



2023

Environmental, Social and Governance Report of Bairong Inc.

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ABOUT THIS REPORT

Introduction to Report

This report is the fourth environmental, social and governance (“ESG”) report released by Bairong Inc., 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 2023. This report is prepared in an objective, standardized, transparent and comprehensive manner with a view to responding to the expectations of stakeholders and fulfilling its social responsibilities more efficiently.

Reporting Period

Unless otherwise indicated, this report covers the period from January 1, 2023 to December 31, 2023, with certain information extending beyond this time period.

Reporting Scope

Unless otherwise indicated, the organizational scope of this report encompasses Bairong Inc. and its subsidiaries and consolidated affiliated entities (collectively the “Group”, “Bairong”, “the Company” or “we”). The scope of entities in the report was identified in accordance with the Group's scope of financial reporting for preparing annual financial statements.

Basis of Preparation

This report is compiled in accordance with the ESG Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), with reference to the GRI Standards issued by GSSB.

Data source

All information and data referenced in this report are based on the in-house documentation, statistical reports and financial reports, etc., of Bairong Inc. This report is issued after full review by the Board of Directors of Bairong Inc. (the “Board”) and no presence of inaccurate records, misleading statements or major omissions was found in this report.

Basic Reporting Principles

MATERIALITY

Assessment of materiality is used for this report to identify the major ESG issues within the reporting period; the descriptions of important stakeholders and the specific processes of participation by the stakeholders as well as the results obtained have all been properly disclosed in this report.

QUANTITATIVE

Key performances in environment, society and governance by Bairong Inc. have been fully disclosed, and additional discussion and description of objectives pertinent to the key performances are given to the maximum extent possible in this report.

BALANCE

This report reflects objective facts, and strives to report the performance of Bairong Inc. impartially.

CONSISTENCY

A consistent disclosure approach is used in this report by applying consistent scales for comparable indicators so as to provide more references for performance disclosure.

Currency Unit

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

Report Accessibility

The Chinese and English versions of this report are available for download at the website of the Stock Exchange (www.hkexnews.hk) and the website of Bairong Inc. (www.brgroup.com). The chinese version of this report shall prevail in case of any discrepancies found between the chinese version and the english version.

Comments & Feedback

Any comments or suggestions regarding the content of this report or the Company's performance in ESG may be communicated to us via our email at ir@brgroup.com. Any valuable comments and suggestions will help us further improve this report and our ESG performance.

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THE BOARD'S STATEMENT

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. 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 2023. 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.

MESSAGE FROM CHAIRMAN

Founder, Chairman and
CEO of Bairong, Inc.

Zhang Shaofeng



Exploration and achievement: navigation of digital intelligence and outstanding performance

Standing in the landmark historical node at 2023 and at the intersection of tenth anniversary of Bairong Inc. is riding the giant ship of the era of digital intelligence, carrying on the past and opening up the future, and setting sail for a long journey. Bairong Inc. is moving forward in the era of scientific and technological revolution and industrial transformation. As a navigator in the digital and intelligent service for the financial industry in China, we are moving towards a new height in a sweeping fashion. In this year, our performance has been outstanding, achieving rapid growth for four consecutive years. MaaS business, as the cornerstone of the Company, has become increasingly stable, and BaaS business, as the second growth driver, has become stronger. A series of AI innovation achievements such as large models, AI Agent and digital human have emerged one after another, and AI-related invention patents have grown rapidly. Our continuous investment and innovation in the fields of Generative AI, BaaS and MaaS has shown our firm position in the huge wave of digital economy and our ability to lead the industry towards an intelligent and sustainable future. At the same time, our relationship map system, intelligent customer service system and rule engine service system have passed the Certification of Beijing New Technology and New Products (Services), which is not only a high recognition of our innovative ability, but also a strong proof of our continuous exploration and breakthrough in the field of financial technology. These systems have played a core role in improving the service efficiency and accuracy of financial institutions, and helped financial institutions realize the digital and intelligent transformation. Our technical team's continuous development in cutting-edge fields such as big data, artificial intelligence and cloud computing has provided a strong impetus for the innovation of products and services. In the rapidly changing market, we have always been deeply convinced that continuous technological innovation and product upgrading are the key to staying ahead.

Green practice: firm commitment to building a sustainable future

In the face of global climate change and environmental challenges, we have been adhering to the development concept of "green, energy-saving and low-carbon" and integrating environmental protection into the core values of the Company. In the future, new structural opportunities will emerge in fields such as wealth management, AI and green development. We will not be a spectator of the times, and will actively participate in the changes of the times. Our relationship map system, intelligent customer service system and rule engine service system have not only provided efficient services for clients, but also reflected our commitment and efforts to environmental protection. In the past year, we have not only implemented energy saving and carbon reduction in our own operations, but also helped the Company achieve green transformation through technological innovation. Our green practice has not only reflected in our own energy saving and carbon reduction, but also affected the whole society through our products and services. Through technological innovation, we have promoted the effective combination of financial services and rural economy, and our efforts in rural revitalization have been widely recognized by the society. Our "industry + technology + finance" model has not only solved the challenges from supply chain finance, also provided strong support for the economic development of small and medium-sized enterprises and rural areas. We have been committed to helping financial institutions achieve their business goals and contribute to environmental protection through the power of technology. We deeply convinced that technology and innovation can bring more possibilities for the green future of the earth.

Social responsibility: building a harmonious society with the power of technology

As a leader in promoting the digital and intelligent transformation for industries in China, in the past year, we have helped the Company realize digital and intelligent transformation. In terms of business structure, we have used AI technology to improve the operational efficiency of vertical industries. Our technological innovation has not only served institutions, but also extended to all corners of society. At the same time, we have been committed to public-interest activities and actively participated in social welfare undertakings through various forms of charitable donations and voluntary services. We have always been deeply convinced that the growth of the Company should not only be the growth of economic interests, but also the enhancement of social responsibility and public interests. In addition, we have also attached great importance to the growth and development of employees. We deeply convinced that employees are the most valuable assets of the Company, and their growth and satisfaction are directly related to the development of the Company. Therefore, we have provided a series of training and development plans to encourage employees to continue learning and improve their skills. We have also paid attention to establishing a diversified and inclusive working environment, so that employees can grow in multi-culture and contribute to the diversity of society.

Looking forward to the future, we will continue to deepen the digital and intelligent transformation and invest in the digital and intelligent transformation of finance with innovative thinking and products. We deeply convinced that through continuous efforts and unremitting pursuit, we will jointly enter a more intelligent, green and harmonious future and realize the vision of sustainable development.

Looking forward to the future, we will continue to deepen the digital and intelligent transformation and invest in the digital and intelligent transformation of finance with innovative thinking and products. We deeply convinced that through continuous efforts and unremitting pursuit, we will jointly enter a more intelligent, green and harmonious future and realize the vision of sustainable development.

ABOUT Bairong Inc

Company Profile

Bairong Inc. is a leading artificial intelligence (AI) technology service company. The Company applies technologies such as large language model, natural language processing (NLP), deep machine learning, privacy computing and cloud computing to provide services through a service model of model as a service (MaaS) and business as a service (BaaS). From the Company's MaaS, Discriminant AI is used to digitize the process of "Know Your Client" (KYC) and "Know Your Product" (KYP) of commercial organizations by analyzing users' risks, needs and qualifications. From the Company's BaaS, Discriminant AI is used firstly to analyze users and automatically stratifies and groups users, and intelligent robots based on Generative AI is used to communicate with users. The human natural language is used during communication to assist users to complete business transactions. The products and services provided by the Company are mainly used in multiple industries such as banking, consumer finance, insurance, e-commerce, automobile, logistics, ticketing, energy and construction, etc..

2023 Performance highlights →

Continuous emergence of leading scale effect and AI-driven effect

Revenue

RMB 2.681 billion

Year-over-year increase

+31%

Gross profit

RMB 1.955 billion

Gross profit margin

+73%



Number of institutions served

7000+



Proportion of R&D personnel

≈50%

Average labor efficiency

≈RMB 2 million



Leverage of the second growth curve by generative AI

BaaS (Financial Scenario) revenue

RMB 1.185 billion

Year-over-year increase

+59%

Gross transaction value

RMB 53.130 billion

Year-over-year increase

+93%

BaaS (Insurance Scenario) revenue

RMB 0.605 billion

Year-over-year increase

+10%

Total premium

RMB 3.330 billion

Year-over-year increase

+56%

Steady growth of crucial business

MaaS revenue

RMB 0.891 billion

Year-over-year increase

+17%

Number of Key Clients

213

Retention rate of Key Clients

99%



Average revenue per Key Client

RMB 3.50 million

Customer satisfaction

97%



High growth of net profit

Profit for the year

RMB 0.335 billion

Year-over-year increase

+46%

Non-IFRS Profit for the year

RMB 0.375 billion

Non-IFRS profit margin

+14%



Performance highlights



Revenue

RMB

RMB 2.68 billion

31% year-over-year increase



Gross profit margin

73%

Maintain stable and high gross profit

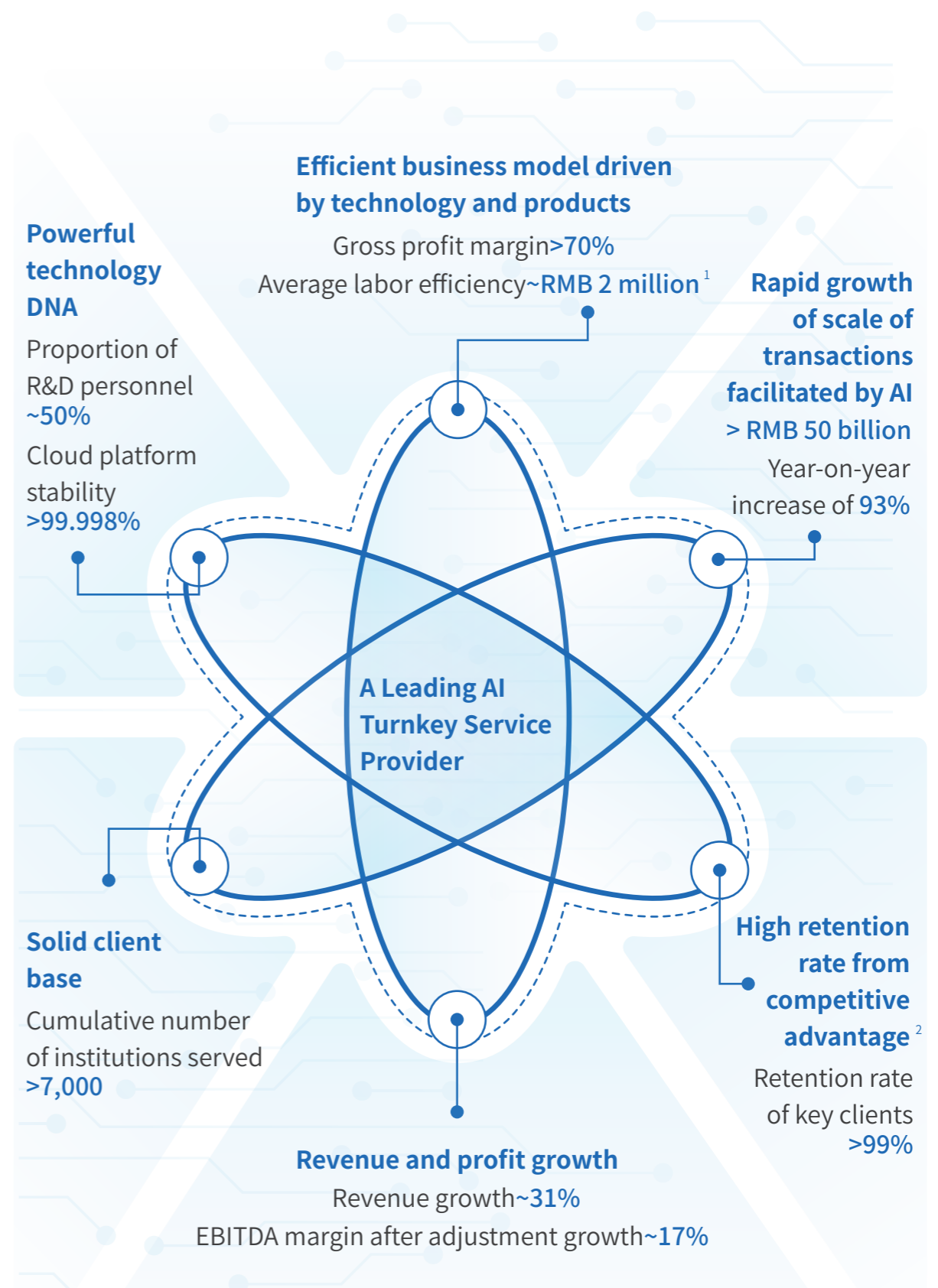


Non-IFRS profit for the year

RMB

RMB 0.375 billion

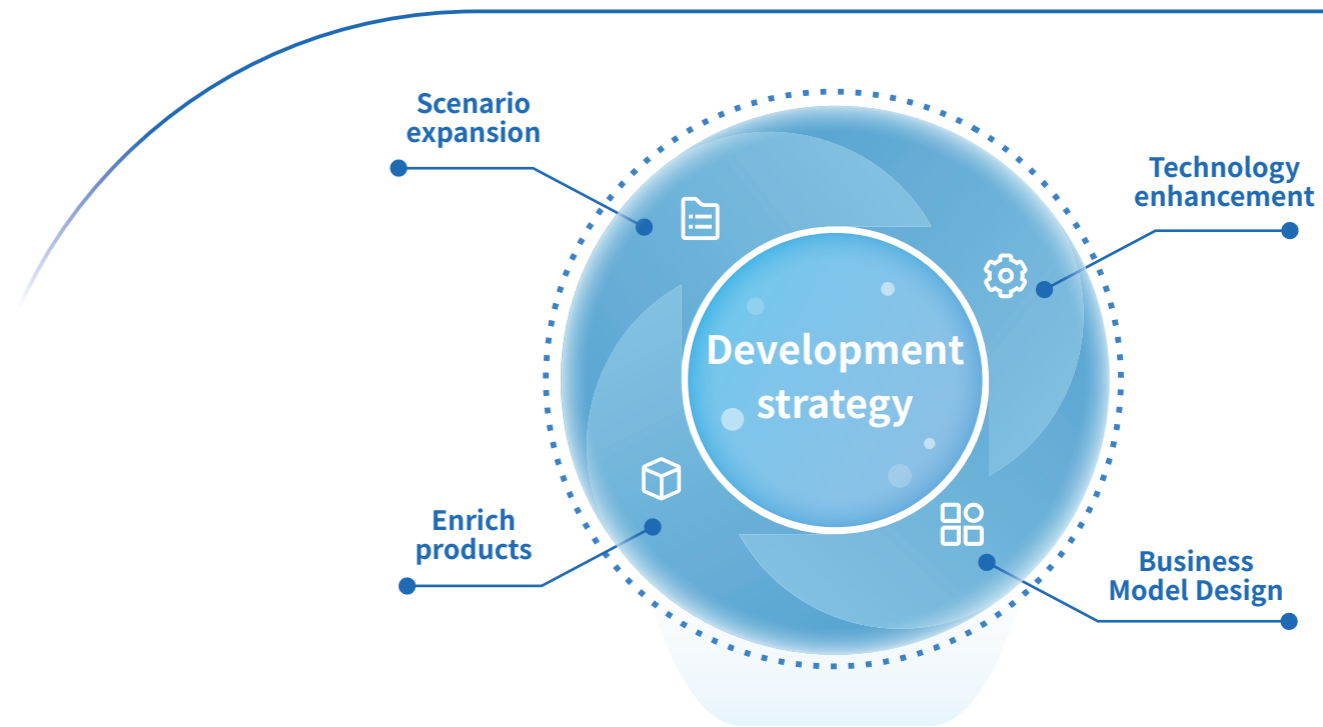
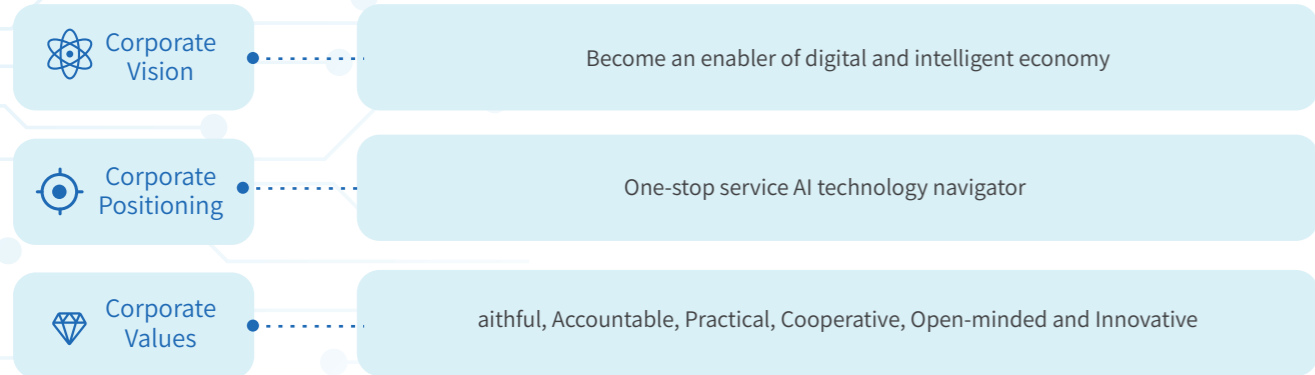
with non-IFRS profit margin of 14%



Note: The above data are for 2023. 1. The data is the average labor efficiency as of 2023; 2. Key clients are defined as institutions who contributed more than RMB 300,000 in revenue within the reporting period (that is 2023).

Note: The unit is RMB.

