

# 畅捷通 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

## 2021

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT



## NOTES ON THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (the “Report”)

### Reporting Scope:

This Report covers Chanjet Information Technology Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group” or “Chanjet”).

### Reporting Period:

This Report is presented on an annual basis, and covers the period from 1 January 2021 to 31 December 2021. Some contents may go beyond the aforesaid period due to the explanation needs.

### Basis of Preparation:

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

### Explanation about the Data:

Monetary amounts involved in this Report are denominated in RMB 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).



Microblog of Chanjet



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## Statement from the Management

In 2021, the Group focused on two major fields, namely digital intelligent finance and taxation, and digital intelligent business for micro and small scale enterprises (“MSEs”), firmly implemented the development strategy of giving priority to cloud service business and subscription service, and strategically increased resource investment in cloud service business. The Group achieved innovation, development and made breakthroughs in key cloud products, and strengthened the field characteristics and industry characteristics of products to further improve the product layout. The Group’s sales channels and ecological path occupy developed rapidly. Social media and online marketing were applied to accelerate the acquisition of new users to adopt cloud services. Continued efforts were made to promote software users to integrate with and migrate to the cloud, which contributed to a high growth of revenue from cloud service business. During the Reporting Period, the revenue of the Group was RMB590 million, representing a year-on-year increase of 16%. Total revenue hit a record high. The revenue from cloud service business was RMB505 million, representing a year-on-year increase of 111% and the total assets amounted to RMB1.624 billion, achieving the established growth target. While developing its principal business, the Group focuses on energy conservation and emission reduction, pays attention to climate change, promotes mutual progress between people and enterprise, guides win-win cooperation, improves products and services, and builds a culture of integrity. By achieving the above, it has promoted the development of the industry, and has actively fulfilled corporate social responsibilities.

### **Saving energy and reducing emission to develop in a green way**

Actively practicing the concept of green development, Chanjet continues to optimize emissions management, reduce resource consumption and pay attention to climate change so as to promote corporate operation and management in a green way.

### **Putting people first to seek common progress of the Company and employees**

Regarding talents as the valuable wealth of the enterprise, Chanjet always adheres to the concept of people-orientation, protects employees’ rights and interests, keeps a watchful eye on the career development of employees, and cares for the physical and mental health of employees so as to strive for the common progress and development of the Company and employees.

### **Achieving win-win cooperation to grow together**

Chanjet always practices the corporate culture of “respect and cooperation, striving for the best and achieving happiness and win-win results”. In accordance with the “open, fair and just” anti-corruption operation principle, Chanjet continues to optimize and improve supplier management, and leads suppliers, partners to achieve common growth and win-win cooperation with Chanjet.

### **Innovating products to stabilize services**

Chanjet is committed to providing MSEs with more convenient cloud services. Through technical empowerment, it helps MSEs realize digital and intelligent transformation and offers more concise, efficient, mature and integrated finance, taxation and business solutions so as to achieve the mission of “facilitating MSEs’ development in operation and management through creativity and technology”.

### **Looking at the big picture to develop the industry**

Chanjet is committed to advancing the digital intelligent transformation of MSEs with rich specialized experience, and promoting technological progress, industry-university integration, and talent training in the finance, taxation and business cloud service industries as a way to gather outstanding talents, and accumulate profound strength for the vigorous growth of the industry.

In the future, Chanjet will keep its mission in mind and stick to its vision. While practicing the core values of “friends of users, professional endeavour and continuous innovation”, it will strictly abide by national laws and regulations, actively undertake corporate social responsibilities, and comprehensively promote the MSEs’ digital intelligent transformation and upgrading.



# About us

## Company profile

Chanjet Information Technology Company Limited, a subsidiary of Yonyou Group, was established in March 2010 and listed on the Main Board of the Hong Kong Stock Exchange on 26 June 2014 (Stock code: 1588). The Company takes “facilitating MSEs’ development in operation and management through creativity and technology” as its mission, striving for the vision of becoming “a worldwide leading provider of cloud services and software for MSEs” and “a platform for partners and employees to enjoy work, make achievements and share success”, the Company is committed to providing platform services, application services, data-based value-added services for MSEs in the PRC, with a focus on financial and business management cloud services.

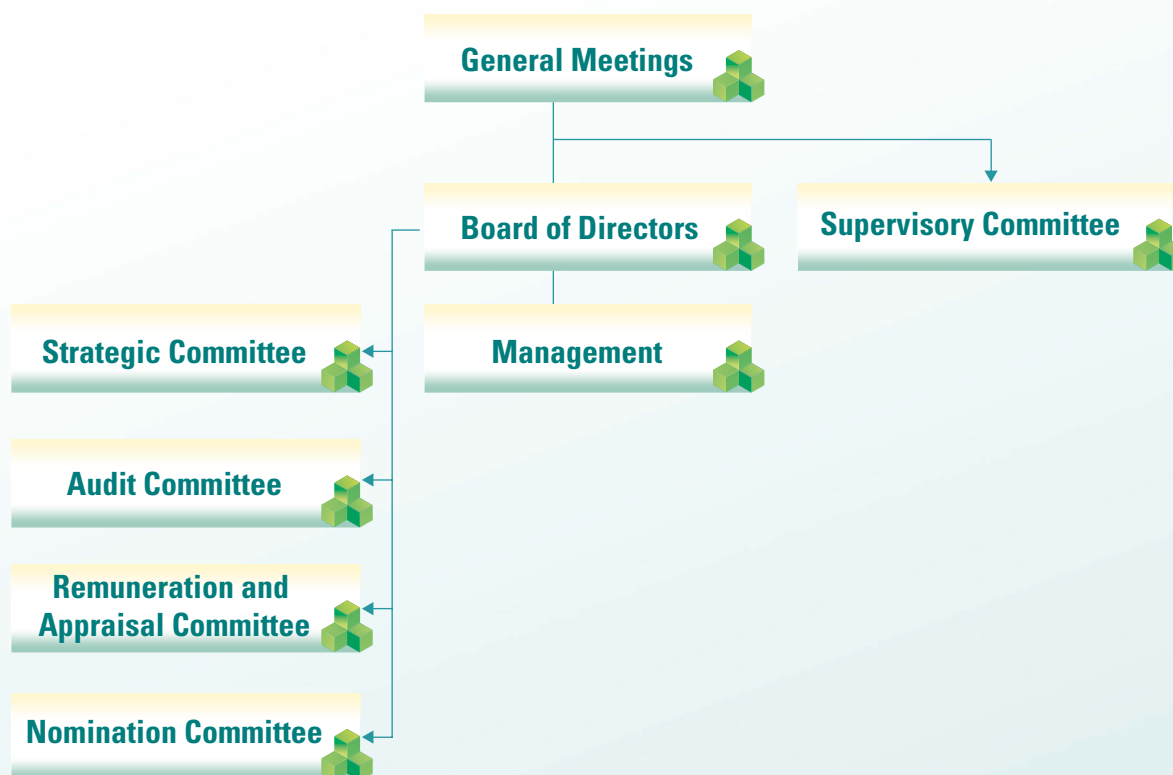
The Company is a council member of China Association of Small and Medium Enterprises, a member of the China Software Industry Association and a member of the Beijing Software and Information Service Industry Association. It has been regarded as the “Key Software Enterprises under the National Planning Layout (國家規劃佈局內重點軟件企業)” as well as “High and New Technology Enterprises (高新技術企業)” for consecutive years. During the Reporting Period, the Company was successfully selected into the “National Public Service Demonstration Platform for Small-and-Medium-sized Enterprises (國家中小企業公共服務示範平台)” by the Ministry of Industry and Information Technology of China, and the list of “Specialized, Fined, Peculiar and Innovative” small-and-medium-sized enterprises in Beijing (北京市「專精特新」中小企業認定名單); was awarded the “Best MSEs Cloud Finance and Taxation Service Provider of the Year (年度最佳小微企業雲財稅服務廠商)” at the 8th Global Internet Economic Conference of GIEC2021; was selected into the “2021 Pioneer Practice Case of Enterprise Digital Governance (2021企業數字化治理先鋒實踐案例)” by China Academy of Information and Communications Technology; was awarded the “Top Ten Benchmark Partners of Huawei Cloud Starlight Plan 2021 (2021華為雲星光計劃十大標桿夥伴)” at the “Huawei China Ecological Conference 2021 (華為中國生態大會2021)” held by Huawei, and also won the “Huawei Cloud Kunpeng Best Practice Partner Award (華為雲鯤鵬最佳實踐夥伴獎)”; won the Alibaba Cloud’s “Best Co-Creation Award (最佳共創獎)” and “Cloud Cooperation Plan 2021 Excellent Partner Technology Pioneer Award (雲合計劃2021年度優秀夥伴技術先鋒獎)”; won the “Best SaaS Service Provider of the Year (年度最佳SaaS服務商)” at the 6th SaaS Application Conference held by Top Zhihui and co-sponsored by Shanghai Software Industry Association and Shanghai Chief Information Officer Alliance (上海首席信息官聯盟). Chanjet Good Accountant won the award of “Outstanding Innovative Product of Digital Transformation in 2020-2021 (2020-2021年度數字轉型傑出創新產品)” at the “2021 IT Market Annual Conference (2021 IT市場年會)” hosted by CCID Consulting. Also, according to the “2021 Special Analysis on Cloud Finance and Taxation Market for MSEs in China (中國小微企業雲財稅市場專題分析2021)” released by Analysys (易觀), Chanjet ranked first in the comprehensive strength of cloud finance and taxation service providers in terms of comprehensive score. Chanjet Good Accountant ranked first in terms of coverage in the cloud finance and taxation market.



