

Bairong Inc. (A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability) (Stock code: 6608)

> 2021 Bairong Inc. 百融雲創 Environmental, Social and Governance Report

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ABOUT THIS REPORT

This report is the second environmental, social and governance ("ESG") report (hereafter referred as "this Report") released by Bairong Inc. (hereafter referred as "Bairong Inc.", "We" or "the Company"), which introduces the specific measures, key practices, highlight cases, and key performance of Bairong Inc. in actively assuming social responsibility and managing its ESG risks and opportunities in 2021.

Report Scope

Reporting entities: Bairong Inc. and its subsidiaries. Reporting period: From January 1, 2021 to December 31, 2021, with some information exceeding this time period.

Report References

This Report is compiled in accordance with the GRI Standards issued by GSSB, and ESG Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The disclosure of indicators in this Report can be found in the "ESG Report Guide Content Index" section.

We have adopted the basic reporting principles of ESG Reporting Guide:

Materialit Balance

This Report uses materiality assessment to identify the important ESG issues of the Company during the reporting period and discloses the description of important stakeholders and the process and results of stakeholder engagement.

This Report discloses the key performance of the Company in terms of environment, society and governance, and as far as possible, the key performance is accompanied by explanation and purpose statement.

The content of this Report reflects objective facts, and strives to report the Company's performance impartially.

This Report adopts a consistent disclosure method, and tries to use a uniform caliber for comparable indicators, so as to provide more reference performance disclosure.

Content and Data

The contents and data disclosed in this Report are mainly obtained through the following sources:

The Company's 2021 Annual Report Internal summaries and reports Information collected through qualitative and quantitative questionnaires based on the Report framework

Unless otherwise specified, the monetary amounts included in this report are listed in RMB.

Report Accessibility

Report version: This Report is released in both Chinese and English versions. Access to the report: This Report is released in PDF format on the following websites, in which stakeholders can click on the relevant documents to review this Report:

Hong Kong Exchanges and Clearing Limited information release web page (www.hkexnews.hk) The Company's website (www.brgroup.com) at https://ir.brgroup.com/information/2

Report Feedback

If you have any comments or suggestions regarding the contents of this Report or our ESG performance, please feel free to contact us and give us your valuable feedback through the following method: Email: ir@brgroup.com







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The Board's Statement on ESG Governance

Bairong Inc. is an enterprise focusing on enabling financial institutions with technology and serving both the supply and demand sides of the financial industry. Focusing on long-term value, Bairong Inc. firmly believes that sustainable development is the guarantee for the long-term stable growth and development of the Company. It is actively committed to fulfilling social responsibilities, promoting employee welfare and development, protecting the environment, giving back to the community, and continuously improving its environmental, social and governance performance.

The Board of Directors of the Company (the "Board") assumes full responsibility for the Company's ESG strategies and reporting, and is responsible for assessing and analyzing the Company's ESG risks, ensuring that the Company establishes appropriate and effective ESG risk management and internal control system, supervising the progress of ESG work, and regularly reviewing relevant reports.

Based on the external economic and social environment and the Company's development strategy, Bairong Inc. regularly evaluates the importance of ESG issues and ensures the integration of ESG concepts into its business strategies through the identification and prioritization of key ESG issues, setting relevant goals and commitments, and monitoring the actual performance. In 2021, the Company strengthened the management of the core issues of business ethics, information security, customer service, and environmental management, and improved and modified relevant policies and systems to optimize the management and implementation of ESG issues. The Company has set up an ESG Working Group with the participation of directors of key departments, such as the Strategic Investment Department, the Human Resources Department, the Administration Department, the Financial Department, and the Legal Affairs Department, etc.. The ESG Working Group reports to the Board and senior management of the Company, assisting them to evaluate and formulate the Company's ESG management policies, supervises the achievement of corporate strategic goals, and improve the ESG performance of the Company. The Company has established a set of ESG performance indicators, taking into account the characteristics of its business operations and setting control targets for environmental dimensions where appropriate. The progress of the ESG-related indicators is reviewed by the Board in conjunction with this Report.

This Report discloses in detail the progress and effectiveness of Bairong Inc.'s ESG work in 2021. The Board and all directors of the Company guarantee that there are no false records, misleading statements or major omissions in the contents of this Report, and take individual and joint responsibility for the authenticity, accuracy and completeness of its contents. In the future, Bairong Inc. will continue to adjust the ESG management strategy and implementation approach according to the expectations of stakeholders and the actual operation results, and continuously improve the ESG management and performance of the Company.

Chairman's Message

2021 was a year of profound significance for Bairong Inc. This year, China's "14th Five-Year Plan" was fully launched, and the construction of Digital China started accelerating. As the multiple pillars in the field of digital economy were taking shape in China, the role of technology in enabling financial services to better serve the real economy has become increasingly prominent. During the year, Bairong Inc. continued to marching forward along the road of technology empowerment, cultivating the needs for digital and intelligent transformation and upgrading of financial institutions, innovating on a variety of technological achievements, and having served more than 5,700 financial service provider ("FSP") clients cumulatively in China by the end of 2021.

In March 2021, we were officially listed on the main board of the Stock Exchange, which is both an important milestone in our history, and a new start for our future. Becoming a listed company means that we must create value, fulfil responsibility, and contribute to society on a broader platform.

We focus on long-term value and actively explore cutting-edge technologies. Nowadays, the integration of technology and finance is accelerating. We strive to be a pathfinder with a vision for the future on the road of innovation and change. In 2021, we invested a total of RMB252 million in technology research and development, accounting for nearly 16% of our total revenue; and over half of our employees work on research and development. We had accumulated more than 150 software copyrights and patents, including seven national invention patents in key areas such as machine learning, Al voice, and privacy computing. Among them, there were two new national invention patents we obtained during the year in the field of federated learning technology. Our Indra Privacy Computing Platform successfully passed the Fifth Batch of Trusted Privacy Computing Evaluations by China Academy of Information and Communications Technology (CAICT). We also started providing wealth management solutions for large stateowned banks and securities companies, and the implementation of these solutions.

We focus on digital inclusion and help financial services bring more intelligent services to the people. In the digital economy era, in order to solve the financing problem of small- and micro-enterprises and enhance the development momentum of inclusive finance, it is necessary to address the challenges of inconsistent standards, information asymmetry, and high identification costs. Aimed at solving the problems faced by the "capillaries" of the real economy, we actively develop the "industry + technology + finance" ecosystem, using technology to enable the industrial Internet platform to bridge the scenario side of small- and microenterprises and the supply side of financial institutions, reshaping credit for small- and micro-enterprises and relieving their financing difficulties on one end, while helping financial institutions identify high-quality assets on the other hand. Regarding financial scenarios in rural areas, we strive to leverage our technological expertise to help solve the three key challenges impeding rural financing : information asymmetry, lack of collateral, and high transaction costs, facilitating the construction of rural credit system and providing more accurate and convenient services to rural customers.

We focus on our social responsibility practice and work together with our partners for a shared future. From the past to the future, our success rests on the support of our stakeholders. As a passionate practitioner of the "technology for good" concept, we prioritize employee development, strengthen our training and attraction for talent, and provide employees with a broad platform to tap their potentials. We strive to protect the safety of communities and have carried out the Intelligent Voice Epidemic Prevention public welfare project to help local communities prevent and control the COVID-19 epidemic. We also regard environmental protection as our own responsibility, fully advocating the concept of green office, and continuously improve the energy efficiency of our data centers, so as to better protect our planet.

We will embrace change while stay focused. In the coming year, Bairong Inc. will embrace its partners with a more open attitude, implement ESG practices with a more responsible culture, and continue to promote the integration of ESG concepts into development strategies, governance structure, and business processes, so as to promote the high-quality development of the gital economy, and create a better future with win-win cooperation with our ecological partners.

ABOUT US

Company Profile

Bairong Inc. is a leading independent artificial intelligence ("AI") technology platform company in China serving the financial services industry. We provide cloud-based services through our big data and AI technologies to support the needs of FSP clients in decision making, smart analytics, smart operation management, precision marketing and wealth management, enabling them to reduce exposure to fraud and improve their decision-making analytics and consumer operation efficiency and effectiveness. Our cloud-based software as a service ("SaaS") platform allows us to deploy individual product modules for our FSP clients' process via application programming interfaces ("API") integrations to their IT infrastructure and workflows. We are also able to package various modules and bespoke models into customized end-to-end solutions. Cloud-based nature of our platform enables us to quickly adapt and deliver products and services to satisfy ever-evolving needs from FSPs, which, in turn, generate an enormous amount of data insights and industry know-how that enables us to continuously improve our smart analytics and operation capabilities.

Relying on its excellent AI technology and smart analytics ability, Bairong Inc. provides professional services to more than 5,700 FSP clients cumulatively in China as of December 31, 2021, including substantially all of China's national banks, more than 900 regional banks, substantially all of China's consumer finance companies and major insurance companies, and a variety of other FSP clients.

Business Overview

As of the end of 2021, the Company had provided professional services to over **5**,700 FSP clients cumulatively, including more than **3**,300 paying FSP clients, realizing a year-on-year increase of **27.5**%. Meanwhile, the average revenue per user ("ARPU") increased by **24.8**% year-on-year to RMB **5.12** million, and the retention rate of key FSP clients reached **91.6**%, with **118.1**% net dollar expansion rate of key FSP clients.



Cumulatively provides professional services by concluding cooperation with FSP clients more than

5,700

Corporate Culture





Based on core technologies such as AI and cloud computing, Bairong Inc. assists FSP clients to build smart analytics systems, assisting decision-making through multidimensional analysis, improving the accuracy of decision-making, enhancing their customer classification management and target market identification capabilities with accurate customer profiles, and increasing customer value with customized operation strategy. In 2021, the Company continued to build a comprehensive product ecosystem to meet the growing needs of FSP customers in terms of digital operations and online transformation, and successfully launched a number of products such as the AI voicebot, cloud-based operational SaaS platform, wealth management solutions, and customer experience management software.

Through its proprietary financial product recommendation platform, Bairong Inc. provides financial institutions with precision marketing services, enabling them to reach and serve target customers more effectively. Through the empowerment of core technologies such as AI and cloud computing, a customized user hierarchical model can be developed based on the performance data of financial institutions and integrated multi-dimensional profiles. High-intent customers can be screened out through the marketing intention model, and operating methods can be flexibly adjusted to match scenarios to develop an integrated operation strategy including AI, telemarketing and SMS to match customers with suitable financial products.

Through the Liming Technology platform, Bairong Inc. provide insurance distribution services, providing brokerages with data-driven and analysis tools and enabling them to better evaluate consumers, ensure accurate matching between consumer demands and insurance products, and improve sales and retention performance of brokerages through real-time management mobile tool platform for customer relationship.