Corporate Culture



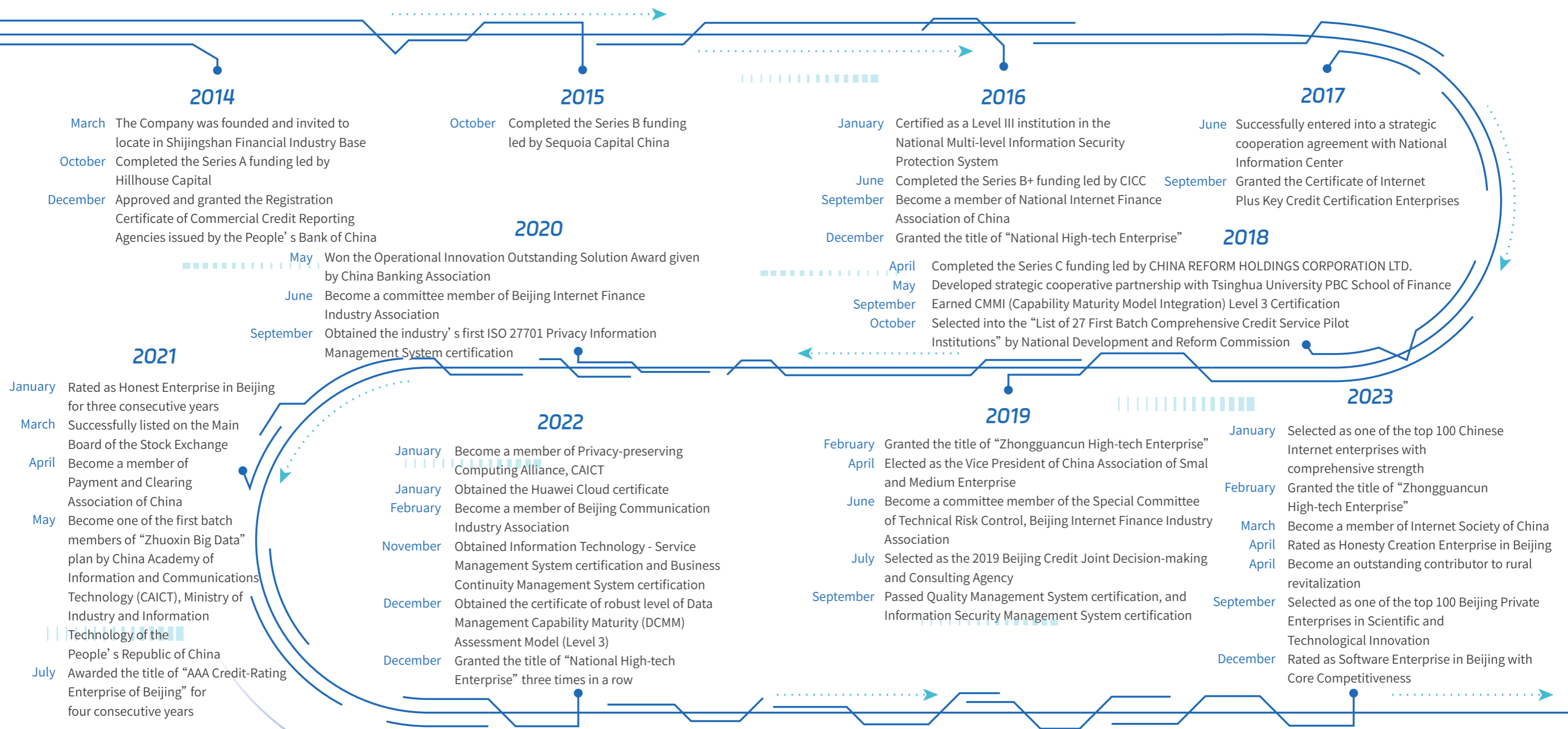
Maas

- Continue to expand the leading advantages of existing products Strengthen the investment and development of high value-added products
- Actively explore new products

Baas

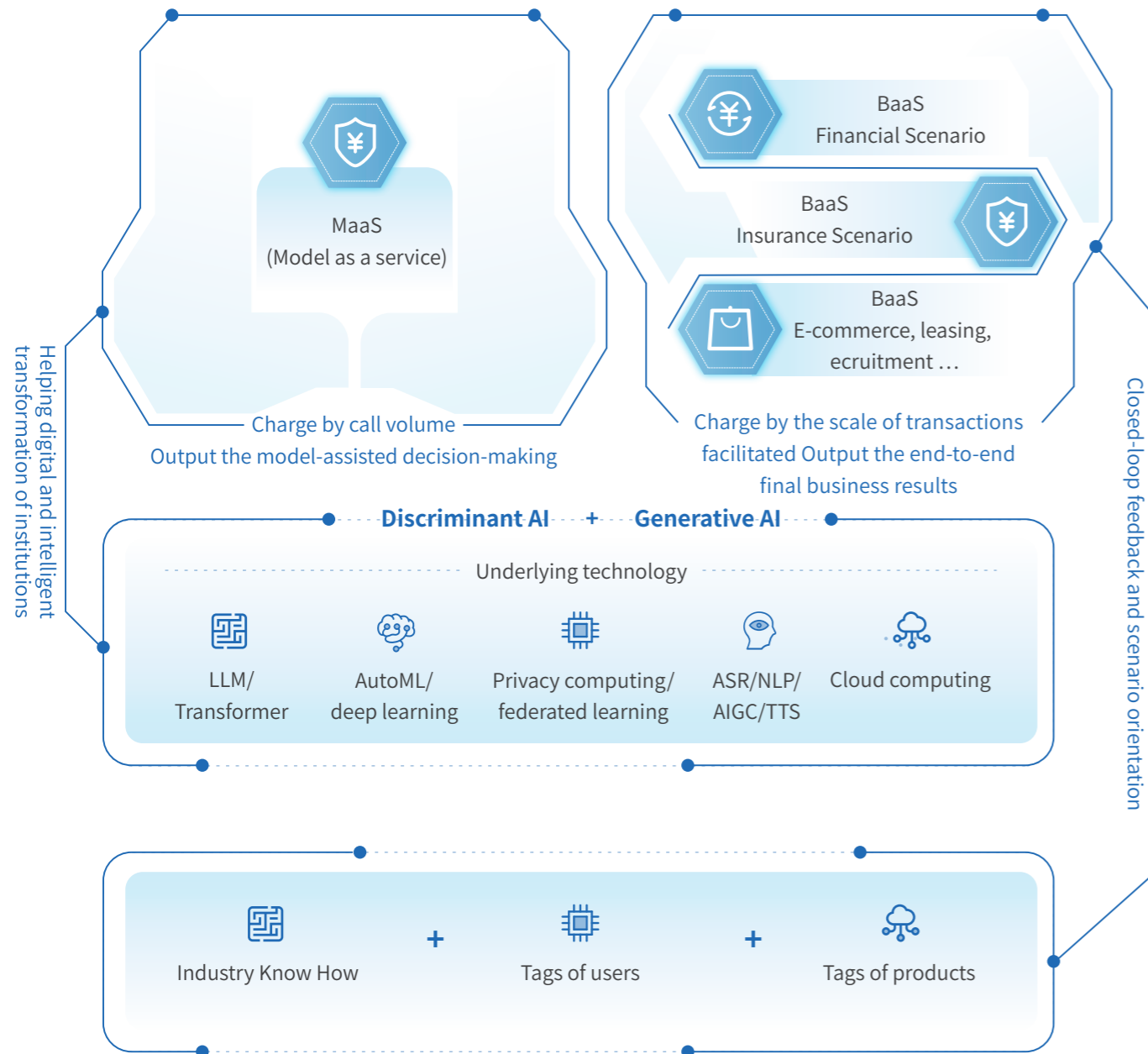
- Continue to expand the operation of generative AI and the service scale Continue to hone and accumulate the ability of "wealth + AI" and "insurance + AI"

Development history



Business Overview

Bairong Inc., as a one-stop service AI technology navigator, has developed cutting-edge technologies such as NLP, privacy computing, machine learning and cloud computing, created two complementary AI technical solutions, namely Discriminant AI and Generative AI, and proposed the promotion of the universal development of AI in vertical industries through service model of MaaS (model as a service) + BaaS (business as a service).



Notes:MaaS(Model as a Service) ; BaaS(Business as a Service)

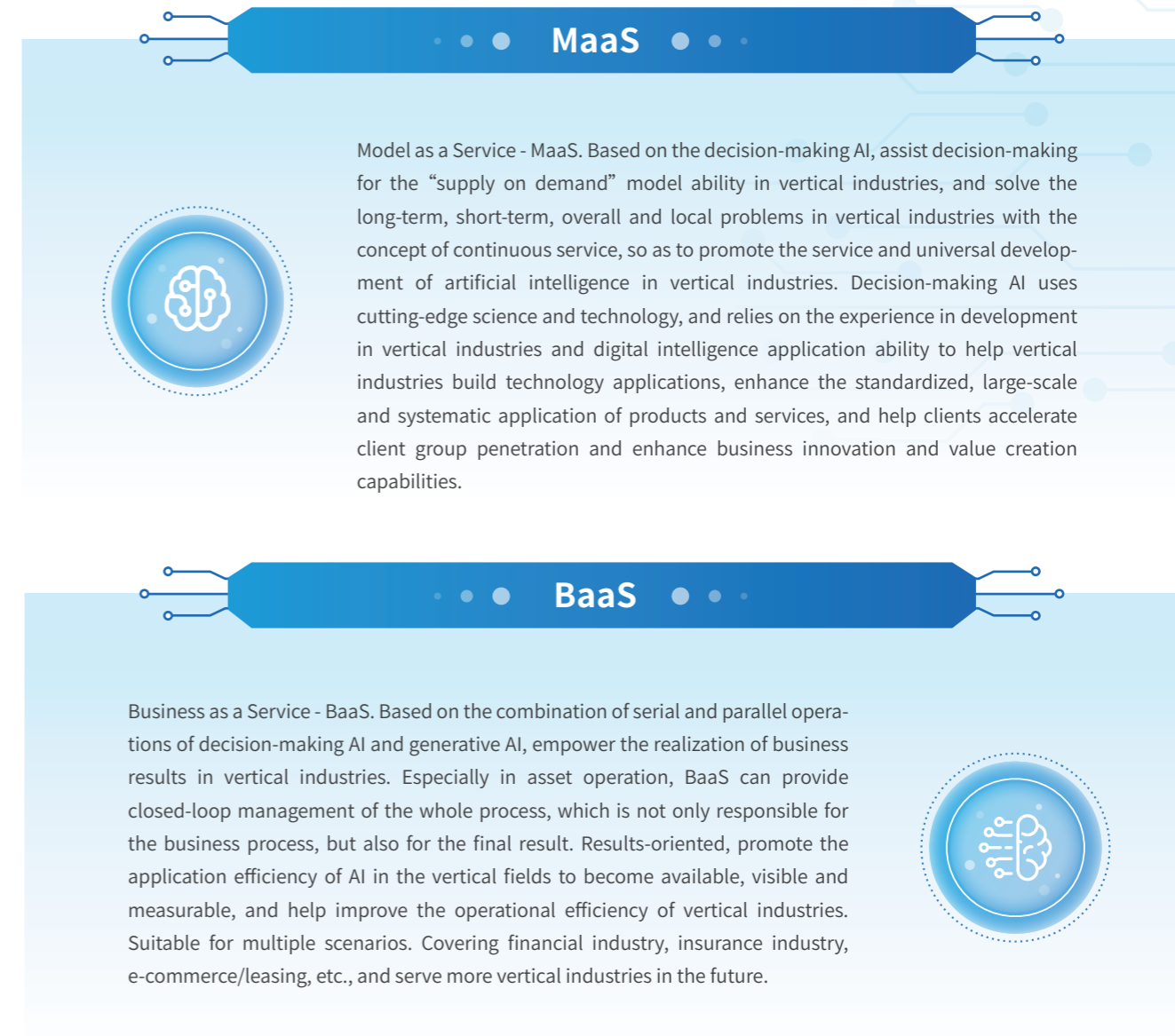
Digital and intelligent products and services

Business Sectors

Provide highly adaptable and stable products and solutions for partners in vertical industries.

Apply decision-making AI and generative AI technologies to provide full-process digital and intelligent services covering MaaS and

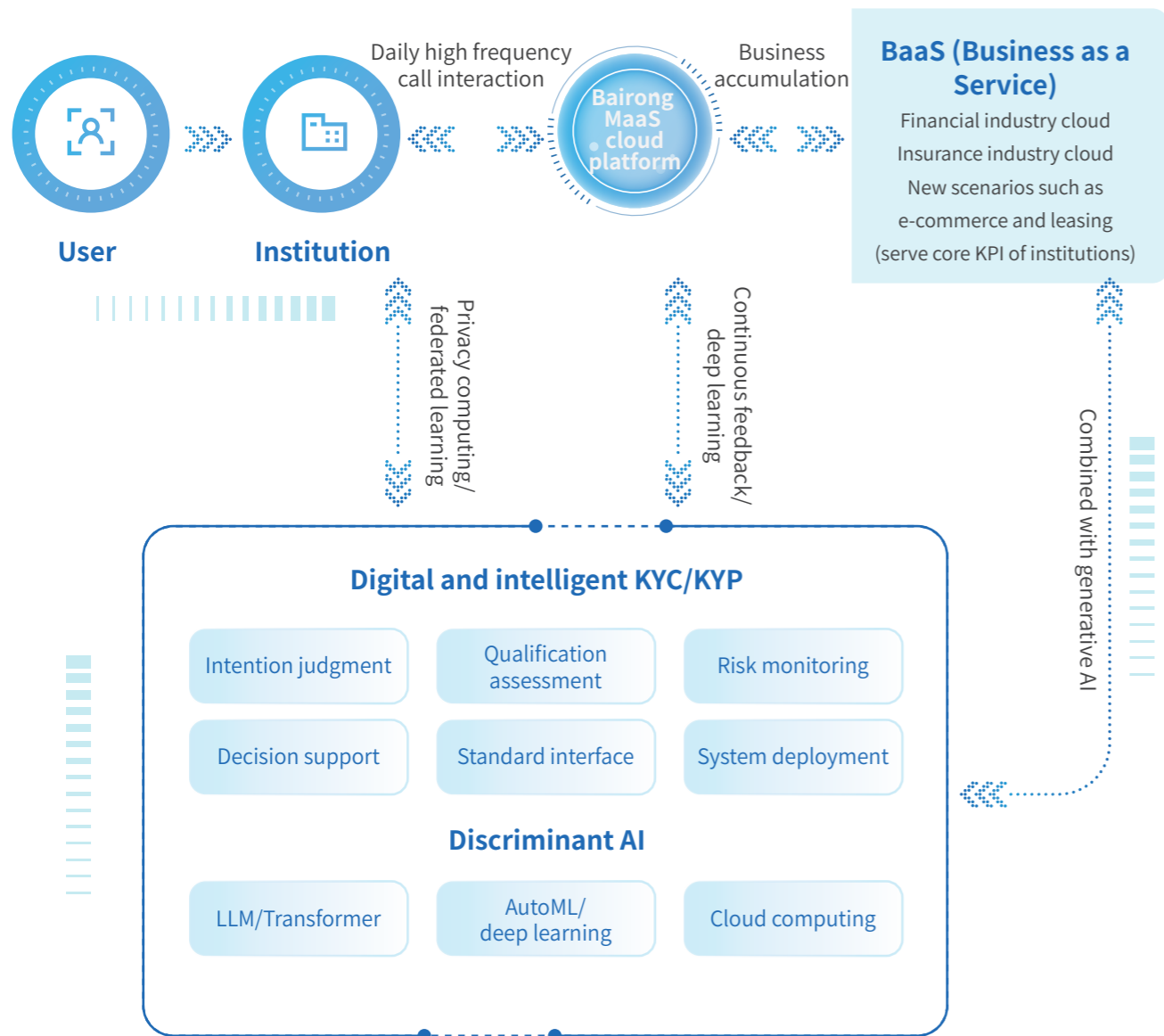
BaaS businesses based on Know-How and client insight.



Model as a Service - MaaS. Based on the decision-making AI, assist decision-making for the “supply on demand” model ability in vertical industries, and solve the long-term, short-term, overall and local problems in vertical industries with the concept of continuous service, so as to promote the service and universal development of artificial intelligence in vertical industries. Decision-making AI uses cutting-edge science and technology, and relies on the experience in development in vertical industries and digital intelligence application ability to help vertical industries build technology applications, enhance the standardized, large-scale and systematic application of products and services, and help clients accelerate client group penetration and enhance business innovation and value creation capabilities.

Business as a Service - BaaS. Based on the combination of serial and parallel operations of decision-making AI and generative AI, empower the realization of business results in vertical industries. Especially in asset operation, BaaS can provide closed-loop management of the whole process, which is not only responsible for the business process, but also for the final result. Results-oriented, promote the application efficiency of AI in the vertical fields to become available, visible and measurable, and help improve the operational efficiency of vertical industries. Suitable for multiple scenarios. Covering financial industry, insurance industry, e-commerce/leasing, etc., and serve more vertical industries in the future.

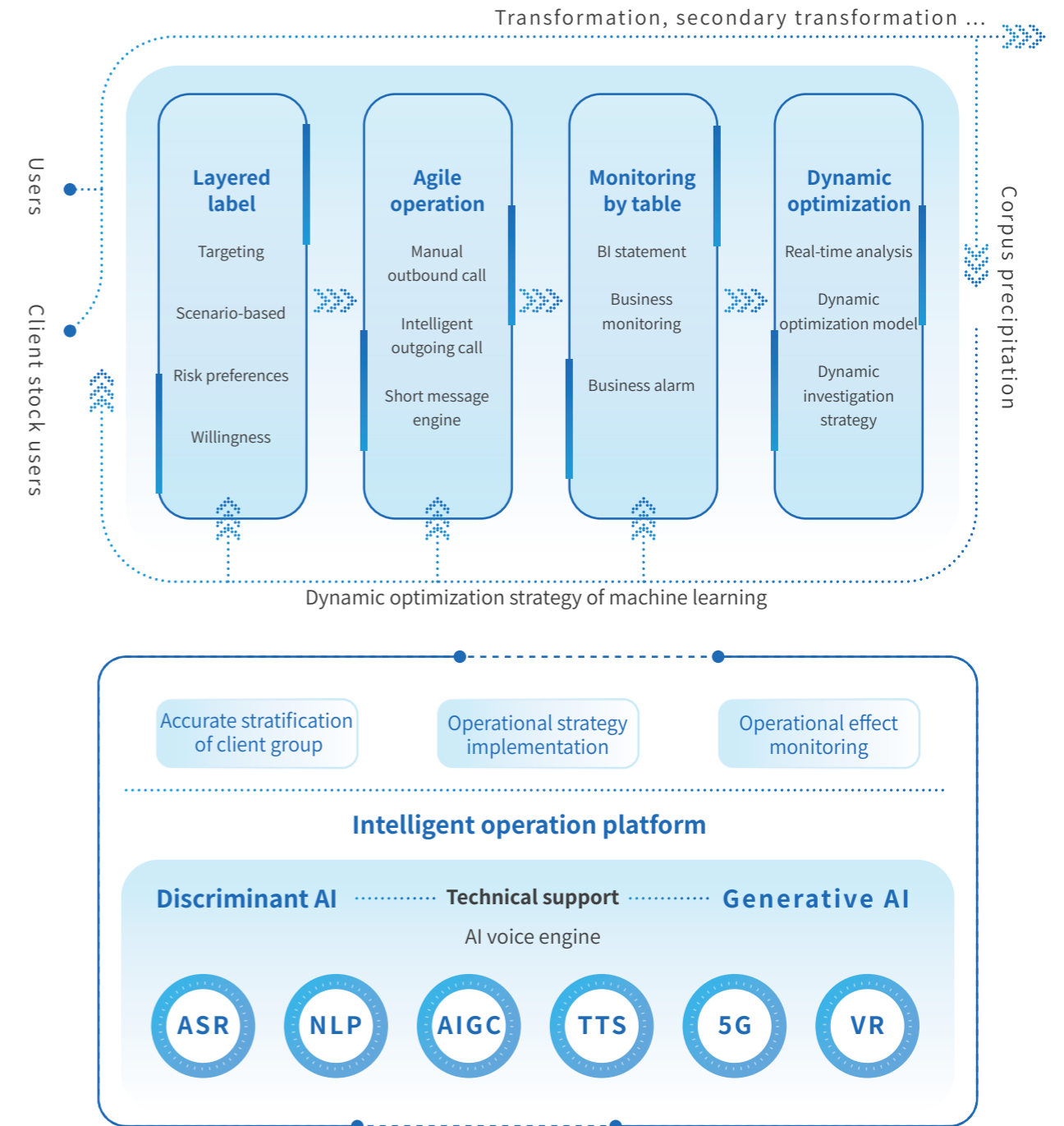
► Business introduction: MaaS (Model as a Service)



