We emphasize the diversified composition of our employees, evaluate the qualifications of the professional staff from the aspects of compliance, attitude, performance and competence, guarantee equal employment and promotion opportunities for all employees and resolutely prohibit any kind of discrimination such as gender, age, etc. The Company has formulated lawful and compliance recruitment and severance terms and has established harmonious recruiting and severance systems. We adopt a multi-channel recruiting system and carry out recruitment by way of campus recruitment, social recruitment and international recommendation. In the process of recruitment, we apply the same criteria to all candidates without discrimination in regard of gender, physical health and other conditions, and encourage the diversity of employees.





- **Working hours, vacation as well as salary**

In strict adherence to the national stipulations in relation to working hours, vacations and salaries, Chanjet has been improving the design of company systems and has worked out a series of rules and bylaws including Chanjet Remuneration Management Measures, Labour Contract Management System and the Performance Appraisal System to encourage flexible work of employees.

We fully safeguard the employees' rights of taking leaves by formulating the Employee Attendance and Vacation Management System and ensuring that the days off and statutory festivals and holidays of employees are in line with the labour laws and regulations in the PRC. We advocate full provision of all necessary leaves and arrange extra paid leaves for front-line employees in addition to the statutory vacations.

We have laid down a comprehensive remuneration system that covers basic salary, performance pay and subsidies and determine the remuneration of employees based on such factors as their respective rank of positions, segment, business line, regions, etc. In order to attract, retain and inspire employees, we have adopted Employee Trust Benefit Scheme, which is a long-term incentive scheme, with Domestic Shares and/or H Shares as Target Shares. Trust Beneficial Right is subject to Effective Conditions as incentive tool and Trust Benefit Units determined by the Trustees as unit of measurement. In 2018, we have successfully implemented matters in relation to the unlocking and exercise of the Employee Trust Benefit Scheme. As at the end of the reporting period, approximately HKD74.93 million of the raised funds was actually used for the Employee Trust Benefit Scheme.



• **Eliminate child labour and forced labour**

We stand against forced labour in any form and rule out the occurrence of child labour, forced labour and other illegal employment in a rigid manner. We conduct assessment and management for human resources management risks on a yearly basis, and perform review of labor related risks. In case of any violation or high risk factor, we will immediately take rectification measures to quickly eliminate relevant violation or risk and ensure compliance with laws and regulations of the Company's human resources.

Performance indicators of employment of Chanjet in 2018 are set out as follows:

Indicators	Unit	2018	2017
<b>Employment indicators</b>			
Total number of contract employees	(persons)	<b>929</b>	802
Percentage of male employees	(%)	<b>73.52</b>	71.57
Percentage of female employees	(%)	<b>26.48</b>	28.43
Percentage of employees aged under 30	(%)	<b>44.24</b>	37.16
Percentage of employees aged between 30 to 50	(%)	<b>55.22</b>	61.72
Percentage of employees aged above 50	(%)	<b>0.54</b>	1.12
Percentage of employees in Beijing	(%)	<b>57.48</b>	53.16
Percentage of employees in areas other than Beijing	(%)	<b>42.52</b>	46.84
Percentage of contract employees	(%)	<b>100</b>	100
Percentage of employees at junior ranks	(%)	<b>13.35</b>	11.11
Percentage of employees at intermediate ranks	(%)	<b>41.44</b>	39.27
Percentage of employees at senior ranks or above	(%)	<b>45.21</b>	49.62
Percentage of disabled employee	(%)	<b>1.72</b>	3.75
<b>Indicators of new recruits</b>			
Number of new recruits	(persons)	<b>419</b>	205
Percentage of new male recruits	(%)	<b>82.82</b>	84.88
Percentage of new female recruits	(%)	<b>17.18</b>	15.12
Number of new recruits aged under 30	(%)	<b>75.89</b>	70.24
Number of new recruits aged between 30 to 50	(%)	<b>24.11</b>	29.76
Number of new recruits aged above 50	(%)	<b>0</b>	0
Percentage of new recruits in Beijing	(%)	<b>47.02</b>	35.64
Percentage of new recruits in areas other than Beijing	(%)	<b>52.98</b>	64.36

## 2.2 HEALTH AND SAFETY

As the health and safety of employees has always been the top priority of Chanjet, we have provided a variety of measures and benefits for the employees to safeguard their safety and their physical and mental health as well as to create a favourable working environment in strict compliance with law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》), Law of the People's Republic of China on Prevention of Occupational Disease (《中華人民共和國職業病防治法》) and other laws and regulations in relation to health and safety.

During the year, the Company recorded full coverage of social insurance and did not have any work-related death of employees.

### • Safeguarding the health of employees

We have adopted a variety of measures to safeguard the occupational safety and physical and mental health of employees:

- ★ Providing pre-job physical examination for new recruits and arranging annual physical examination alternatives for employees with differentiated physical examination policies based on the respective needs of employees;
- ★ Buying accident insurance for the entire staff as additional safety assurance;
- ★ Distributing high temperature allowance for the sales staff at the front line;
- ★ Organizing traditional Chinese medicine lectures and massage to protect the staff from occupational damages due to sedentariness and lack of exercise.

### • Improving the working environment

We strive to improve the working environment for the employees in light of the occupational characteristics of employees in the electronic information industry:

- ★ Having air purifiers in place to improve the air quality in the office area;
- ★ Furnishing the offices with more plants to optimise the working environment;
- ★ Encouraging working at home as appropriate in case of stormy, smoggy and other abominable weather.

Performance indicators in respect of employees' health and safety of Chanjet in 2018 are set out as follows:

Indicators	Unit	2018	2017
Accidents at work/number of injured or dead persons	(persons)	0	0
Workdays lost due to work injuries	(days lost per 200,000 working hours)	0	0
Coverage of physical examination for employees	(%)	100	100

## 2.3 BOOSTING THE DEVELOPMENT OF EMPLOYEES

Chanjet continuously cultivates and introduces talents, establishes a diversified employee training systems and a scientific and clearly-defined promotion mechanism to promote self-improvement and increase employee internal drive.

- **Staff training**

Aiming for developing the position competencies of employees, Chanjet have formulated the Training Management System and established the training systems that integrate internal lectures and external trainings to facilitate the growth and development of employees.

The Company has set up the “Chanjet School” internal lecture platform, through which stratified trainings in respect of vocational qualifications and standards, professional knowledge and regulations, general technology and capability, leadership, etc., are carried out for employees at different segments and position ranks based on the development strategy of the Company and the poll results on training demands. Meanwhile, the Company also provides the employees with more diversified training courses by right of the faulty strength of “Yonyou College”. In 2018, the Company adopted the online UMO learning platform which made available training courses concerning professional know-hows and general skills to support the learning and growing of employees.