2021 Milestones

Recognitions and Awards

2021.03 • Won the "Intelligent Risk Control Innovation Award" at the 4th Technology 2021.07 • 01Caijing.com-The Third China Retain Finance Summit, 2021 Top 30 Banking Technology Service Providers 2021.12 • Financial News, Technology Enabler of the Year KPMG China, 2021 Fintech 50 Enterprises The 19th Caijing Summit, 2021 Fintech Innovation Award Talent 2021.12 • Liepin.com, "2021 Beijing Extraordinary Employer of the Year" • Lagou.com, "2021 Top Employers in Fintech Industry" **Miscellaneous** 2021.02 Beijing Integrity Enterprise 2021.05 • Yema Financial, Innovative Enterprise Award **2021.11** • Time Marketing Award Ceremony, 2021 Time Weekly Public Welfare Pioneer Award Company 2022.01 • Financing China, 2021 China Best Financial Institution Service Provider

- Yins Finance, 2021 Yins Finance Award
- Best SaaS Company

• 2021.03

Successfully listed on the main board of the Hong Kong Stock Exchange.

2021.04

10

Payment & Clearing Association of China accepted Bairong Inc. as a member organization.

• 2021.04

"A Multi-round Dialogue Intelligent Voice Interaction System and Device" developed by Bairong Inc. was granted the invention patent approval by China National Intellectual Property Administration.

• 2021.05

Selected among the first batch of companies enrolled in the Zhuoxin (Advanced Information Security) Big Data Program of the China Academy of Information and Communications Technology (CAICT) of the Ministry of Industry and Information Technology (MIIT).

• 2021.08

Invited to join the Tianjin Leasing Association as a member organization

2021.09

Bairong and the Promise of Big Data was included in the Harvard Business School Case Study Library.

• 2021.10

The invention patent for "Voice Interruption Method and Device", developed by Bairong, Inc., was granted by China National Intellectual Property Administration.

Prediction of Mobile Terminal Credit Based on Federated Learning" and "A Method and System for Isolated Forest Training and Prediction Based on Vertical Federated Learning", both developed by Bairong Inc., were granted by China National Intellectual Property Administration.

• 2021.11

Completed the acquisition

of All Union, the largest

SaaS cloud platform for

in China, and formally

expanded into bank

intelligent operation

budgeting scenarios.

• 2021.11

The invention patents

System for Anti-Fraud

for "A Method and

bank intelligent operation

- China Retail Finance Innovation Practice Conference in 2021
- The 10th Financial Industry Leading China "Golden Wisdom Award" Annual Ceremony, Outstanding Financial Innovation Case Award
- 2022.01 iResearch, 2021 China Top 50 Fintech Enterprises Fintech Excellence Award
- **2021.10** HRTech, 2021 Digital HRTech Award (Best HRTech Practice) & (Best HR Team)
- 2021.07 Shijingshan District Red Cross Society, Honorary Certificate for participating in the Social Assistance Fund to Support Collaborative Work fundraising event
- **2021.12** Hardcore Era WISE 2021 New Economy Summit, Hardcore Enterprise of the Year
 - 2021 China Financing Awards, China Financing 2021 Most Potential Listed
 - The 6th Golden Hong Kong Stocks Annual Awards Ceremony,

ESG Strategy & Management

ESG Integration

Adhering to its mission of "Make Finance Benefit Common People", Bairong Inc. actively integrates ESG concepts into the Company's strategic goals, organizational structure, business system and daily operations. Focusing on the four areas of assisting financial digital transformation, supporting employee growth & community development, compliance & business ethics, and reducing environmental footprint, we strive to comprehensively integrate ESG considerations into our management by leveraging our capabilities and advantages, continue to create economic, social and environmental values while pursuing our own high-quality development, and actively contribute to the realization of the United Nations Sustainable Development Goals (UN SDGs), growing together with our stakeholders towards a better future for all.

Make Finance Benefit Common People



ESG Governance

Bairong Inc. has established an ESG governance system jointly led by the Board, senior management of the Company and the ESG Working Group. The Board is the Company's top decision-making body in its ESG governance structure, which is responsible for formulating the Company's ESG strategic planning and policies and ensuring their effective implementation, and assuming full responsibility for formulating relevant policies and systems as well as information disclosure. The senior management of the Company are responsible for the overall coordination of its ESG work under the leadership of the Board, the implementation of ESG related resolutions and policies of the Board, optimizing the Company's ESG management system, and supervising the specific implementation of its ESG work. In 2021, the Company further optimized its ESG work by specifying the functions of the ESG Working Group and integrating ESG considerations into the daily business management and operation of each department, and effectively improved the management of ESG performance indicators and ESG management efficiency with regular collection, reporting and review of ESG performance data.



Materiality Analysis

In accordance with the principles of materiality, completeness and balance, the Company regularly communicate with its stakeholders to listen to their expectations, and regularly identifies and updates its key ESG issues following relevant ESG principles and guidelines. In 2021, the Company updated its material issues, and constructed a two-dimensional analysis matrix based on the materiality of each ESG issue to stakeholders and that to the Company.



Dimension		Issues	
Corporate Governance	 Optimizing governance structure 	Business integrity	Compliance Management
	Business ethics	 Risk management 	ESG management
Environmental	 Environmental management system 	 Energy saving and emission reduction 	▲ Waste management
	▲ Green office	▲ Green data center	
	 Customer relationship management 	 Information security 	 Privacy protection
	Inclusive financial services	Responsible procurement	Talent recruitment and training
Social	Employee career development	Employee care	Technology and innovation
	 Supporting public welfare & employee volunteering 	 Occupational health and safety 	 Supporting community development

Stakeholder Engagement

Stakeholders	Top Concerns	Communication Channels
Government and Regulators	 Integrity and compliance Optimize governance structure Tax compliance 	 Government communication meetings Regulatory exchanges Information disclosure and reporting Regular visits
Shareholders	 Steady performance growth Integrity and compliance Create outstanding performance 	 Annual reports, interim reports and announcements Investor research Shareholder Meetings Interactive Q&A
Customers	 Production technology innovation Providing quality service Ensuring information security Integrity and compliance 	 Daily communication and Q&A Customer service hotline Customer satisfaction survey
Employees	 Protecting employee rights Ensuring occupational health Promoting career development Salary and benefits growth 	 Employee meetings Employee satisfaction survey Complaint feedback mailbox Employee cultural activities
Community	 Providing job opportunities Promoting community development Public welfare & employee volunteering 	 Community communication & exchange Volunteering activities Financial knowledge awareness raising
Environment	 Energy conservation and emission reduction Resource recycling Green office 	 Collection and disclosure of environmental performance data Promoting environmental awareness
Suppliers	 Business integrity & cooperation Fair and equal transaction Long-term stable operation 	 Benchmark review and evaluation Green procurement Regular communication

POWERING HIGH-QUALITY DEVELOPMENT WITH INNOVATION

The financial industry is known as the artery of the real economy. Entering a new development stage during the "14th Five-Year Plan" period, the Chinese financial industry is entering a critical period of supply-side structural reform under the guidance of the national strategies such as green development and common prosperity. At the frontline of the reform and innovation in the financial industry, technology is not only an important way to improve the quality and efficiency of financial services to the real economy, but also the future development direction of the financial industry. Bairong Inc. continued to develop cutting-edge technologies such as artificial intelligence, cloud computing, and privacy computing, and actively provided banks and other financial institutions with full-process smart analytics and operational SaaS solutions, striving to become a driving-force behind the digital and intelligential development of the financial industry by empowering financial institutions with technology and serving both the supply and demand sides of the financial industry.





INTENSIFYING INVESTMENT IN CUTTING EDGE TECHNOLOGIES

As the demand for digital upgrades in China's financial industry continues to rise, Bairong Inc. focuses on machine learning, Al voice, and privacy computing as key technology applications and research directions, based on its in-depth understanding of the "pain points" of financial institutions' digitalization process. For a long time, the Company has been cultivating its research on the underlying technology fields, focusing on core technology research, consolidating innovation foundation, and accelerating the transformation of technological achievements, building strong cloud computing technology capabilities and agile product development capabilities that cover the upstream infrastructure layer, the midstream technology expansion layer, and the downstream industry application layer. These capabilities allow Bairong Inc. to realize the diversified innovation and integration of technology, and obtain application and verification in its cooperation with financial institutions, effectively promoting the upgrading of financial institutions' products and business models, and helping more financial institutions improve the quality and efficiency of their services.

As of the end of 2021, the Company had invested a total of RMB252 million in technology R&D throughout the year, accounting for nearly 16% of its total revenue; and had a total of 654 R&D personnel, accounting for more than 50% of the total number of employees.



Explore Cutting-Edge Technologies



Indra platform".

Intelligent Voice

In the financial industry, intelligent voice can be applied to scenarios such as intelligent quality inspection, intelligent outbound calls, intelligent customer service, intelligent RPA and voiceprint recognition. In 2021, the Company launched its independently developed new generation AI voice robot with the launch of the intelligent operational SaaS solutions. Through cooperation with a state-owned bank, the AI voice service function in intelligent operation was successfully embedded in the retail business of the bank, which could effectively save labor costs and improve its capability of automate processes. Meanwhile, the Company were also granted the two patent authorizations in the field of intelligent voice technology, including the "multi-round dialogue intelligent voice interaction system" and the "voice interruption method and device", building an important technology reserve to support subsequent product upgrades.



Privacy computing technology uses a series of privacy protection technologies to realize data value whiling meeting compliance requirements. As one of the underlying technologies to ensure interconnection and data security and privacy, it has become a must-have infrastructure in the financial industry. The Company made continuous breakthroughs in privacy computing, including two national invention patents in core privacy computing technologies. The Indra Privacy Computing Platform built by the Company had passed the Fifth Batch of Trusted Privacy Computing Evaluations by China Academy of Information and Communications Technology (CAICT).

Achieving Significant Results

The Company continued to improve its own technical capabilities, deepen the application of the "AI + finance" innovative model, aiming at creating an open, diverse and shared financial innovation technology platform, and exploring new products and technologies and becoming a trailblazer in technological innovation of the financial industry. Since its establishment, the Company has accumulated more than 150 software copyrights and patents, including seven national invention patents in machine learning, Al voice, privacy computing and other fields obtained in 2021.