## Corporate governance

The Company has observed the provisions under the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》) 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, Shareholders Communications Policies and Dividend Policy, 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.

The 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 is 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 benefits 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 contributions to be brought to the Board by the selected candidates.

In 2021, the Company held a total of 7 Board meetings, 2 Supervisory Committee meetings and 2 general meetings.



## Responsibility management

### • ESG STATEMENT OF THE BOARD

The Board attaches great importance to the work on ESG of the Company, assumes full responsibilities for the ESG strategies and reporting of the Company, and ensures the establishment of appropriate and effective ESG risk management and internal control systems.

The Board is committed to integrating the supervision of ESG matters (including their risks to the business of the Company) into the daily management and business operations of the Company, requires the management to regularly assess the impact and occurrence of relevant crucial ESG issues and their risks in the daily management and business operations, and develop risk handling measures. The Board regularly reviews the relevant risk assessment reports, focuses on the supervision on the crucial ESG issues and risks as identified, and urges the management to deal with risks in accordance with the risk handling measures as reviewed and approved by the Board. Based on the Company's development strategies, relevant policies and regulations, and communication with stakeholders, most members of the Board also participated in the identification and assessment of the ESG-related substantive issues of the Company to clarify the priorities of ESG governance of the Company and set annual targets and action plans of energy conservation and emission reduction.

During the Reporting Period, as a key point, the Board promoted the Company to formulate ESG-related environmental targets, covering objectives of non-hazardous waste reduction, greenhouse gas emission, energy use efficiency and water use efficiency. As the environmental objectives were formulated and the progress of achieving relevant objectives was reviewed on a regular basis, the impact of the Group's business operations on the environment was minimized, which enabled the Company to better fulfill the ESG responsibilities.

### • ESG GOVERNANCE STRUCTURE

The Board of Chanjet highly values the ESG work of the Group, and retains responsibility for the Group's ESG strategies and relevant reporting, including evaluating and determining the Group's ESG-related risks, ensuring that appropriate and effective ESG risk management and internal control systems are in place, reviewing the Group's performance periodically, and approving disclosures in the Company's ESG report. This Report fully discloses the progress and achievements of Chanjet in ESG-related work in 2021 and was approved by the Board.

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

### • ESG REPORTING PRINCIPLES

**Materiality:** The materiality of our ESG issues is determined by the Board. The process of stakeholder communication and identification of material issues and the materiality matrix are all disclosed in this Report.

**Quantitative:** Statistical standards, methods, assumptions and/or calculation tools for quantitative key performance indicators herein and source of conversion factors are all explained in the definitions of this Report.

**Balance:** This Report shall provide an unbiased picture of the Group performance during the Reporting Period and should avoid that may inappropriately influence the decision or judgment made by the report readers.

**Consistency:** The statistical methodologies applied to the data disclosed in this Report shall be consistent. Other than as disclosed elsewhere in the Report, the preparation method of this Report is as same as that of the previous year.

### • COMMUNICATIONS WITH STAKEHOLDERS

Chanjet maintains continuous communications with its stakeholders and has adopted diversified communication channels such as stakeholder seminars, teleconferences and web conferences to listen to the expectations and propositions of the stakeholders and make timely corresponding responses to their opinions. Subject to law-abiding and compliance operation, we fulfill our social responsibilities to create value for stakeholders.

During the Reporting Period, Chanjet continued to prepare and distribute questionnaires to stakeholders to investigate and collect statistics on stakeholders' concerns and influences at different levels. 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 Group.

Stakeholder	Topics of Concern	Communication Channels and Solutions
Shareholders	<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> <li>• Idea of responsibility</li> <li>• Governance responsibility structure</li> <li>• Statement of the Board, in relation to its participation in responsibility management</li> </ul>	<ul style="list-style-type: none"> <li>• Regular reports and information disclosure</li> <li>• General meeting</li> <li>• Investors' surveys</li> <li>• Presentation on business results</li> <li>• Roadshow on business results</li> <li>• Teleconference</li> </ul>
Government/Community	<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>• Anti-corruption</li> <li>• Voluntary activities</li> <li>• Community building</li> </ul>	<ul style="list-style-type: none"> <li>• Daily communications</li> <li>• Information bulletin</li> <li>• Government and enterprise cooperation</li> <li>• Governmental review</li> <li>• Philanthropic activities</li> <li>• Anti-epidemic activities</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Information security protection</li> <li>• Customer privacy protection</li> <li>• Customer satisfaction</li> <li>• Product stability and efficiency</li> <li>• Product R&amp;D and innovation</li> <li>• Intellectual property protection</li> <li>• Service and feedback response guarantee</li> <li>• Customer rights and interests protection</li> <li>• Reasonable publicity</li> </ul>	<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>
Business Partners	<ul style="list-style-type: none"> <li>• Growing together</li> <li>• Sharing customers with partners</li> <li>• Fair and just procurement</li> <li>• Supply chain risk management</li> <li>• Green procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement policy</li> <li>• Project cooperation</li> <li>• Daily business communication</li> <li>• Establishment of industrial leagues</li> <li>• Online service platform</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Employment equality</li> <li>• Employment compliance</li> <li>• Employees' rights and interests protection</li> <li>• Occupational safety and health</li> <li>• Promoting career development and skill enhancement</li> <li>• Work and life balance</li> <li>• Employee satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Employment policies</li> <li>• Regular meetings</li> <li>• Employee training</li> <li>• Employee club</li> <li>• Portal websites, WeChat official account, etc.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Economical utilisation of energy</li> <li>• Emission reduction</li> <li>• Ecological environment and natural resources protection</li> <li>• Countermeasures to climate change</li> </ul>	<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>





• **SUBSTANTIVE ISSUES IDENTIFICATION**

In accordance with the ESG Reporting Guide as contained in Appendix 27 to the Listing Rules and relevant international standards, the Group communicates questionnaire results and facts with the stakeholders on the relevant ESG issues, conducts respective evaluations on significant ESG issues relating to our business from the perspectives of the significance to the stakeholders and the significance to Chanjet. Afterwards, the Company selects and forms the materiality matrix to serve as the basis of ESG concerns and disclosures of the Group.



# 1. Energy-saving and emission-reduction, focus on climate change

## 1.1 STRENGTHEN EMISSION MANAGEMENT

Chanjet strictly complied 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》), the 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 national laws and regulations as well as requirements of various policies, and fulfilled the concept of energy-saving and emission-reduction as well as reduction of waste during its office operation. During the Reporting Period, Chanjet did not have any litigation cases in respect of environmental protection.