The Company also engages professional lecturers to conduct trainings for the employees and dispatches employees to participate in non-curricula education on professional skills and on-the-job curricula education in a bid to channel the employees with cutting-edge technology and improve their professional quality and comprehensive capacity. Meanwhile, we also actively encourage employees to acquire qualification certifications in job-related areas; priority is given for approval of the training applications for qualification certifications within a certain scope, and related training expenses will be reimbursed.

We value training results and hand out a training satisfaction survey questionnaire after each training to learn about employees’ feedback, and continuously improve our training systems based on the analysis of questionnaires.

Employee training system of Chanjet is as follows:

<b>Induction trainings for new recruits</b>	Having the new recruit training scheme in place to provide courses covering corporate development milestones, introduction of products, financial and human resources systems, etc., to help the employees have a better understanding of the corporate culture and accelerate their familiarity with the Company and their own growth.
<b>Trainings for grassroots employees</b>	Providing the employees with access to expertise and cutting-edge theories in the industry by virtue of the “Chanjet School” online learning platform with the view to broadening the horizon of employees and effectuating interactive learning.
<b>Trainings for reserved management cadres</b>	Organizing manager training courses for managers at different segments, the content of which includes the cultivation and promotion of management knowledge and skills in a bid to level up management capability.
<b>Trainings for senior management</b>	Cultural exchange conferences are arranged for senior management of the Company, at which strategic consensus is made upon communications on cultural consensus and discussions.

• **Promotion mechanism**

In consistent abidance by the core value of “professional survival”, Chanjet has formulated the Administrative Measures on Positions and Staffing Grades of Employees, Cadre Management System, Professional Personnel Development and Management Mechanism of Chanjet and other policy documents to consummate the employee development systems and specify the qualification standards of employees. We have established the management-prone and specialty-inclined “duel-channel” career development mechanism for employees, which enables the employees to select vocational development path based on the position and grade systems and in consideration of their competency and aspirations.

Performance indicators in respect of employee trainings of Chanjet in 2018 are set out as follows:

Indicators	Unit	2018	2017
Number of employee trainees	(persons)	<b>929</b>	802
Percentage of employees having received trainings	(%)	<b>100</b>	100
Expenses incurred for trainings	(RMB0'000)	<b>43.26</b>	35.84
Total training hours for employees	(hours)	<b>12,748</b>	7,856
Average training hours for employees	(hours/person)	<b>13.72</b>	10.27
Average training hours for male employees	(hours/person)	<b>13.84</b>	10.35
Average training hours for female employees	(hours/person)	<b>13.39</b>	10.07
Average training hours for senior management or above	(hours/person)	<b>16.44</b>	7.09
Average training hours for middle management	(hours/person)	<b>13.91</b>	16.13
Average training hours for ordinary employees	(hours/person)	<b>3.94</b>	10.06



*The three-day program-based training of Chanjet commencing from 1 November 2018, aimed to accelerate the comprehension of management proficiency of reserved management cadres and the incumbent management personnel in the sales sequence.*



## 2.4 CARING FOR THE STAFF

Viewing employees as invaluable wealth of the Company, we hold dear humanity care and have organized all kinds of employee consolation activities via approaches such as sports games, festival celebrations, family-friendly practice and helping the needy employees.

- **Recreational and sports activities**

In order to encourage the employees to maintain a healthy lifestyle, the Company, together with the employees, has established six clubs for basketball, badminton, Ping-Pong, exercising, chess, and fitness, respectively. A variety of recreational and sports activities will be hosted at such clubs to enrich the leisure time of employees, promote communications and exchanges among employees and enhance cohesiveness of employees.

- **Festival celebrations**

The Company arranged a number of wonderful festival activities such as the themed birthday party at Lantern Festival, 520 unique love, Flipped at Tanabata Festival, Grateful for being with “you”, Christmas with love. Through such activities in relation to traditional festivals at home and abroad, the employees are able to enjoy each holiday comfortably and delightfully and in turn gain a stronger sense of happiness.

- **Caring for families**

The Company has adopted family-friendly measures and rolled out the family member solicitude and warm winter activity for front-line employees on the Double Ninth Day. In addition, we show special concern for female employees by hosting a special celebration on Woman’s Day and setting aside special nursery and other special facilities in the work place to support new mothers.

- **Helping employees in need**

We provide help to employees who are in need and spare no effort to relieve the life pressure of employees. We will pay visits to employees ill in hospital and give subsidies to employees suffering from severe diseases. In 2018, the Company contributed a total of RMB50,000 for employees in need, initiated a blood donation activity with full staff participation, and organized one fund donation for the purpose of aiding, which were well accepted by the employees.

- **Communications with employees**

In a bid to maintain continuous communications with the employees and learn and satisfy their needs in a timely manner, the Company collects information on satisfaction of employees on a regular basis, hold survey seminars to learn the expectations and demands of employees and improve and resolve the problems put forward by the employees promptly so as to meet the reasonable requests of employees to the extent possible and promote the working satisfaction and happiness of employees.

***Example: the 2018 Children's Day Activity theming "I'll be there for you in your growing up as you do in my developing"***

In order to enhance the bi-directional communications and exchanges among the Company, employees and their family members, strengthen the understanding of the Company over its employees and improve the brand influence of the Company as an employer, during the period around the Children's Day in 2018, we hosted the children and family open day theming "I'll be there for you in your growing up as you do in my developing", which made a joyful and memorable open day available for 411 employees (including those at the front line) and their families. The family open day was carried out both online and offline. During the warm-up period before the commencement of the activity, the voting on "cutest baby" was initiated, which attracted the participation of 162 babies of front-line employees in a week, accounting for 74% of the total enlisted babies; and during which period, 770,000 pieces of interactive information were exchanged.

Rather than a parent-child activity, the family open day was more like a new experience and attempt to explore the needs of employees and in turn enhance the intensive imprinting of our corporate culture by virtue of traditional culture.

***Example: "The unique love" theme birthday party on Mothers' Day***

When the Mothers' Day overlapped the birthday party, employees of Chanjet spent the day by enjoying beautiful flowers, delicious donuts and cool watermelons. In addition to birthday cakes delicate desserts, we also prepared such activities as preserved flowers DIY and chocolate DIY to enable the employees to express their tender feelings to their mothers in a form different from the previous.







## 3. Value chain management

### 3.1 OPTIMISE SUPPLY CHAIN MANAGEMENT

In order to optimise supply chain management and enhance management on purchase of supplies, in 2018, we developed and revised the Procurement Management System pursuant to relevant laws and regulations in the PRC, which set up specifications on the management and selection process of suppliers to ensure stable and efficient supply chain of the Company.