Al technology is an important engine for the digital and intelligent transformation of the banking industry. The Company has integrated AI and other technologies into the whole business process, and accelerated the digitalization process of banks by empowering the all-round, multi-level digital capabilities of banks with its self-developed "ORCA" automatic machine learning platform. Meanwhile, the Company has integrated AI technology into SaaS products, creating AI service voice robots based on researches on machine learning and knowledge graph, continuously optimizing AI algorithms and automatic real-time analysis models and developing AutoML technology, and empowering financial institutions in different scenarios with the compliance and safety advantages of the "internal control +

Case | Innovative intelligent voice interruption technology for financial services

The emergence and application of intelligent voice technology has significantly improved the efficiency of financial services. However, low accuracy of speech recognition due to certain technological flaws often leads to problems such as inaccurate feedback information, which affects user experience. The AI laboratory of the Company had independently developed an intelligent speech interruption method and technology with the innovative integrated of model-customized automatic speech recognition (ASR), natural language understanding (NLU) and text-tospeech (TTS) technologies into the softswitch system, which greatly reduced the network data transmission loss caused by the traditional interruption technology, comprehensively improving the intelligent voice interruption experience for users during the interaction by both reducing the interruption delay to the millisecond level and enabling millisecond-level voice interaction feedback according to the different interruption demands of users. To date, this technology has been applied in the "Bai Xiao Rong" intelligent voice robot, bringing users a smoother communication experience in multiple financial scenarios.

In October 2021, the Company was awarded the invention patent certificate for "Voice Interruption Method and Device" by China National Intellectual Property Administration.

Case | Developing an "financial scenario + mobile terminal" anti-fraud solution

Federated Learning is an emerging Al basic technology. In the field of financial risk control, federated learning could realize common modeling to improve the effect of Al models while ensuring data privacy security and legal compliance. However, there were still some technical challenges during the process of anomaly detection, such as difficulty in data consolidation, and limited anomaly detection methods.

The Company innovatively proposed an anti-fraud technical solution between users' mobile terminals and institutions, while allowing financial institutions to conduct their businesses smoothly using



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发明专利证书

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授权公告日: 2021年10月29日 授权公告号: CN 113345437 B

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其他事项参见埃页

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申长司

the information in mobile terminals while protecting the privacy and security of user data. After a careful analysis of its technical and commercial feasibilities, the Company had constructed a privacy protection solution covering both the user mobile terminal end and the institution end, greatly reducing the privacy leakage risk on the user's mobile phone end through a mobile terminal anti-fraud estimation method and system based on the federated learning technology, allowing the financial institutions to overcome the limitation of isolated data, and providing users with greater security.

CONSOLIDATING RESOURCES IN THE FINANCIAL INDUSTRY

As a digital transformation partner of many leading financial institutions, Bairong Inc. actively practices the values of being openminded and continuous deepens its cooperation with outstanding industry peers to empower financial institutions to better serve the real-economy with advanced and innovative technologies such as artificial intelligence and blockchain. Since 2021, the Company has successively established strategic cooperative relations with Xiamen International Bank, Baihang Credit, Ping An Bank and other enterprises, combining the Company's technological achievements with the partners' front-line business to jointly promote innovation and reform in the financial industry.

The Company continues to promote in-depth cooperation between industry, academia and research, building a bridge between academia and enterprises. Since 2014, the Company had been cooperating with a number of well-known institutions, such as the PBC School of Finance of Tsinghua University, the Chinese Academy of Sciences, and the Business School of Renmin University of China, to both help schools to build a solid foundation in talent cultivation and academic research, and promote the integration of production, education and research in the field of technology in the financial industry.

Meanwhile, the Company actively participates in alliances or industry organizations created by the government and industry associations, abides by regulatory requirements and the calls of various associations, fulfills industry self-discipline obligations, and assumes the responsibilities of being a member of the association. In 2021, the Company officially joined a number of organizations, including the China Payment and Clearing Association, Beijing Federation of Industry and Commerce (Beijing Chamber of Commerce), and other organizations. Leveraging its product and technological advantages, the Company strives to contribute ideas and suggestions for the development of financial technology companies, and jointly promote the orderly, benign and healthy development of financial technology industry.



LEADING THE PATH TO FINANCIAL DIGITIZATION

Under the continuous influence of the COVID-19 pandemic, the transformation of contactless financial services and financial digitalization is accelerating in an all-round way. It both is an eruption of fintech innovations after years of evolution and upgrades, and reflects the urgent need of the financial system to digitalize. At the same time, technology innovation in the financial industry is also developing from consumer side to business side, putting greater emphasis on promoting the innovation of corporate financial services based on supply chain, trade chain and industrial chain, and playing a more important role in better addressing the financing needs of small-, medium- and micro-enterprises. Bearing the dream of "be an enabler with technology",

Bairong Inc. focuses on customer needs, relies on the business logic of "customers drive demand, demand drives products, and products drive R&D, delivery and service", and continuously enhances its financial industry technology application capabilities based on customer needs, so as to further empower financial digital innovation and transformation.





BUILDING A WIN-WIN FINANCIAL ECOSYSTEM

Under the digitalization trend of financial institutions, the construction of an innovation ecology is an important driving forces for the development of the industry. Bairong Inc. provides cloud services based on big data and AI technologies to support the decision-making, smart analytics, smart operation management, precision marketing and wealth management needs of financial service providers, helping them reduce fraud risks and improve the efficiency and effectiveness of their decision-making analytics and consumer operations. The cloud-based SaaS platform of the Company can be integrated into the IT infrastructure and workflows of financial service provider customers through application programming interfaces (APIs), allowing the Company to deploy individual product modules for their workflows, or integrate multiple modules and customized models into customized endto-end solutions.

Marketing Scenario

Platform Scenario



The Company has been collaborating with a number of leading financial institutions on intelligent middle platform, aiming at helping financial institutions consolidate resources, avoid "reinventing the wheel", and strengthen their business innovation capabilities.

The intelligent middle platform strategy of the Company transfers stable and general business capabilities at the front-end to the middle platform to improve front-end response capabilities, and at the same time, "extracting" the various business capabilities at the back-end also to the middle platform to give it greater flexibility. When financial institutions adopting the middle platform model need to develop new products and new business lines, or adjust existing products and business lines, instead of starting from scratch, they can use the resources, capabilities, data and technologies in the middle platform to configure and assemble customized products, services and solutions in a centralized way in the middle platform, then export them.



Helping break through the internal data barriers, data center middle platform is built on data warehouse and data platform. It is the middle layer that accelerates the process from data to business value, and can provide support for business optimization and innovation.

Algorithm Middle Platform

Algorithm middle platform provides algorithm capabilities for various projects, such as recommendation algorithms, search algorithms, image recognition, speech recognition, etc., which can help provide more customized services, as well as agile development models based on different business needs

Risk Control Middle Platform

Risk control middle platform provides a variety of flexible rules and data configuration methods for business needs, avoiding repeated system development due to business needs, and supporting the rapid innovation of front-end businesses.







Data Center Middle Platform

POWERING NEW DEVELOPMENT OF INCLUSIVE FINANCIAL SERVICES

Bairong Inc. spares no effort to leverage its expertise in the financial field to support the construction of digital financial infrastructure, and help create an "industry + technology + finance" ecosystem, so as to make positive contributions to bridging the digital gap between groups, institutions, and urban and rural areas by giving the general public and small-, medium- and micro-enterprises the access to more accurate, better quality and more efficient financial services.

Helping Inclusive Finance Grow and Increase Efficiency

Small- and micro-enterprises are an important force in the development of the national economy and play an irreplaceable role in economic growth, technological innovation and job creation. As the first batch of member units of the National Development and Reform Commission's "Xinyi+" Alliance, as well as the first batch of technology service institutions to settle in the National Comprehensive Credit Service Platform for SME financing, Bairong Inc. leverages its expertise in credit enabling financial business and the design and R&D of intelligent decision-making engines, to provide government agencies, enterprises and various financial institutions on the platform with a comprehensive range of real-time services, such as enterprise profile, financing decision suggestions, and risk warnings, which helps enhance the credit of small- and micro-enterprises on the platform and realize higher conclusion rates of financial deals on the platform by solving the information asymmetry problem between banks and enterprises.

To help small- and micro-enterprise solve the problems, such as lack of guarantee, short life cycle, lack of access to financing, the Company have initiated in-depth cooperation with a number of financial institutions in the field of inclusive finance. Bairong Inc. uses its technological advantages to provide financial institutions with business risk assessment support for small- and micro-enterprise customers, using industry data to restore the credit of small- and micro-enterprises and more accurately measure their actual repayment capabilities, effectively solving the credit evaluation challenges for small- and micro-enterprises, and allowing them to have more financial resources to grow and develop the capabilities.

Revitalizing Rural Digital and Intelligent Development

In the era of digital intelligence, the key to promoting rural revitalization with technology not only lies in helping solve the problem of "difficulties to access financing", mitigating the key challenges such as "lack of services and difficulties in obtaining services" in rural areas, but also lies in benefiting rural life with services that have greater coverage, higher satisfaction and more convenience with the help of cutting-edge technological innovations.

By building a model of "rural scenario + technology platform + financial institution", Bairong Inc. brought solutions to the three key challenges of information asymmetry, lack collateral, and high transaction costs for rural finance, which has contributed to the development of

the rural credit system and improved the access to financial services in rural areas, allowing individuals and enterprises from rural areas to have more accurate and convenient services. To further solve the problem of lack of accessibility for rural financial services, the Company also developed an intelligent voice outbound call solution using voice recognition and voice understanding technology, and worked together with a large state-owned bank to address the challenges of social security card issuance and heavy accents of rural customers, realizing more efficient rural financial services capabilities.

Protecting the Lifeline of Digital Finance

In recent years, the financial industry has been continuously innovating under the support of financial technology. The extensive application of emerging technologies such as big data and AI in the financial field has reduced information asymmetry, but also creates new challenges in terms of risk prevention and control. Due to the complex business situation and the high value of assets involved, the financial industry has stringent requirements regarding the security of massive amount of data, the protection of privacy information of users, and the accuracy and integrity of data. While using cutting-edge technology to create an smart analytics and decision-making system for customers, Bairong Inc. also is committed to strictly protecting customers' information security, and contributing to the building of a benign and healthy digital financial ecosystem.

The Smart analytics and Decision-Making System

Bairong Inc. has built an smart analytics and decision-making system that runs through the entire life cycle of credit, and provides smart analytics and decision-making products and solutions for financial institutions such as banks, insurance companies, and licensed consumer finance institutions, ensuring the full-process protection of financial resources throughout the entire financial market.

Case | Intelligent Middle Platform Helps Financial Institutions Improve Risk Control Efficiency

The whole-process smart analytics and decision-making system usually includes three stages: pre-loan, loan processing and post-loan, with tasks including customer identity authentication and application for anti-fraud analysis in the pre-loan stage, credit granting decision-making analysis, risk pricing and transaction monitoring during the loan processing stage, and loan customer monitoring and intelligent collection in the post-loan stage.