- **Environmental management objectives**

In 2021, Chanjet included environmental management objectives as an important topic, and determined the Group's environmental management objectives for the next five years through peer benchmarking, questionnaire surveys and interviews, and further improved measures for environmental protection, energy conservation, and emission reduction based on such environmental management objectives.

**Environmental objectives in terms of greenhouse gases, energy consumption, and water usage:**

Based on 2021, in the next five years, we will strive to make the per capita emission of greenhouse gas, per capita comprehensive energy consumption, and per capita water consumption remain stable.

**Objectives of electronic wastes generated:**

Based on 2021, in the next five years, physical servers will be phased down, and the use of cloud servers will be promoted to reduce the generation of electronic wastes.

**Objectives of non-hazardous wastes generated:**

Based on 2021, the use of product packaging will be gradually reduced, and the use of cloud to purchase products will be promoted.



- **Management of greenhouse gas emission**

As Chanjet is a MSEs cloud service and software provider, emissions of greenhouse gases generated by Chanjet are mainly emissions from electricity consumed during daily office work and indirectly generated during business trips and office work. During the Reporting Period, the Company did not possess or have control over any direct emission sources such as vehicles, engines, gas-fueled appliances, etc., and did not utilize coal, gasoline, diesel, natural gas and other fuels, and therefore did not involve in direct emission of greenhouse gases.

In order to achieve the objective of reducing greenhouse gas emissions and lower climate impact, Chanjet has adopted a variety of effective measures in office operations:

- ★ The Company actively uses telephone, e-mail, online meetings and other methods in daily office work. During severe weather or special period during the pandemic, employees are encouraged to work remotely online to reduce greenhouse gas emissions;
- ★ The Company encourages employees to adopt green travel in their daily commutes, provides employees with commuter buses and dormitories to reduce greenhouse gas emissions during commuting;
- ★ Green plants are placed in all areas of the Company to reduce carbon dioxide in the air.

- **Management of non-hazardous wastes**

In strict accordance with the requirements of 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》》), Chanjet classifies and disposes various non-hazardous wastes. In addition, the Company actively improves office processes to minimize the generation of non-hazardous wastes in daily operations:

- ★ Perform online approval process through the online office management platform. Before using the printer, one needs to swipe a card to identify his/her identity to reduce invalid printing and save printing papers;
- ★ Advocate employees to print on both sides or use the other side of paper for the second time to save printing consumables and promote the concept of saving papers.

• **Management of electronic wastes**

Electronic wastes generated by Chanjet mainly comprise scrapped electronic devices during business operations (scrapped computer mainframes, displays, laptops, servers, printers, etc.). In order to reduce the generation of electronic wastes, the Company has taken a series of measures such as leasing electronic equipment, replacing old equipment that is not environmentally friendly, and recycling wastes:

- ★ Rent electronic devices to reduce the production of obsolete electronic devices;
- ★ Use large-scale printers which enable feeding of toner without use of cartridges instead of printers with toner cartridges;
- ★ Transform used computer hard drives and equipment parts for our employees to reuse;
- ★ Set up recycling bins for waste batteries to avoid pollution.

For the electronic wastes generated, the Company classifies them in a unified manner, and then hands them over to a qualified third party or electronic equipment recycler for disposal.

• **Management of sewage disposal**

Sewage of Chanjet mainly comes from domestic sewage generated in the office zone, all of which is treated according to the standardized process and discharged to the municipal pipeline after being treated through the septic tank in the office park zone.

The performance indicators of Chanjet in respect of emissions in 2021 are as follows:

Indicators	Unit	2021	2020	2019
Total emission of greenhouse gases <sup>note 1</sup>	(tCO <sub>2</sub> e)	<b>234.72</b>	146.24	149.25
Increase or reduction in emission of greenhouse gases as compared to last year	(tCO <sub>2</sub> e)	<b>88.48</b>	-3.01	40.77
Per capita emission of greenhouse gas	(tCO <sub>2</sub> e/person)	<b>0.18</b>	0.15	0.16
Total electronic wastes	(sets)	<b>121</b>	267	258
Electronic wastes generated <sup>note 2</sup>	(tonnes)	<b>6.36</b>	4.06	1.79
Per capita electronic wastes generated	(kg/person)	<b>4.92</b>	4.06	1.89
Non-hazardous wastes generated	(tonnes)	<b>24.23</b>	17.65	17.63
Per capita non-hazardous wastes generated	(kg/person)	<b>18.74</b>	17.65	18.66

Note 1: In 2021, the total emission of greenhouse gas significantly increased as compared to that of 2020, mainly because the total number of the Group's employees increased by 29% in 2021 as compared to that of 2020, new branch offices were newly established in 10 regions and office rental areas increased; and the statistical caliber of the front-line offices was further improved.

Note 2: In 2021, electronic wastes generated increased from 2020, mainly because the Group concentrated scrapping of a batch of used servers, computers and other electronic devices in 2021.



## 1.2 REDUCE RESOURCE CONSUMPTION

Adhering to the principle of low-carbon operation, Chanjet has strengthened its refined management, and has used energy and resources reasonably. In strict accordance with the Law of the People’s Republic of China on Energy Conservation (《中華人民共和國節約能源法》) and other laws and regulations with regard to energy conservation and environmental protection, the Company has formulated the Code of Conduct for Employees to practice environmental protection concepts and protect the environment in daily work as a way to contribute to the sustainable development of the economy and society.

Chanjet has implemented the concept of environmental protection and encouraged environmental protection measures in internal systems such as the Code of Conduct for Employees, and is committed to reducing resource consumption from the source, and practiced the concept of green office and low-carbon operation. Resources used by us mainly include electricity consumed for the operation of electronic devices and central air conditioner, water resources from municipal administration water supply as well as purchased packing materials, such as packing boxes, user’s manuals, CDs, etc. During the Reporting Period, Chanjet implemented a series of energy-saving and consumption reduction measures:

- **Lowering energy consumption**
  - ★ Reasonably use lighting and air conditioners, and turn off the main power when leaving the office for a long time; use electricity based on working areas during overtime hours to reduce unnecessary power consumption;
  - ★ Switch to power-saving mode when using electronic office equipment, reduce standby time, and promptly turn off the equipment or turn on the sleep mode during non-working periods;
  - ★ Conduct the “lights out for an hour” activity in offices at lunch and lunch break;
  - ★ Use cloud servers provided by Alibaba Cloud and other service providers to reduce the energy consumption of private server operation;
  - ★ Replace traditional lighting with LED lighting, and optimize the circuit design of office area to reduce power waste.
- **Saving water resources**
  - ★ Introduce water purifiers to reduce consumption of tap water and mineral water;
  - ★ Refit and use automatic sensor faucets, atomizing faucets to save water consumption;
  - ★ Inspect water pipes, faucets and other equipment regularly, and update worn equipment in time to reduce waste caused by leaking or dropping water;
  - ★ Post water saving reminders in public areas such as toilets to enhance employees’ environmental awareness.

The Group relies on municipal water supply and has not, and is not expected to encounter problems in obtaining water sources during its operations.



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

- ★ Promote cloud-based purchases and software-encrypted purchases to replace physical product purchases.
- ★ Apply eco-friendly materials for packaging boxes of software products to reduce the impact of waste packaging materials on the environment.

Major resource consumption of Chanjet in 2021 includes:

Indicators	Unit	2021	2020	2019
Total electricity consumption <sup>note</sup>	(0'000 kWh)	<b>40.40</b>	20.54	19.64
Comprehensive energy consumption <sup>note</sup>	(tonnes of standard coal)	<b>49.65</b>	25.25	24.14
Per capita comprehensive energy consumption	(kg of standard coal/person)	<b>38.40</b>	25.25	25.54
Total water consumption <sup>note</sup>	(tonnes)	<b>1,700</b>	541	606
Per capital water consumption	(tonnes/person)	<b>1.31</b>	0.54	0.64
Total packaging materials	(tonnes)	<b>3.16</b>	5.24	9.13
Packaging materials per unit of production	(kg)	<b>0.28</b>	0.28	0.28
Number of rental facilities	(sets)	<b>624</b>	534	441

Note: In 2021, total electricity consumption, comprehensive energy consumption and total water consumption significantly increased as compared to that of 2020, mainly because the total number of the Group's employees increased by 29% in 2021 as compared to that of 2020, new branch offices were newly established in 10 regions and office rental areas increased; and the statistical caliber of the front-line offices was further improved.