- **Supplier management**

The Company implements the model that separates procurement management and execution and purchase key goods and services in a concentrated manner, requires the person in charge of such business to be responsible for the authenticity and reasonableness of each procurement business, and has a procurement management department in place to serve and supervise the purchasing business. The Company has also formulated a Notes for Suppliers (《供應商須知》), which prescribe that the suppliers shall comply with laws and administrative regulations in the PRC and be creditworthy in terms of business; and has entered into the Anti-corruption Cooperation Agreement (《陽光合作協議》) with suppliers, thus ensuring that the business cooperation between the parties is conducted on an equal, honest, lawful and transparent basis and demonstrates the merits of incorruptibility, self-discipline and sincerity.

Concerning about the fulfilment of social and environmental responsibility by suppliers, the Company will terminate contracts with suppliers who have violated social and environmental policies in executing the contract in accordance with laws so as to rule out environmental and social risks arising from the aspect of supply chain.



The Company also gives weight to the management and supervision of behaviours of supplier. Where there is any non-compliance of suppliers identified, the Company will give a warning or issue a notice of criticism to the supplier concerned based on the seriousness of the circumstance once substantiated; and a penalty will be imposed in such case. In case of gross violation, the Company will strike such supplier off the qualified rolls and hold them accountable according to relevant laws.

- **Selection and review of suppliers**

When selecting suppliers, the Company will conduct a comprehensive investigation into the competency of the company. At the same time, the Company will categorize the suppliers into qualified supplier information base and provisional supplier information base, and update such information bases on a monthly basis and publicize the same on the Biz Chat. Before commencing any purchase business, the Company will require employees to prioritize suppliers in the supplier information base.

The Company organises annual review over the suppliers of the preceding year at the beginning of each year, in the process of which, evaluation and grade will be given to the performance of suppliers in respect of price, quality, service and other aspects and suppliers will be classified into the disqualified, qualified and excellent categories based on their respective final scores.

Performance indicators in respect of supplier management of Chanjet in 2018 are set out as follows:

Indicators	Unit	2018	2017
Total number of suppliers	(unit)	360	349
Total number of suppliers in Mainland China	(unit)	347	335
Total number of suppliers in Hong Kong, Macau, Taiwan and other countries	(unit)	14	14
Number of suppliers reviewed and evaluated	(unit)	354	248
Annual rating ratio of suppliers	(%)	98	71

## 3.2 WIN-WIN COOPERATION WITH PARTNERS

Upholding sincerity, equality, mutually beneficial cooperation and integrity, we get along with our channel cooperation partners on equal terms and facilitate the partners to achieve continuous profitability from the perspective of scale and economy for the sake of mutual benefits and win-win results by enhancing communications, forming mutual trust, and exerting the advantages of both sides.



- **Management of Partners**

We have formulated the Business Manual and Channel Partnership Contracting Policy and made amendments thereto in 2018 to specify the management process of channel cooperation partners (the **"Partners"**). The Company adopts an authority approach for channel sales, which means to authorize the Partners to implement product sales and provide services in the specified areas or business sectors. The Company has formed a three-layered channel management system comprising marketing centre, grand region and business representative outlet and will conduct reviews on and grant the authority the Partners according to relevant provisions.

We carry out appraisal and management on the sale targets of the Partners to achieve performance evaluation and establish settlement and distribution relationship. We have made provisions on the competing practice of the Partners to avoid the occurrence of competing conflicts and malign competition among the Partners, regulate the order of the market and safeguard the interests of Chanjet and our Partners.

As at the end of the reporting period, we have approximately 2,000 Partners with service network covering 31 provinces, autonomous regions and municipalities directly under the central government. We have reached agreements on cooperation with public service platforms for MSEs in a number of provinces (municipalities) so as to provide cloud services in respect of finance, taxation and management with concerted efforts.





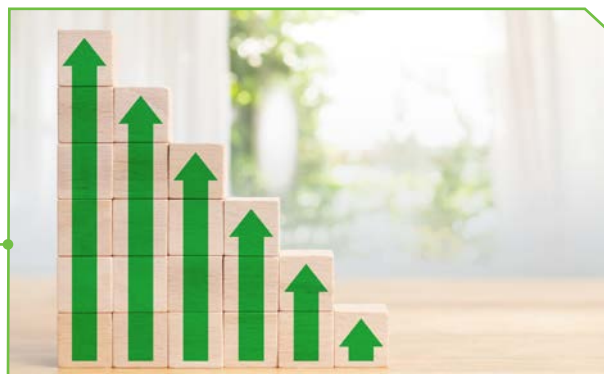
- **Communications with the Partners**

Viewing the development of the Partners as foothold of our own development, we have exclusive, timely and well-established service supports in place to ensure efficient communications with the Partners, and have established multiple and paralleled communication channels for the Partners:

- ★ Preparing a “supporting web” for online platforms to provide separate communication channel for business partners;
- ★ Making service.chanjet.com, the online service available for authorized business partners for 24 hours a day, 7 days a week around the clock;
- ★ Providing authorized business partners with online manual service for 15 hours per day and online artificial intelligent service around the clock all year round in the Chanjet service community;
- ★ Setting up hotlines for business partners to support and enhance communication with business partners;
- ★ Formally authorized business partners that have entered into official contracts with the Company could have access to relevant technology support through service identifiers.

The Company has worked out the following handling mechanisms pertinent to questions put forward by the Partners based on the nature and time requirement of such problems: general problems with easy solutions will be coped with by engineers as soon as practicable; bugs in products and demand concerns will be forwarded to the research and development (“R&D”) system and dealt with and amended by the R&D personnel, during which period, the engineers concerned will follow up in a timely time, keep record of such supporting process and inform the authorized business partner of handing progress until a patch is updated.

In order to ensure prompt response to emergencies, the Company has set up the following categories based on the degree of urgency of relevant problems: super urgent problems will be responded to within 2 working hours, urgent problems will be responded in 4 working hours, and regular problems will be responded within 8 working hours. In the event that any problem is unable to be solved on the same day, engineers at the headquarters will contact the authorized business partner and notify the same of the handling progress before going off duty.



- **Establishment of training system**

In a bid to help the Partners improve their comprehensive business proficiency and capability and support them in their sales businesses, the Company has established the partner training platform “Chanjet School”, which combines online enhancement platform and offline intensified training to level up the capability of Partners in all fronts.