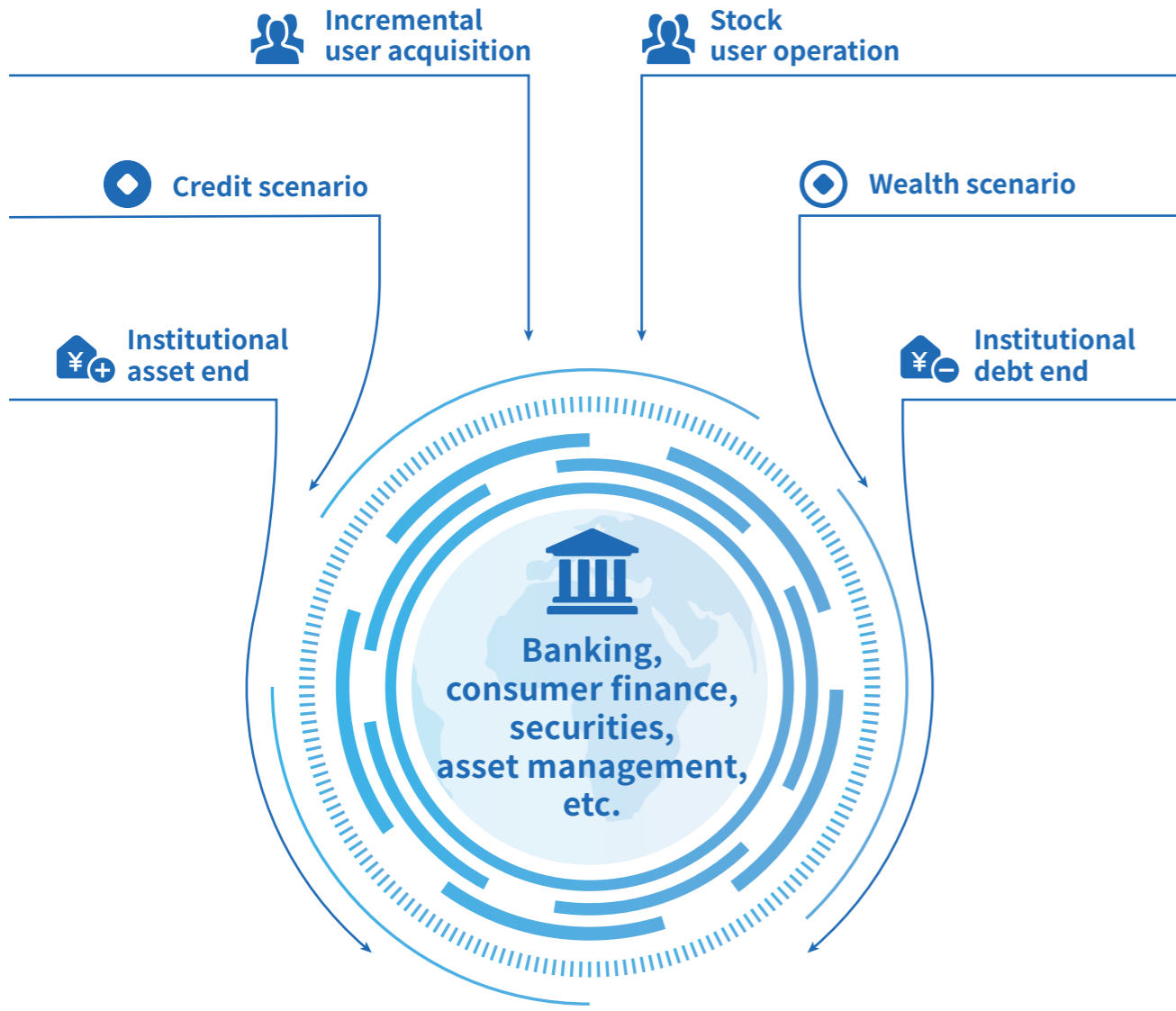
● The self-built cloud architecture is safe and reliable, and its stability reaches 99.998%

● Our self-built MaaS cloud platform serves over 300 million daily queries, and the feedback can be carried out within milliseconds

► Business introduction: BaaS (Business as a Service)



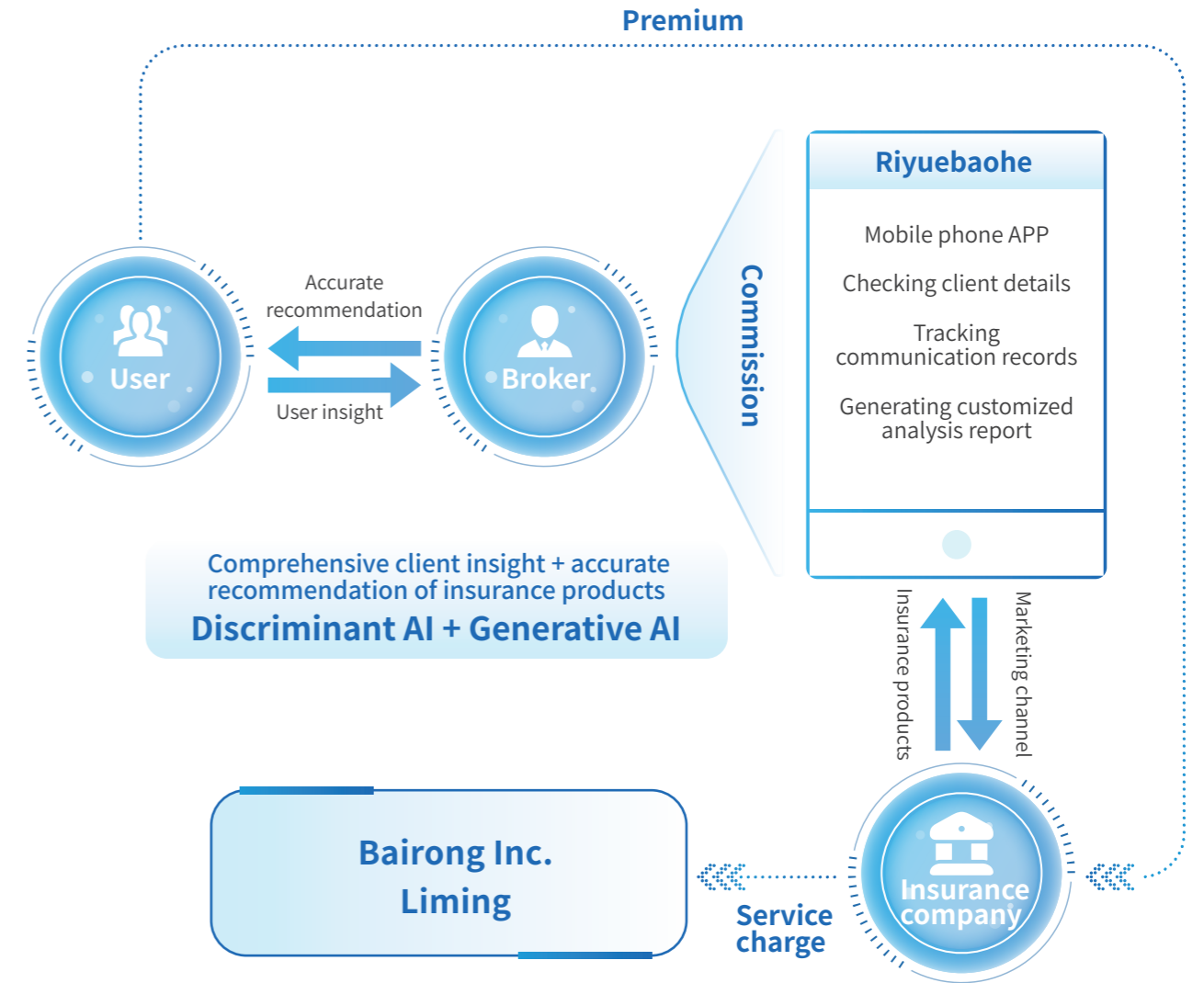
► Business introduction: BaaS - Financial Scenario



Discriminant AI + Generative AI

Improve the operational efficiency of the financial industry through AI

► Business introduction: BaaS - Insurance Scenario



→ Business process Fund flow

Honors & Awards



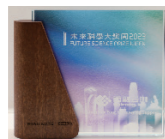
Won the “2023 AI Technology Empowering Wealth Management Business” Award



Won the award of “Generative AI Innovation Enterprise”



Ranked among the list of “TOP50 Excellent Service Providers for Digital Transformation of Bank of China”



Granted the title of “Top 100 Future Bank Technology Service Providers in 2023”



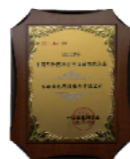
Ranked among the list of “Top 100 Information Technology Application Innovation Enterprises in China”



Won the “Benchmarking Award for Wealth Management Solutions”



Won the “2022 Yins · Financial Innovation Award”



Selected as one of the top 100 Chinese Internet enterprises with comprehensive strength in 2023



Granted the title of “Influential Brand in Consumer Market Industry in Beijing”



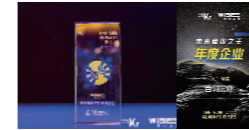
Awarded the title of “AAA Credit-Rating Enterprise of Beijing” for six consecutive years



Successfully selected as one of “Chinese Service Practice Cases” of 2023 China Beijing International Fair for Trade in Services



Won the highest honor of management practice - Ram Charan Management Practice Award



Ranked among the list of enterprises of future business king in 2023



Won two awards for listed companies due to innovative strength in the artificial intelligence industry



Bairong Inc. was ranked among the list of “Top 100 Enterprises with Comprehensive Strength in Beijing Software and Information Services in 2023”



Ranked among the list Bairong Inc. successfully won two awards for digital intelligence for three consecutive years



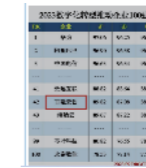
Led AI innovation and won two awards



Ranked among the list of “Top 100 Listed Companies Loved by Followers in 2023”



List of top “bright stars” in large model by ifenxi



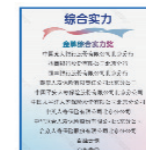
Internet Deep and DBC/CIW/CIS released the List of Top 100 Enterprises Driven by Digital Transformation in 2023



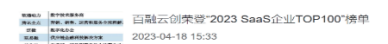
ESG innovation practice case of listed companies



Excellence award for financial technology enterprises



The list of Fortune Stars by Beijing Youth Daily was released, and Bairong Inc. won the gold comprehensive strength award.



“TOP100 SaaS Enterprises in 2023”, honored as “the first stock in SaaS of financial digital intelligence”

ESG STRATEGIES AND MANAGEMENT

ESG Governance Philosophy

Bairong Inc. is committed to integrating social responsibility into routine operations, products and services, promoting scientific and technological innovation to create long-term value for all stakeholders, and actively integrating ESG into the development strategy, major decisions and production and operation of the Company. While accelerating the global layout, the Company pays attention to the global sustainable development, and achieves long-term, balanced and high-quality sustainable development based on the business attributes and recent focus of the Company.

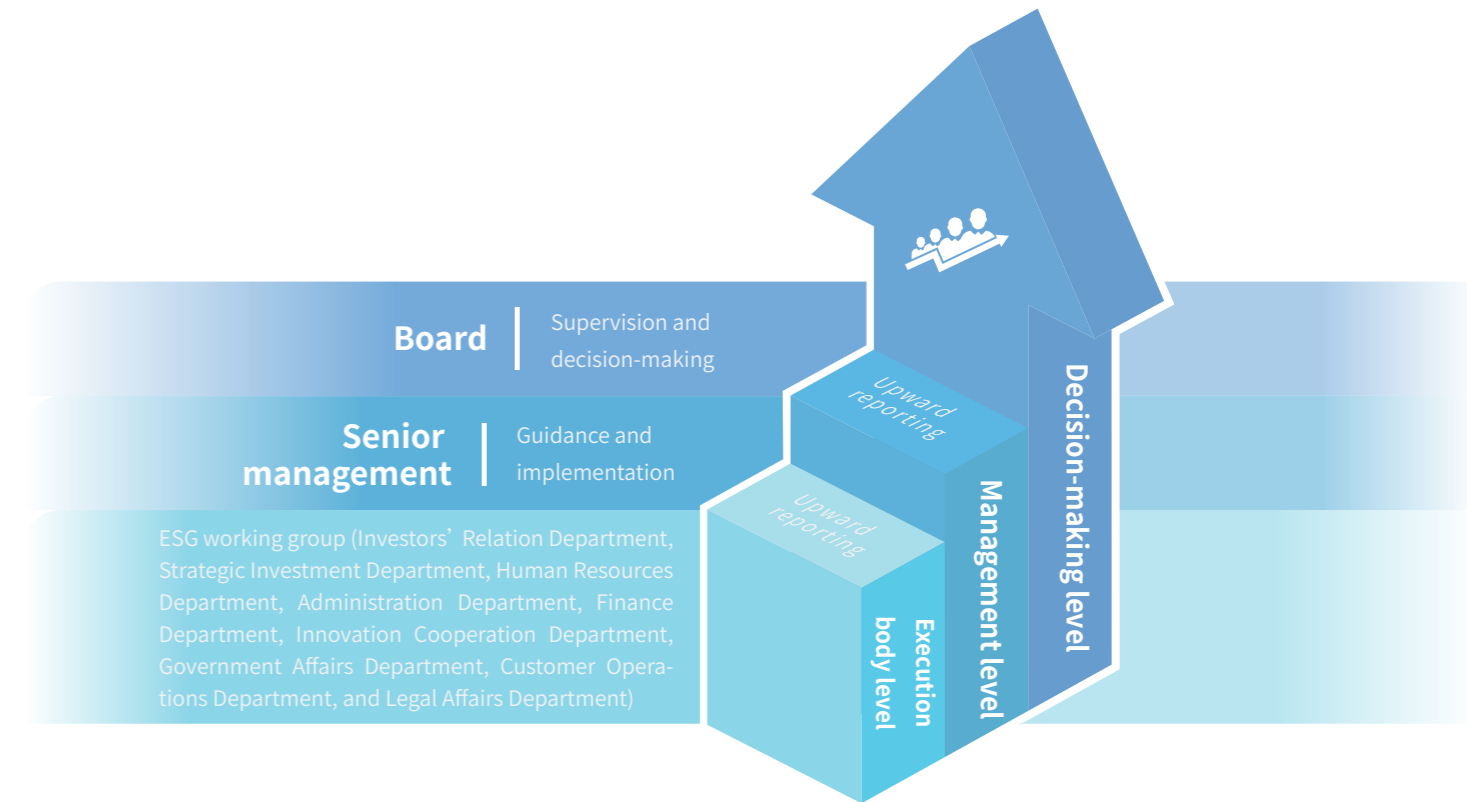
ESG Governance Architecture

Bairong Inc. has established a properly designed top-down ESG governance architecture and formed an appropriate ESG governance system under the joint leadership of the Board, senior management of the Company and ESG working group to ensure the efficient execution of ESG activities.

The Board, as the top-level decision-making organ of the Company, proposes strategic planning and system-based policies in ESG to ensure the effective implementation of relevant policies, and is also fully liable for the disclosure of relevant policies, systems and related information.

The senior management of the Company formulates overall plans and provides coordination for the environmental, social and governance activities, executes the various decisions and polices formed by the Board on the ESG activities, constantly improves the ESG management system and supervises the specific execution of the ESG activities.

The ESG working group, as the actual execution body, consists of management from various departments of the Company. It incorporates the ESG activities into the routine departmental business management and operations, carries out ESG information collection, reporting and review on a regular basis, increases the statistical control efficiency and ESG activity performances to provide extensive support in the efficient execution and implementation of ESG activities.



Substantive Analysis

Bairong Inc. carries out close interactions with the stakeholders in its routine operations as directed by the principles of substantive-ness, full coverage and proper balancing to comprehensively collect and analyze the priorities and requirements from the stakeholders, then the Company identifies and updates the key ESG issues periodically by fully considering the national policies, key points of high concern in the capital market and ESG related principles and guidelines.

In 2023, the process for establishing substantive issues is described below:



Identification of issues

Identify major trends pertinent to the Company through full industry-based investigation, then identify [23] material issues under three major categories based on the national policies and key points of high concern in the capital market.



Questionnaire

Conduct questionnaire-based investigations on stakeholders such as employees, government institutions, investors, clients and suppliers, etc. so as to properly generate comments on the materiality assessment of ESG issues from both internal and external stakeholders.



Analysis of materiality

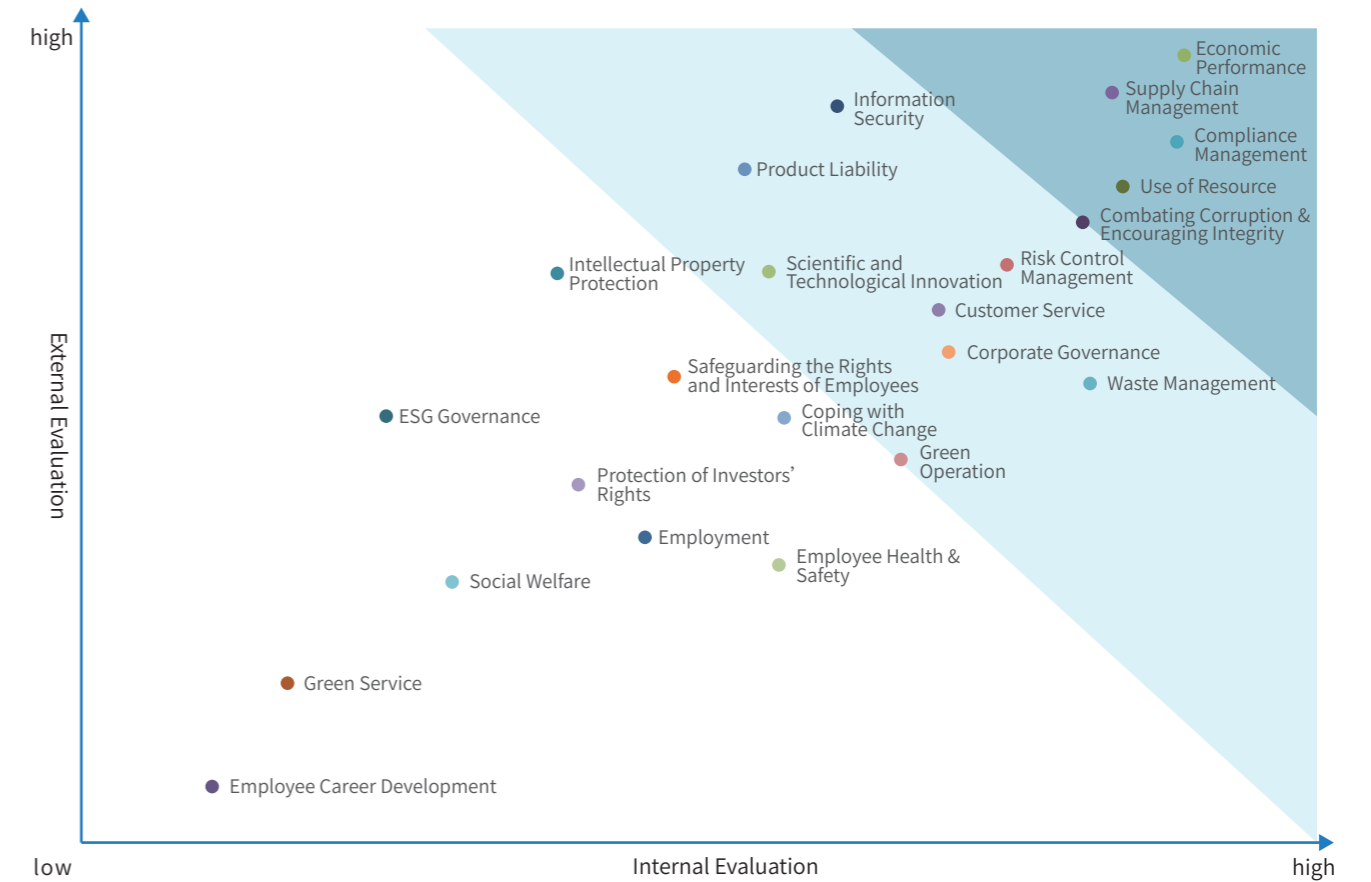
Perform rational analysis of the results obtained from the questionnaires and conduct final materiality matrix of stakeholders by fully considering the relevant national policies and key points of high concern in the capital market.



Confirmation by the Management

The management of the Company performs careful perusal and review of the results from the analysis of materiality to establish key information to be disclosed in this report, objectives of future ESG management and specific implementation plans.

In 2023, the matrix for establishment of substantive issues formed by Bairong Inc. is shown in the figure below:



Very Material Issues

- Economic Performance
- Supply Chain Management
- Compliance Management
- Information Security
- Use of Resource
- Combating Corruption & Encouraging Integrity
- Product Liability
- Risk Control Management
- Scientific and Technological Innovation
- Customer Service
- Waste Management
- Corporate Governance

Relatively Material Issues

- Intellectual Property Protection
- Safeguarding the Rights and Interests of Employees
- Coping with Climate Change
- Green Operation
- Employee Health & Safety
- Protection of Investors' Rights
- ESG Governance
- Employment

Generally Material Issues

- Social Welfare
- Green Service
- Employee Career Development

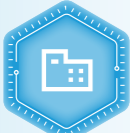

With references to the results obtained from this particular assessment of material issues, we will use the results from assessment of ESG issues as a guide for the performance of future work in our routine operations so that constant improvements can be accomplished to respond to the expectations of stakeholders, increase confidence and subsequent cooperation and advance the sustainable development of both the Group and the society.





Interactions with Stakeholders

In order to deepen interactions with the stakeholders, the Company publishes the ESG reports every year since 2020, and disclosed the performance of its ESG responsibilities to the public comprehensively. At the same time, the Company strengthens interactions with stakeholders through performance briefings, various research activities, and diverse ways such as the Company's official website, WeChat official account, Video Channel, applet and Email.