Taking into consideration of the actual challenges faced by financial institutions, the Company leveraged its years of experience in risk control modeling and strong AI technology to address these tasks: transferring stable and general business capabilities at the front-end to the middle platform to improve front-end response capabilities, while "extracting" the various business capabilities at the back-end also to the middle platform to give it the flexibility and resources to consolidate and share capabilities. The enhanced middle platform provides financial institutions with full-stack, closed-loop, real-time decision-making support services to meet the risk prevention and control needs for a variety of scenarios, such as anti-fraud, credit analysis, risk warning, post-loan management, etc.

Fraud Risk Prevention

The Company strictly complies with the Network Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China and Anti-Money Laundering Law of the People's Republic of China and other relevant laws and regulations, and actively responds to the management requirements of the Anti-Telecommunication Network Fraud Law of the People's Republic of China (Draft) in the areas of financial governance and Internet governance to jointly prevent internet fraud and money laundering crimes.

The Company has developed an anti-fraud relationship graph system using AI and big data technology, which collects and analyzes relevant relationship data of users to detect data inconsistencies, and identify, prevent and intercept frauds, aiming at identifying and preventing organized fraud schemes from succeeding, and helping individuals and financial institutions reduce fraud losses. Furthermore, the Company also launched a new device that can make fraud risk judgments in advance, verifying the user's identity information and identifying whether it has been stolen.

Loan Monitoring

The number status verification provided by the Company can provide early can also develop a loan behavior analysis and decision-making model based on historical performance and behavior characteristics of loan customers.

Pre-Loan Access

The Company's AI anti-fraud technology covers cutting-edge

Protecting Information Security

Post-Loan Management

Cac

立的職私信息管理体系符合标准 ISO/IEC 27701:2019 企ぼ共拆用千下利用用。

中国质量认证中心



In order to improve its privacy information security management capabilities and effectively protect user privacy security, the Company contracted professional third-party organizations to support its application of the ISO27701 privacy information management system, and

became the first Chinese AI and big data application company to obtain the ISO/IEC 27701:2019 certification issued by the China Quality Certification Centre, which covers a wide variety of privacy security related management activities such as financial risk control technology consulting services, corporate credit reporting services, and computer application software platform technical services, etc., leading the evolution from information security management system to privacy management system.

Empowering Privacy Protection

The Indra Privacy Computing Platform is a secure multi-party computing platform that the Company has developed based on key cryptography theories and technologies, in combination with the specific application scenarios of big data, and following the direction of privacy set intersection and federated learning. As an application of secure multi-party computing and machine learning, that platform also uses blockchain technology as a supplement for data rights confirmation and data value transfer to ensure information security. The Indra Platform can adapt to different application scenarios, providing a secure and efficient data collaboration model between partners and customers.

In the process of further accurately determining the user's "list", the Indra Platform adopts and improves a variety of privacy set intersection algorithms, which can be applied to various scenarios such as different data volumes, offline/online, with/without attached messages, etc., allowing it to help eliminate the information leakage hazards for non-target users in the processes of blacklists sharing and matching with different matching scenarios.

ENSURING SATISFACTORY CONSUMER EXPERIENCE

Adheres to its cultural value of "customer first", Bairong Inc. has formulated a differentiated development strategy focusing on "customer-centric" and "specialized products and service". The Company continuously optimizes its customer service by practicing the management principles of customer-oriented, scientific decision-making, and efficient implementation.

The Company has formulated the "Customer Management Rules" and set up a QA team to make every effort to ensure high guality and satisfactory delivery. It is required that all projects, products, service processes and their related systems should be centered on improving customer satisfaction to help the company win the trust of customers.

The Company attaches great importance to the opinions and feedback of customers, and has compiled and issued the Customer Feedback Handling Procedures, which specifies the categorized handling and processing of customer feedback by relevant departments, ensures the accurate identification of customer needs and the service to be improved, promoting customer experience by optimizing business quality with customer feedback.



Bairong Inc. Customer Feedback Handling Flowchart

stomer Fe	edback	
ation	Product	Development/ Operation and maintenance
t product		
ovement rements	Acceptance testing	Developing released online
eration sting		

FULFILLING SOCIAL RESPONSIBILITIES

Bairong Inc. believes that the long-term development of an enterprise is inseparable from the support of stakeholders. While cultivating technological services, the Company focuses on the concerns and demands of stakeholders, adheres to peopleoriented management, effectively protects the legitimate rights and interests of employees, and builds a growth platform for employees. The Company also actively participates in public welfare undertakings, encourages employee voluntary service activities, jointly contributes to the harmonious development of society, strives to manage its own environmental impact, fully advocate the concept of green office, practice energy conservation and emission reduction, and become an active supporter and participant of sustainable development.





FOSTERING EMPLOYEE GROWTH

As an enabler in the financial industry, Bairong Inc. understands that talent is the core resource for the Company to develop from a "technology enabler" to a "technology leader". The Company actively implements the operation and management principle of "people-first", adheres to the principle of fair and equal employment, attaches great importance to employee training and development, motivates employees to realize their value, and creates a warm workplace atmosphere for employees. In the future, the Company will adhere to the spirit of outstanding employer, to continue to promote its talent development strategy, cultivate and develop its talent team, further promote its corporate culture, improve the efficiency of corporate operation and management, and continue to practice its core values of being "Faithful, Accountable, Open-minded, Innovative, Practical and Cooperative".

Employer Brand Awards Received in 2021



Liepin.com "2020 Beijing Revolutionary Extraordinary Employer"





示岂证书



Mokahr.com "GHRC · 2020 Best Employer Brand in China"



HRTech 2021 China Human Resources Technology Annual Summit "2021 Digital HRTech Awards (Best HRTech Practice)"



HRTech 2021 China Human Resources Technology Annual Summit "2021 Digital HRTech Awards (Best HR Team)"



Lagou.com "2021 Top Employers in Fintech Industry"Lagou.com "2021 Top Employers in Fintech Industry"

Building A Fair and Inclusive Team

The company strictly abides by the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China and other relevant laws and regulations, and treats employees fairly with promotion and salary adjustment, forbids all forms of discrimination, including but not limited to discrimination based on race, nationality, religion, gender, age or marital status, and strictly prohibits any form of child labor and forced labor. The Company fully respects the freedom and collective bargaining rights of each employee, and actively advocates for employees to integrate their diverse backgrounds into the corporate culture, be inclusive, and seek common ground while reserving differences.

The Company stipulates its personnel planning and employment policies in the Bairong Inc. Employee Handbook, and strictly follows the recruitment principles of equality and fairness, relative avoidance, and integrity, abides by the recruitment management discipline, and eliminates behaviors that undermine the recruitment management discipline, such as accepting rebates and commissions from external recruitment agencies, favoritism and fraud, etc., and strictly follows the required recruiting procedures to ensure the fairness of recruitment.



Principle of No Discrimination

of Non-

Principle of equality and fairness: The Company adheres to the hiring principle of equality and fairness, and forbids any form of discrimination against employees and candidates based on nationality, race, gender, age, disability or religious belief. The Company selects candidates by talent and capabilities, and provide them with appropriate salary and benefits based on the type of work, job requirements and market standards.

Principle of avoiding conflict of interest: The Company requires employees to report their relationship with other employees to avoid the conflict of interest due to nepotism.

Principle of honesty: The employee shall ensure that the personal identification and work history data submitted are true, effective and free from fraud, and bear the full legal consequence due to untrue information, including but not limited to termination of labor contract with no economic compensation.

Candidates with the following conditions shall not be hired: People under 16 years of age; people whose previous labor contract has not been terminated; people that have been dismissed by the Company or left without approval; or people with other conditions that make them unfit for the job.

Guiding principle: Bairong Inc. is committed to creating an equal, fair and non-discriminatory workplace.

Interpretation: Discrimination refers to any differentiated treatment among people based on differences in nationality, race, skin color, gender, sexual orientation, nationality, religion, age, disability, marital or family status, genetic information or any other personal characteristics protected by law.

Principle of non-discrimination: When making employment decisions (including recruitment, performance appraisal, salary and benefit adjustment, promotion and contract termination, etc.), the Company shall make decisions only based on the metrics including the need of the Company, job requirements, personal qualifications, skills and performance appraisal, without any influence based on the above-mentioned personal characteristics.

Principles of Inclusion and Diversity: The Company respects any personal characteristics protected by law and the policies of the Company. The Company forbids any differentiated treatment of its employees, customers, suppliers or other business partners based on these conditions.

Since the Company's establishment, it has been continuously optimizing its human resource structure, recruiting new blood, and reserving sufficient talent reserves for business development. To date, Bairong Inc. has attracted a variety of talents from large financial institutions, well-known Internet companies, and international consulting companies. Among them, 90% of them have a bachelor's degree or above from major universities. For employees holding key positions, 80% of them have a master's degree or above from major universities, and 60% of them have overseas study experience.



Building a Career Development Platform



Bairong Inc. has established a training system covering the entire career cycle of employees, and is committed to creating a learning and creative enterprise, continuously improving the personal capabilities of employees, and gradually promoting the creation of a good learning atmosphere in combination with corporate culture. Meanwhile, the Company strives to establish a multi-dimensional internal training and exchange course system, and regularly carries out technical innovation exchange activities, invites top industry technical experts for exchange and sharing, so as to effectively improve the knowledge, skills and experience of employees in response to the human resources strategy of the Company.

Employee Training

The Company regards the development of employees as its own responsibility, and is committed to providing employees with a broad platform to allow them to realize their development potentials, and power enterprise development with the development of employees with a mutual-supportive and mutually beneficial relationship between the Company and employees.

In order to build a learning and creative organization, the Company has established a scientific employee training and development system, formulating a variety of action plans including new employee orientation, mentoring, and centralized training, and providing employees with continuous support to help them improve their core competitiveness with a multi-dimensional internal training course system and a variety of technological innovation exchange and sharing activities, providing employees with the knowledge, skills and experience that they need to complete their work with high standards while meeting the needs of human resources for the strategic development of the enterprise.

The 7-2-1 System of Employee Training and Career Development



Learning by hands-on action: Setting challenging responsibilities

Allowing the employees to gain experience and grow by performing tasks or completing challenging work in specific or unspecific work scenarios.





Learning through mentoring: Mentoring for new recruits

Allowing new employees to effectively grow with mentoring, teaching, guidance and feedback from superiors or peers.





Learning from lectures: Centralized training

Allowing the employees to master knowledge and skills through classroom teaching, reading or studying data and information.