The online enhancement platform of Chanjet adopts a cloud application model to achieve a standard capacity enhance system. For two types of core personnel of partners, i.e., sales and technical personnel, we have set different levels ranging from “green hands” to “guru”, under each of which we have suitable courses matching the respective levels totally with the personnel at different capacity levels. Network training courses will be updated on a regular basis on the online training platform, and authorized business partners may receive such trainings by remote login. Such network courses cover use instructions of products, solutions to regular malfunctions, industrial cases, knowledge on finance and taxation, etc., and relevant training videos and courseware will also be uploaded on the Chanjet service community and be available for the partners to learn and improve. As at 31 December 2018, registered users of the online cloud platform of “Chanjet School” reached 34,298, increasing by 1,213 persons during the year.

For further description on the training system for Partners, please refer to pages 26 to 30 of the 2017 Environmental, Social and Governance Report of Chanjet.

Performance indicators in respect of Partners management of the Chanjet in 2018 are set out as follows:

Indicators	Unit	2018	2017
Total number of channel cooperation partners	(unit)	<b>1,749</b>	1,701
Total number of channel cooperation partners in Mainland China	(unit)	<b>1,749</b>	1,701
Total number of channel cooperation partners in Hong Kong, Macau, Taiwan and other countries	(unit)	<b>0</b>	0
Service satisfaction of channel cooperation partners	(%)	<b>76.30</b>	74.60



## 4. Quality service

### 4.1 DIVERSIFIED PRODUCTS AND COMPREHENSIVE SERVICE FOR MSEs

Nowadays, strenuous and costly financing as well as slow cloud-accessed finance and taxation progresses are common problems for MSEs. In order to further support the healthy development of MSEs, China has put forward an arrangement of supporting policies. In particular, the People's Bank of China has announced targeted reserve requirement ratio in respect of the inclusive finance to support the inclusive finance business of financial institutions; the government has promulgated a number of policies on tax cut for MSEs to encourage entrepreneurship and innovation initiatives as well as the development of MSEs, and the ministry of industry and information technology furthered the "Cloud Access for Enterprises" to drive the rapid development of cloud computing industry.

Committed to serving the MSEs, Chanjet provides MSEs with financial and management service in light of the development trend of industrial technologies and the national policy orientation. We initiated and put forward the concept of "intelligent companies" in the industry in 2017 to cope with financial and management transformation problems of traditional MSEs. Based on the Internet, with the application of new technologies such as big data, artificial intelligence, mobile payment and electronic invoicing, we provide MSEs with comprehensive cloud management services integrating "Personnel, Finance, Commodity and Customer" and cloud finance services integrating finance, invoices and taxes to satisfy MSEs' needs for operation and management upgrading of intelligent analysis, intelligent marketing, intelligent sale and intelligent management under the new economy and new retailing environment.

In 2018, we continued to focus on the financial and management services for MSEs, and comprehensively implemented the strategies of seeking economies of scale in cloud service business and cost-effective growth of software business; efforts were also exerted to accelerate the breakthrough development of cloud financial business, increase investment in cloud businesses, and expedite the progress of developing Internet and resource-based business partners. In addition, we provided traditional software users with scenario-based intelligent services to facilitate their upgrade toward cloud services.

Performance indicators in respect of products and services of Chanjet in 2018 are set out as follows:

Indicators	Unit	2018	2017
Cumulative enterprise users of software business	(10'000)	147	131
Cumulative enterprise users of cloud services	(10'000)	11	7



Introduction on business of Chanjet Financial Management			
T3	Good Accountant	T* (financial modules)	Easy Accounting Agent
<ul style="list-style-type: none"> <li>• A classic financial software</li> <li>• With more than 1 million financial users</li> <li>• Enabling standard management and refined wealth management by virtue of automatic financial accounting</li> <li>• Serving as a tax aide and helping the users to ward off financial risks</li> </ul>	<ul style="list-style-type: none"> <li>• Online version of T3 intelligent cloud finance</li> <li>• Facilitating the transformation towards management accounting</li> <li>• Automatic accounting: automatic formation of vouchers by the robot, which will give alert on 34 settlement abnormalities</li> <li>• Risk control for tax incidence: intelligent forecast of tax incidence, reasonable tax collection, and reasonable deduction of income tax to avoid tax overpayment based on nationwide big data of the industry. Early warning on national dynamic policies and risk control estimate</li> <li>• Operation management: facilitating accounting transformation and supporting the bosses in management of operations, which has made management accounting a hot case among enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• Updated version of T3 with light ERP</li> <li>• Extensible module for purchase-sale-stock, OA and CRM with inter-changeable data</li> <li>• Finance overseeing business, and business promoting finance: cross-year data inquiry, flexible and convenient bookkeeping, real-time calculation of costs and gross profits, well-kept trace of order, finance-taxation integration, reporting within five minutes</li> <li>• Comprehensive production management and control: procurement as required, material claim management, progress check</li> <li>• Management of organs in places other than the headquarters: real-time oversight of remote ordinary businesses, remote preparation of accounts, remote audit, business alert, approval reminder, rapid processing, and data collection and intelligent replenishment for remote selling outlets without going there in person</li> </ul>	<ul style="list-style-type: none"> <li>• A finance and tax based enterprise service platform</li> <li>• Providing accounting agency service for companies and individuals in need of such services</li> <li>• Improving efficiency of accounting agent companies by accomplishing more accounting agent work with less time</li> <li>• Levelling up accounting agent quality through prompt tax calculation and reporting, and tax risk monitoring</li> <li>• Accounting statements available for review at any time and transparent progress of accounting agent services in virtue of the boss-side intelligent terminal</li> </ul>

Introduction on business of Chanjet Purchase-Sale-Stock management	Introduction on business of Chanjet Integrated management of personnel, finance, commodity and customer
T*(module for Purchase-Sale-Stock)	T* Cloud & Biz Chat
<ul style="list-style-type: none"> <li>• Real-time monitoring of inventory to have a clear understanding of overstock or inventory shortage</li> <li>• Extensible financial module with interchangeable data</li> <li>• Through commodity management, formation of differentiated sale prices and quick inventory-making and inquiry, time for order response is sharply shortened</li> <li>• Cash flow management, effecting instant record and summary of business expenditures business analysis</li> <li>• Business analysis, enabling review and analysis of sales data, inventory and corporate profits at any time by means of integration of invoices, accounting and taxes, thus tripling tax declaration efficiency with one click</li> <li>• Voice account keeping, management analysis, and synchronization of multiple terminals, which enables business conduct at any time anywhere</li> </ul>	<ul style="list-style-type: none"> <li>• Integrated management of personnel, finance, commodity and customer</li> <li>• Giving priority to commerce and trade wholesalers, retailers, chain store retailers, trade and production companies</li> <li>• Achieving integrated management of financial businesses with full coverage of finance, purchase-sale-stock, distribution and retailing, production, dealer and e-commerce businesses</li> <li>• Enabling synergic management of remote warehouses, offices, outlets and branches</li> <li>• Supporting multiple selling models and B2B stores built independently, enabling real-time interaction with numerous e-commerce platforms, and effecting connecting and communications with final consumers</li> </ul>





## 4.2 IMPROVING USER EXPERIENCE WITH QUALITY SERVICES

We are committed to providing satisfactory service experience for customers through consistent progress in respect of providing stable services, ensuring information safety and maintaining communications with customers. In 2018, we did not receive any material complaints on products and services from the users.