The Company values interactions with its stakeholders and has established a mechanism for regular interactions with the stakeholders to timely identify high-concern ESG issues by the stakeholders and then provide efficient responses to them. During the year, the communication between the Group and the stakeholders is mainly as follows:

Stakeholders	Expectations	Communication Mechanisms
 Government Bodies & Supervisory Authorities	Honesty and regulatory compliance in business practices Pay tax in accordance with laws and regulations Optimize governance structure	Communication meeting with government bodies Information disclosure and submission Exchange with supervisory authorities Regular visit
 Shareholders	Steady growth in performance Create excellent performance Honesty and regulatory compliance in business practices	Annual report, interim report and announcement of the Company Shareholders' meeting Research by investors Interaction and question-answering on interactive platform

Stakeholders	Expectations	Communication Mechanisms
 Customers	Innovative product technology Guarantee information security Provide high-quality service Honesty and regulatory compliance in business practices	Routine communication and question-answering Customer satisfaction survey Customer service hotline
 Employees	Safeguard rights and interests of employees Boost career development Care for occupational health Improvement of compensation and benefits	All-staff meeting Complaint/Feedback box Employee satisfaction survey Cultural activities for employees
 Environment	Deepen energy conservation and emissions reduction Practice of green business concept Resource recovery and reuse	Collection and disclosure of environmental performance Publicity of environmental protection concept
 Suppliers	Cooperation of honesty and integrity Long-term sound management Fair trade	Benchmark against review and evaluation standards Communicate routinely Advocate green supply

STANDARDIZED NAVIGATION AND TRANSPARENT AND EFFICIENT GOVERNANCE

Bairong Inc. consistently upholds the values of “Faithful, Accountable, Open-minded, Innovative, Practical and Cooperative”, considers fulfilling good company governance as the cornerstone for maintaining long-term development, makes serious endeavors to perfect and reinforce the already stable, diverse governance framework, clarifies the functional authorities at each level and establishes a sound decision-making system to ensure that the management of the Company has a satisfactory grasp on the business strategies, development goals and their execution so as to constantly step up the Company’s competence over governance and risk management. The Company continues its efforts in strengthening the establishment of a compliance system, carries out training and mobilization activities on compliance and business ethics, and embeds principles such as good-faith management in its corporate culture. The Company has provided proper channels for supervision and whistle-blowing, and additionally formed a whistle-blower’s protection mechanism designed to elicit all-round supervision from both internal and external stakeholders, so as to preclude the overall risk in compliance failure and provide solid guarantee in the long-term robust operation.

Improvement of Governance Architecture	33
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Implementation of Standardized Governance	36
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Improvement of Governance Architecture

Governance Architecture →

Bairong Inc. has developed a fully functioning and effective governance architecture comprised of the shareholders' meeting, the Board, special committee and senior management in strict accordance with Code on Corporate Governance, Corporate Governance Report and the relevant regulations described in Listing Rules, and has established an efficient and effective supervision and constraint mechanism. The Company will continue to improve its governance architecture, and elevate its governance level so as to maximize the benefits for the shareholders and investors.

The Board:

Handle the policies, strategies and budgeting, internal control and risk management, major transactions, financial data, appointment of directors and other major business items of Bairong Inc.. Four special committees including the audit committee, remuneration committee, nomination committee, and corporate governance committee are set up under the Board.



Management of the Company:

Perform duties in implementing the decisions by the Board, guiding and coordinating the routine operation and management of Bairong Inc..

General meeting:

In strict accordance with the provisions and requirements of the *Company Law, Rules for the Shareholders' Meeting of Listed Companies, Articles of Association and Rules of Procedure for Shareholders' Meeting of the Company*, the Company regulates the convening, presiding over and voting mechanism of shareholders' meeting to ensure that all shareholders of the Company can exercise their rights and fulfill their obligations fairly and legally.



In 2023

shareholders' meeting
1

meetings by the Board
4

meetings by the remuneration committee
2

meetings by the corporate governance committee
2

meetings by the remuneration committee
3

meetings by the nomination committee
2

Diverseness in the Board →

Bairong Inc. pays attention to the diverseness in the Board and is committed to building a Board composed of members with different backgrounds, professions, skills, experiences and genders. The Company has formulated *Board Diversity Policy* to specify the means to achieve diverseness in the Board and has practiced the aforementioned policy in its work. A variety of factors (including but not limited to gender, age, cultural and educational background, professional qualifications, skill-specific expertise and relevant experience in the industry) will be fully considered in the review and evaluation of qualified director candidates of Bairong Inc. By introducing diverseness perspective and thinking, the Board can make more comprehensive and innovative decisions and improve corporate governance. Bairong Inc. recognizes the importance of diverse Board and actively attracts outstanding talents to enhance the Company's competitiveness and reputation. Meanwhile, a diverse Board helps to better cope with the complex business environment and social changes, promote the Company's sustainable development, and maximize long-term benefits.

As of the end of 2023, the Board consists of 8 members. The members of the Board are of diverse backgrounds and have obtained extensive qualifications and academic accumulation in industries including science and technology, financing, investment, accounting; all directors of Bairong Inc. have sufficiently acquired all the relevant expertise, skill, attainment and experiences necessary for their performance of their obligations so that they are capable of overseeing the major decision-making schemes developed by the management team.

Board Members

8

► Nomination of Directors and Selection

The Company has developed Director Nomination Policy which describes the rules and predetermined criteria for nomination, so as to ensure that the selection and appointment of every individual director is conducted in a fair, transparent and just way and complies with the provisions set forth in the Articles of Association and relevant governance regulations. The business characteristics, strategies on future development, medium- and long-term planning, structure of the Board and diversified configurations are all considered in the nomination for the Board to set out the prerequisite conditions, professional expertise and skills and overall capabilities required for the selection and appointment of a director.

► Training of Directors

The Company attaches substantial importance to the development of the Board on the professional front; therefore, it has been, in accordance with regulatory policy developments and changes, providing training and learning opportunities for the directors by using various approaches such as on-site training, remote training, and distributing reading materials, so that the directors can be actively motivated to invest themselves into the corporate and ESG governance to a greater level, thus performing their respective duties more efficiently, continuing their efforts in improving and maintaining the Company's promising governance performance and level. As of the end of 2023, 100% of the incumbent directors have participated in their annual continuous professional development training.

► Remuneration and Performance of the Management

A remuneration committee has been set up under the Board, with three non-executive directors as its members. In addition to proposing remuneration policy and developing procedures for the Board, the remuneration committee also carries out periodic review of the remuneration system and criteria set for the directors and the senior management by taking into relevant factors such as the remuneration level in comparable companies, duties and duration of incumbency, business performance of the Company and potential future risks, then submits the results from their review to the Board for further consideration.

The Company regulates the remuneration management of directors, supervisors and senior management according to the remuneration management measures for senior management. The remuneration of senior management is determined according to the performance contribution, and the performance matches the incentive. The Company sets up an equity incentive plan to fully motivate the senior management.

Information Disclosure according to Law and Compliance

Bairong Inc. strictly abides by the principle of fair, just and open information disclosure, and truthfully, accurately, completely and timely discloses all information that may have a substantial impact on the decision-making of shareholders and other stakeholders in accordance with relevant laws and regulations and relevant information disclosure requirements formulated by the Company. The Company publishes information on the website of the Stock Exchange, the official website of the Company, mainstream financial media, industry-specific media and social media platforms and interacts with investors to ensure that all shareholders have equal opportunities to obtain information.

Implementation of Standardized Governance

Risk Management —○

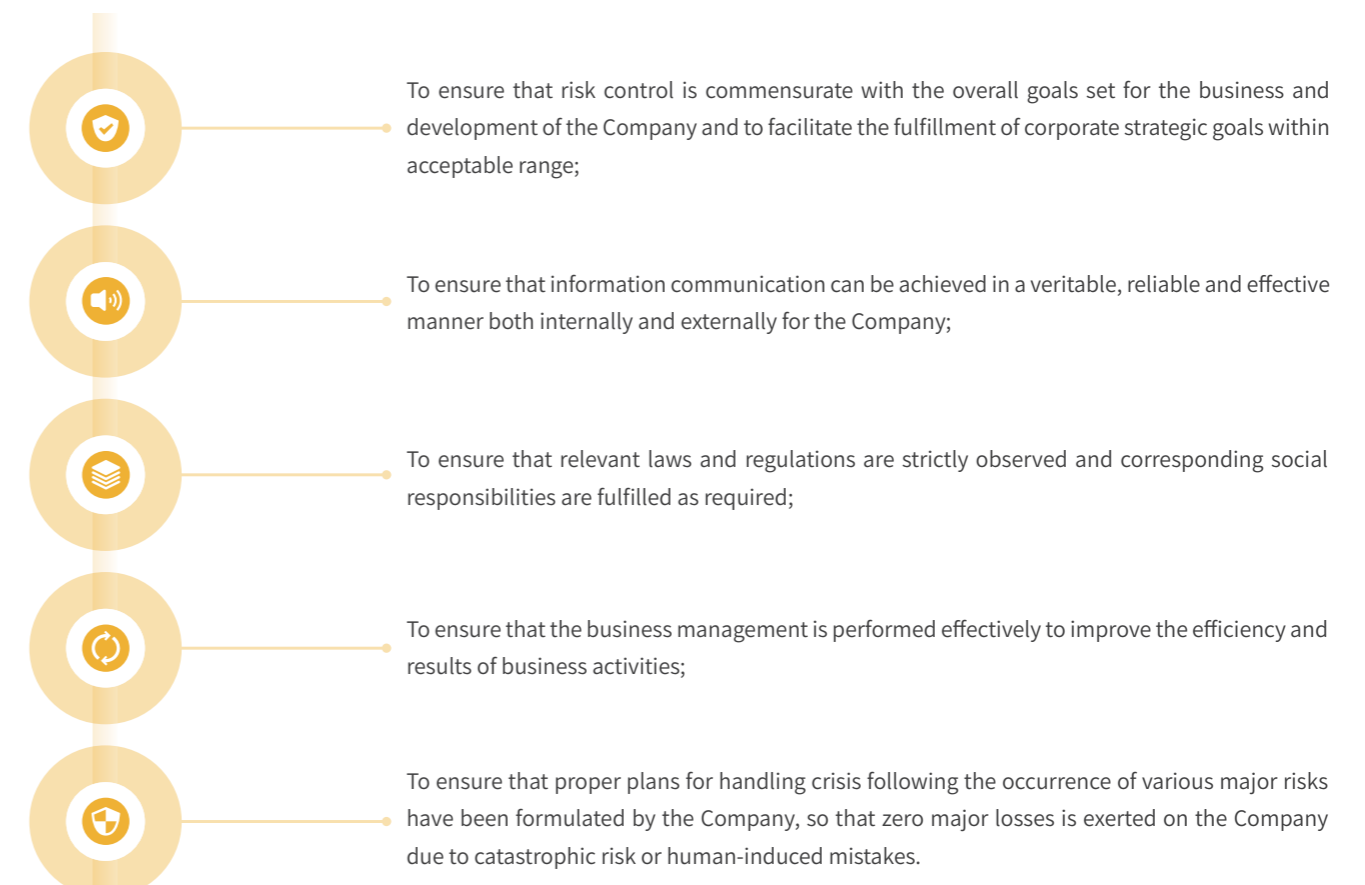
Bairong Inc. attaches substantial importance to managing the risks faced by the Company in the development process, continuously improves the overall risk management system, improves the risk identification and response mechanism, organizes overall risk assessment, conducts targeted management of major and important risks for the year, and prepares comprehensive risk management reports. Furthermore, the Company constantly improves the internal control system, and strengthens internal control supervision and management to escort sustainable development.

As a response to the regulatory requirements from the authorities, Bairong Inc. has developed a well-designed risk management system and followed the system in conducting its various activities; the Company has been constantly updating its competency in risk prevention and management over the various major sources of relevant risks to escort the high-quality development of the Company via applying high-level risk management.

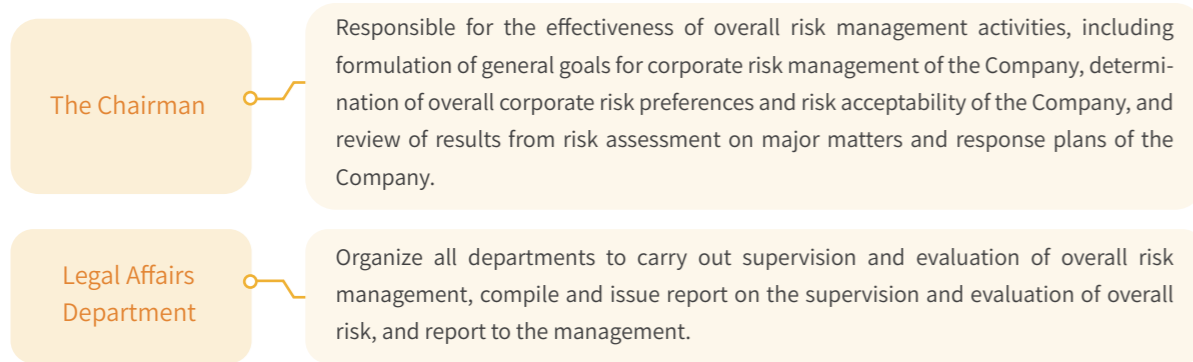
► Risk Management Mechanism

The Company has formulated a guiding document titled Comprehensive Risk Management Measures for conducting its risk management activities, in which the organization framework, system-based procedures, approaches and techniques involved have been specifically described. In its daily work, the Company has made continuous efforts in embedding overall risk management into all its various activities by thoroughly incorporating each individual requirement in the risk management in the corporate management and business processes, so as to provide joint support for the overall goals set for the business and development of the Company.

► Risk Management Objectives



Organizational System of Risk Management —○



Risk Management Process —○

The risk management process of Bairong Inc. mainly includes: risk identification and categorization, risk assessment, risk response, and risk monitoring and reporting.

Construction of Risk Management Culture —○

Bairong Inc. strives to create risk-conscious corporate culture by providing diversified training and carrying out propaganda activities intended to deeply integrate its risk management culture into the corporate governance, help all employees establish correct concepts on risk management, impart the perception featured by the co-existence of risks and opportunities, and giving sufficient importance to the proper implementation of responsibilities over risk management at each position, so as to effectively step up risk management level and qualities of its employees in risk management, thus providing a solid guarantee for the fulfillment of risk management objectives.

Case **Bairong Inc. launched the 2023 Special Training on Legal Compliance**

In order to enhance the staff's awareness of confidentiality and legal compliance, and systematically improve the staff's risk prevention ability, Bairong Inc. organized a one-month special training on legal compliance. More than 900 employees participated in the training on site and online.

More than **900** employees participated in the training on site and online

This training covers topics such as confidentiality awareness, compliance awareness, integrity and compliance awareness, intellectual property awareness, data security compliance, and marketing promotion compliance.

► Compliance Management

Bairong Inc. has been conscientiously implementing the requirements set forth in the Company Law of the People's Republic of China, regulations and relevant normative documents, and has fully developed various guidelines and systems including Compliance Risk Management Measures, Data Compliance System, Financial Compliance System, Human Resource Compliance System, Operational Compliance System, Confidentiality Compliance System, Operation and Maintenance & Network Security Compliance System. By attaching substantial importance to compliant operation according to laws, the Company has fully achieved efficient identification and management of compliance risks through its properly established compliance management mechanism and systems, and made all-round efforts to ensure that the business management by the Company and its staff and its practices are all carried out in strict accordance with the national laws, regulations and guidelines. By establishing and perfecting the compliance organization, formulating and perfecting the compliance system, preventing and controlling compliance risks, and promoting and strengthening the compliance culture, compliance management comprehensively covers important business areas and key links such as internal environment, risk assessment, control activities, information and communication, and internal supervision.

Compliance Management Principles

Comprehensiveness, initiative, independence and effectiveness.

Compliance Management System



During the reporting period, there were no major violations of laws and regulations.

► Business Ethics

Fair Competition

Bairong Inc. complies with the Anti-monopoly Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China, the Interim Provisions on Prohibition of Monopoly Agreements, the Interim Provisions on Prohibition of Abuse of Dominant Position of the Market and other laws, regulations and relevant provisions, and effectively guards against anti-monopoly legal risks via the documents Bidding Management Measures, Market Work Guidelines, Publicity Management Measures and Procurement Management Measures. The Company has improved the punishment mechanism, effectively prevented and cracked down on violations and maintained the good order of the market economy.

The Company has formulated and issued the Anti-monopoly Compliance System, and conducted compliance training for the management. The Company has formulated the Guidelines for Competitor Communication to guide the business departments. The Company's compliance team works closely with the legal affairs team to review the compliance of the contract from the perspective of fair competition. The Company's related businesses need to be subjected to compliance assessment and declared according to legal requirements. In the course of anti-unfair competition, for violations of the integrity and compliance code of conduct, the Company will give warnings, demerits, dismissals, fines and other punishments in different degrees in accordance with the Employee Handbook, Measures for the Administration of Penalties for Employees of the Company and other rules and regulations, and cancel the granted options. Those suspected of violating the law and committing crimes will be handed over to judicial organs according to law.

Anti-corruption and Anti-commercial Bribery

The Company adheres to the principle of honest operation, and is committed to creating a satisfactory working atmosphere featuring integrity, immersive pioneering, and compliance with laws and regulations. The Company continues its investment in improving the relevant systems and management mechanisms by standardizing the employees' code of conduct in the Employee Handbook to provide guidance for the employees in their actual practices, by providing highly specific descriptions of compliance, integrity and violation whistle-blowing to closely oversee and preclude the occurrence of corruption, and by embedding anti-corruption corporate values training contents in each phase of employee induction training. To prevent corruption, the Company has established an effective anti-corruption and anti-commercial bribery management system which lists "corruption and bribery" as the immediate problem in the corporate redline conducts to convey highlighted cautionary message. The Company has continued to strengthen the internally controlled compliance mechanism, Meanwhile, the Company has proactively conducted compliance review and compliance check pertinent to anti-corruption and anti-commercial bribery, then investigated, reported and addressed the identified corruption hazard in a timely manner in the form of regular or unscheduled inspections. In addition, the Company has strengthened supplier management, and formulated relevant systems to regulate the integrity behavior of personnel at all levels.

Anti-money Laundering

Bairong Inc. has taken a series of measures in anti-money laundering. For example, strictly implement customer identification, monitor trading activities, carry out employee training, establish a compliance system, cooperate with relevant institutions to share information, conduct regular audits and risk assessments, and conduct customer due diligence to prevent money laundering activities and protect financial security.



Supervision and Whistle-blowing

The Company encourages its employees to report corrupt practices found through various reporting channels, such as its portal website, telephone hotline, designated reporting emails (compliance@brgroup.com / tousu@brgroup.com) and anonymous report letter boxes with an objective of encouraging reporting of violations and dishonest acts by its employees, and provides full protection for the employee reporting the violations or employees involved in or assisting in conducting the investigation to prevent the occurrence of unfair retaliation or treatment. The Company has formed the "Bairong Integrity Team" composed of heads of the Human Resources Department, the Legal Affairs Department and the Finance Department, to process the acceptance and investigation of reports of violations of the integrity and compliance system; it independently exercises the right of investigation, and has the power to have interviews with any employee. No department or individual may interfere with or restrict, purposefully refuse or obstruct its investigation. The department or individual under investigation shall ensure the authenticity of the material submissions. The "Bairong Integrity Team" will provide strict confidentiality for all whistleblowers and information provided during its acceptance of reports and investigation.

Bairong Inc. attaches great importance to the protection for whistle-blowers and has taken a series of measures. The Company ensures that the whistle-blowing channels are safe and confidential, and the identity of the whistle-blowers is strictly kept confidential, and retaliation is strictly prohibited. Furthermore, the Company has also carried out publicity and education to raise employees' awareness of protection for whistle-blowers and ensure the safety and rights of whistle-blowers.