### 1.3 FOCUS ON CLIMATE CHANGE

In 2021, Chanjet made the identification of climate change risks an important topic. In order to assess the impact of climate change on the Group’s business and analyze possible challenges and opportunities, the Group conducted research on climate change risk based on business characteristics, identified possible transition risks and physical risks, evaluated the degree of their impact on Chanjet, and developed countermeasures:

Risk type		Impact	Countermeasures
Transition risk	Policy and legal risk	Middle	★ Actively obtain policy trends, incorporate them into the Company’s long-term planning in a timely manner, and prepare for the possible impact of relevant policy requirements relating to sustainable development on the Company’s business development and financial expenses.
	Market risk	Low	★ Help customers realize online and offline integrated operations and reduce the impact of climate change on the business environment;
	Reputation risk	Low	★ Actively abide by the relevant policy requirements of sustainable development, obtain external evaluations from customers and other stakeholders in a timely manner, continuously improve the quality of products and services, and maintain the good reputation of the Company; ★ Attach importance to the management of supplier sustainable development and strengthen training related to supplier sustainable development.
Physical risk	Acute risk	Low	★ Take into account the frequency and scale of regional extreme weathers, strengthen building safety assessment and inspection, formulate relevant emergency plans to reduce the losses caused by extreme weathers damaging the buildings and affecting the equipment of the Company.

## 2. Caring for employees to progress together

### 2.1 ESTABLISH A HARMONIOUS AND DIVERSIFIED TEAM

Chanjet has been in strict compliance with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》), Provisions on Prohibition of Child Labor (《禁止使用童工規定》) and other national laws and regulations. It has formulated a complete internal management system and employee promotion path to fully protect the rights and interests of employees in terms of employee recruitment, dismissal, promotion, working hours, vacations, remuneration and benefits, diversity, prevention of discrimination, equal opportunities, and practices the people-oriented concept for the common development of the Company and employees.

- **Equal employment**

Chanjet adheres to the principle of "openness, fairness and impartiality" in recruitment, sets legal and compliant recruitment and dismissal conditions, and establishes a harmonious labor recruitment and dismissal system. In order to enrich the recruitment channels for new employees, Chanjet adopts a variety of recruitment methods such as campus recruitment, social recruitment and internal recommendation, and examines the work ability, job matching degree and work attitude of the candidates, so as to ensure each personnel is put in a suitable position. The Company fully protects employees' rights to know, participate and supervise during the recruitment process, and is committed to building an equal and diversified workforce.

During the Reporting Period, Chanjet had no lawsuits arising from employment issues.





• **Protection of rights and interests of employees**

During the Reporting Period, Chanjet strictly implemented the relevant national regulations on working hours, vacations and remuneration, revised the Chanjet Remuneration Management Measures (《暢捷通薪酬管理辦法》), the 2021 Performance Appraisal and Management System (《2021年度績效評價管理制度》) and other rules and regulations, and further improved the internal system design of the Company to fully guarantee the legitimate rights and interests of employees.

Vacation management		<ul style="list-style-type: none"> <li>★ Fully safeguarded employees' rights of taking leaves by revising the Chanjet Work Attendance Management Measures (《暢捷通考勤管理辦法》) and earnestly implementing statutory festivals and holidays;</li> <li>★ Continued to implement the Front-line Special Welfare System (《一線特殊福利制度》) to provide front-line employees with additional paid holidays in addition to statutory holidays to ease the hardship of business travel.</li> </ul>
Working hours' management		<ul style="list-style-type: none"> <li>★ Implemented a flexible working hours' system, helped staff balance their work and life.</li> </ul>
Remuneration and welfare	Basic welfare	<ul style="list-style-type: none"> <li>★ Established a complete and comprehensive remuneration system, covering basic salary, performance based bonus and subsidy, and rationally determined remuneration in a comprehensive consideration of various factors such as rank of position, segment, business line, and geographic location;</li> <li>★ Implemented basic security benefits for all employees, including payment of statutory social security and provident fund, various subsidies, holiday visits, physical examination and payment of accident insurance for all employees, etc.</li> </ul>
	Talent incentives	<ul style="list-style-type: none"> <li>★ Implemented talent incentives measures such as the Employee Share Ownership Scheme, Long-term Incentive Bonus Scheme and the Point Scheme to attract, retain and inspire the Group's mid-level and senior management and key personnel as a way to promote the long-term and healthy development of the Group.</li> </ul>
	Other welfare policies	<ul style="list-style-type: none"> <li>★ Formulated the Special Care System (《特殊關懷制度》), established and provided special care programs, covering marriage, childbirth, funeral condolences and other special benefits;</li> <li>★ Formulated the Traffic Welfare System (《交通福利制度》) to meet employees' flexible commuting needs and reduce their commuting pressure.</li> </ul>

• **Elimination of child labor and forced labor**

Chanjet strictly abides by national laws and regulations, opposes any form of forced labor, and strictly avoids child labor, forced labor and other illegal labor. During the recruitment process, the relevant departments of the Company carefully check the identity of the candidates, identify their real age, and ensure that the entry qualifications of the candidates meet the statutory requirements. In addition to the recruitment process, the Company conducts an annual risk assessment on human resources management to evaluate and study labor-related risks. If any possible violations or high-risk factors are identified, it will promptly take countermeasures for rectification, eliminate violations, and reduce risks as soon as possible to ensure the compliance and effective operation of the Company's human resources.

During the Reporting Period, Chanjet did not have any breach in respect of exploiting child labor and forced labor.

Performance indicators of employment of Chanjet in 2021 are set out as follows:

Indicators	Unit	2021	2020	2019
<b>Employment indicators</b>				
Total number of employees	(persons)	<b>1,293</b>	–	–
Full-time employees	(persons)	<b>1,289</b>	1000	945
Part-time employees	(persons)	<b>4</b>	–	–
Number of male employees	(persons)	<b>906</b>	–	–
Percentage of male employees	(%)	<b>70.07</b>	71.90	72.17
Number of female employees	(persons)	<b>387</b>	–	–
Percentage of female employees	(%)	<b>29.93</b>	28.10	27.83
Number of employees aged under 30	(persons)	<b>574</b>	–	–
Percentage of employees aged under 30	(%)	<b>44.39</b>	41.50	42.75
Number of employees aged between 30 and 50	(persons)	<b>708</b>	–	–
Percentage of employees aged between 30 and 50	(%)	<b>54.76</b>	57.70	56.51
Number of employees aged above 50	(persons)	<b>11</b>	–	–
Percentage of employees aged above 50	(%)	<b>0.85</b>	0.80	0.74
Number of employees in Beijing	(persons)	<b>745</b>	–	–
Percentage of employees in Beijing	(%)	<b>57.62</b>	58.70	57.99
Number of employees in areas other than Beijing	(persons)	<b>548</b>	–	–
Percentage of employees in areas other than Beijing	(%)	<b>42.38</b>	41.30	42.01
Percentage of employees at junior ranks	(%)	<b>17.71</b>	17.30	15.56
Percentage of employees at intermediate ranks	(%)	<b>37.20</b>	32.40	37.04
Percentage of employees at senior ranks or above	(%)	<b>45.09</b>	50.30	47.41
Percentage of disabled employee	(%)	<b>0.70</b>	0.70	1.16
<b>Employee turnover rate indicators<sup>note</sup></b>				
Turnover rate	(%)	<b>23.63</b>	–	–
Percentage of male employees turnover	(%)	<b>25.73</b>	–	–
Percentage of female employees turnover	(%)	<b>18.24</b>	–	–
Turnover rate of employees aged 30 or below	(%)	<b>23.94</b>	–	–
Turnover rate of employees aged between 30 and 50	(%)	<b>23.55</b>	–	–
Turnover rate of employees aged 50 or above	(%)	<b>10.20</b>	–	–
Turnover rate of employees in Beijing	(%)	<b>20.10</b>	–	–
Turnover rate of employees in areas other than Beijing	(%)	<b>27.97</b>	–	–