- **Stable services**

We insist on adopting top-notch product quality management systems to provide customers with stable, convenient and efficient products and services.

We strictly comply with Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), Patent Law of the People's Republic of China (《中華人民共和國專利法》) and other relevant laws and regulations and have formulated Product Quality Standards – Development Process Specifications to ensure the quality and security of software products and cloud services of Chanjet. Our service systems have passed the certification of ISO9000 quality management system.

With reference to leading software programs in the industry and based on basic knowledge, practice knowledge and updates of the industry relating to the process systems, we have set up well-established product process systems and process specifications to regulate and manage R&D activities covering planning, requirements, design, coding, testing and publication. We carry out product quality management in light of different phases in product development including unit self-test, unit test, interface test, integration test, acceptance test, greyscale test demand and UED verification and other test activities.

In terms of system stability management, R&D team will utilise instruments to manage each aspect of the whole process from development to launch to avoid the effect on system stability due to human factors. R&D centre will review the output of each phase such as requirement documents, system design, interactive design, UI design, code, test case, etc., and conduct tests on the functions and performance of products in such phases as demands, design, encoding and testing so as to ensure controllable and reliable stability of the systems via a complete series of management and implementation of product process.

We have also established convenient return channels, through which users are able to complete the product return process by dialling the hotline for customer services of Chanjet and completing relevant return application within 7 days after the registration and activation of products.

• **Information safety and customer information protection**

As ensuring information safety is the bottom line of Chanjet in the capacity of a financial service provider, we have strictly abided by the Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》), PRC Network Security Law (《中華人民共和國網絡安全法》) and the Interim Measures for the Administration of Internet Advertisement (《互聯網廣告管理暫行辦法》) and relevant laws and regulations and have formulated Customer Service Protocol (《用戶服務協議》) and Privacy Policy and Rules (《客戶隱私保護政策》) to guarantee the quality and safety of software products and Cloud services of Chanjet. Our R&D centre has passed the "Trusted Cloud Evaluation System" (《可信雲評估體系》), a national standard, and the class III certification under the Guideline on Grading of Information Safety Technology and Information System Safety Level (《信息安全技術信息系統安全等級保護定級指南》).

We have prepared a safety defence line throughout the whole process with multiple barriers covering phases including R&D, launch, operation and maintenance of products to guarantee the data and privacy safety of customers.

★ *In the phase of product R&D*

- ★ Formulating the white paper on safety to specify safety management in the phase of product R&D, and setting up a safety committee to oversee and inspect the safety mechanism in the application services;
- ★ Uploading the physical data centre to Alibaba Cloud and Huawei Cloud as exterior guarantee, purchasing other external safety service applications and using safety guarder in self-owned servers to ensure system information safety;
- ★ Taking multiple safety protection measures from the perspective of user authentication and information storage in product design, and conducting real-time abnormality monitoring through the system operation monitoring centre to avoid leakage of user data in the process of network transmission;
- ★ Carrying out various safety tests before launch of products to ensure product safety.

★ *In the phase of product operation and maintenance*

- ★ Having specialised personnel on duty round the clock to provide professional support for operation safety in key aspects through the operation monitoring system, detection business system, service system, business rear end services and relevant systems of major business partners, and to identify, cope with and issue warnings on abnormal operations in a timely manner;
- ★ Setting restricted access to data such that employees cannot browse core content of data until being granted by the user the authority for assessing relevant corporate financial data;
- ★ Setting fire wall for computers of employees and requiring employees to renew the passwords to the extent meeting up with the security intensity requirements on a regular basis to rule out information leakage due to password decoding of user names of the Company;
- ★ Inspecting the changes in operating systems used by the external users to avoid information safety leakage arising from changes in operating systems of such users.

★ *Response to safety emergencies*

We have prepared a sound emergency response plan. Once identifying any product and service safety incident, we will activate the emergency plan promptly to safeguard the safety and reliability of the user accounts. We classify the incidents in light of the extent and impact of data leakage, and work out relevant coping measures and reporting scope accordingly. We will reduce the impact of incidents as far as possible based on the principle of “cutting loss before circulating a notice”.

• **Improving customer satisfaction**

As we adopt the distribution model and our customers are mainly dealt with by the business partners, there are quite few circumstances where we make direct contact with customers. Nonetheless, we give due weight to communication with customers and upgrade of satisfaction and has been consummating the communication mechanism.

Our customer service centre has specially formulated Complaint Handling Procedures, stating types of customers’ complaints, evaluation method for service quality and complaint follow-up procedure, to ensure that customers’ complaints are properly and satisfactorily resolved. We proactively supervise out business partners’ solutions to problems of customers and require them to pay a follow-up visit to customers within 24 hours. In addition, we also invite business partners for review and rating of satisfaction via the supporting network, conduct telephone interviews and engage third parties to collect and record user satisfaction information on a regular basis.

We have set up diversified customer service platforms, including customer call centre, online “Service Community” and we-chat subscription account, and make service hotline avoid all year round with human service on duty for 15 hours each year, to keep customers’ complaint channels open and available. Based on the service quality management system ISO9001, we set up the Chanjet Service Alliance in cooperation with more than 100 outstanding authorized service organisations across the country. We have set up user call centres in Beijing and Nanchang and established service communities with the view to enabling the customers to contact us and obtain services at anytime and anywhere.

In order to learn the real demands and feedbacks of customers and iterate and optimise our products and services, we rolled out the “Fubao” (“服宝”) intelligent robot. Fubao is available for users in many carriers including software products, communities, QQ groups, WeChat accounts, etc., and ready for enquiries at anytime and anywhere. “Fubao” is equipped with five major functions and two centres and is able to provide solutions to problems the users encountered in the use of software. As at December 2018, the “Fubao” provided services for users by 585,592 person-times and solved 1,275,550 problems put forward by the users in 2,349,036 conversations, accounting for more than 50% of the service workload of the service centre. Moreover, “Fubao” has also become an able aider of numerous customers and employees with our business partners, and has been linked to 56,465 enterprise users and 216,374 individual users.