Intellectual Property Protection

The Company complies with relevant laws and regulations that have a significant impact on intellectual property protection, such as *Trademark Law of the People's Republic of China*, *Patent Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, *Anti-unfair Competition Law of the People's Republic of China*, and has formulated the *Management System for Intellectual Property of Bairong*, including *Patent Rights Management System*, *Trademark Rights Management System*, *Computer Software Copyright Management System*, etc. The Company records relevant work involving intellectual property, and clarifies the ownership of intellectual property creations. In this way, we can not only protect the Company's own intellectual property, but also strengthen intellectual property management, thus encouraging innovation and creativity and promoting the sound development of the industry. Bairong Inc. stipulates that employees must protect the Company's intellectual property, and respect the intellectual property of others. It is encouraged to report violations of intellectual property of Bairong Inc. through the whistle-blowing and complaint channels, so as to better safeguard the legitimate rights and interests of the Company's intangible assets. The Company integrates intellectual property protection into the daily work of the R&D team, takes "timely protection" and "active mining" as the basic principles, and regularly carries out relevant skills training and patent mining to enhance the awareness of intellectual property protection of R&D personnel.

After long-term technical investment, Bairong Inc. has a first-mover advantage in the technical fields of privacy computing, intelligent voice and machine learning, and has achieved fruitful results. As of the end of 2023, Bairong Inc. has accumulated more than 233 patents and software copyrights, and by fully combining technology, products and business, it has promoted the current technical innovation to serve the future customer needs, so as to build a moat for enterprise development.

accumulated patents and software copyrights
More than **233**

Case

Bairong Inc. launched the Intellectual Property Publicity Week activity.

Bairong Inc. launched the Intellectual Property Publicity Week activity with the theme of "Unleashing the New Momentum of Innovation and Change with the Power of Youth". At the meeting, Bairong Inc. commended many outstanding individuals and teams. Young people are the backbone of the development of intellectual property. These young people who are pioneering and enterprising on the road of innovation use one invention patent after another to inject surging momentum into the Company's high-quality development.



Investor Relations Management

The Company attaches great importance to the rights and interests of all shareholders, and listens to opinions and suggestions through official website, WeChat official account, hotline and Email. In addition, the Company has created IR assistant "Bairongrong" to release the Company's news in time and interact with investors in time.



Bairongrong



In 2023, the Company conducted more than 100 various exchange activities and held 2 performance briefings, firmly establishing the sense of responsibility of "respecting investors, keeping awe of investors and protecting investors".



conducted various exchange activities
more than **100**



held performance briefings
2

SCIENTIFIC AND TECHNOLOGICAL INNOVATION, HIGHLIGHTING THE TECHNICAL STRENGTH

Bairong Inc. has thoroughly implemented the innovation-driven development strategy, made great efforts to break through key core technologies, continuously strengthened frontier major basic research, and deepened the reform of scientific and technological system and mechanism to continuously improve the efficiency of scientific and technological innovation, and support and lead high-quality development. The Company actively seeks cooperation with universities, research institutions and other enterprises to jointly carry out scientific and technological innovation projects. Through cooperation with external partners, Bairong Inc. can use more resources and professional knowledge to accelerate technology R&D and product innovation. In addition, the Company also encourages employees to propose innovative ideas, and has established an innovation reward system to motivate employees to actively participate in innovative R&D.

Amount of R&D investment

378,785,000

Proportion of R&D investment in main business revenue

14%

Scientific and Technological Innovation Platform	45
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Industry-university-research Cooperation	50



Scientific and Technological Innovation Platform

Bairong Inc. is committed to building scientific and technological innovation platform and strengthening the cooperation with the government and industry associations to jointly promote scientific and technological innovation and industrial development. It actively participates in the formulation of industrial standards and technical exchange activities and shares scientific and technological resources and experience with related organizations to improve the innovation capability and competitive power of the industry.

In the process of building the innovation platform, Bairong Inc. promotes business scenarios coverage, user contact aggregation, transaction processing supporting and efficient data generation by digital means throughout the service chain from the overall business prospective, to achieve business development with digital empowerment. The Company has made remarkable breakthrough on investment on big model R&D and has completed the building of big model intelligent Agent application development platform to realize rapid dialog-driving-based intelligent enterprise application; with that platform, the Company can realize auto-response and business process drive based on the precipitated information in the enterprise. Presently, the platform has been put into use at customer service, human resource, finance, operation, development and other posts. As an AI enterprise, our labor efficiency (i.e. average turnover per full-time employee) has been improved from RMB 149 million (the leading level in the industry) to RMB 198 million. It is benefited from, on one hand, that the permeability of auto generated codes in development posts is improved to 10% by BR-Coder, and the modeling time at data analysis post is shortened by 30% with the assistance of ORCA-AutoML, and on the other hand, we use the new generation of AI technology for program development, data analysis and modeling and customer operation, realizing the Co-Pilot collaboration between employees and machines at each post, and also we explore furthermore to use big model intelligent Agent application development platform at customer service, human resource, finance, operation, development and other posts.

The Company establishes the new X Dynamics department, and AvatarGPT researched and developed by the department integrates multiple technologies accumulated for many years; it is a brand new digital-human interactive AIO and can answer users' concerns quickly, providing clients with a brand new human-machine interaction method.

Case

the public data financial application joint investigation group of integration office of Sichuan Province visits Bairong Inc.

A delegation of over 10 personnel, including related principals and business personnel, of the relevant working groups of the Office of the Leading Group for Promoting the Integration of Chengdu, Deyang, Meishan and Ziyang in Sichuan Province (integration office of Sichuan Province), the People's Bank of China Chengdu Branch Finance Integration Office, Chengdu Big Data Center and other units, visited Bairong Inc. for investigation and communication. Both made an in-depth discussion around public data financial application, data element value excavation, promotion of inclusive finance development, green financial innovation and other issues.



Labor efficiency improved to

RMB 198 million

the permeability of auto generated codes in development posts improved to

10%

modeling time at data analysis post shortened by

30%

Research and Development Innovation Achievements

Bairong Inc. has made fruitful achievements in terms of innovation research and development. The research and development team of Bairong Inc. are committed to technical innovation, and continuously promotes ground breaking solutions. Bairong Inc. has made a series of invigorating achievements in terms of AI, big data analysis, blockchain technology and other frontier domains. By taking technology as the basis, Bairong Inc. successfully builds the first vertical industrial large model BR-LLM of the industry and develops the Cybertron platform based on the large model base. It can visually generate Bot in enterprises quickly to dock with the knowledge base and tool base in enterprises, and provide AI copilot and AI agent outside enterprises and incubate AI employee, customer service digital human and other products to speed up the large-scale and commercial application of AI.

Bairong Inc. provides better services for clients by joint operation with decision-making AI and generative AI. In the wealth management field, the number of customers of a customer manager offline is capped, and the vast majority of customers are still untouchable. Bairong Inc. fulfills digital and intelligent insight for users by Discriminant AI, makes sound marketing and operation strategy and then achieves deep interaction with users in combination with the text and speech generated by Generative AI. By virtue of Discriminant AI and Generative AI, a customer manager can, in a cooperation, push thousands of personalized messages only within a small amount of time per day, thus saving time and having an in-depth conversation with customers, and the long-tail customer group that was previously neglected can receive "customized" services.

BR-Coder, as a large universal programming model, can improve the development efficiency jointly with IDE plug-in by centering on generating large models based on the code locally deployed in a company and based on massive quality code pre-training.

With the emerging of large model, AIGC technology, Bairong Inc., as leader of AI technology with one-stop service, will open up a broader market space. Moreover, Bairong Inc. extends the application scenarios of AI from finance to e-commerce, automobile, logistics, ticker service, energy, architecture and other vertical fields. On the occasion that AI is stepping into 2.0 era, Bairong Inc. walks again in the forefront of the industry and starts to empower for digital and intelligent transformation in vertical industries.

The research and development innovation achievements made by Bairong Inc. not only make a breakthrough on technology, but also bring forth a positive effect in actual application. The innovation achievements help financing institutions to improve their efficiency and reduce their risk, promote the development in financial technology field and set a new benchmark for the industry. In addition, Bairong Inc. actively shares their advanced research results.

By the end of the reporting period, the Company has obtained 233 patents, covering AI, machine learning, privacy computing, Human-in-the-Loop (HITL), multi-mode and other fields. In 2023, the Company won 44 awards, and 82% are science and technology awards, including the "Excellent AI Enterprise Award 2023" issued in the China Internet Weekly of the Chinese Academy of Sciences and "Generative AI Innovation Enterprise Award 2023" issued on China Times, etc. In October, 2023, we sponsored 2023 Future Science Prize Week Science and Technology Forum jointly with the Future Science Prize Foundation and the Hong Kong University of Science and Technology (HKUST), interacted and exchanged deeply the cognition and insight on cutting-edge AI scientific research and technology with famous professors and scholars of HKUST, governmental leaders of Hong Kong Special Administrative Region (HKSAR) and professionals of commercial and real estate circles, boosting to build the bridge of "foundation research and development - technical innovation - market transformation - second research and development" between Chinese Mainland and HKSAR.

We enrich the scenario and products continuously to explore more growth opportunities, including, but not limited to:

Technical innovation



the new round of technical and industrial transformation due to AIGC technology is coming at an accelerated pace; finance field presents a high degree of digitization and has massive high-value data stored, so it is expected to be one of the vertical fields with AIGC landed first. We will continue to invest on large model, blockchain, big data, cloud computing, AI basic algorithms (such as transformer), model performance optimization and complex neural network as well as Chatbot, NLP, AutoML, deep learning, privacy computing and other technical tools. The emerging technology brings in enormous opportunities for application of financial technologies. We will seize the industrial opportunities, give full play to our technical capabilities and service advantages and expand our global influence.

Inclusive finance



According to "the 14th Five-Year Plan", financing institutions are called to empower smart finance service, inclusive finance service, green finance service and rural finance service for high-quality development by data and technical means. We will extend the financing of small and micro enterprises to take social responsibility for economic recovery and social stability. According to the statistics of the People's Bank of China, up to 2023, the loan balance of domestic financing institutions in inclusive finance field reached RMB 29.4 trillion, showing a year-on-year growth of about 23.5%. We will, based on Generative AI and Discriminant AI technology, build the all-process financial product and service system for small and micro enterprises, set up the bridge for financing between financing institutions and small and micro enterprises to provide financing service for small and micro enterprises under industrial finance and enterprise supply chain projects, and perform digital and intelligent scientific management throughout the full life cycle of credit business for small and micro enterprises.

Wealth management



according to Report on Global Asset Allocation Strategy by Private Banking Bank of China 2024, presently, China has built 6 main asset management sections including bank financing, publicly offered funds, insurance, trust, privately offered funds and privately offered asset management, the total scale of assets management has reached RMB 149 trillion, and the total quantity and scale of products in the past ten years grew by 6.22 times and 2.36 times respectively; China has been the world's second largest wealth management market. We will, by giving play to our advantages on AIVoiceGPT, data analysis and exact match, offer help for Chinese suppliers of wealth management products in terms of user insight and operation, user assets planning and allocation and investor education companionship, provide one-stop solutions covering data, model, strategy, system, contents, channel operation, and closed-loop iteration, and deliver finally the achievement effect to achieve joint development among C-side clients, financial institutions and technology companies.

Core technology or product	Describing technology or product highlights
<p>The large encoding model BR-Coder of Bairong Inc. is completely put into operation</p> <p>BR-Coder - the intelligent assistant exclusive to developers</p>	<p>BR-Coder can understand and generate codes by human language and computer language. In detail, after a developer entering a description, it can generate independently a complete function. It can also analyze the code wrote by the developer itself to match and generate new codes. Moreover, it can generate codes automatically according to the hint and in combination with the contextual information of program files edited currently.</p> <p>At the same time, it based on the massive high-quality open source code and enterprise private code pre-training, in combination with the plug-in of development tools and by cooperating with engineers, can generate codes automatically, answer technical problems, and improve the engineers' productivity. Presently, about 10% codes are generated with the large model.</p>
<p>The training for BR-LLM dialog large model v2.0 is completed.</p>	<p>It is in level with GPT-3.5 on function tool call capability and has been put into operation in bot management system.</p>
<p>Development of bot management platform v1.0 is completed.</p>	<p>It is put into use in enterprises, supports to call automatic plug-in tools driven by RAG and large model and can achieve auto-response and business process drive based on the precipitated information in the enterprise.</p>

Case

Annual Report on China's Fintech Development (2023) with Bairong Inc. participated in for the preparation is released

Recently, Beijing FinTech Industry Alliance released the Annual Report on China's Fintech Development (2023) (hereinafter referred as the blue paper). It is one of the blue papers of Social Sciences Academic Press (China) and the cutting-edge and practical professional report in financial technology field. It was prepared by Beijing FinTech Industry Alliance organizing 70 financial institutions, technology companies, scientific research institutions, and colleges and universities, including Bairong Inc., China Financial Computerization Corp, Industrial and Commercial Bank of China, Agricultural Bank of China, Huawei, Tencent, etc..

Bairong Inc., as the representative of technology companies, participates in the preparation of partial sections of the blue paper combining the industrial observation, self-practice and future application to contribute its wisdom for the industrial development.

In the blue paper, Bairong Inc. analyzes from multiple layers such as circulation rules, governance capacity and ownership division around the important issue data element, introduces completely the challenges for data element efficient circulation and value release, and gives the solution.

Case

Liaowang Institute and Bairong Inc. release Remodeling and New Opportunities: Digital and Intelligent Transformation Report (2023) jointly

Digital transformation of banks will usher in another historic turning point after entering 2023. In terms of macro economy, the integration of digital economy and real economy is accelerated. The dual carbon strategy, rural revitalization, common prosperity and other major tasks of the times meet historically the digital transformation of banks. In the light of technologies, ChatGPT and AIGC are advancing unstoppably.

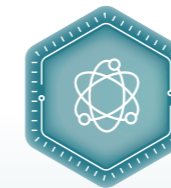
Focusing on above issues, the report introduces completely and systematically the multi-layer and multi-scenario digital transformation practice of banks from microcosmic to macroscopic levels and from thought to practice by see through clearly the digital characteristics, challenge, development trend and application cases. We hope to provide useful reference for digital transformation of banks, innovative development of banks and high-quality service for real economy.



Cultivation of Research and Development Talents

To implement the strategy of strengthening China through talents in the new era, the Company optimizes the innovative talent service actively, such as motivating the innovation power of high-level talents and making the relevant management measures, to support to promote the team and individual making outstanding contributions on scientific and technological progress in scientific research and production activities and arouse the enthusiasm and innovation of science and technology innovation personnel. It assists in the talent reward project declaration and guidance and opening of incentive award declaration channel.

Now, the Company has more than 627 technical research and development personnel, and 8 employees with doctoral degree. On the basis that almost half of the employees were engaged in research and development, we continue to introduce AI talents, and establish the new X Dynamics department, and now, we are exploring the application of the next generation of cutting-edge AI technology and promoting the realization of more application scenarios and business.



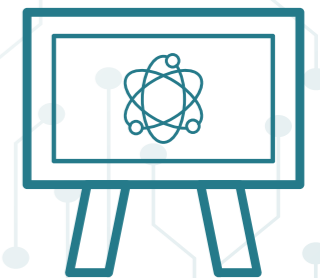
technical research and development personnel
627



doctoral degree
8 employees

Industry-university-research Cooperation

Bairong Inc. promotes the deep integration of industry, university and research, builds three culture modules such as oriented, professional and characteristic training, "Dual-qualified" teacher team construction in colleges and enterprises and joint communication and experience activity to jointly cultivate composite senior scientific and technological innovative talents adapting to scientific and technological innovation and high-tech industrial development. The Company develops university-industry cooperation activities jointly with Tsinghua University, the Hong Kong University of Science and Technology, Renmin University of China, Central University of Finance and Economics and other universities to exchange the cognition and insight on cutting-edge AI technology.



Case

Bairong Inc. participates in the production and education integration business practice project at Central University of Finance and Economics, Guangdong-Hong Kong-Macao Greater Bay Area

Tian Tao, the deputy president of human resources of Bairong Inc., and other delegation staff visit Central University of Finance and Economics, Guangdong-Hong Kong-Macao Greater Bay Area and give the course "Digital and Intelligent Finance" for students of master of finance of industry and education integration project 2022 jointly with the associate professor Yao Kai of Central University of Finance and Economics Business School. Both introduce the new concept and value of times of financial technology under AI technology to students from theory and practice perspectives.



Case

Tian Tao, HRVP of Bairong Inc., is invited to Jiangxi University of Finance and Economics to give a lecture themed on "Human Resource Transformation, Upgrading and Empowering Business in Digital Era".



Case

Professional Practice Base for Students of Beijing Institute of Technology School of Mathematics and Statistics



Case

School of Business of Renmin University of China confers Bairong Zhixin (Beijing) Technology Co., Ltd. (the wholly-owned subsidiary of Bairong Inc.) the title of "Teaching Practice Base".



People First and Long-range Care

Bairong Inc. lays root of people first deeply in talent attraction, talent development and every other key link, and always fulfills the value of integrity and responsibility, open innovation, and practical cooperation. It is committed to guiding every staff of Bairong Inc. to share in one purpose from top to bottom and strive forward with their culture and value.

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Guarding safety and health	65
Smoothing development path	67



Actively Introducing Talents

Bairong Inc. stresses on the construction of talent and technical teams. It actively recruits high-quality talents, and provides good training and development opportunities to absorb more and more excellent technical talents to join in them. It encourages employees to learn and master the latest knowledge of science and technology and improve their technical level to give solid support for the Company's innovative research and development.

Bairong Inc. adopts open recruitment, equal competition and selective admission principles, and does not discriminate against any candidate due to gender, nationality, age, etc. The company strictly avoids child and forced labor. In 2023, there were no incidents of child and forced labor in the company.

Recruitment

The Group complies with relevant laws and regulations that have a significant impact on us relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, *Social Insurance Law of the People's Republic of China*, the *Civil Code of the People's Republic of China* and other related laws and regulations, makes and strictly implements the Recruitment Management Measures and other internal management systems, guarantees a complete and compliant internal recruitment system and standardizes the talent selection and employment mechanism to reserve excellent reserve force for long-range development of the Company, and establishes and improves the rights and interests protection system for employees.

In the light of the recruitment organization chart, the Company adopts 「uniform policy and classified management」 mode. Specially, the human resources department takes charge of making the overall recruitment and employment policy, other departments, branches and offices implement the detailed recruitment activity and management process. Such a management mode with definite division improves the recruitment efficiency and ensures standard and regulated employee recruitment and enrollment procedure.

The Company is committed to promoting the diversified and inclusive development strategy to actively absorb excellent talents by multiply channels. Specially, it implements a series of strategies, including social recruitment plan, on-campus recruitment activity and internal recommendation to absorb professionals of different backgrounds and experience to join in us. The complete talent introduction strategy enriches the Company's cultural deposits and injects new vitality to the Company's innovation and development. By the diversified recruitment approaches above, the Company can better adapt to market change, improve its competitive power and lay a solid talent foundation for realizing long-term sustainable development.



By the end of 2023, Bairong Inc. had a total of 1,430 employees.



Case

Bairong Inc. holds "Jingxian Talent" Conference

"Jingxian Talent" Conference 2023 is successfully held in Shijingshan District, Beijing, and more than 200 high-level talents, including "Jingxian Talents", representatives of key enterprises, industrial masters and professionals of entrepreneurship and investment cycles, gathers there to seek common development and talk about the future.



Case

Internal recommendation mechanism and results

Bairong Inc. attaches particular importance to internal recommendation mechanism, provides perfect internal recommendation system and professional HR team to ensure smooth internal recommendation process, and provides "Lucky Award" and other incentive measures. The internal recommendation mechanism effectively helps Bairong Inc. to introduce outstanding talents meeting their culture and business requirement. Employees actively participates in the Company's talent construction by internal recommendation activity, which enhances the employee's sense of belonging and consciousness of master. In 2023, Bairong Inc. developed internal recommendation recruitment for multiple posts, including research and development, function, risk control model, sales, operation, products and other key posts. The internal recommendation culture reflects the Company's great importance to talents and is conducive for the Company to maintain its advantages in the fierce competition for talents.



Clear rules →

To ensure smooth recruitment activities, the Company makes a comprehensive Annual Recruitment Work Plan. The plan specifies the annual recruitment objective, principles, strategy, task, required resources, working pace and evaluation indicators so that all departments of the Company can finish the annual talent recruitment harmoniously. By the way above, Bairong Inc. can ensure the consistency between recruitment activity and organization strategy, absorb and select appropriate talents efficiently and meet the requirement for business development.