In order to create a training system for the development of employees throughout the career cycle, the Company has established a multi-dimensional internal training and exchange system, including New Recruits Bootcamps, various technological innovation activities such as the Algorithm Competition, face-to-face communication with top industry technical experts, and training course for cultivating talents in Al application. Based on these activities, the Company has developed a complete training system covering the whole career cycle of employees that growing from "Eaglet" to "Golden Eagle", utilising the Company's resourceful advantages to connect employees with abundant learning resources and create a good learning atmosphere.

Optimize the Renumeration System

In order to ensure sustainable and stable development and build the foundation for employee growth and development, Bairong Inc. balances internal fairness and external competitiveness and has developed a broadband salary system with specific policies in the Employee Handbook, to ensure both the flexibility and the external competitiveness of its salary management.

Performance Management

Guided by strong performance incentives and in accordance with the principles of "fairness, openness and equality", Bairong Inc. implements full online management of employee performance, strives to conduct fair and impartial employee performance evaluation, optimizes the performance output of the management team, and motivates employees to realize their values in workplace. The Performance Management Policy of the Company standardizes different performance rating grades with clear definitions and specific descriptions regarding the performance of employees, which will be used as an important reference for their performance evaluation, bonus allocation, career advancement and career development plans. The Company has also established a standardized performance communication and feedback mechanism, supporting employee development with performance evaluation feedback and comparison.

The Company maintains an open channel to hear feedback and complaints regarding performance evaluations. Employees evaluated have the right to have their own evaluation results and the right to be briefed by the evaluator about their evaluation results, as well as the rights to file a written complaint to Human Resources Department within three working days after receiving the evaluation results. The Human Resources Department shall investigate and have the complaint handled within three working days, before informing both parties and supervising the implementation of the decision accordingly. If the employee still has objections to the decision, he or she can still appeal to the Evaluation Committee for arbitration, whose decision will final within the Company.

Career Advancement

Bairong Inc. has developed a career development track for employees and an open and transparent career path regarding promotions with specific conditions and methods stipulated in the Guidelines for Promotion Presentation of the Company, thus promoting employee growth with an open and fair workplace environment.

In accordance with the principles for different stages of employee career advancement, the Company has clarified the qualifications for each level of promotions. Employees at all levels can compete fairly through procedures such as internal self- evaluation and promotion presentation. During the self-evaluation stage, an employee can only qualify for candidates after getting nominations from direct report and receiving approvals from directors of the department. During the promotion presentation stage, the candidate needs to pass the evaluation of an evaluation board of at least three members, whose number and rank are clearly defined in Company policies.

Incentives and Awards

The Company has established an employee incentive management system, which improves employees' work enthusiasm and stimulate their potential combining long-term incentives with short-term incentives, as well as material incentives and non-material incentives, In order to promote the Company's culture and spirit, and reward outstanding individuals and teams, the Company has formulated the "Bairong Inc. Incentive Plan" and related management approach to standardize the incentive system and ensure its fair and impartial implementation. In order to motivate the ultimate work performance of each business line in a timely manner, the Company rewards guarterly incentives for individuals with outstanding performance, outstanding contributions, embodying the Bairong spirit, and becoming the role models representing their departments or functions.

At the end of each year, the Company regularly organizes an annual award event to appreciate employees with outstanding performance, including the Bairong Top Ten Model Employees and the Top Five Outstanding Projects. The Company also rewards individuals or teams who have made significant contributions with both honors and monetary rewards to commend outstanding employees and encourage other employees to follow suit.



Creating a Caring Workplace

Bairong Inc. considers the health and safety of its employees as its top priority, and takes appropriate safety measures and eliminates identified safety hazards in accordance with applicable laws, regulations and safety norms. The Company regularly organizes medical checkups for employees to care for their physical and mental health. While ensuring workplace safety, the Company also strives to provide employees with a welcoming and caring work environment by taking into consideration of their various and bespoke needs. By setting up rest areas in the office area and arranging green plants on the workstations to purify the office environment and air quality, the Company strives to create a harmonious and comfortable working environment for employees, and increase their sense of belonging and happiness. The Company respects employees' choices and uses surveys to obtain feedback and suggestions from employees regarding workplace conditions and their individual situation, and encourage employees to rate the Company's workplace, which will be discussed at the company's all-employee meeting, and put forward suggestions for improvement.

In terms of employee benefits, in addition to the prescribed statutory benefits, such as social insurance and housing fund, the Company also provides employees with supplementary medical insurance and other forms of employee benefits to improve employee benefits and security. The Company is also committed to creating a gender-equal, diverse and inclusive workplace. In addition to providing nursery rooms for nursing mothers in workplace, the Company also provides a number of leaves for female employees in accordance with government regulations and the needs of female employees, including obstetric inspection leave, maternity leave, paternity leave (for male), miscarriage (abortion) leave, and nursing leave.

CONTRIBUTING TO PUBLIC WELFARE UNDERTAKINGS

Adhering to the concept of "technology for good" and as a technology enterprise, Bairong Inc. fulfills its corporate social responsibility by leveraging its technological expertise to endorse good individuals and good enterprises, allowing them to have greater access to financial resources and other social resources. Since its establishment, the Company has been adhering to selfdiscipline and self-reliance, and continuously cultivating its technological expertise to show society the warm side of technology.

As the COVID-19 pandemic outbreaks kept happening in the domestic, the Company continuously carried out the Intelligent Voice Epidemic Prevention public welfare project. To give back to society, the Company also used its own technology to promote rural revitalization with a new model of financial assistance, and donated scholarships and worked together with Tsinghua University to cultivate data science talents.



The Company won the "Time Weekly Public Welfare Pioneer Award" at the 14th The Time Marketing Award Ceremony

Technology for Good

During the two years since the start of the COVID-19 pandemic, Bairong Inc. launched the "Intelligent Voice Epidemic Prevention" public welfare project, providing free Intelligent Voice Dialogue Robot services to governments agencies, grass-roots communities, and local disease control centers. The project builds a solid technical barrier for epidemic prevention and control, and has been widely recognized and commended. With the continuous technological improvement of the Company, the performance and efficiency of the Intelligent Voice Dialogue Robot keep improving, and had made significant contribution to the epidemic control efforts in Huai'an, Jiangsu this year.

Case | Intelligent Voice Assistant, the AI Helper for Police in Huai'an

On July 20, 2021, an COVID-19 outbreak occurred at Lukou Airport in Nanjing, bringing a lot of pressure to Huai'an City, which is located in the Nanjing metropolitan area. With as many as ten medium-risk areas within its jurisdiction, the impact of the outbreak was huge in Huai'an. With the help of AI technology, Bairong Inc. helped Huai'an Police make tens of thousands of epidemic contract tracing calls using its Intelligent Voice Assistant, overcoming the challenges of tight time limit and heavy work load.

The Intelligent Voice Assistant for Huai'an Police was a customized version of the Intelligent Voice Dialogue Robot that the Company had developed with its independent AI technology platform. With settings and configurations customized to the need of epidemic control, the robot could perform multiple rounds of dialogue communications with local residents, and generate quick statistical report based on information collected, so that each piece of data was quickly responded, accurately disclosed, properly verified and disposed of, and fed back in a timely manner.

2021 was a key year to consolidate and deepen the achievements of poverty alleviation and the effective connection of rural revitalization, and Bairong Inc. actively responded to the government policy initiative and participated in rural revitalization efforts. Besides donating funds at the fundraising event of Social Assistance Fund for Supporting Collaborative Work held in Shijingshan District in Beijing, Bairong Inc. also leveraged its expertise in technology and financial services to serve the real rural economy, and explored new models of technical assistance. To contribute to rural revitalization, the Company used its voice recognition and understanding technologies to overcome the constraints for rural communities to have access to financial services, such as the geographical locations and the lack of physical points of service, effectively solving the difficult issues such as social security cards issuance in rural areas, and serving rural customers with strong accents.

Building a Better Knowledge-Based Society

As digital transformation, intelligent application, and high-quality development have become national strategies, as a technology enterprise in the era of digital economy, Bairong Inc. deeply understands that the competition of technology is ultimately the competition of talents, and the development of digital technology is vital to the financial industry. The Company cooperates with colleges and universities to carry out in-depth industry-university-research cooperation, supports education development, so as to cultivate more technological talents for society.

Case | Working Together with Tsinghua University to Cultivate Data Science Talents with Integrated Production and Education Resources

The award ceremony of the 2021 Tsinghua SEM Tsinghua University-Columbia University Business Analytics Dual Master's Degree Program Overseas Study Scholarship was held at Tsinghua SEM. With a number of founders of Bairong Inc. graduated from the Tsinghua University, the Company has been donating scholarships to this program for three consecutive years.

Aiming at cultivating high-level talents in data science and management, the Tsinghua University-Columbia University dual master's degree program in business analytics was the first joint degree program of top universities in China and the United States in this field. The program has forged indepth, extensive, complementing and mutually beneficial cooperation with companies such as Bairong Inc. and JD.com, maximizing the benefit of industry-university integration by drawing inspirations for teaching and academic research from best practices of enterprises.



Donation Certificate from the Shijingshan District Red Cross Society



SUPPORTING GREEN AND LOW-**CARBON DEVELOPMENT**

With the frequent occurrence of extreme weather and natural disasters in recent years, the Chinese government has formally set a climate goals of "achieving carbon peaking by 2030 and carbon neutrality by 2060". Bairong Inc. deeply understands that it is a necessary responsibility for enterprises and individuals to reduce greenhouse gas emissions and lead the green transformation and development of the economy and society. The Company strictly comply with the Environmental Protection Law of the People's Republic of China and other environmental laws and regulations, uses innovative technology to promote the digital transformation of financial institutions' operations, help green industries solve financing problems, and realize a green development path for the financial service industry to reduce energy and increase efficiency. Meanwhile, the Company is also committed to practicing green operations, mainly through green offices and green data centers, to reduce its own impact on the environment. Enabling digital transformation externally and pursuing green development internally, Bairong Inc. is committed to practicing the concept of sustainable development, contributing to the realization of carbon peaking and carbon neutrality targets, and promoting the development of green cities.

Promoting the Green Transformation of Financial Services

In addition to providing full-cycle cloud financial services to assist the digital transformation of financial institutions with technology, the Company also actively promotes technological innovation to make the green economy benefit society, and reduce resource and energy consumption in traditional financial business processes.

Serving Green Enterprises

The Company continues to develop advanced technologies such as AI, big data, and blockchain, and leverages the advantages of its own technology platform to provide financing solutions for green enterprises by developing information communication and sharing mechanism between them and financial institutions. For asset-light green industry companies with no credit history, the Company uses its technology platform and financial model advantages to help them get credit endorsements, and establish in-depth exchange of financial and non-financial information between core enterprises and non-core enterprises through digital mining, so as to allow many non-core companies on the supply chain with disadvantageous credit to have more credit data.