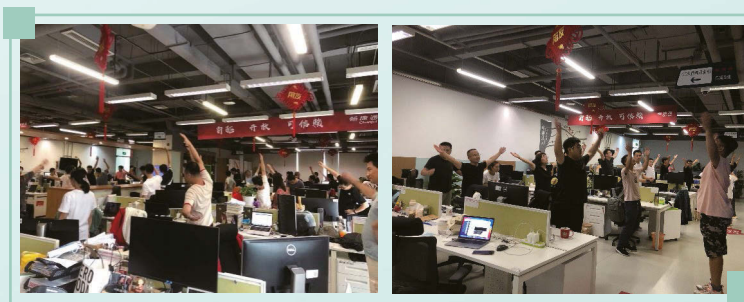
Note: The formula for calculating the employee turnover rate: turnover rate=the number of employee turnover/(number of employees at the beginning+number of recruits)



## 2.2 PAY ATTENTION TO PHYSICAL AND MENTAL HEALTH OF EMPLOYEES

Chanjet always attaches great importance to the physical and mental health and safety of employees in strict compliance with the Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》), the 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. The Company takes and offers a variety of measures and benefits to protect the physical and mental health and safety of employees to create a good working environment:

- ★ Carrying out differentiated physical examination policies based on the respective needs of employees including orientation physical examination, pre-job physical examination, and annual physical examination to ensure the health of employees;
- ★ Providing commercial accident insurance and overseas subsidies for employees, and high-temperature subsidies for front-line employees;
- ★ Providing employees with benefits such as dental check-ups, massages, and physiotherapy;
- ★ Conducting regular health and safety lectures, including common sense on prevention and response to emergencies, first aid knowledge, women's health knowledge, health care and prevention with traditional Chinese medicine, men's and women's occupational health, and prevention and treatment of cardiovascular and cerebrovascular diseases;
- ★ Providing employees with a sunny, healthy and pleasant office environment by configuring air purifiers and placing green plants in the office;
- ★ Regularly carrying out 15-minute radio gymnastics activities every day to create a working atmosphere full of vitality and happiness for employees.



Chanjet also pays great attention to the care of female employees. In addition to the maternity leave for pregnant female employees in accordance with national regulations, Chanjet has set up rooms for mother and infant in the office area to provide convenience for breastfeeding female employees. The Company also regularly holds lectures on women's health to popularize common sense of health and knowledge of preventing breast-related diseases for all female employees.

### Case: Children Family Open Day Activity

In order to strengthen the two-way communication and exchanges between the Company and employees as well as their families, and enhance the influence of the Company's employer brand, on the Children's Day on 1 June 2021, we held a children family open day activity themed "running children" to let employees have an unforgettable open day with family members in joy. By carrying out activities such as happy bubble run, happy carnival, caring donation, and guiding family members to visit the Company, family members could get close contact with the working environment of employees and further enhance their sense of identity with the Company.





### Case: Programmers' Day on 24 October

In order to build a positive corporate culture and enhance corporate cohesion, Chanjet held the Programmers' Day on 24 October. At the Programmers' Day on 24 October, programmers actively participated in dance exercises, games, code delivery, concentric drums, mask tug-of-war and other activities. The arena was full of laughter and cheerful voices. In addition to the physical competition, programmers overcame all the difficulties in intellectual competition. They reminisced about the past and looked forward to the future.



During the Reporting Period, Chanjet recorded 100% coverage of social insurance and did not have any work-related injuries or casualties of employees.



Performance indicators in respect of employees' health and safety of Chanjet in 2021 are set out as follows:

Indicators	Unit	2021	2020	2019
Work-related fatalities	(persons)	0	0	0
Workdays lost due to work injuries	(days)	0	0	0
Coverage of physical examination package for employees	(%)	99.3	99.3	100

## 2.3 PROMOTE EMPLOYEES' DEVELOPMENT

- Employees training**

Oriented to satisfy employees' job competency, Chanjet formulates the Chanjet Training Management System (《畅捷通培训管理制度》) and Chanjet Lecturers and Course Management Measures (《畅捷通讲师与课程管理办法》), and establishes a training system combining internal and external training to help employees grow and develop. The Company adopts online and offline training, encourages the use of fragmented time for learning, and develops knowledge points into multiple small and refined online courses to facilitate employees to learn.

In terms of internal training, the "Chanjet School" internal training platform has been established. According to the Company's development strategies and research results of training needs, it provides hierarchical training for employees of different sequences and ranks, including professional quality and norms, professional knowledge and regulations, general technology and competencies and leadership etc. In addition, the Company also relies on the faculty of "Yonyou College" to provide employees with more diversified training courses.

In terms of external training, the Company employs external professional teachers to carry out training for employees, including professional ability training for non-academic education and on-the-job academic education, to help employees access cutting-edge technologies and improve professional literacy and comprehensive skills. The Company also actively encourages employees to obtain work-related qualifications, and implements priority approval and reimbursement of learning expenses for applications for specific qualifications.



The training content of Chanjet is aimed at all levels from new employees to senior managers, covering the entire career cycle of employees:

For new recruits, the Company focuses on training on corporate development history, product business, and financial and human resources systems. For grass-root level employees, we conduct training courses on expertise, industry-leading theories, and special training camp activities. For reserve cadres, we conduct courses on the cultivation and improvement of management knowledge and skills. For senior management, we carry out corporate culture exchanges and discussions. The Company issues training satisfaction questionnaires to employees after each training to listen to employees' feedback, and continuously improves the training system according to the analysis result of questionnaires.

Performance indicators in respect of employee training of Chanjet in 2021 are set out as follows:

Indicators	Unit	2021	2020	2019
Number of employees trainees	(persons)	<b>1,280</b>	993	945
Percentage of employees trainees	(%)	<b>99.30</b>	99.30	100
Percentage of male employees trained	(%)	<b>70</b>	–	–
Percentage of female employees trained	(%)	<b>30</b>	–	–
Percentage of employees at senior ranks or above trained	(%)	<b>45</b>	–	–
Percentage of employees at intermediate ranks trained	(%)	<b>37</b>	–	–
Percentage of employees at junior ranks trained	(%)	<b>18</b>	–	–
Expenses incurred for trainings	(RMB0'000)	<b>123</b>	101	103
Total training hours for employees <sup>note</sup>	(hours)	<b>163,084</b>	18,748	14,641
Average training hours for employees <sup>note</sup>	(hours/person)	<b>127.41</b>	18.88	15.49
Average training hours for male employees	(hours/person)	<b>127.34</b>	18.96	15.51
Average training hours for female employees	(hours/person)	<b>127.55</b>	18.67	15.44
Average training hours for employees at senior ranks or above	(hours/person)	<b>127.28</b>	18.78	15.68
Average training hours for employees at intermediate ranks	(hours/person)	<b>127.12</b>	18.73	15.68
Average training hours for employees at junior ranks	(hours/person)	<b>129.27</b>	19.46	14.50

Note: The total training hours for employees and the average training hours for employees in 2021 increased significantly compared with that of 2020, mainly because the Group was committed to comprehensively improving organizational ability, and strengthening the training and improvement of cadres and employees, carrying out product learning and examination activities for all employees, and requiring them to learn Chanjet product knowledge online for a certain period of time and complete the product knowledge examination. The activity contributed a total of 4,352 training hours. In order to strengthen the understanding and mastery of Chanjet products by marketing staff, and improve the efficiency and quality of the empowerment to partners by front-line marketing staff, advanced product knowledge learning and practical exams were conducted for all staff from channel operation centers, which contributed a total of 108,753 training hours.