Abundant channel →

The digital wave brings in historic development opportunity to Bairong Inc. Bairong Inc. believes that enhancing efficiency digitally can realize internal operation transformation and thus it can achieve better interaction with clients, partners and employees. Adhering to the concept of "digital and intelligent innovation", Bairong Inc. develops digital transportation and practice for different human resource modules. Relying on digital empowerment organization innovation construction and selection, integration, use, cultivation, reservation and gathering of talents, it opens the way toward "digital and intelligent navigation and labor efficiency improvement".

In terms of recruitment, Bairong Inc. breaks through the EHR and external recruitment system, completes data interaction, and thus realizes intelligent recruitment integrated management from talent selection to employment; moreover, it has a constant insight into recruitment quality and efficiency based on all kinds of online digital BI advertising boards and drives the recruitment results digitally; in the light of organizing talent inventory, it builds the digital performance management system and talent inventory system, clarifies the talent development conditions with the system and makes the future talent planning and talent cultivation plan; as for remuneration and welfare, the Company builds the digital remuneration and welfare platform and enables employees to achieve online one-click procurement with the internal procurement platform, fulfilling truly to build digital human resources management system in practice.

Social recognition →

As the leader of digital and intelligent service in Chinese finance industry, Bairong Inc. always adheres to the high industrial standard and is committed to being an efficient and warm enterprise. Therefore, it has won multiple awards concerning employer brands and human resource management in connection with employer value, digitally driven labor efficiency improvement and employee experience. The awards reflect the spirit of one heart, unity and common progress and the power of Bairong Inc. as talent magnet.

Case

Bairong Inc. wins the Ram Charan Management Practice Award: "Innovation and Entrepreneurship Practice Award"

Bairong Inc. wins the Ram Charan Management Practice Award (Ram Charan Management Practice Award is a non-profit award and represents the supreme honor for Chinese management practice): "Innovation and Entrepreneurship Practice Award" with its digital and intelligent reform driven labor efficiency improvement about organization and talent management. Moreover, the case is successfully selected in the case base of Harvard Business Review.

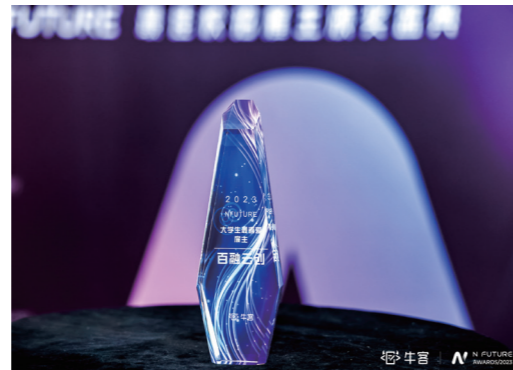


Case

Bairong Inc. wins the "2023Nfuture Top Graduate Employers"

It was initiated by NowCoder, with hundreds of enterprises registered for election. Attributing to fresh graduate job searching experience, employer brand construction, digital and intelligent on-campus recruitment innovation and other multiple dimensions, Bairong Inc. was awarded with "2023Nfuture Top Graduate Employers", which means that Bairong Inc. is highly recognized by the young student community.

Bairong Inc. strives continuously for its on-campus recruitment brand "new talents choosing Bairong Inc." and spreads its value proposition to employees based on the on-campus recruitment. Presently, it has built the campus talent program covering full-service chain and integrating recruitment and cultivation, and keeps innovating the mode and enriching the contents for absorbing talents. In the future, we will continue to explore the method for building employer brands relying on the on-campus recruitment brand so that more and more excellent schoolfellows can hear and understand and make achievements in Bairong Inc.



Case

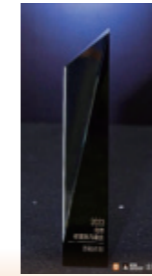
Bairong Inc. wins the award of "Favorite Employer"



The award of "Trainee Favorite Employer" is conferred by comprehensively analyzing the campus employer brand of employer enterprise from six dimensions "the most interesting, the most promising, the most active, the most loving, the most WLB and the most responsible", with contents covering the all-year employer brand layout and on-campus recruitment status of the enterprise, to reflect if the enterprise is attractive and influential on on-campus recruitment and furthermore select Top 100 graduate favorite employers. The award of "Favorite Employer" not only shows the recognition and appreciation for Bairong Inc. and its on-campus recruitment, but also proves that its unremitting efforts on employer brand construction are seen by all sectors of society.

Case

Other awards for talent recruitment of Bairong Inc.



Liepin - Outstanding Employer



HRise - Prospective Employer Award



Moka - Sirius Digital Practice Award



Lagou - Annual Top Employer



HRA - Human Resources Value Best Practice Award



HRTech - Best Candidate Experience Practice Award



HRTech - Best Candidate Experience Team Award

Labor disputes

The Company normalizes the Measures for Administration and Handling of Labor Dispute Events in accordance with Labor Dispute Mediation and Arbitration Law of the People's Republic of China and handles labor disputes following fairness, impartiality principles and in accordance with the law; any disputes arising between the Company and employees during work shall be subject to the Labor Contract Law of the People's Republic of China.

In 2023, the company did not receive any notices of labour disputes.

Protection of Employees' Rights and Interests

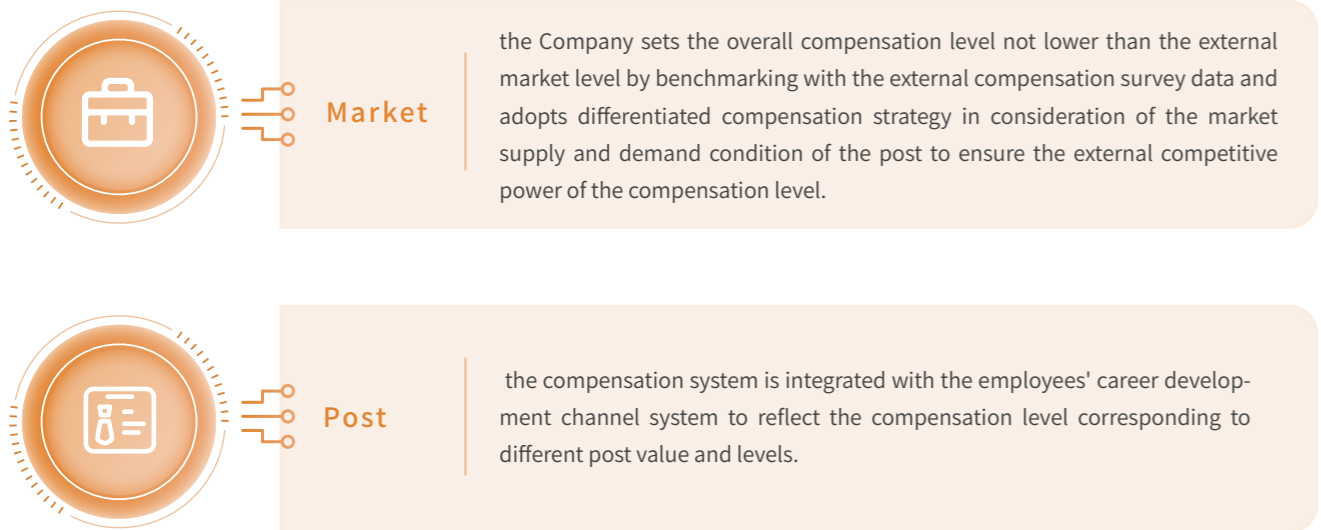
Success of Bairong Inc. depends on our capacity of absorbing, retaining and motivating qualified talents. As a part of the human resources strategy, the Company provides employees with competitive compensation solution, including the competitive salary, performance-related cash dividend and other motivations. The total remuneration cost incurred by the Group for 2023 was RMB 718.01 million. The Company has adopted a post-IPO share option scheme and a share award scheme to incentivize employees. To ensure employees' quality, knowledge and skill level, the Company organizes training for employees regularly.

Concept and structure of remuneration →

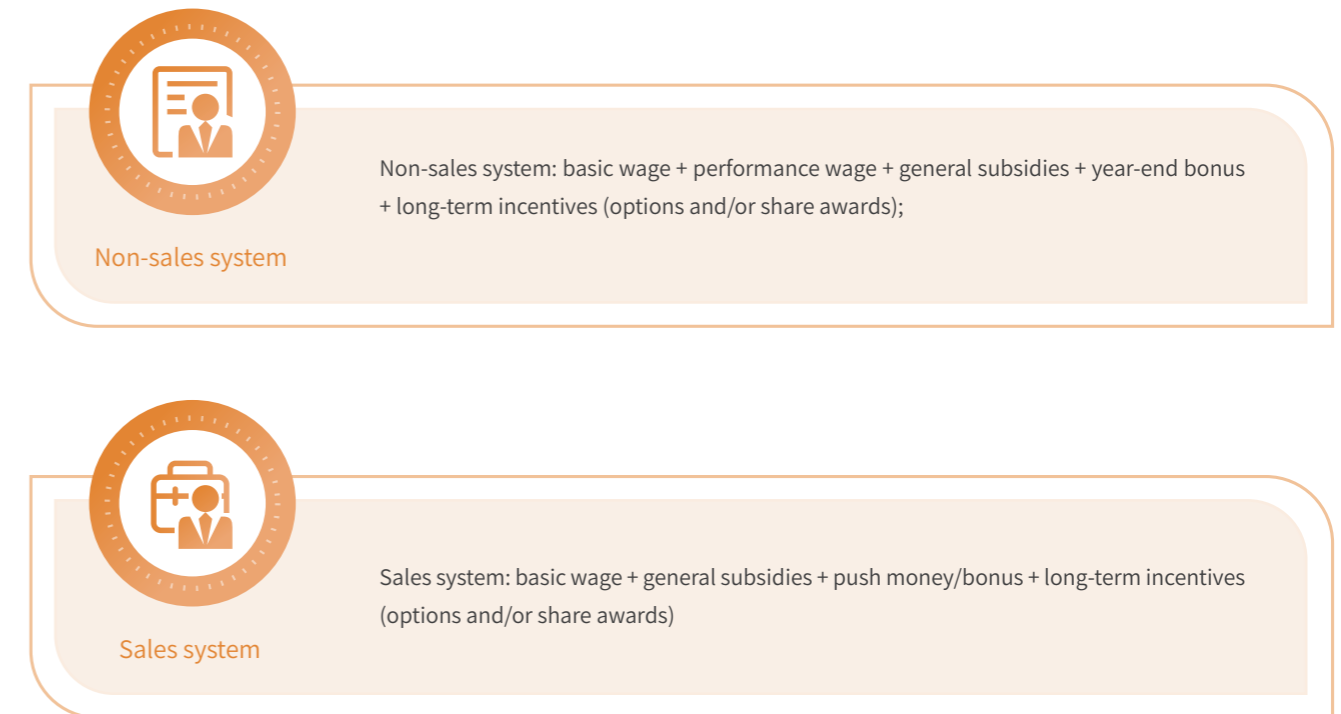
Purpose

Compensation administration is aimed fundamentally at absorbing, retaining and motivating the Company's excellent talents by establishing the compensation system that is fair internally and competitive externally; creating the "performance-oriented" compensation concept of the Company by fulfilling the compensation philosophy of embodying post value and employee performance; achieving scientific salary concept and incentive system subjecting to post obligation, capability, performance contribution and other factors.

Concept



Structure



Remuneration and welfare →

The Company, in accordance with *Remuneration Management Regulations, Measures for Administration of Total Wages, Payroll Management Rules, Management Regulations of Remuneration and Welfare of Employees Overseas* and other related regulations, establishes the decision-making mechanism linking the gross payroll together with economic benefit and labor productivity and adheres to the principle of equal pay for equal work. It builds a diversified compensation system that post decides the basic wage, performance decides the performance wage and contribution decides bonus to motivate employees to grow together with the Company. The Company makes specially the Remuneration and Welfare Management System to ensure scientific, standard and rational remuneration management.

● ● ● Remuneration Survey ● ● ●



To ensure the external competitiveness and internal fairness of remuneration with target and achieve individualized design of the remuneration system, Bairong Inc. optimizes its remuneration structure by market remuneration survey. The strategy is conducive for the Company to more precisely make the remuneration policy meeting the market trend and ensure the competitive power of the Company on absorbing and retaining key talents as well as maintain the internal fairness of remuneration. By the method above, Bairong Inc. can provide more reasonable and incentives remuneration plan based on employees' concrete contribution and market standard.

● ● ● Principles of Remuneration System ● ● ●

Bairong Inc. applies four core dimensions as the design foundation for building its remuneration system, including market competitiveness, post value, qualification and individual performance. Such a multidimensional remuneration design method ensure Bairong Inc. to take the remuneration level of external market, post contents and requirements, employees' professional skill and work experience as well as work performance and contribution into full account when making the remuneration policy. With the method above, Bairong Inc. can establish a set of fair and competitive remuneration system to effectively motivate employees, and absorb and retain key talents, so as to support its long-term development.



Employee welfare →

It improves continuously its remuneration and welfare system, pays wages in full on time, pay social insurance, accumulation fund, and enterprise annuity for employees according to law, establishes the relatively complete welfare guarantee system, and advocates employees to work efficiently and arrange rest and vocation reasonably. Employees enjoy various statutory paid holidays according to law, including statutory holidays, annual leave, marriage leave, home leave, funeral leave, maternity leave, sick leave, work-related injury leave, etc.

In order to standardize the welfare management procedure, Bairong Inc. has formulated the Welfare Management System in close combination with the actual situation of the Company. In addition to the national statutory welfare programs, the Company also provides the following additional supplementary benefits for employees to attract and retain more outstanding talents and improve employees' welfare and security:



Supplementary medical insurance programs

The Company's supplementary medical insurance plan covers not only the regular medical expenses, but also the liabilities of accidental injuries resulted from transportation (such as self-driving), major diseases and disease death, thus providing more comprehensive protection for employees.



Gender friendliness

Baby care rooms are provided to meet the female employees' special needs when they are in specific period, which reflects the Company's emphasis on gender equality and employee care.



Food service

Employees are provided with free dinner or convenient retail food service so that they can get safe food supply when they work overtime.



Others

In addition, birthday celebrations, holiday gifts, and regular physical examination are provided for employees to enhance their sense of belonging and happiness.

Guarding safety and health

Bairong Inc. attaches the highest importance to employees' health and safety and resolutely opposes any behavior that may pose a threat to their health and safety. There was no work-related fatalities occurred in the past three years including the reporting year.

Employee health

Bairong Inc. is committed to creating a safe working environment, and strives to adopt appropriate safety measures on the premise of abiding by all applicable safety laws, regulations and specifications, to eliminate all identified safety hazards. Bairong Inc. has formulated the Fire Safety System and Emergency Plan, which popularizes the daily fire precautions, fire safety knowledge and fire safety management system to employees. Besides, a detailed emergency fire evacuation and escape plan was also formulated to improve employees' fire safety awareness and emergency disposal ability.

Bairong Inc. pays close attention to employees' health, complying with relevant laws and regulations that have a significant impact on us relating to providing a safe working environment and protecting employees from occupational hazards, such as the Labor Law of the People's Republic of China and the Law of the Peoples Republic of China on Prevention and Control of Occupational Diseases, and strengthens the identification and monitoring of occupational disease hazard factors, prevention, inspection and accident handling of occupational diseases. In terms of employees' mental health, the Company has formulated "Tips to Achieve Physical and Mental Pleasure" to help employees maintain a positive mindset under the pressure of the epidemic and devote themselves to work and life. This measure aims to relieve employees' anxiety, uneasiness and fretfulness, help them maintain a positive and optimistic attitude, and promote their mental health and overall well-being.

Bairong Inc. regularly provides comprehensive physical examination for employees, to ensure their physical and mental health are fully cared for and protected. In addition, the Company also hires a professional supplier team to perform regular cleaning, maintenance and disinfection of the Company's public areas, such as large landscapes, walls, carpets, green plants and the whole office space, so as to ensure the employees' working environment is clean, hygienic and safe.



Employee caring

Bairong Inc. attaches great importance to the care of employees, actively creates a healthy, positive and progressive corporate culture atmosphere, promotes the cohesion and collaboration of enterprise, and promotes employees' well-being and sense of belonging.

Case Donating money to colleagues with cancer

The Company organized fund-raising activities for an employee with serious disease, who successfully received RMB 341,676 donation from hundreds of colleagues.

Amount raised
341,676 RMB



Case Questionnaire

百融云创员工福利升级计划问卷调查

为了感恩员工在公司发展过程中作出的贡献，百融云创计划为全体员工定制一份惠及“员工本人及其家庭成员”的医疗保障计划，关爱员工家庭，助力企业健康发展。

特邀您参与本次问卷调查，我们将根据问卷反馈信息，用于员工家庭关爱计划方案定制，敬请期待。感谢您的参与！

1. 您的年龄?

- 30岁及以下
- 31-35岁
- 36-40岁
- 41-50岁
- 51岁及以上

2. 您的婚姻状况?

更多问卷

复制此问卷

Smoothing development path

Bairong Inc. follows the principles of democracy, openness, competition, priority, employee being adaptable to all levels of jobs and high and low remuneration, develops multiple promotion paths, designs perfect career development paths and promotion systems for employees with different capabilities, thus cultivating and utilizing various outstanding talents, and satisfying employees' career development and personal value realization.

Case

Key position retention and development path

Results of talent inventory in 2023

key positions and key personnel

221

the total turnover rate of key personnel was

5.4%

down from 2022

3.6%

Employer net promoter score (eNPS)

9 points

(out of 10 points, filled in by Bairong trainees and candidates)

higher than that in 2022

0.03 points



Annual proportion of internal promotion

15%

space, platform and zigzag development paths were provided for

35 people

to expand their career development path and give them more room for growth.

Employee development

Bairong Inc. always attaches importance to employees' professional development and personal value promotion, constantly improves the talent training system, formulates and implements employee training management systems, and optimizes employees' performance appraisal and feedback procedures. Bairong Inc. strengthens the echelon construction of reserve cadres and provides a broad development platform for outstanding talents; encourages employees to learn various types of professional knowledge, actively improves their academic qualifications and obtains professional qualifications, and comprehensively improve their management level and vocational skills.

Most managers tacitly admit the growth path of subordinates is "vertical", and employees also regard their growth path in such manner, namely, promoted linearly within the same department in the same city. The linear development is the most common development path, which, however, will also limit the development of career. Therefore, in addition to the linear development, Bairong Inc. fully encourages the oblique and zigzag development path across departments, cities and even countries to provide dual paths for talent development, thus providing a regular career development route for most employees, and also designing a more suitable career development path for specialists.

From the pictographic analysis of "zigzags", its curvilinearity is reminiscent of the employees' personal growth. When an employee used to be the manager of product, operation and function departments, and also engaged in projects in the market, he will undoubtedly effectively solve the problems encountered by virtue of rich work experiences. Besides, he can also consider and solve the problems from the overall situation, from end to end and from the whole process. Those who grow up in the same department in a certain system inevitably feature selfish departmentalism, and take limited and one-sided approaches to view problems. Therefore, the Company encourages the rational flow of cadres and talents to form a powerful task group.

Guided by the long-term strategy and the needs of short-term business development, the Company focuses on creating direct and positive business impact, integrating the utilization and development of talents, practicing the talent guidance strategy of "emphasizing the top tier and bottom tier employees and guiding middle tier employees", and breaking the balance and enlarge the gap between the top-performing cadres and individuals and the bottom-performing cadres and individuals, to eliminate the situation of "messing together", and let the top-performing employees to promote the middle-performing employees, and the middle-performing employees to influence the bottom-performing employees. Furthermore, the Company also encourages employees to develop in a zigzag manner.