Reducing Resource Consumption

The financial industry generates a large amount of paper documents in traditional service process, and consumes significant amount of resources. In addition to its main business of assisting the digital transformation of financial institutions, Bairong Inc. also strives to promote financial institutions to reconstruct their business processes and help them realize green operation models such as paperless business and electronic billing by upgrading paper documents to online processing or email transmission, achieving both more convenience of financial services, and the green transformation and upgrading of financial services.

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Practicing Low-Carbon Operation Concept

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The Company's primary impact on the environment is due to greenhouse gas emissions from day-to-day office operations and data center operations. In order to achieve energy conservation and carbon reduction, the Company continues to strengthen the construction of its internal environmental management system, adopting targeted energy conservation and emission reduction plans at each link of the value chain. For offices in Beijing and other locations, the Company cooperated with the property management companies to analyzes energy consumption and emissions data, and upgrade equipment with high energy consumption and low efficiency accordingly.

Our Environmental Commitments:



previous year.

Green Office

Energy Saving & Consumption Reduction



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Requiring all office equipment, such as computers, printers, copiers and scanners, etc., to be switched off after work; regulating room temperature settings for different seasons; carrying out energy-saving technological transformation projects; and eliminating office equipment with high energy consumption and low energy efficiency from procurement.

Paperless Office

necessary to both save paper and improve efficiency with simplified business processes.

as well as the greenhouse gas emissions generated by travel.

Garbage Classification

qualified professional recycle vendors.

encouraging employees to participating in garbage classification and resource recycling.

donated to charity organizations after all sensitive information is erased.

Green Data Center

As of the end of 2021, the Company had signed cooperation agreements with two data center service providers, leasing a total of 112 server units. The Company evaluates data center service providers not only by indicators on security, stability, and cost efficiency, but also by energy efficiency indicators, such as types of energy and cooling methods used. The Company also regularly monitors the data center's power usage efficiency (PUE). and carbon emission intensity, to encourage them fulfill their environmental responsibilities and achieve sustainable development.

- Advocating the concept of green office and green living, and raising the awareness of employees by integrating energy
- environmental, resource conservation, low-carbon or recycling benefits, and gradually phasing out low-energy-efficiency
- Reducing waste from the source, giving priority to recycling and reusing of retired equipment, and properly disposing
- Regularly analyzing energy and environmental performance data, such as electricity and water consumption, and setting scientific targets to improve resource and energy conservation. The targets for energy consumption per employee, water consumption per employee and amount of non-hazardous waste per employee are not higher than the level of the
- Supporting environmental protection public welfare activities, and participating in environmental protection activities.

- Conducting all regular approval processes online using the online OA platform; using paper documents only when
- Encouraging the use of online video conferencing to reduce unnecessary business travel expenses and time costs,
- The hazardous waste generated by the Company comes from the consumption of office processes, mainly including: waste batteries, waste toner cartridges, ink cartridges, lamps, etc.; non-hazardous waste mainly consists of waste paper, plastics and household garbage. Both hazardous waste and non-hazardous waste are disposed by
- Setting up garbage classification bins (kitchen waste, recyclable waste and other wastes) in accordance with the requirements of the Beijing Municipality Domestic Garbage Classification and Management Regulations, and
- Applying classified management regarding retired electronic products. Computers that are still functional will be

ENSURING OUTSTANDING CORPORATE GOVERNANCE

Adhering to the values of "Faithful, Accountable, Open-minded, Innovative, Practical and Cooperative", Bairong Inc. takes good corporate governance as the foundation for its long-term development, strives to optimize and build a stable and diversified governance structure and decision-making system with well-defined responsibilities at all levels, and continuously improves corporate governance and risk management capabilities to ensure the management's firm control over its business strategy, development goals and their implementation status.

The Company continued to strengthen the compliance system, carried out training and awareness raising activities on compliance and business ethics, to integrate the principles of business integrity into its corporate culture. The Company has also established sound supervision and whistleblowing mechanisms to encourage supervision from both internal and external stakeholders, so as to comprehensively prevent compliance risks, and ensure the long-term and stable operation of the Company.





GOVERNANCE FRAMEWORK

In accordance with the Corporate Governance Code, the Corporate Governance Report and the relevant provisions of the Listing Rules, Bairong Inc. has establishes a sound and standardized corporate governance structure and formed a supervision and restraint mechanism with efficient operation and effective checks and balances, and built a high-level, high-guality Board and senior management based on the group of professionals with diverse backgrounds and rich experience. The Company also actively integrates resources to continuously optimize corporate governance to ensure the gradual improvement of the Company's operation and management efficiency.

The Board: Responsible for decision-making of all major matters of the Company, including policy matters, strategy and budget, internal control and risk management, major transactions, financial reporting, appointment of directors, and other major business matters.

Senior Management: Responsible for the implementation of the decisions of the Board, and the direction and coordination of the daily operation and management of the Company.



Board Diversity

Bairong Inc. has formulated the Board Diversity Policy, which sets out in detail the ways to realize the diversity of the Company's directors. In reviewing and evaluating candidates for directors, we take a variety of factors into consideration, including but not limited to gender, age, cultural and educational background, professional qualifications, skills and knowledge, and industry experiences. In accordance with the Board Diversity Policy, the Nomination Committee of the Board regularly discuss and develop board diversity indicators when necessary, and make recommendations to the board on previous nomination results.

As of the end of 2021, there were nine board members in the Board, from diverse backgrounds and with rich industry experience in the fields of technology, finance, investment, accounting and academia. All directors of the Company are equipped with the knowledge, skills, literacy, and experience that are necessary to perform their duties and supervise the management team on making major decisions.

Nomination and Selection of Directors

The Company has formulated the Director Nomination Policy, which contains nomination criteria and standards, to ensure that the selection process of all directors is fair, open and impartial, and in line with the Articles of Association and other relevant governance requirements. During the nomination of the Board, a number of factors are comprehensively considered, such as the Company's business characteristics and future development strategies, medium- and long-term plans, board structure and diversity, to formulate a detailed list of requirements in basic qualification criteria, professional knowledge and skills, and overall capabilities for director selection.

The Director Selection Process



Director Training

The Company attaches great importance to the professional development of the Board. Following the development and changes of regulatory policies, the Company provides a variety of training and learning opportunities for directors, including on-site training, distance training, reading materials and other methods, aiming at enhancing the directors' attention to corporate governance and ESG governance and the effectiveness of their performing their duties, so as to further improve the Company's governance performance and effectiveness. As of the end of 2021, the training coverage rate of incumbent directors was 100 %

Management Remuneration

The Board has set up a Remuneration Committee with Three Non-Executive Directors serving as members. In addition to providing recommendations to the Board on the remuneration policy and its formulation procedures, the Remuneration Committee also regularly reviews the remuneration system and standards for directors and senior management, taking into consideration factors such as remuneration levels of benchmark companies, responsibilities and tenure, business performance, and future risks, etc., and submit them to the Board for consideration.

Risk

Goals

Management

RISK MANAGEMENT

Bairong Inc. strictly implements the regulatory requirements, and has built a sound risk management system. The Company continuously optimizing its risk prevention and management capabilities focusing on various key risk sources, ensuring high-guality development with sound risk management.

Risk Management Mechanism

The Company has formulated the Comprehensive Risk Management Measures as a guiding documents for its risk management, which specifies the organizational structure, system and process, method and technology of its risk management activities. In daily operation, the Company closely integrates comprehensive risk management with operations, fully integrating various requirements of risk management into corporate management and business processes, and jointly serving the Company's overall business development goals.

Management Goals

e Ensure that risks are controlled within a range that is compatible with the Company's overall business development goals and are tolerable, and conducive to supporting the Company to achieve its strategic goals;

Ensure true, reliable and effective information communication internally and externally;

responsibilities;

Ensure the effectiveness of business management and improve the efficiency and effectiveness of business activities; and

Ensure that the Company has a crisis management plan for various major risks, which protects the Company from major losses due to catastrophic risks or human errors.

Organizational System



Responsible for the effectiveness of comprehensive risk management efforts, including: setting the overall objectives of corporate risk management, determining the Company's overall risk appetite and risk tolerance, and validating the Company's risk assessment results and response plans for major matters.

Legal Department

Organizing all departments to carry out the supervision and evaluation of comprehensive risk management, issue a comprehensive risk supervision and evaluation report, and report to the management of the Company.

Risk Identification & Classification	Risk Assessment
Regularly review the Company's key business activities and risks in management and business processes to identify the risks associated with the achievement of objectives. The main risks to the Company fall into five broad categories:	The Legal Department organizes relevant departments to establish standards, procedures and methods for risk assessment, formulates risk assessment plans, and organizes and coordinates and directs departments to carry out risk assessment work.
 Strategic risk Financial risk Market risk Operational risk Compliance risk Regularly collect company risk information, forming a risk list by classification and analysis. 	Take a qualitative, quantitative or combined approach to assess the likelihood and extent of the risk and impact, identifying significant risks.

Risk Management Culture

Risk management culture is the necessary requirement for a company to ensure its rapid and steady development, as well as the requirement to strengthen its employee cohesion and industry competitiveness, support the implementation of its policies, and provide the company with new perspectives and new thinking on risk management. The Company is committed to establishing a risk-conscious corporate culture. By integrating risk management culture in corporate governance through diversified training and awareness raising activities, the Company strives to encourage all employees to develop a proper attitude toward risk management, as well as the awareness and concept that risks coexist with opportunities, and one should attach importance to post risk management. These measures have effectively enhanced risk management of both the Company and its employees, contributing to ensuring the realization of the Company's risk management goals.

The Company has also established a pre-job risk management training system for management staff and operational staff in charge of key management and business processes and key risk control points, using scientific and diversified approaches and methods to help them strengthen their mastering of risk management concepts, knowledge, processes, and methods, so as to cultivate outstanding risk management professionals and foster a risk management corporate culture.

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Risk Management Process

Risk Response

Risk Monitoring & Reporting

According to the different attributes of risk classification, the corresponding risk response measures are taken to allocate the human and financial resources required for risk management.

- · Risk aversion
- · Risk mitigation
- · Risk transfer
- · Risk tolerance

We take on-site interviews, guestionnaires, and voucher spot checks etc. to make sure departments are taking measures to response risks.

Organizing all departments to carry out comprehensive risk management work, systematically summarizing the Company's risk management work and effectiveness, analyzing the risk situation, propose corresponding risk management work recommendations, reviewed by the Company's management.