## Five functions

1. **Online service:** online service for 24 hours seven days a week all year round and capable of forwarding to human service. Such services cover all products of Chanjet and relevant knowledge concerning finance, taxation and the micro class.
2. **Fubao Micro Class:** provide finance, taxation and business courses concerning real-time hot concerns for 10 to 15 minutes each week. The Fubao Micro class group also carry out grateful payback activities from now and then to enhance loyalty of users.
3. **Finance and taxation knowledge:** Introducing financial and taxation consultation and knowledge on a real-time basis.
4. **Contacting suppliers:** customers will be served by specially assigned engineers after submitting relevant problems and can inquire the service model and service progress at any time.
5. **Lucky dip of Fubao:** equipped with instruments for automatic formation of statements, annual summaries, final settlements, tax paying plans and other software functions to streamline business process. In addition, certain software is subject to trial usage before purchasing and furnished with customised value-added needs, which will facilitate the improvement of working efficiency of T3/T6/T+ products.

## Two centres

1. **Information centre:** clear classification of messages for introduction, service and Q&As, human service forwarding, liaison to service provider for orderly and accessible order progress; all messages are available for multiple reviews.
2. **Personal centre:** containing personal and service bonus information, enabling personalised setup, and effecting community sign-in with one click. (service bonus can be used to redeem for prizes).

Performance indicators in respect of customer service of Chanjet in 2018 are set out as follows:

Indicators	Unit	2018	2017
Filed customer complaints *	(items)	0	0
Satisfaction on customer service	(%)	84.60	82.60

\*Note: the said indicator refers to the number of complaints recorded via the "12315" special line for complaints and reports of customers and nationwide Internet platforms.

### 4.3 CONTINUOUS INCENTIVE FOR R&D AND INNOVATION

Upholding our consistent belief that innovation generates inexhaustible impetus for corporate development, we further improve the innovation systems and has worked out a clearly-defined innovation incentive mechanism. In addition, we lay emphasis on protection of intellectual properties and brands and continue to encourage R&D and innovation within the Company.

- **Establishment of innovation platform systems**

Keeping abreast of the industrial development trend, we have been innovating our product and service models. We have set up the three-layered innovation hierarchy mechanism and classify innovation achievements as major innovation, important innovation and micro innovation. In terms of micro innovation, R&D centre of Chanjet will organise daily innovation rating campaign to make assessment on innovations in respect of application, technology, management, test, user experience, etc., according to both professional standards and the public selection standards. Such rating campaign effects management and control over professional rating and instruction in virtue of the resource advantage of each professional segment on the one hand, and attracts more attention of the entire team of the R&D centre on innovation and arouses their learning enthusiasm in this aspect on the other hand. For quality innovations, the Company will initiate further guidance, incubation and incentive, and will recommend those with outstanding innovative value and significance to the Company so that relevant innovation is able to exert more positive effects.

- **Innovation incentive**

The Company has formulated the Rules on Product Malfunction Punishment and Zero-Failure Incentive of R&D centre, Patent Rewarding Measures, Daily Rewarding Scheme of R&D Centre, R&D Knowledge Sharing and Incentive Mechanism of Chanjet School and other innovation incentive policies to encourage R&D and innovation. Based on the principle of timely incentive and inspiring the superior, we have maintained incentive measures at different frequency and in different degrees from the perspective of progress, quality, attitude, growth, coordination and sharing in adherence to the specified direction of positiveness, hardworking, innovation and aggressiveness.

The Company has prepared the following diversified incentive mechanism to improve the innovation enthusiasm of employees:

- ★ Semi-yearly and annual incentive in terms of R&D: within the half-year or annual period, from R&D perspective, individual with outstanding comprehensive performance and competent as a team paragon will be rewarded;
- ★ Knowledge sharing incentive of Chanjet School: individual who proactively provides trainings and share with others at the R&D centre will be rewarded according to the rating mechanism that takes into account the number and quality of courses provided and other perspectives;
- ★ Innovation incentive: in order to motivate the team and individuals to progress and innovate in a consistent manner at work, daily innovations applied by them will be evaluated and awarded on a periodical basis in virtue of the resource advantage of each professional segment at the R&D centre;
- ★ Patent incentive: in order to attract continuous attention of the teams and individuals in respect of patents and stimulate their advancement in relation thereto, individuals or teams, the patents submitted and applied by whom were licensed, will be rewarded.

- **Protection of intellectual properties and brands**

Chanjet gives weight to the protection of intellectual properties and patents given that our copyrights, trademarks, patents, confidential business data and other intellectual property rights are important assets of the Company.

- ★ *Protection of intellectual rights*

The Company has been fully complied with relevant policies and laws in relation to patents and copyrights and has developed the Administrative Measures for Patent of Chanjet to standardise the application, management and utilisation of patents of the Company. The Company also enters into the Employee Confidentiality Agreement with employees to protect the patent assets of the Company and prevent information leakage. We resort to the combined approaches of contract restriction, administrative procedures and protection hardware to ward off and prevent others from embezzling our intellectual properties on products and services without authorisation. We have a development management department in place to take charge of patent management, establishment of other patent-related systems, procedures and management measures, management of patent application materials and arrangement on comprehensive evaluation and accreditation of patent assets by the business departments concerned. At the same time, a patent database has been established to regulate patent management. Once any patent infringement is identified, the legal affair department of the Company will carry out investigation and evidence collection and file the same with the government authority in charge of patent management for investigation and handling or institute legal proceedings to the people's court as appropriate.

- ★ *Protection of brands*

Based on the Company Law, Trademark Law, Advertising Law, and other relevant regulations of the PRC, the Company has enacted the Brand Systems Management Measures, Usage Standard for LOGO and Brand Systems and Brand VI Manual to make united planning and management for advertising and trademarks, to safeguard our corporate, product and service reputation and to rule out false advertisement and ill-founded propaganda. Where there is any need for use of the brand characters, image or logo of Chanjet, the dealer or business partner is required to submit an application and use the same according to the usage standards after being approved and filed. The marketing department of the Company carries out review and supervision over the qualification, reputation, guarantee ability, business operating competency of the applying departments, dealers and business partners on a regular basis, and report to the president for approval in case of any material matter.

★ *Fighting against piracy and tort*

In order to safeguard the legal rights and interests of the Company and fight against piracy and tort, the Company has developed Special Management Measures for Anti-piracy to give specific description on piracy of the company name, LOGO and products, set up piracy processing procedure and whistle-blowing mechanism and require all contracted business partners to execute the Anti-piracy Statement.

Any suspected piracy will be reported to the sales headquarters of the Company for disposition once identified. After preliminary forensics, the Company will go through the evidence and proceed with further investigation as required, and coping measures will be taken in light of the investigation results accordingly. The Company will issue a lawyer's letter, complain to the industry and commerce authority and copyright authority, or institute proceedings to the court against pirates not legally related with the Company; impose a penalty, disqualify the dealership or resort to legal means against the piracy of business partners who have entered into anti-piracy statements with the Company; terminate the labour contract, circulate internal criticism notice and reserve the right to hold legally accountable against employees involved in piracy; and issue a lawyer's letter requiring the discontinuity of use of unauthorized software against users employing pirated software.