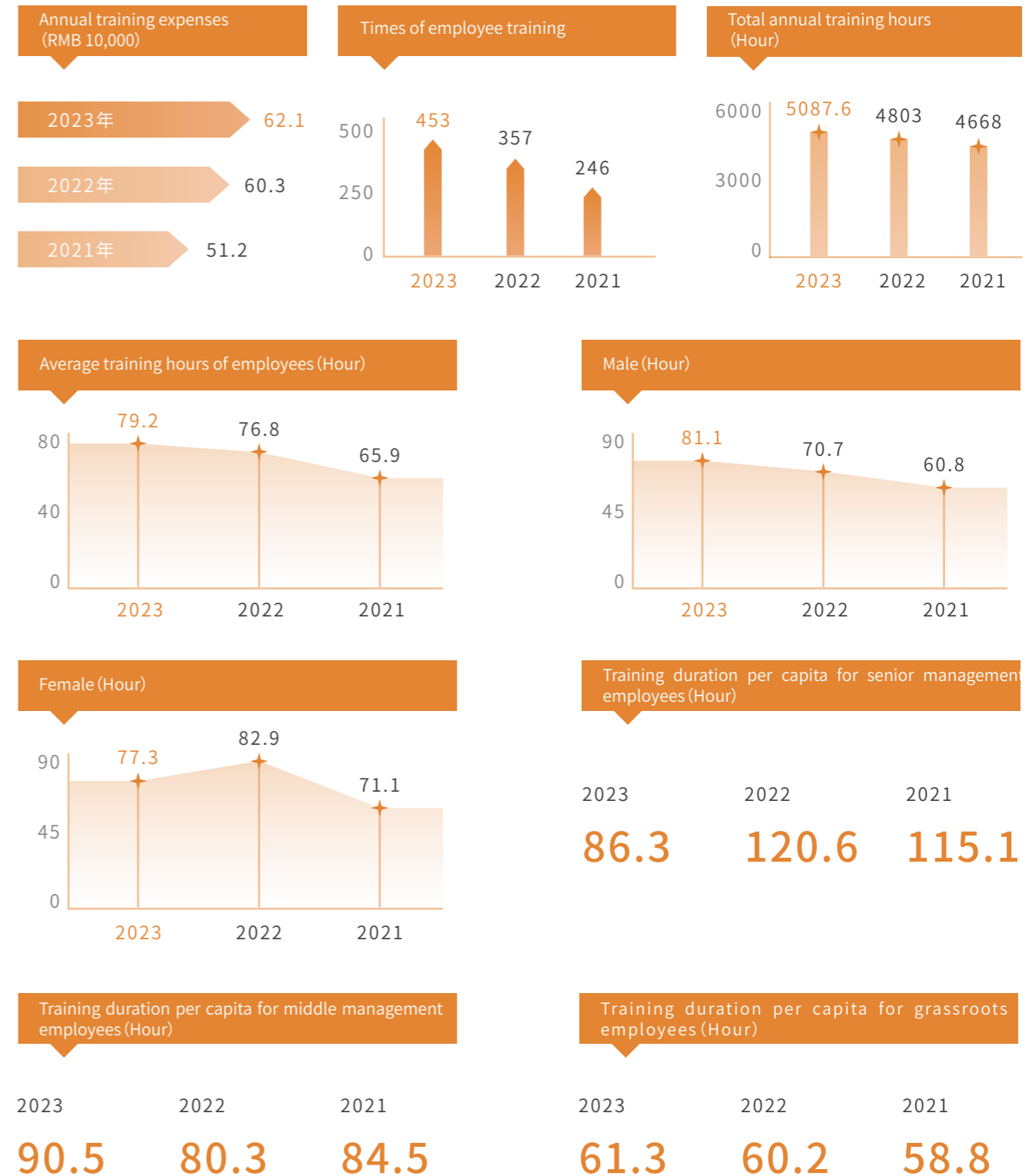
At the same time, the Company also should have an objective and fair attitude in developing cadres and talents. Employees should be treated objectively and fairly by considering both his advantages and disadvantages. Look at things objectively and calmly, and treat defects and virtues fairly.

Employee training —

In order to improve the employees' specialized quality in an all-round way, enhance their capability to engage in their own jobs while understanding the Company's corporate culture, enrich their knowledge and skills in a planned way, explore and develop their potential capabilities, and help them establish and maintain good interpersonal relationships, Bairong Inc. has specially formulated the Training Management System. The system provides clear implementation and management guidance for the Company's personnel training activities, and ensures the systematization and effectiveness of the training, thus supporting the Company's long-term development goals.



Through the implementation of the Training Management System, Bairong Inc. can ensure that employees constantly improve their own capabilities and better adapt to the Company's rapid development, and at the same time, inject new vitality into the Company's culture inheritance and enterprise development.



Case

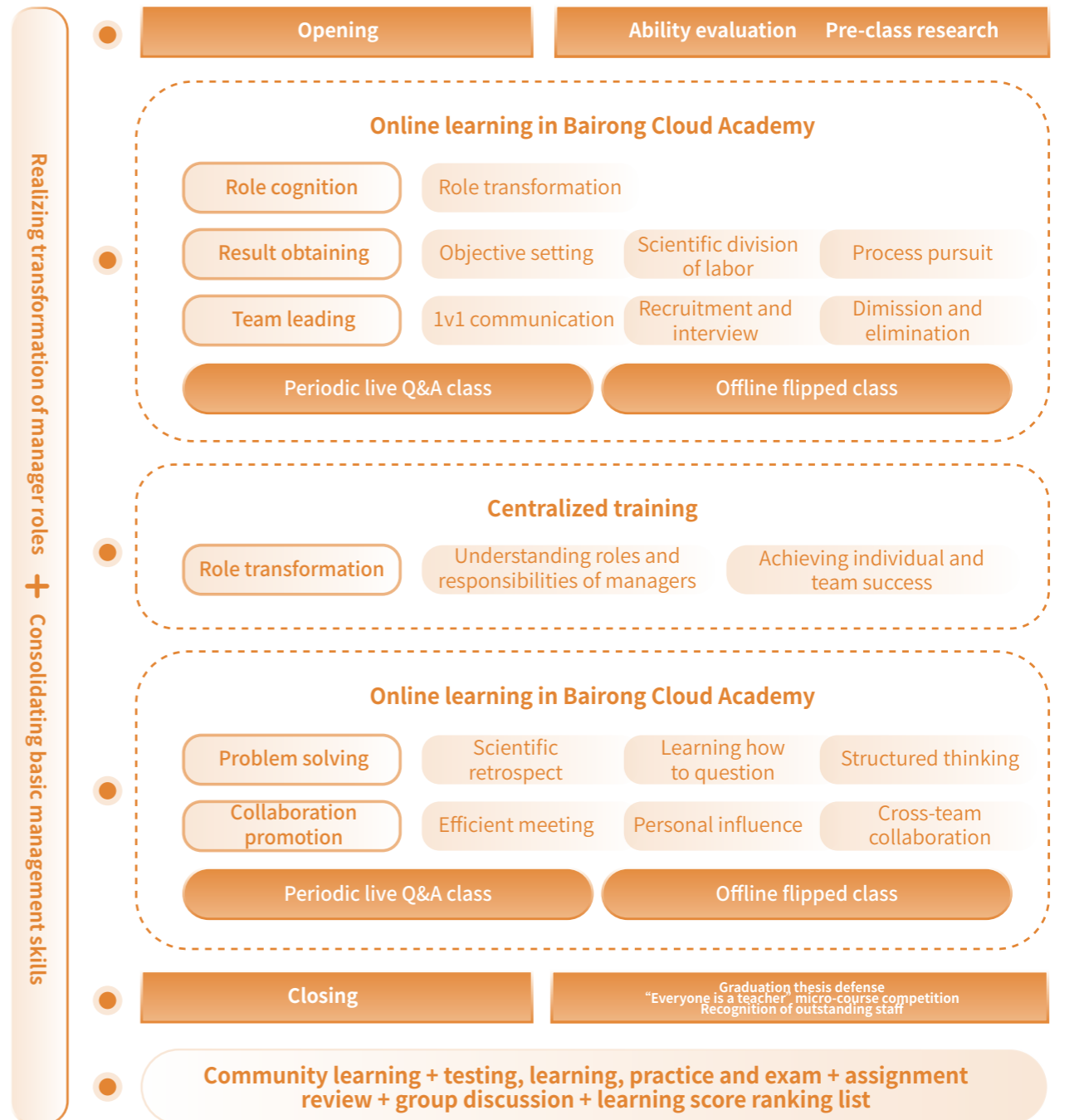
Training camp for improving management capability of feature library

The Company's more than 110 middle and grassroots managers participated in a 100-day training camp. Through 91 courses and various teaching methods, 115 middle and grassroots managers were systematically trained, and 98 practical management tools and forms were provided to help them master practical management tools and methods. Furthermore, 187 management problems were solved, and more than 100 practical management cases of managers were output.

By action plans, completion reports and other forms, trainees applied what they have learned and completed the action plan containing over 300 tasks, which are the valuable management experiences retained by Bairong.



100-day Blended learning tour: 13 online issue courses + 8 live Q&A classes + 2 flipped classes + 1-day centralized training





Case

Building a real learning organization based on Bairong Cloud Academy

According to the *Special Study of New Employees*, a total of **15,784** people completed study by December **31**, 2023, and **664** people graduated successfully. Compared with 2022, these numbers increased by **17%** and **26%** respectively;

127 study topics have been set up, an increase of **88%** over 2022;

380 self-study courses have been uploaded in the whole year, an increase of **42.9%** over 2022;

The total study time of all employees is **5,367** hours, and the study time per capita is **5** hours and **48** minutes, which were **21%** and **14%** higher than those in 2022 respectively.

The total number of students enrolled in the year was **1,160**, and the total number of students studied reached **86,761**, which was **136.6%** higher than that in 2022.



The Company ranked fourth in activity (ninth last year) in the main platform of Bairong Cloud Academy - zhixueyun.com, up five places. (An autonomous learning platform with the number of users of nearly **500 to 2,000**)



Case

Huaying senior management cadre training

The Huaying senior management training covers 35 attendees, including: founder's business logic, strategic management, marketing management, organization and talent development, and organizational capacity construction, etc..

training covers

35 attendees



Democratic management

The Company actively establishes an open, transparent and democratic communication mechanism, and builds a diversified democratic communication platform that comprises various channels such as trade unions and employee representative meeting, employee communication and interviews, and internal management research. The Company respects and guarantees employees' democratic rights, such as their right to know, participate, express and supervise, and the freedom of association, and supports them to participate in the Company's management activities.

Pursuit of excellence and provision of high-quality services

Since its establishment, Bairong Inc. has been focusing on exploring the application field of science and technology, deeply developing frontier technologies such as artificial intelligence, cloud computing and blockchain, and committed to providing high-quality products and services, firmly practicing long-termism, and promoting digital intelligence layout to provide scientific and technological support for the digital transformation of the Company.

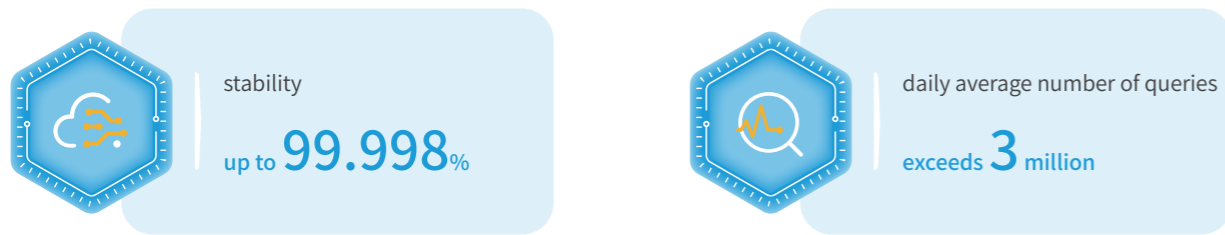
Strict control of product quality	77
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Strict control of product quality

In the process of research and development, Bairong Inc. pays attention to market demand and user feedback, and constantly optimizes design to ensure products achieve excellent performance and functions. Provision of targeted solutions. The product quality of Bairong Inc. is reflected in accuracy, reliability, safety, stability, compatibility, user experience, innovation, quick response and iterative ability. In order to meet these requirements, the Company usually increases R&D investment, focuses on testing and optimization, and actively collects user feedback to continuously improve the quality and competitiveness of products.

Our MaaS business (model and service) based on Discriminant AI helps enterprises to realize upgrading of KYC (Know Your Customer) and KYP (Know Your Product). We integrate different model products for various business scenarios (e.g. anti-fraud, capital demand, marketing intention and qualification certification) in different modules, and then efficiently supply them to financial service providers by the AI-driven MaaS cloud platform. Customers can freely deploy various models based on their own query needs. Our self-established MaaS cloud platform is safe and reliable, with the stability of up to 99.998%, and the daily average number of queries exceeds 300 million.



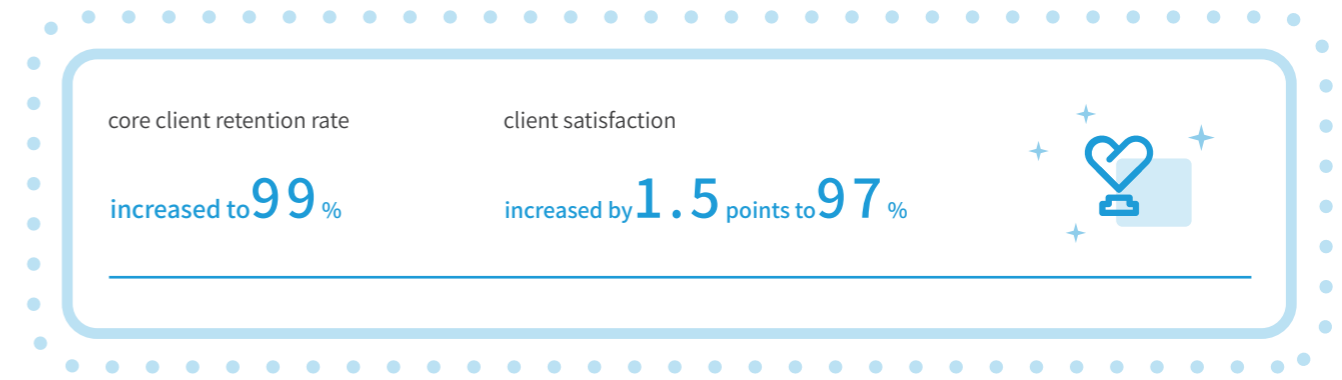
Our BaaS (business as a service) improves the efficiency of credit, wealth management, insurance and asset operation of Internet technology industries by virtue of Discriminant AI and Generative AI technologies. We conduct pre-judgment analysis and labeling & stratification for the target user groups of institutional clients, then provide accurate matching of the marketing strategy, and then reach the users collaboratively by superimposing AI VoiceGPT or other combinations to facilitate the transaction. Through this type of end-to-end service, we cannot only help various industries to activate existing users, but also gain incremental users and transform results; we can immediately carry out model adjustment and optimization and use iteration talk during the operation by utilizing this closed-loop service. We can support more than 30 million times of intelligent voice communication every day. Moreover, each AI intelligent voice robot can smoothly complete multi-round dialogs by simulating the real person's timbre. The corresponding voice delay is less than 500 milliseconds, and the semantic understanding accuracy is greater than 95%.



Improve client service

Bairong Inc. attaches importance to the understanding of client needs, and our client service is characterized by professionalism, timeliness and personalization. We respond to client needs timely through various channels, and provide them with customized solutions. In order to meet the personalized needs of clients, the service team will also provide them with customized solutions according to the characteristics and needs of clients.

Our core client retention rate has further increased to 99%, which confirms our absolute leading position in brand reputation accumulation in the past decade. The client satisfaction to our services has further increased by 1.5 points to 97%, and we have received commendatory letters from many clients and partners.



Case Commendatory letter

致百融云创科技股份有限公司：

在与贵公司合作对接项目过程中，贵公司交付运营经理经验丰富，积极配合我方做各种调试，尤其是在接口上线期间，对我方提出的技术问题，都能够及时的跟进解决，处理得当，保证了我方技术对接能够顺利进行。有时贵司监控到我方数据波动，或对数据有疑问，也均会积极配合我方，进行问题排查，并及时反馈结论。敬业的精神，专业的技能，职业化的工作方式为我方项目的正常开展做出了重要的贡献，至此我方特别提出对贵司交付同事进行表扬给予工作成绩的肯定，感谢贵司运营团队的大力支持和付出。

我方与贵司的合作仍在顺利进展，希望贵司今后可以一如既往的支持我方的项目对接工作，愿双方合作愉快，更上一层楼！

2023年07月12日

Case

Commendatory letter

表扬信

百融云创科技股份有限公司:

首先非常感谢贵司长期以来对我司的支持与帮助。在双方合作过程中,我们深切感受到,贵司给予的非常有力的支撑与工作保障,处处体现出贵司专业负责的企业精神。

在这里要特别表扬贵司的运营同事,在平时的业务解答以及异议处理过程中,体现出高度的敬业与专业精神,同时能够积极为我们着想,主动提供数据分析报告,给我们的策略调整提供极大帮助。不积跬步无以至千里的工作态度与积极的响应效率,得到了我司同事的一致好评。

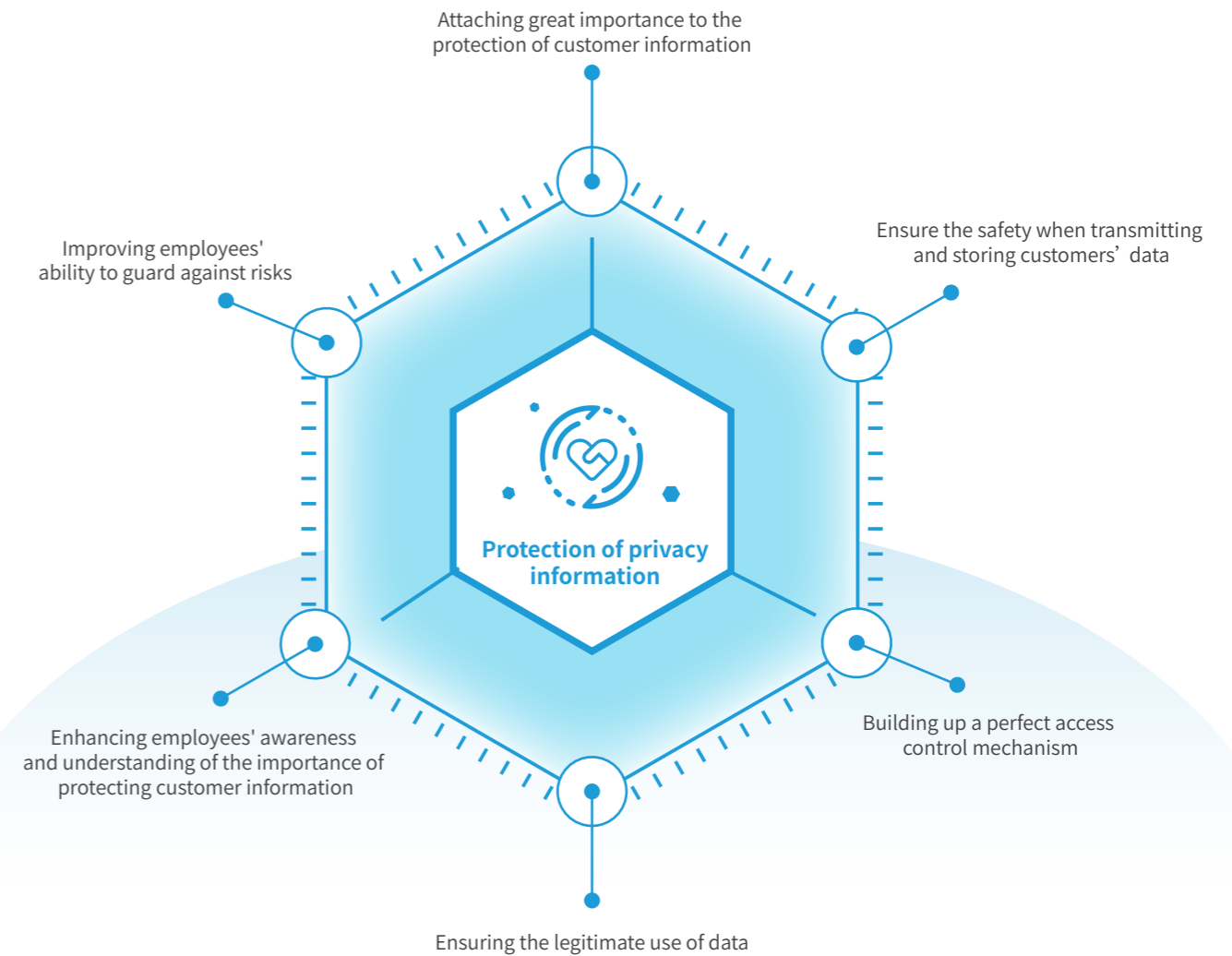
在此,我们由衷地感谢贵司对 的关心与爱护,同时向一如既往辛勤工作的同事及领导表示最真挚的敬意,我们真切地感受到双方合作日益紧密,发展环境越来越好。

最后,祝百融云创事业蒸蒸日上,愿我们双方合作愉快!