- **Promotion mechanism**

Adhering to the core value of “friend of users, professional endeavor and continuous innovation”, Chanjet has improved the employee development system and clarified the qualification standards for professionals in accordance with policy documents including the Professional Personnel Development and Management Mechanism (《專業人員發展與管理制度》), the Qualification Evaluation Management Measures for Professional Personnel (《專業人員任職資格評審管理辦法》) and the Cadre Management System (《幹部管理制度》). The Company provides employees with a management-prone and specialty-inclined “dual-channel” promotion mechanism. Employees can choose the development channel suitable for their positions according to the employee position rank system, their own abilities and willingness.

Chanjet is committed to deeply tapping the potential of employees to ensure that capable employees can maximize their personal value, and offers platforms for development and channels for promotion to promote the growth of employees and the long-term development of the Company.





## 3. Carry out responsible procurement for win-win cooperation

### 3.1 IMPROVE SUPPLY CHAIN MANAGEMENT

Chanjet has established sound and standard procurement policies and procedures in accordance with relevant laws and regulations, the articles of association and relevant regulations. Chanjet manages and regulates employee procurement in accordance with the continuously improved and revised Procurement Management System (《採購管理制度》). It has launched a supplier management system since 2020 to manage suppliers online and ensure the orderly and efficient operation of all links of supply chain management with rules to go by.

- **Supplier screening**

In the stage of supplier access, Chanjet strictly implements a review process, and selects partners who meet the qualifications and attach importance to social responsibilities:

- ★ In terms of qualification review, Chanjet has made clear requirements on suppliers' business scope, integrity record, establishment period, etc. If there is a large procurement, the successful cases must be provided, and for bidding projects, corresponding qualifications need to be provided. New suppliers need to complete the registration in the supplier management system and submit materials for review. After being reviewed, they can be selected into the Company's supplier database;
- ★ In terms of social responsibility, Chanjet advocates anti-corruption cooperation and requires suppliers to sign the Anti-corruption Cooperation Commitment (《陽光合作承諾書》) and Suppliers' Social Responsibility Commitment (《供應商社會責任承諾書》) for commitments to prohibiting the employment of child labor and forced labor, protecting the rights and interests of employees, promoting law-abiding and compliant supply chain management, and establishing a social responsibility management system.

The Company advocates suppliers to reduce the provision of paper materials in bidding and auditing, and adopts the method of uploading electronic documents and submitting them to the online system to promote suppliers to reduce wastes.

- **Supplier review**

In the stage of reviewing suppliers, Chanjet has formulated the Annual Review Table of Suppliers (《供應商年度評審表》), and conducts an online review at the beginning of each year for qualified suppliers with a procurement amount of over RMB200,000 (inclusive) in the previous year. Suppliers who fail to pass the annual review will be automatically disqualified from cooperation from the next year and will be frozen in the database of qualified suppliers.

- **Procurement violation management**

Chanjet requires procurement personnel to strictly abide by the Procurement Management System and the Code of Business Conduct for Employees, follow the procurement process, and use the online system to complete the procurement process. If there are violations in the procurement process, the audit and supervision department will investigate and impose penalties according to regulations; those responsible for particularly serious violations of the law will be handed over to judicial authorities for handling according to law.

If a supplier has procurement violations, measures including internal notification, penalties according to the Procurement Management System, and permanent cancellation of supplier qualifications will be taken depending on the seriousness of the circumstances; and if the circumstances are particularly serious, the Company's legal department will investigate relevant legal responsibilities.

In 2021, Chanjet implemented the above-mentioned policies and practices on supplier engagement and management to all its suppliers. Other performance indicators in supplier management are as follows:

Indicators	Unit	2021	2020	2019
Total number of suppliers <sup>note</sup>	(unit)	<b>466</b>	237	380
Number of suppliers in Mainland China <sup>note</sup>	(unit)	<b>457</b>	230	366
Number of suppliers in the regions of Hong Kong, Macau, Taiwan and other countries <sup>note</sup>	(unit)	<b>9</b>	7	14

Note: As of 31 December 2019, the total number of suppliers, the number of suppliers in Mainland China, and the number of suppliers in the regions of Hong Kong, Macau, Taiwan and other countries, were the cumulative number over the years. Since 2020, Chanjet has enabled an online supplier management system to implement dynamic management of suppliers. Therefore, since 2020, the above-mentioned indicator data was the number of effective suppliers under cooperation at the end of the Reporting Period.



## 3.2 PROMOTE WIN-WIN COOPERATION

Chanjet advocates mutually beneficial and win-win cooperation, and actively develops channel partners. The Company has formulated the Chanjet Business Manual (《暢捷通商務手冊》) and Channel Partnership Contracting Policy (《渠道夥伴簽約政策》) to form a full-coverage management process in terms of partner authorization, sales, and business, and is committed to achieving common development with partners.

- **Channel authorization management**

Chanjet has established a three-layered management system comprising channel operations centre, grand region, and business representative outlets, and implements an authorization approach for sales channels, that is, cooperation partners carry out the sales of and provide service support for Chanjet products within designated areas or industrial system. Cooperation partners need to apply for authorization qualification and sign the Chanjet Products Authorized Sales Agreement (《暢捷通產品授權經銷協議書》), and join the Chanjet sales channel upon being review. In addition, the Company's channel management rules are described in the agreement, and clear provisions are made in terms of partners' authorization scope, behavior constraints, conflict management, and violation management, and strictly control the channel authorization in a standard way.

- **Channel sales management**

In Chanjet, sales management department is responsible for sales management. It has formulated a comprehensive and detailed system for sales target assessment, sales competition, concessional policies, cross-selling behavior, and piracy sales to ensure the standardized, orderly development of partners' sales business.

- **Channel business management**

In order to facilitate channel partners to understand product business processes, clarify product utility procedures, and become familiar with business management regulations, Chanjet opens a variety of communication channels to support high-quality and efficient exchanges between the Company and channel partners:

- ★ Set up a Chanjet service community, providing a communication platform for channel partners;
- ★ Provide 7×15 hours of manual online (all year round) and 7×24 hours of intelligent robot online service to answer questions in respect of product line, queries, and doubts from channel partners;
- ★ Summarize the previous common hot issues and maintenance cases in service communities, support websites and service hotlines, and develop a knowledge base query system for partners to consult;
- ★ Establish an online learning platform of Chanjet lecture hall, and regularly publish online training courses on product use, daily problem-solving methods, industry cases and professional knowledge of finance and taxation for authorized channel partners to learn.

## 4. Encourage innovation and improve product services

### 4.1 PRODUCTS OPTIMIZATION

Chanjet strives to help MSEs realize digital transformation through intellectual empowerment and promote the upgrading of financial and business system process. In the context of government-side digitalization which forces MSEs to upgrade financial management, Chanjet products have gained market recognition by virtue of rich product lines, a sound ecosystem and innovative capabilities that are constantly updated and iterative.

According to the 2021 Special Analysis on Cloud Finance and Taxation Market for MSEs in China released by Analysys (易觀), Chanjet Good Accountant ranked first in cloud finance and taxation market coverage, and also first in user satisfaction score of cloud finance and taxation products. Chanjet Good Accountant had the highest score in the professional user rating dimension of cloud finance and taxation products. Chanjet ranked first in the comprehensive strength of cloud finance and taxation service providers in terms of comprehensive score.

Performance indicators in respect of products and services of Chanjet in 2021 are set out as follows:

Indicators	Unit	2021	2020	2019
Cumulative paying enterprise users of cloud services business	(10'000)	<b>39.7</b>	21.7	15.7

### 4.2 CUSTOMER SERVICE AND PRIVACY PROTECTION

As a cloud service and software provider for MSEs, Chanjet is committed to providing customers with safe, stable and high-quality products and services. In order to ensure the smooth implementation of the service quality management system, the Company formulates an implementation plan of service quality management system, improves the system documents, and organizes its service department and member units of partners to strictly implement such plan to optimize the user experience.