Indicators	Unit	2018	2017
Investment in R&D	(RMB0'000)	<b>12,562.3</b>	12,492.2
Percentage of investment in R&D over sales income	(%)	<b>29</b>	25
Number of R&D staff	(persons)	<b>294</b>	270
Cumulative patents applied for	(pieces)	<b>141</b>	136
Newly applied patents	(pieces)	<b>5</b>	22
Cumulative patents licensed	(pieces)	<b>64</b>	58
Patents newly licensed	(pieces)	<b>6</b>	8

**Example: technology earning the 2018 innovation award – intelligent Cloud ERP T+Cloud technology**

The intelligent Cloud ERP T+Cloud technology stood out and secured the 2018 Innovation Award in the innovation rating campaign organised regularly in the Company.

In recent years, thanks to the energetic innovation in the global cloud computing sector and the popularity of cloud computing application in the PRC, more enterprises choose to furnish their information systems with the cloud computing model, cloud-access awareness and capability of enterprises is growing stronger, and cloud-accessed applications and data has become a mainstream trend in the world. In particular, the government also promulgated guidelines for implementation of cloud access of enterprises recently to further accelerate the pace of developing cloud-accessed enterprises.



Under such a macro backdrop, T+Cloud adopts the advanced public cloud framework, integrates the big data AI technology and puts forward the intelligent cloud ERP. It aims to level up management standards and empower the enterprises by benefiting from the management experience of over 1 million MSEs, providing solutions to major concerns on the management status quo of MSEs and controlling and managing major aspects in the course of business. Through thorough exploration of data, integrated utilisation, T+Cloud product can help enterprises to accelerate the digitalised transformation and seek for intelligent development.

Major functions of T+Cloud product include purchase management, outsourcing management, sales management, order mall, e-commerce aider, cash receipts and expenditures, inventory check, distribution management, goods allocation management, promotion management, membership management, WeChat marketing, production management, asset management, cashier management, general ledger, T-UFO, and synergic office, which is mainly applicable to the integrated management of small-sized commercial and trading businesses, industrial enterprises and industry and trade enterprises.

#### **Example: Global MSEs Innovation Conference (“GICC”)**

Under the guidance of China Software Industry Association and Internet Development Association of China, Chanjet hosted two sessions of GICC as at the end of 2018. With the theme of “visiting users, presenting scenarios and foreseeing the future”, the 2018 GICC gathered nearly 100 front-line star start-ups, service providers, and top-notch innovation ventures, as well as thousands of MSEs to share opinions on the current confusions and bewilderment of MSEs in their management and operation and brainstorm for game changers and solutions to intelligent business, and to seek for law and path of innovation for MSEs in the era of intelligent business.

The conferences initiated the “GICC 2018 Digital Innovation Selection Campaign among MSEs”. After two-month endeavour in collection and rounds of scrutiny and evaluation, organisation committee of GICC screened out a batch of industrial elites and enterprises with outstanding contributions and achievements in the digitalisation of MSEs. At the conference, dozens of representatives from enterprises who were also prize winners displayed their companies and innovative products and carried out in-depth communication and business contacts with user representatives of MSEs at the scene, having generated fruitful achievements.





## 5. Anti-corruption

### 5.1 COMBATING CORRUPTION AND ADVOCATING INTEGRITY

In strict compliance with the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Law of the People's Republic of China (《中華人民共和國反洗錢法》) on Anti-money Laundering, and other national laws and regulations in relation to anti-corruption and anti-bribery, the Company has formulated the Internal Audit System (《內部審計制度》) and the Code of Conduct for Employees (《員工行為守則》) to specify punishment measures on the bribe-offering and bribe-taking conducts of employees.

In 2018, the Company was not involved in any offence and violation in relation to commercial bribery, extortion, fraud or money laundering.

- **Consummating the risk management system**

The Company carries out consistent evaluation over internal and external risks in business development and improves the comprehensive risk management system on an ongoing basis. In addition, the Company has engaged third-party institutions to review the internal control system and risk management system of the Company regularly on an annual basis, and issue internal control review report and risk assessment report which are subject to review by the Audit Committee under the Board and the Board.

- **Integrity commitments of employees**

The Company enters into Undertaking on Compliance with Code of Conduct for Employees and Transparent Operation with the employees to stipulate that employees should honor the basic principles such as honesty and integrity, fairness and justice, compliance with laws and rules, disregard of personal gains, avoiding the conflicts of interest and respecting confidentiality both internally and during interaction with other parties. It strictly prohibits any act of bribery, extortion, fraud or money laundry in whatever form.

- **Improving the reporting channels**

The Company has an internal audit and monitoring function to cope with tip-offs in relation to bribery, extortion, fraud and money laundry, and investigate into disciplinary offences and put forth recommendations in respect thereof. A report could be filed through E-mail, hotline and face-to-face communication within the Company. After receiving any reported information, the audit and supervision department will verify such information promptly and investigate or conduct special audit in light of the circumstances. The corruption fact, once confirmed, will be dealt with according to relevant provisions under the internal audit mechanism of the Company.



## 6. Investment in community

### 6.1 SUPPORTING THE CULTIVATION OF ACCOUNTING PRACTITIONERS

The Company has been proactively participating in community construction and paying back to the society through cultivation of accounting talents, job creation and other measures since its incorporation. In cooperation with our industrial partners, we establish online communication platforms and initiate offline interactive activities to promote the development of accounting sector, facilitate to improve the professional proficiency of industrial practitioners and boost industrial development.

- **Technological support**

We have been the technological support unit for accounting profession of the secondary vocational category under the National Vocational Students Skills Competition of the Ministry of Education since 2011. We have thus provided supporting services for 37 provinces and municipalities and provided polling on accounting skills and learning actuality analysis for 27 provinces and municipalities across the country by virtue of the cloud technology, which has involved more than 3 million participants so far.

## Accountant Home

Accountant Home is an online financial and tax interactive platform rolled out by Chanjet for the purpose of learning, mutual assistance and sharing. Online lectures, Q&A consultation, hotspot information, knowledge management, social network, financial and tax instruments and other professional and individualised services are available on such platform to support the work and learning of accounting practitioners. The Accountant Home is staffed with a group of well-experienced finance and taxation lecturers to explain the top concerns of financial and accounting practitioners and a dozen of experts to interact with the attendees and resolve their misgivings and in turn help them to learn and advance. The Accountant Home also has the mutually beneficial Q&A capacity embedded, through which, the attendees are able to raise questions at the Q&A column and await the replies and explanations thereon by enthusing netizens. The attendees may also opt to quest the experts in the Accountant Home and the latter will reply and offer solutions as soon as possible. As at the end of the reporting period, the cumulative number of registered users of Accountant Home reached 1,963,500.