The Legal Department timely urge the relevant departments to carry out rectification that confirmed by the Company's management.

Emerging Risk Management

In 2021, the COVID-19 pandemic continued to cause public health crisis, which further heightened people's attention upon environmental and social risks. According to the "2021 Global Risks Report" released by the World Economic Forum, extreme weather, damage to the human environment, infectious diseases, and cyber security were among the top ten global risks in terms of occurrence probability. In this regard, the Company continues to strengthen the management, control and response to emerging risks, and has established the processes to identity and manage emerging risks, taking the initiative to scientifically identify and analyze various emerging risks, and formulate corresponding risk mitigation strategies.

Key Emerging Risks and Mitigation Measures

Risk Type	Risk Description	Potential Shock or Impact	Responses
Climate Change	Extreme weather events pose a significant hazard to property, infrastructure and personal health.	Climate disasters have disrupted services at company operating terminals, such as service disruption of data centers caused by disasters.	For data centers, work together with service providers to establish emergency power supply and disaster preparedness plans. Pay close attention to local weather forecast, and take precautions in case of severe weather.
Public Health	The spread of infectious diseases such as COVID-19 can affect employees' health and cause employee quarantine. The suspension of work due to epidemic outbreaks may result in credit risk and failure in the timely performance of contractual duties on time.	Business disruption due to employee quarantine or epidemic prevention and control requirements. Losses from the cancellation or early termination of contracts as a result of epidemic outbreaks.	Set up an epidemic prevention and control team to follow epidemic situation, and develop notification mechanisms and relevant protective measures. Develop a business continuity plan, adopt flexible office and ensure business operations. Negotiate delivery or payment extensions with customers in advance to keep the financial performance safe.
Cyber Security	Cyberattacks targeting financial and Internet industries are on the rise, and hackers are trying to gain access to stolen or tampered with information with novel methods and exploiting system weaknesses, which are also difficult to trace their sources. For financial consumers, criminals fabricate false information by telephone, Internet and text message, set up scams, carry out remote, contactless fraud against victims, and illegally steal other people's property.	Successfully attacks of cyber- hackers may cause damage to the rights and interests of customers, affect the Company's reputation, and incur regulatory penalties. Expand the Company's anti- fraud system business volume and prevention and control testing.	Develop contingency plans for cyber and information security incidents, and strengthen monitoring and early warning of cyber and information security incidents. Continuously optimize the intelligent risk management system, and work with financial institutions to improve the detection rate of prior fraud, fraud response efficiency and ex post fraud case mining efficiency.

OPERATIONAL COMPLIANCE

Bairong Inc. acts in strict compliance with provisions and requirements laid out in the Company Law of the People's Republic of China and other laws, regulations and normative documents. The Company has also formulated and passed the Compliance Risk Management Measures, prioritized legal and compliant operations, and established sound compliance management mechanisms and policies to achieve effective identification and management of compliance risks, making every effort to ensure that the operation, management and business behaviors of the Company and its employees are fully in compliance with relevant laws, regulations and guidelines.

Principles of Compliance Management



compliance management policies will be held accountable.

Compliance Management System

Roles	Main Responsibilities
Senior Management	Review and approve the Company's compliance policies, basic systems and compliance risk management reports, evaluate the effectiveness of the compliance management, and urge to solve the problems involved, appoint and assess relevant compliance management personnel, and establish a direct communication mechanism with the responsible person.
Chief Financial Officer	Guide the legal department to improve the management structure and comply with the Company's compliance management procedures, implement compliance policies, and to ensure the violations are reported, rectified and charged on time, and ensure the authenticity of materials submitted by the Company to regulatory authorities and self-regulatory organizations.
Compliance Officer	Formulate the basic compliance management system and other compliance management systems of the Company, organize compliance review of company rules and regulations, major decisions, new products, and new business plans, organize compliance training and provide compliance consultation, timely report any found violations of laws and regulations of potential compliance risks, and supervise the handling of complaints and reports against illegal activities.
Compliance Management Department	Draft compliance management regulations in accordance with laws regulations and standards, carry out dynamic monitoring of regulatory requirement and timely assessment of their impact on the compliance management of Company, carry out various forms of compliance training and awareness raising activities, prepare and submit compliance reports and conduct compliance risk assessment, compliance review, compliance inspection and conflict of interest management.



BUSINESS ETHICS

Bairong Inc. has principle of integrity and honesty in place to support the core management of the organization, requiring every director, management staff and employee to take actions and practice the principles of integrity, honesty and hard-working. Meanwhile, Bairong Inc. continuously optimize its policies and management mechanisms. In the Employee Handbook, the Company regulates the Code of Conduct for employees, provides principle guidelines and practical directions for employees, and specifies policies on compliance, integrity and whistleblowing activities regarding work related interactions, striving to investigate and put an end to corruption.

Provide feedback that comprehensively reflects the situation, and insist on using facts and data to express opinions;

0-----

Communicate in person, and reject the spreading of unconfirmed news; 0-----

Practice what you preach. If it cannot be done because of objective conditions, do not be afraid to admit it; 0-----

Anti-Corruption and Anti-Commercial Bribery

Bairong Inc. adheres to the principle of business integrity, strictly abides by the Anti-Unfair Competition Law of the People's Republic of China and other national laws and regulations, and is committed to creating a good working atmosphere of integrity, entrepreneurship, and compliance with laws and regulations. In order to prevent corruption incidents, the Company has established an effective anti-corruption and anti-commercial bribery management system, listing "corruption and bribery" as the most severe red line behaviors and warning all employees against it. The Company continues to strengthen its internal control and compliance mechanism, urge employees to be honest and trustworthy, and guide employees to consciously resist corruption, so as to ensure the healthy development of the Company. For board members, management and general employees, the Company has also outlined anti-corruption regulations and codes of conduct, and actively conducted training activities on anti-corruption and business ethics to raise the awareness of anti-corruption and integrity among all employees.

Through the compliance monitoring mechanism, the Company has formulated corresponding control strategies for key areas with potential corruption hazard, and integrated them into business activities and processes. Meanwhile, the Company actively carries out compliance reviews and compliance inspections, including anti-corruption and anti-commercial bribery efforts, with regular and ad-hoc inspections, and promptly investigate, report and dispose of corruption risks accordingly. In 2021, the Company had no incident of corruption cases.





Supervision and Whistleblowing



Bairong Inc. encourages employees to expose and report on corrupt behaviors. The Company has established the Bairong Integrity Team, composed of the directors of the Human Resources Department, the Legal Department and the Finance Department, to lead the handling and investigation of reported corruption incidents and violations of the integrity and compliance policies. The Bairong Integrity Team independently exercises the power of investigation and has the right to interview any employee. No department or individual shall interfere or restrict, refuse or hinder the investigation. The departments and individuals under investigation shall be accountable responsible for the authenticity of the materials they provide. The Bairong Integrity Team keeps all information providers and the information provided strictly confidential in all aspects such as reporting handling and investigation.

To encourage employees to report violations and dishonest behaviors, Bairong Inc. has set up a variety of reporting channels, including mailboxes and emails (compliance@brgroup.com; tousu@brgroup.com), and is committed to fully protecting whistleblowers and employees participating or assisting with the investigation process from unfair treatment and retaliation.

Intellectual Property Protection

Bairong Inc. strictly abides by relevant laws and regulations, including but not limited to the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, and the Anti-Unfair Competition Law of the People's Republic of China, etc. The Company has established the Bairong Inc. Intellectual Property Management Policy, including the Patent Management Policy, Trademark Management Policy, and Computer Software Copyright Management Policy, etc., to effectively manage intellectual property. The Company properly records intellectual property related efforts, clarify the result of intellectual property creation activities, protects its own intellectual property rights, and strengthens intellectual property management, so as the promote the healthy development of the industry with greater

creativity and innovation.

Bairong Inc. stipulates that all employees must not only protect the Company's intellectual property rights, but also value and respect the intellectual property rights of others. The Company encourage personnel to report the violation of its intellectual property rights through our whistleblowing and complaint channels, so as to better safeguard the legitimate rights and interests of the Company's intangible assets.



SUPPLIER MANAGEMENT

Bairong Inc. regards suppliers as important partners of the Company. Through in-depth cooperation with suppliers in products, technology and data, the Company has developed long-term trust, common growth and win-win cooperation with its suppliers. Meanwhile, the Company actively practices the concept of green procurement, and advocate responsible code of conducts to suppliers, working together with suppliers to achieve common growth.

Strengthen Supplier Management

To ensure the safety and reliability of the purchased products or services, and promote the operation standardization and healthy development of the Company, Bairong Inc. has promulgated the Procurement Management Policy in accordance with the relevant laws and regulations and the internal requirements, which regulates the main responsible department, the filing process, the supplier access requirements, the screening mechanism, and the supervision method of procurement. The Company strictly abides by the Procurement Management Policy, conducts due diligence on suppliers accordingly, attaches great importance to the compliance of suppliers, and encourages suppliers to actively fulfill their social responsibilities, aiming at building a transparent, compliant procurement processes with sustainable procurement management.

The Procurement Management Policy clearly stipulates that suppliers are required to:

Be a lawfully established enterprise legal person;
Have corresponding qualification, license and authorization, and able
Comply with the registered capital required for the purchased goods;
Have quality, safety, environmental protection and other relevant certi
Have good business reputation, and have no illegal records in busines
Have a complete quality assurance system, and have no unqualified industry and local government authorities in the past three years; and
Meet other conditions required by the Company.

Green Procurement

Bairong Inc. actively promotes green procurement, and gives priority considerations to suppliers and products with relevant environmental management system certification, green product certification, or high energy efficiency grades. Suppliers with major negative environmental incidents will be treated with caution or disqualified. The Company strives to work together with its supply chain partners to help them improve their environmental performance and develop in harmony with the environment.







ESG PERFORMANCE

Environmental Performance

• Energy consumption

Indicator	Unit	2020	202111	Note
Total energy consumption	GJ	4,718.74	5,500.88	
Energy consumption per employee	GJ/ person	7.26	4.24	
- Natural gas	Cubic meter ("m3")	0	0	
- Purchased electricity	kWh	530,282.90	691,231.50	
- Purchased heat	GJ	2,811.57	3,012.45	Only the Beijing office purchase heat.

• Greenhouse Gas Emissions*

Indicator	Unit	2020	2021	Note
Direct GHG emissions (Scope 1)	Tonnes of CO2e	0	0	
Indirect GHG emissions (Scope 2)	Tonnes of CO2e	778.20	732.98	
Per capita GHG emissions (Scope 1 & Scope 2)	Tonnes CO2e/ person	1.20	0.57	The data is counted for full-time employees only.