- **Customer privacy and information security**

Chanjet attaches great importance to customer privacy and information security. In strict compliance with the Law of the People's Republic of China 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》), the PRC Network Security Law (《中華人民共和國網絡安全法》), the Interim Measures for the Administration of Internet Advertisement (《互聯網廣告管理暫行辦法》), the Regulations on Telecom and Internet User Personal Information Protection (《電信和互聯網用戶個人信息保護規定》) and other laws and regulations, and pursuant to the class III requirement 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》), Chanjet manages in a standard manner customer privacy protection, formulates management systems including the User Service Agreement (《用戶服務協議》), the Customer Privacy Protection Policy (《客戶隱私保護政策》) and Regulations on Information Security Management and Specifications on APP Release (《信息安全管理制度及APP應用上架規範》), and clearly stipulates the management requirements related to customer privacy.



In order to implement the management system of customer privacy and information security, the Company has made continuous efforts to ensure customer information security at the level of product design, personnel authority, and system equipment:

- |                  |   |
|------------------|---|
| Product design   | <ul style="list-style-type: none"> <li>★ Formulate and implement APP launch specifications. When obtaining user information, users need to be fully informed. It is not allowed to obtain personal information beyond the scope of consent or irrelevant to the service scenario;</li> <li>★ Apps that are launched for the first time need to be self-examined and modified according to the Information Security Self-Inspection Form (《信息安全自查表》), and can only be available after passing the third-party inspection;</li> <li>★ In the process of product design, multiple security protection measures are taken in terms of user authentication and information storage, and numbers of security tests are performed before the product goes online to ensure the safety of the product;</li> <li>★ Alibaba Cloud, Huawei Cloud and their external security service applications are applied to ensure the security of physical data centers, and important data is backed up to ensure corporate data security.</li> </ul> |
| Personnel access | <ul style="list-style-type: none"> <li>★ Sign confidentiality agreements with employees to protect corporate information security;</li> <li>★ Identify personal identity when logging into internal information system or application of enterprises, and set access rights for different users based on different posts and responsibilities;</li> <li>★ Employees must abide by the password requirements of the information system, and must not install irrelevant software other than those specified by Chanjet;</li> <li>★ Employees are required to copy and print documents containing sensitive information in strict accordance with the specifications to maintain the safety of the office environment.</li> </ul>   |
| System equipment | <ul style="list-style-type: none"> <li>★ Establish a system operation monitoring center to monitor real-time changes, and detect the operational security of key links such as business systems, service systems, business back-end services, and related systems of important partners;</li> <li>★ Establish and improve the computer room security management system, regularly scan for operating system changes and vulnerabilities, timely repair the discovered system security vulnerabilities, classify the computer security incidents of the system according to national regulations, and take corresponding measures to deal with them;</li> <li>★ Establish computer intrusion prevention measures, set up firewalls for employees' computer systems, and require employees to regularly modify passwords that meet the requirements of security strength as a way to avoid data leakage caused by Chanjet account password cracking.</li> </ul>   |

During the Reporting Period, Chanjet conducted the annual audit and irregular random audits on information security in accordance with the requirements of the national professional management department. The audit results were all qualified, and no privacy violation cases occurred.



- **Customer communication**

Chanjet attaches great importance to customers' opinions and feedback, and continuously optimizes products and improves service quality. During the Reporting Period, the Company continued to strengthen customer communication, smoothed customer feedback channels, and strictly implemented customer complaint handling procedures.

- **Customer problem feedback**

Chanjet has set up IM instant messaging in the product, which can directly connect with service engineers. In addition, it has opened "400" official service hotlines, 7×15-hour service community, 7×24-hour intelligent service robot and other user feedback channels to help customers instantly and effectively give feedback.

After completing the on-site maintenance, the quality supervisor will conduct a telephone return visit, fill in the return visit content, and grade customer satisfaction. In the telephone supervision and return visit, service customers with satisfaction lower than 3 points will be reported to the manager for another return visit so as to understand the service situation, find out the reasons, formulate preventive and corrective measures and avoid similar situations. The handling situation will be recorded.

In addition, the Company requires quality supervisors to conduct classified statistical analysis on the satisfaction content of return visits in the management system on a regular basis to further improve service quality.

- **Customer complaint handling**

Chanjet has established a complete customer complaint handling process by formulating the Complaint Handling Process (《投訴處理流程》), Complaint Handling Procedure (《投訴處理程序》) and other systems. Complaints filed by customers through telephone, letter, fax, email, etc. will be accepted, recorded, classified and reviewed by quality supervisors. Complaints will be submitted to the relevant responsible personnel within 2 working hours. Such complaints will be processed and fed back to the relevant customer within 2 working days. For serious complaints, the Company will notify the customer of the complaint handling status within 4 working hours and properly handle the customer relationship.

After the feedback is processed, the quality supervisor and relevant departments will monitor and track the complaint results in real time, record and file the complaint handling results, analyze and summarize the reasons for the complaints, propose corrective improvements and preventive measures, and report them to the department of service and development for the record. In addition, the Company requires quality supervisors to summarize and analyze customer complaint data on a monthly basis, and regularly issue analysis reports to relevant department managers, agency general managers, service managers and quality supervisors at the headquarters.



• **Customer communication channels**

In order to understand the needs of customers in a timely manner, the Company has established various communication channels:

- ★ the customer service call center helps customers solve problems anytime and anywhere through one-on-one communication;
- ★ online service is provided 15 hours a day to efficiently solve customers' common issues;
- ★ the WeChat subscription account for Chanjet service is available for solving issues of customers targeting different accounting fields and different products through fast search;
- ★ "Fubao" intelligent robot covers five functions of online services, Fubao micro class, finance and taxation knowledge, contacting suppliers, lucky dip of Fubao, and users can access the "personal center" and "information center" to communicate in time to solve product problems efficiently.

Performance indicators in respect of customer service of Chanjet in 2021 are set out as follows:

Indicators	Unit	2021	2020	2019
Filed customer complaints <sup>note 1</sup>	(items)	0	0	0
Satisfaction on customer service	(%)	87.60	87.60	89.60

Note 1: This 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 INCENTIVE FOR SCIENTIFIC AND TECHNOLOGICAL INNOVATION

Always practicing the core value of "continuous innovation", Chanjet has established an innovation incentive mechanism consisting of an internal enterprise innovation system platform and innovation reward projects, and pays attention to industry-university cooperation and intellectual property protection. It promotes product upgrades with technological progress to provide MSEs with more concise and efficient financial solutions.

• **Innovative incentive mechanism**

In order to maintain forward-looking and advanced technologies and meet market demand, Chanjet highly values R&D investment and innovation incentives. It has formulated various innovation incentive policies including the Patents Rewarding Measures (《專利獎勵辦法》), Chanjet Innovation Results Rewarding Measures (《暢捷通創新成果獎勵辦法》), the R&D Knowledge Sharing and Incentive Mechanism (《研發知識分享激勵機制》), and the Special Rewarding Scheme of R&D Center (《研發中心特殊激勵方案》) to encourage employees to dare to innovate and be willing to innovate, and promote its clear value orientation of being "proactive, hardworking, innovative, and progressive".

The Company has established a systematic and process-based R&D management platform, and has continuously improved it according to the actual operation. A standardized R&D process has been established. During the implementation process, as the data collected by the platform is monitored and analyzed, a refined and digital management basis is provided to the R&D team.

In addition to platform-based and standard innovation processes, Chanjet also implements various incentive policies for employees who have contributed to R&D innovation:

- ★ Timely incentives: set up monthly evaluations, for which each department can apply according to the size of the team. The final approval will be made by the R&D center;
- ★ Targeted incentives: targeted incentives will be made for teams who have overcome difficulties in R&D work, completed R&D work beyond expectations, and made outstanding contributions to product quality;
- ★ Supplementary and enhanced incentives: set up evaluations in the semi-annual and year-end summary plans as a supplement to timely incentives and targeted incentives.