## Chanjet service community

Chanjet service community is an interactive communication and knowledge sharing social network platform initiated and developed by the Company, which mainly concerns about Q&As on finance, accounting and taxations as well as on information-based management software of MSEs. Such platform will present most updated finance and taxation information from time to time and is embedded with the forum capacity to allow users to put forward and explain finance and taxation questions as they wish.



- **Accountant Culture Festivals**

In order to promote the accounting culture and enhance the sense of professional belonging of accounting practitioners, we have been sponsoring the “Accountant Culture Festival” since 2008 to create a festival that truly belongs to financial accounting practitioners. The 11th Accountant Culture Festivals commenced nationwide in November 2018. Through hundreds of orchestrated activities, Chanjet brought along abundant new knowledge and new technologies for MSEs and thus influenced millions of accounting practitioners in the PRC. The event in Qitong Shanghai alone attracted around 500 financial and accounting practitioners from different sectors and industries to participate. At the event venue, contracts were entered into for 119 sets of Good Accountants, setting a record in respect of transacted order volume for a single event.

In a bid to acclimatise to the macro environment of rapid development of intelligent AI, new retailing and new economy in a better fashion, the Accountant Culture Festivals in 2018, themed at “smart finance, joyful life” served as a platform to provide professional guidance and shared information on how financial practitioners outperform the others and demonstrate higher value by right of competency against the macro environment with intense competitions.



Event in Xiamen



Event in Tianshui



Event in Yantai



Event in Shanghai



Event in Nanchang



Event in Beijing



## 6.2 CONTRIBUTING TO PUBLIC WELFARE UNDERTAKINGS

As a responsible and reliable enterprise, while supporting the growth of MSEs and promoting the development of the accounting sector, Chanjet also takes root in the society to participate in social benefit undertakings. We adopt such measures as supporting social welfare undertakings, contributing to philanthropic donations, driving up the cultivation of financial accounting personnel by MSEs and creating more jobs to contribute to the public welfare undertakings and repay the society with actual practices. In 2018, the Company was honoured with the title of “Charity Donation Enterprises•Facilitating the Employment of the Disabled for well-off purpose”.

- **Supporting the development of public welfare undertakings**

We pay attention to the charity affairs and boost the development of charity institutions by making full use of our business characteristics. In 2018, Chanjet, in cooperation with Yonyou Group, initiated and implemented the “cloud service platform for financial and project management of public welfare organisations” to provide free financial and accounting products for micro and small-sized non-profit organisations across China and thereby help them to achieve informatization by virtue of its technological advantages. Such initiative aims to provide charity institutions with public cloud-based financial and management services for free, help such institutions to operate and manage charitable capital assets and project process in a more scientific, transparent and efficient manner, and improve the operating and management standard, transparency and creditability of charity institutions, thereby promoting the progress and development of social public welfare undertakings. Meanwhile, we also sought to advance the establishment of a public service industry ecosystem via technological means in compliance with rules and with reverence for ethics and further experimented on benign interactions between technology and philanthropic undertakings. The initiative has entered the later stage of planning so far, and will be gradually promoted in 2019, thus love could reach out to more people.

Chanjet believes that with the effective integration of Internet and public welfare, innovative technology and creative thinking will push the charity to a new era. As a technological company, we shall make the best of technologies to further boost the development of China’s charitable and public welfare.





## ESG Index Table

No.	Indicator description	Page
A1 Emissions	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	P10-11
A1 Emissions	A1.1 The types of emissions and respective emission data.	P11
A1 Emissions	A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P11
A1 Emissions	A1.3 Total hazardous waste produced (by weigh or volume) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per official employee).	P11
A1 Emissions	A1.4 Total non-hazardous waste produced (by weigh or volume) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per official employee).	P11
A1 Emissions	A1.5 Description of measures to mitigate emissions and results achieved.	P10-11
A1 Emissions	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P11
A2 Use of Resources	<p>General Disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	P12-13
A2 Use of Resources	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).	P13
A2 Use of Resources	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P13
A2 Use of Resources	A2.3 Description of energy use efficiency initiatives and results achieved.	P12-13
A2 Use of Resources	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P12
A2 Use of Resources	A2.5 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P13
A3 The Environment and Natural Resources	<p>General Disclosure</p> <p>Policies on minimising the issuer's significant impact on the environment and natural resources.</p>	Not applicable
A3 The Environment and Natural Resources	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	* Given the business nature of the Company, the Company did not have any business activity that has significant impacts on the surroundings

No.	Indicator description	Page
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.	P14-15, P19-21
B1 Employment	B1.1 Total workforce by gender, employment type, age group and geographical region.	P16
B1 Employment	B1.2 Employee turnover rate by gender, age group and geographical region.	Not disclosed yet
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.	P17
B2 Health and Safety	B2.1 Number and rate of work-related fatalities.	P17
B2 Health and Safety	B2.2 Lost days due to work injury.	P17
B2 Health and Safety	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	P17
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.	P18
B3 Development and Training	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P19
B3 Development and Training	B3.2 The average training hours completed per employee by gender and employee category.	P19
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.	P16
B4 Labour Standards	B4.1 Description of measures to review employment practices to avoid child and forced labour.	P16
B4 Labour Standards	B4.2 Description of steps taken to eliminate such practices when discovered.	P16
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	P22-24
B5 Supply Chain Management	B5.1 Number of suppliers by geographical region.	P23
B5 Supply Chain Management	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P22-26

No.	Indicator description	Page
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.	P27-36
B6 Product Responsibility	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable * Products of the Company are mainly delivered online, and the small proportion of offline products also involve in no safety and health risks.
B6 Product Responsibility	B6.2 Number of products and service related complaints received and how they are dealt with.	P32-33
B6 Product Responsibility	B6.3 Description of practices relating to observing and protecting intellectual property rights.	P35-36
B6 Product Responsibility	B6.4 Description of quality assurance process and recall procedures.	P30
B6 Product Responsibility	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	P31-32
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.	P38
B7 Anti-corruption	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.	P38
B7 Anti-corruption	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P38
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.	P39-42
B8 Community Investment	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P39-42
B8 Community Investment	B8.2 Resources contributed (e.g. money or time) to the focus area.	P39-42

# 暢捷通 *Chanjet*

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CHANJET INFORMATION TECHNOLOGY COMPANY LIMITED