• Water Consumption*

Indicator	Unit	2020	2021	Note
Total water consumption	m3	695	1,037	
Water consumption per employee	m3 / person	1.07	0.800	The data is counted for full-time employees only.
Water consumption per unit of revenue	Liter / RMB10,000	6.11	6.39	

• Waste*

Indicator	Unit	2020	2021	Note
Total amount of hazardous waste	Tonnes	0.0375	0.0474	
Total area of office space	Square meter ("m2")		9,596	
Amount of hazardous waste per employee	Kilogram / person	0.0580	0.0366	The data is counted for full-time employees only.
Amount of hazardous waste per employee per unit area of office space	Tonne / m2	0.0055	0.0049	
Total amount of non-hazardous waste	Tonnes	47.00	89.09	
Amount of non-hazardous waste per employee	Kilogram / person	72.31	68.74	
Amount of non-hazardous waste per employee per unit area of office space	Kilogram / square meter	6.93	9.28	
Total amount of packaging materials	Tonnes	0	0	Öur business does not use packaging materials.

Note:

1. Unless otherwise specified, the scope of the 2021 environmental data included in this report covers all the office site in the Chinese Mainland, including Beijing Office, Shanghai Office, Shenzen Office, Wuhan Office, and Chengdu Office.

2. Based on the characteristics of our operations, the main sources of our GHG emissions are purchased electricity and purchased heat, both calculated in terms of carbon dioxide equivalent. For emission factors, we mainly based our calculation on the grid emission factors of the Ministry of Ecology and Environment of the PRC's Corporate Greenhouse Gas Emission Accounting Methodology and Reporting Guidance – Power Generation Facilities (2022 Revised Edition). The Company does not own corporate vehicles, so it has zero Scope 1 emissions from the consumption of gasoline, diesel, liquefied petroleum gas and natural gas.

3. There are three sources of water consumption: municipal water (tap water), drinking water in large containers for water cooler/heater (drinking water), and bottled water (drinking water). The Company actively conserved water and its daily water consumption has no significant impact on the surrounding environment of the operation site.

Social Performance

• Human Resources Structure

Indicator	Unit	2020	2021	Note
Labor contract signing rate	%	100	100	
Social insurance coverage	%	100	100	
Total number of employees	person	979	1,329	
- Full-time employees	person	-	1,296	
- Part time employees	person	-	33	
- Employees in Mainland China	person	-	1,322	
- Employees in HK, Macao & Overseas	person	-	7	
- Percentage of female employees	%	46	43	
- Percentage of male employees	%	54	57	
- Percentage of employees aged under 30	%	42	42	
- Percentage of employees aged 30-50	%	57	56	
- Percentage of employees aged over 50	%	1	2	
- Number of ethnic minority employees	person	31	40	
- Number of sales and marketing employees	person	211	310	All the sales and marketing employees are full-time employees
- Number of employees in product development	person	491	654	All the product development employees are full-time employees
- Number of customer service employees	person	93	102	All the customer service employees are full-time employees
- Number of administrative staff	person	184	230	All the administrative employees are full-time employees
Total number of employees newly hired during the previous year	person	-	513	
- Number of female employees newly hired	person	-	211	
- Pe Number of male employees newly hired	person	-	302	

Indicator	Unit	2020	2021	Note
Employee turnover rate (including Beijing, Shanghai and other regions in China)	%	28	24	
Turnover rate of male employees	%	30	17	
Turnover rate of female employees	%	26	33	
Turnover rate of employees aged under 30	%	43	39	
Turnover rate of employees aged 30–50	%	18	13	
Employee Training				
Indicator	Unit	2020	2021	Note
lotal number of employee training participation	Person-time	1,065	1,329	
percentage of male employees trained	%	100	100	
percentage of female employees trained	%	100	100	
percentage of senior management trained	%	100	100	
percentage of middle-level management trained*	%	100	100	
percentage of frontline employees trained*	%	100	100	
otal training expenses	RMB 10,000	44.7	51.2	
werage training expenses per employee	RMB	420	385	
he total number of employee participation in work- elated knowledge and skills training	Person-time	860	972	
werage training time per employee	hour	65.1	65.9	
Average training time of senior management*	hour	110.2	115.1	
Average training time of middle-level management*	hour	82.5	84.5	
Average training time of frontline employees*	hour	58.7	58.8	
Average training time of female employees	hour	60.3	60.8	
Average training time of male employees	hour	72.8	73.1	

*The data only covers the Beijing headquarters.

• Employee Health and Safety

Indicator	Unit	2020	2021	Note
Health examination and health record coverage	%	86	88	
Number of incidents of work-related injury	case	0	0	
Number of work-related deaths	case	0	0	
Rate of deaths at work	%	0	0	
Lost working days due to work-related injury	day	0	0	

• Supplier Management

Indicator	Unit	2020	2021	Note
Number of suppliers	-	468	649	
Number of suppliers from Mainland China	-	-	635	
Number of suppliers from Hong Kong, Macao, and overseas	-	-	14	
Number of suppliers from Beijing * (ranked the most)	-	242	282	
Number of suppliers from Shanghai * (ranked the second most)	-	56	84	
Number of suppliers from Shenzhen * (ranked the third most)	-	30	48	

Customer Service

Indicator	Unit	2021	Note
Customer satisfaction score	%	95.3	
Customer complaints over services provided	Case	3	
Completion rate of customer complaint handling	%	100	
Average processing time for customer complaints	minute	30	
Total amount of charitable donations	RMB10,000	30	
Total hours of employee volunteering	Hour	1,532	

Governance Performance

• Business Performance

Indicator	Unit	2020	2021	Note
Revenue	RMB in million	1,137	1,623	
-Smart analytics and operation services	RMB in million	533	737	
-Precision marking services	RMB in million	265	422	
-Insurance distribution services	RMB in million	339	464	
R&D expenses	RMB in million	201	252	
Total number of FSP clients		4,500+	5,700+	
Number of key FSP clients		237	257	

Board Diversity

Name	Gender	Age	Title	Education
Zhang Shaofeng	Male	44	Executive Director	Master
Zhao Hongqiang	Male	45	Executive Director	Master
Zhao Jing	Female	43	Executive Director	Master
Bai Linsen	Male	49	Non-Executive Director	Master
Ren Xuefeng	Male	42	Non-Executive Director	Master
Chen Zhiwu	Male		Independent Non-Executive Director	PhD
Zhou Hao	Male	45		Bachelor
Guo Yike	Male	59	Independent Non-Executive Director	PhD
Li Yao	Male	53	Independent Non-Executive Director	PhD

Indicator	Number	Proportion (%)
Number of board members	9	-
Number of Executive Directors	3	33.3
Number of Non-Executive Directors	2	22.2
Number of Independent Non-Executive Directors	4	44.4
Number of male directors	8	88.89
Number of female directors	1	11.11
Number of directors aged 30-50	6	66.67
Number of directors over 50 years old	3	33.33
Number of directors with PhD degree	3	33.33
Number of directors with master's degree	5	55.56
Number of directors with bachelor's degree	1	11.11

• Anti-corruption

Indicator	Unit	2020	2021	Note
Number of corruption lawsuits filed and concluded brought	Case	0	0	
against the Company or its employees				

CONTENT INDEX

ESG Reporting Guide Content Index

Subject Areas, Aspects, General Disclosures and KPIs				
		A: Environmental		
Aspect A1: Emissions	that have a sig	sure Information on: (a) the policies; and (b) compliance with relevant laws and regulations nificant impact on the issuer relating to air and greenhouse gas emissions, discharges into d, and generation of hazardous and non-hazardous waste.	Supporting Green And Low-Carbon Development	
	KPI A1.1	The types of emissions and respective emissions data.	Environmental Performance	
	KPI 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).	Environmental Performance	
	KPI A1.3	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).		
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).		Environmental Performance	
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Supporting Green And Low-Carbon Development	
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Supporting Green And Low-Carbon Development	
Aspect A2: Use of Resources		closure: Policies on the efficient use of resources, including energy, other raw materials.	Supporting Green And Low-Carbon Development	
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	Environmental Performance	
	KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Environmental Performance	
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Supporting Green And Low-Carbon Development	
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Supporting Green And Low-Carbon Development	
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Performance	

Aspect A3: The Environment and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources.		
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Supporting Greer And Low-Carbon Development
Aspect A4: Climate Change		sure: Policies on identification and mitigation of significant climate-related issues which d, and those which may impact, the issuer.	Supporting Greer And Low-Carbon Development
	KPI 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.	Supporting Greer And Low-Carbon Development
		B. Social Employment and Labour Practices	
	that have a s	osure Information on: (a) the policies; and (b) compliance with relevant laws and regulations ignificant impact on the issuer relating to compensation and dismissal, recruitment and orking hours, rest periods, equity opportunity, diversity, anti-discrimination, and other velfare.	Fostering Employee Growth
Aspect B1: Employment	KPI B1.1 Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.		Social Performance
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Performance
Aspect B2: Health and Safety	that have a s	osure Information on: (a) the policies; and (b) compliance with relevant laws and regulations significant impact on the issuer relating to providing a safe working environment and ployees from occupational hazards.	Fostering Employee Growth
	KPI B1.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social Performance
	KPI B1.2 Lost days due to work injury.		Social Performance
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Fostering Employee Growth
Aspect B3: Development and Training		osure: Policies on improving employees' knowledge and skills for discharging duties at work. f training activities.	Fostering Employee Growth
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Social Performance
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Performance

Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.		Fostering Employee Growth
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Fostering Employee Growth
		Operating Practices	
Aspect B5: Supply Chain Management	General Disclo	sure: Policies on managing environmental and social risks of the supply chain.	Risk Management
	KPI B5.1	Number of suppliers by geographical region.	Social Performance
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supplier Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supplier Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supplier Management
Aspect B6: Product Responsibility	that have a sig	sure Information on: (a) the policies; and (b) compliance with relevant laws and regulations nificant impact on the issuer relating to health and safety, advertising, labelling and privacy g to products and services provided and methods of redress.	Protecting the Lifeline of Digital Finance; and Ensuring Satisfactory Consumer Experience
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
	KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Social Performance; and Ensuring Satisfactory Consumer Experience
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Business Ethic
	KPI B6.4	Description of quality assurance process and recall procedures.	Ensuring Satisfactory Consumer Experience
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting the Lifeline of Digital Finance

Aspect B7: Anti- corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.				
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.			
	KPI B7.2	2 Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.			
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethic		
	Community				
Aspect B8: Community Investment	General Disc communities the commur	Contributing to Public Welfare Undertakings			
	nunity needs, health, culture, sport).		Contributing to Public Welfare Undertakings		
	KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Contributing to Public Welfare Undertakings		