• **Protection of intellectual properties**

In strict accordance with the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), the Interim Procedures on Internet Advertising Management (《互聯網廣告管理暫行辦法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), the 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, Chanjet has formulated internal management policies such as intellectual property protection mechanisms and patent management measures, and implemented a series of related measures:

- ★ Formulate the annual patent application target and follow up the completion status;
- ★ Introduce external lecturers to provide trainings on patent document preparation;
- ★ Regularly organize internal patent review, submit patent materials according to the review results, follow up on the status of the authorization process, and manage patent-related matters in a closed-loop.

Performance indicators in respect of patent innovation of Chanjet in 2021 are set out as follows:

Indicators	Unit	2021	2020	2019
Investment in R&D	(RMB0'000)	<b>24,255.7</b>	16,168.8	13,862.9
Percentage of investment in R&D over sales income	(%)	<b>41</b>	32	30
Cumulative patents licensed	(pieces)	<b>100</b>	84	76
Newly licensed patents	(pieces)	<b>16</b>	8	12





## 5. Anti-corruption and building an integrity-based culture

Clean operation is crucial for establishing a good corporate image and maintaining corporate reputation. 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 Audit Law of the People’s Republic of China (《中華人民共和國審計法》), the Law of Anti-Money Laundering of the People’s Republic of China (《中華人民共和國反洗錢法》) and other laws and regulations, Chanjet has formulated various systems such as the Internal Audit System (《內部審計制度》), the Code of Conduct for Employees (《員工行為守則》), and the Reporting Management System (《舉報管理制度》) to ensure that the Group’s operations are compliant and lawful.

During the Reporting Period, Chanjet was not involved in any offence and violation cases in relation to commercial bribery, corruption, extortion, fraud or money laundering.

- |                                     |   |
|-------------------------------------|---|
| Focusing on risk management         | <ul style="list-style-type: none"> <li>★ Improve the internal control system and risk management system, and engage an independent internal control advisor to conduct regular review and issue internal control review reports and risk assessment reports, which are reviewed and approved by Chanjet’s Audit Committee of the Board and the Board.</li> </ul>  |
| Ensuring integrity supervision      | <ul style="list-style-type: none"> <li>★ Develop systems such as the Code of Conduct for Employees and the Violations of Procurement Business (《採購業務違規行為》), to ensure that business activities are operated in accordance with standardized procedures;</li> <li>★ Combine with actual operation and management evaluation to regularly carry out special inspections for anti-corruption: conducting special audits through internal audits or by engaging third-party external audit institutions to inspect illegal acts.</li> </ul>   |
| Maintaining whistleblowing channels | <ul style="list-style-type: none"> <li>★ Establish a specialized audit and supervision department responsible for anti-corruption reports, and improve the whistleblowing and handling process including information verification, special investigations, and resolution in accordance with the Company’s system;</li> <li>★ Encourage multi-channel reporting: setting up a hotline for reporting, reporting mailboxes, reporting emails, and reporting in person;</li> <li>★ Strictly keep confidential the information of the reporter and the reporting content to ensure the safety of the reporter.</li> </ul>   |
| Conducting anti-corruption training | <ul style="list-style-type: none"> <li>★ All employees are required to study the Code of Business Conduct for Employees online every year, and sign a statement of compliance with the Code of Business Conduct for Employees after passing the relevant business conduct compliance knowledge test;</li> <li>★ Carry out annual value evaluation and compliance assessment for employees, and strengthen their understanding of internal and external compliance behaviors, reporting methods for violations, and punishment;</li> <li>★ New employees are required to be trained on compliance and values to avoid corruption at the source;</li> <li>★ In 2021, all directors and supervisors were organized to carry out training and study on the theme of “anti-corruption without borders” to learn about the legal framework of anti-corruption, corporate compliance and anti-corruption measures, and international anti-corruption cooperation.</li> </ul> |



## 6. Support industry development and fulfill social responsibilities

Chanjet actively undertakes corporate social responsibilities, focuses on collaborative development with industry partners, and is committed to injecting innovative vitality into the industry. And by promoting the integration of production, education and research, production and education, it helps colleges and universities to cultivate digital and intelligent talents.

Since 2008, Chanjet has set up its own festival for accounting practitioners – Accounting Culture Festival (會計文化節), which has been successfully held for 14 times so far. The Chanjet Accounting Culture Festival not only allows accounting practitioners to have a festival of their own, but also hopes that they will learn continuously with enhanced efforts and improve professional abilities through this platform.

In 2021, the 14th Chanjet Accounting Culture Festival Campus Tour and the 8th 100 Cities League for Innovation and Entrepreneurship (第八屆創新創業百城聯賽) (hereinafter referred to as the “100 Cities League”) were successfully held on 9 December through the Chang Classroom (暢課堂) platform of Chanjet. The series of activities of the 100 Cities League integrated hot technologies and applications such as electronic invoices, intelligent finance and taxation, and short video production into the activities, and provided a number of live training services. By doing this, we promoted education, learning and innovation by competition, and assisted the development and training of financial and commercial talents.



## 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</p> <p>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 NO<sub>x</sub>, SO<sub>x</sub>, 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>	P10-12
A1 Emissions	A1.1 The types of emissions and respective emission data.	P12
A1 Emissions	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P12
A1 Emissions	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per official employee).	Not applicable <sup>1</sup>
A1 Emissions	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per official employee).	P12
A1 Emissions	A1.5 Description of emission target(s) set and steps taken to achieve them.	P10-12
A1 Emissions	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.	P10-12, P14
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>	P13-14
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).	P14
A2 Use of Resources	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P14
A2 Use of Resources	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	P10, P13
A2 Use of Resources	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P10, P13
A2 Use of Resources	A2.5 Total packing material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	P14

<sup>1</sup> Explanation: The Group has not produced any other hazardous wastes during its operation except electronic wastes. According to the latest relevant instructions of the Ministry of Ecology and Environment of the People's Republic of China, "electronic wastes" do not belong to "hazardous wastes", so this indicator is not applicable.

No.	Indicator description	Page
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Not applicable <sup>2</sup>
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.	
A4 Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P15
A4 Climate Change	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P15
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.	P16-17、P24
B1 Employment	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	P18
B1 Employment	B1.2 Employee turnover rate by gender, age group and geographical region.	P18
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.	P19
B2 Health and Safety	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P22
B2 Health and Safety	B2.2 Lost days due to work injury.	P22
B2 Health and Safety	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P19
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.	P22-23
B3 Development and Training	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P23
B3 Development and Training	B3.2 The average training hours completed per employee by gender and employee category.	P23

<sup>2</sup> Explanation: Given the business nature of the Company, the Company did not have any business activities that have a significant impact on the surroundings, so this indicator is not applicable.



No.	Indicator description	Page
B4 Labor 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 labor.	P17
B4 Labor Standards	B4.1 Description of measures to review employment practices to avoid child and forced labor.	P17
B4 Labor Standards	B4.2 Description of steps taken to eliminate such practices when discovered.	P17
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	P25-26
B5 Supply Chain Management	B5.1 Number of suppliers by geographical region.	P26
B5 Supply Chain Management	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P25-26
B5 Supply Chain Management	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P25-26
B5 Supply Chain Management	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P25-26
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.	P28-31
B6 Product Responsibility	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable <sup>3</sup>
B6 Product Responsibility	B6.2 Number of products and service related complaints received and how they are dealt with.	P30-31
B6 Product Responsibility	B6.3 Description of practices relating to observing and protecting intellectual property rights.	P32
B6 Product Responsibility	B6.4 Description of quality assurance process and recall procedures.	P28, P30
B6 Product Responsibility	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	P28-29

<sup>3</sup> Explanation: The products of the Company are mainly delivered online, and the small proportion of offline products also are not involved in safety and health risks.

No.	Indicator description	Page
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.	P33
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.	P33
B7 Anti-corruption	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P33
B7 Anti-corruption	B7.3 Description of anti-corruption training provided to directors and staff.	P33
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.	P34
B8 Community Investment	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	P34
B8 Community Investment	B8.2 Resources contributed (e.g. money or time) to the focus area.	P34

# 暢捷通

## Chanjet

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