Protection of privacy information

The Company attaches great importance to the information security of clients and stakeholders, and has taken a series of strict measures to protect their information. The advanced encryption technology is used to ensure client data is secure during transmission and storage. Moreover, a perfect access control mechanism has been also established to limit employees' right of access to client information. In terms of data processing, the Company follows strict compliance standards to ensure data is used legally. Furthermore, we strengthen employees' awareness and understanding of the importance of client information protection, and improve their ability to prevent risks through regular internal confidential training and education activities.



Implement responsible purchase and build a sustainable supply chain

Bairong Inc. is committed to building a responsible supply chain by taking high sense of social responsibility as the starting point. The Company formulates and implements a high-standard quality management system through active cooperation with suppliers to ensure products and services achieve reliable quality.

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Green supply chain	84



Supplier management

Bairong Inc. strives to build a sustainable supply system, and complies with supply management-related laws and regulations and industry rules that have a significant impact on us. The Company has formulated the *Three-party Data Product Requirements Assessment and Supplier Management System* to effectively implement supplier management, safeguard the legitimate rights and interests of the Company, suppliers and information subjects, promote the standardized business operation and ensure its healthy development.

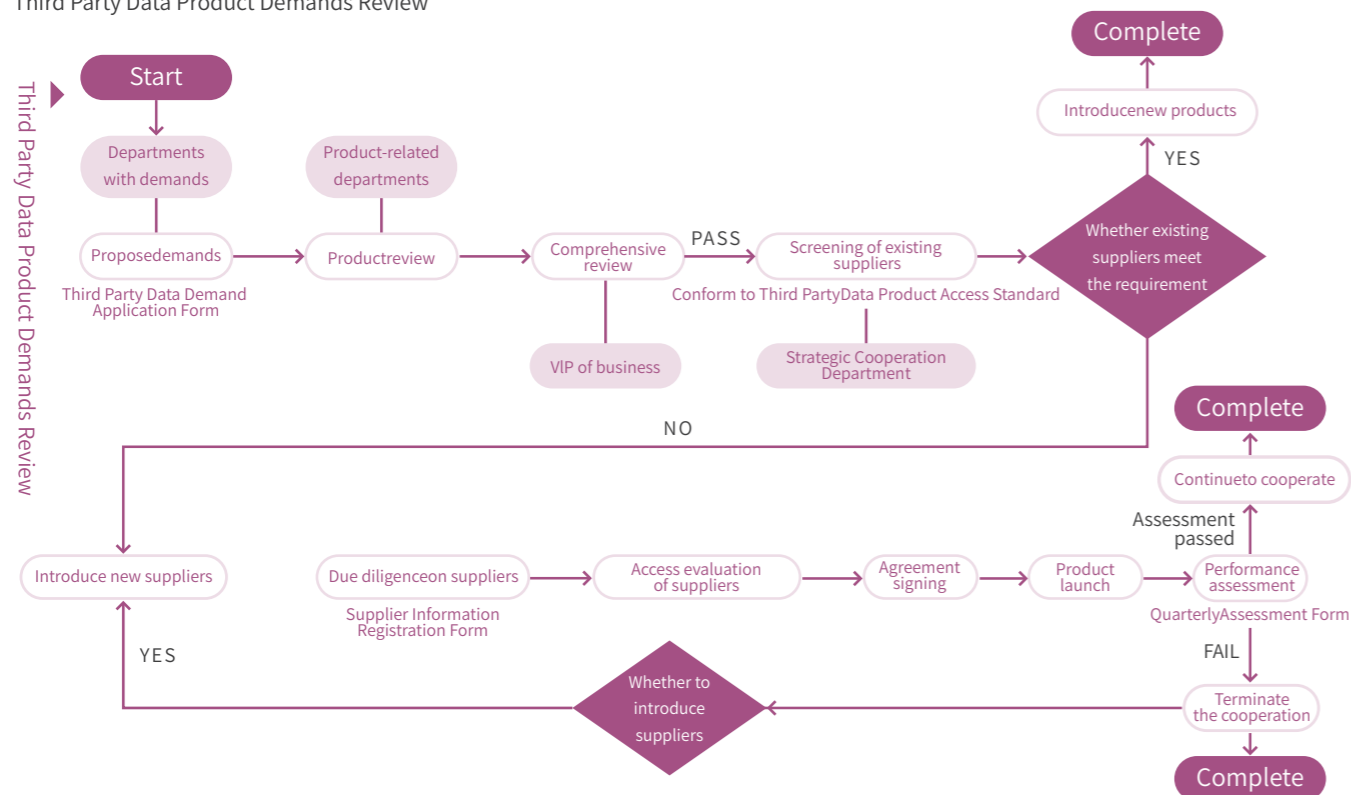
Bairong Inc. standardizes supplier management by relying on systems. The Company integrates suppliers' performance in environment, society and governance aspects into the whole process from access, evaluation to withdrawal of suppliers, which covers multiple dimensions of environment, quality, safety, labor and business ethics. For example, in terms of supply chain management, Bairong Inc. pays attention to environmental protection and sustainable development, and encourages suppliers to adopt environmentally friendly materials and production processes to reduce the environmental impact. Furthermore, the Company also pays attention to the labor conditions in the supply chain, advocates suppliers to abide by the ethics and human rights standards, and protects workers' rights and interests.

Bairong Inc. actively promotes the innovation and optimization of the supply chain, and improves the efficiency and flexibility by technical means to meet the changing needs of clients.

Supplier access

In all processes of supplier management, Bairong Inc. has taken into account suppliers' ESG risks in a targeted manner according to the Criteria for Access of Data Source Suppliers, and focused on their performance in information security, product liability, risk management and business ethics.

Third Party Data Product Demands Review



Supplier assessment

Bairong Inc. has established a strict supply chain supervision mechanism to regularly evaluate and review suppliers, thus ensuring they meet the Company's requirements and standards. Through close cooperation and communication with suppliers, the Company strives to realize the transparency and traceability of the supply chain. Bairong Inc. performs supplier review once every quarter. The review meeting is organized by the strategic cooperation department, and the review is undertaken by the review team. The performance appraisal results will be a basis for determining the introduction of new suppliers, continue cooperation of existing suppliers and adjustment of later purchase quota.

In order to better protect the stakeholders' interests and avoid and minimize possible risks in all aspects, in case the supplier commits the following acts, Bairong Inc. will consider whether to suspend or terminate the cooperation:

- ▶ Data leakage, abuse or other major negative events have occurred;
- ▶ Large-scale client and user complaints have occurred;
- ▶ Investigated by the public security department, or interviewed, investigated, ordered to be rectified or fined by network information departments, telecommunications competent departments, market supervision and management departments at municipalities directly under the central government or above the provincial level and industry associations;
- ▶ The supplier bribed the Company's members;
- ▶ Other circumstances that may adversely affect the Company.

Green supply chain

The "Green supply chain" is a concept and practice that environmental factors are included into supply chain management. It aims to reduce the negative impact of supply chain activities on the environment and improve the efficiency of resource utilization. Bairong Inc. actively builds a green supply chain. In the supply chain, the Company not only emphasizes its own environmental performance, but also actively urges its suppliers, manufacturers, distributors and other partners to achieve green development together. The Company strongly advocates green purchase, and clearly stipulates that, those who have obtained the environmental management system certification and products with green certification or low-grade energy efficiency shall be given priority in supplier evaluation and product purchase. The Company will handle those with significant negative environmental information cautiously and immediately terminate the cooperation as appropriate. Furthermore, improve employees' knowledge and skills of green purchase and ensure the effective implementation of green purchase policies. In this way, the Company aims to drive enterprises involved in the supply chain to improve their environmental performance, and jointly promote harmonious coexistence with the environment.

Engage in public-interest activities and assist social development

While seeking development itself and creating commercial value for the society, Bairong Inc. has paid more and more attention to the construction activities of ecological environment and social responsibility, and regarded the practice of social responsibility as a key link in enterprise management. In recent years, the Company has fully implemented the strategy of "rural revitalization" and promoted consumption assistance, educational assistance and agricultural assistance activities; carried out different forms of activities, and both the Company and employees actively participated in public-interest activities. Furthermore, we have continuously carried out consumer, industrial and educational assistance activities to help local villagers in Shijingshan District to make profits and increase income, improved their educational conditions, and supported the development of local characteristic economy, and won the honor of "outstanding contributor to rural revitalization" in Shijingshan District.

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Promote community co-construction

Bairong Inc. attaches great importance to the coordinated development with community, and timely identifies, evaluates and resolves the risks of conflicts between community and enterprise while developing various businesses. Bairong Inc. respects for the cultural customs and behaviors of the community, and promotes a win-win situation that benefits enterprise development and community prosperity.

We actively participate in the support of community development to promote local community construction and economic development. Provide jobs for local talents. Besides, we actively encourage voluntary activities such as sanitation and cleaning, planting and green maintaining, water saving and conservancy, and civilization guidance.

Engage in public-interest activities

The Company has always adhered to the concept of harmony between enterprise development and social responsibility, constantly strengthened political responsibility, actively participated in public-interest activities, dedicated love and served the masses through practical actions, and solidly promoted various volunteer services. Bairong Inc. actively undertakes corporate social responsibility, closely follows the national development strategy, and supports the overall situation of economic and social development by making full use of AI technology and industry cumulative advantages. In 2023, the Company gave back to the society through its practical actions, improved people's livelihood and well-being, actively responded to the call of the Beijing Shijingshan People's Government, and devoted itself to the "Beijing-Inner Mongolia Strategic Cooperation" and "Enterprises Revitalize Villages" Initiatives. We started with financial assistance and gradually went deep into consumer, industrial and educational assistance, to support rural revitalization through its practical actions. These initiatives were also awarded the honor of "outstanding contributor to rural revitalization" in Shijingshan District.



carry out consumptive assistance



carry out industrial assistance



carry out educational assistance

Total time invested in public-interest activities

248 Hour

Number of personnel invested in public-interest activities

58 Person

Amount of money invested in public-interest activities

1,043,000 RMB

Case Active donation

The Company responded to the "Enterprises Revitalize Villages" Initiative of Beijing Shijingshan People's Government, supported Beijing-Inner Mongolia mutual assistance, and donated RMB 90,000 of social assistance fund to the Red Cross Society of Shijingshan District, and won the honor of "outstanding contributor to rural revitalization" in Shijingshan District. The Company actively fulfills its social responsibilities, repays the society, supports rural revitalization and development through its practical actions, which demonstrates the responsibilities and undertakings of listed companies in the new era.

In response to the call of the Beijing Municipal Government, the Company donated RMB 100,000 to Tanzhesi Town and Yanchi Town in Mentougou District in flood control and disaster relief work.



Charitable donation

1.61 million RMB

Case Carry out educational assistance

Under the overall guidance of Beijing Shijingshan People's Government, the Company devotes itself to the strategic cooperation between Beijing and Inner Mongolia. We provided educational assistance to Dongwujia Village Primary School in Ningcheng County, and purchased and donated books worth RMB 50,000.

Purchase and donate books
50,000 yuan



Promote rural revitalization

As a leading AI technology company that provides one-stop service, Bairong Inc. is constantly exploring financial technology empowerment. Relying on its profound technical strength, we have improved the coverage and convenience of financial services provided by financial institution for "agriculture, rural areas and farmers", and then implemented rural revitalization and development, and provided financial support for villages.

Rural revitalization empowerment by science and technology requires focus on question point of rural finance. In view of the three major problems in rural finance, namely, asymmetric information, lack of collaterals and high transaction cost, Bairong Inc. has built a model of "rural scenario + technology platform + financial institutions" to promote the perfection of rural credit system and improve the availability of rural financial services in a certain degree. At present, Bairong Inc. has reached cooperation with a number of local institutions, and provided convenient financial services for groups of "agriculture, rural areas and farmers" by assisting them in setting up rural financial service stations.



Promoting consumption assistance is an important way to consolidate and combine the achievements of poverty alleviation with rural revitalization. Adhering to the spirit of "always moving forward", Bairong Inc. supports the rural revitalization financially by means of digital technology, digitalization and intelligence, and makes contribution to the construction of prospective fields and ecologically livable beautiful countryside.

Bairong Inc. has focused on the objective of revenue-enhancing and internal motivation-increasing, and cooperate with leading enterprises undertaking joint farming and driven farming responsibilities, special cooperatives and new agricultural business entities to promote the extension of agricultural industrial chain and unlock the new "password" of achieve prosperity. From the neon of the city to the starlight of the countryside, Bairong Inc. has sincerely cooperated with Dianzi Village and Dawopu Village to make the road of sustainable development of rural revitalization steady and solid.

Case Consumer assistance

Dianzi Village, located in Ningcheng County, Chifeng City, Inner Mongolia Autonomous Region, is the key object assisted by Bairong Inc. Considering the local honey is the main income source of the village collective, the Company has provided consumer assistance by establishing Junyi Bee Industry Cooperative, which made profits and increased income of local villagers and has been widely praised by farmers.



感谢信

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贵公司为贯彻落实党中央大力实施消费帮扶、巩固脱贫攻坚成果的重要指示精神，以高度的政治责任和使命担当，采购我们合作社大量农产品，受到农户的广泛赞誉。消费帮扶，你我携手同行。有贵公司的大力支持，定能早日实现乡村振兴。
特此，向贵公司表示衷心感谢！祝你们事业蒸蒸日上，公司的企业精神发扬光大，也衷心祝你们所有员工工作顺利，事事顺！



Case Industrial assistance

Under the overall guidance of Beijing Shijingshan People's Government and the joint promotion of Shijingshan United Front Work Department and Federation of Industry and Commerce, Bairong Inc. devotes itself to the strategic cooperation between Beijing and Inner Mongolia and the "Enterprises Revitalize Villages" Initiative.

We started with financial assistance and gradually went deep into industrial assistance. Thanks to the unique natural ecological and climatic conditions and resource advantages, calcium fruits, a high-quality industry as a result of rural revitalization, are bred in the Dawopu Village, and calcium fruit drinks with rich nutritional value are developed. Bairong Inc. procures calcium fruit drinks, and constantly expands both online and offline marketing channels to help villagers make profits and increase income, and jointly write a new chapter in cooperation between villages and enterprises.



Implement green development and green mission

Bairong Inc. has been engaged in green development and implemented green mission in the process of business development. The green solution developed by Bairong Inc. is a set of prospective, implementable and innovative solutions. This solution closely follows the national macro policy, and deeply combines the leading domestic and overseas leading experiences. Besides, Bairong Inc. also attaches importance to its own green transformation. In addition to assisting financial institutions to build green financial system, the Company also actively promotes the implementation of its own green operation concept. By integrating the ESG concept into the Company's all aspects, Bairong Inc. achieves the high-quality development itself and continue to create value in the fields of economy, society and environment.

In 2023, we have served more than 200,000 small and micro enterprises, and helped them to achieve the smooth finance and healthily development through intelligent matching and intelligent marketing technology. Besides, we have undertaken several green financial projects, in which bank clients are empowered to accurately identify green credit, green bonds, green bills and other businesses by virtue of Discriminant AI. We established an environmental and social risk management system by industry, and integrated the identification, assessment and management processes of environmental and social risks with the credit management process to establish the green financial system featuring full integration of green credit, green bonds, green investment, green leasing, green financial management and other businesses, and also realized business process automation.

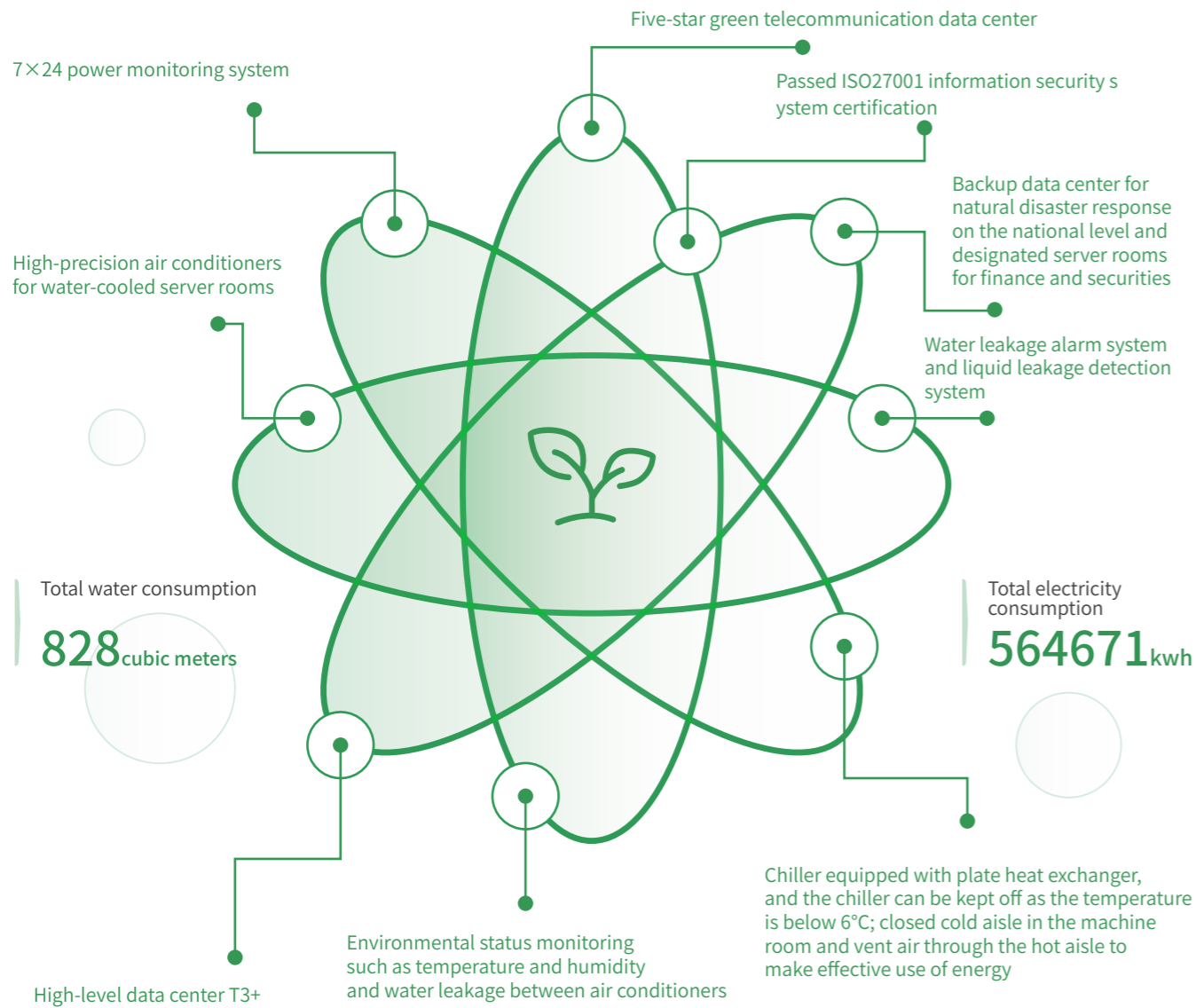
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Resource utilization

Bairong Inc. always pays attention to the resources and energy management, constantly improves the utilization efficiency of resources, and realizes a win-win situation that benefits economic benefits and environmental protection.

A green data center has been established. The Company is using more than 100 cabinets as of the end of 2023. The Company includes indicators such as security, stability and economy, as well as energy efficiency technologies and performance such as the source of energy used by the data center and cooling technologies, in the consideration of data center service providers, and regularly monitors indicators of power usage efficiency (PUE) and carbon emission intensity of the data centers. Through data migration to the cloud, the Company reduces power consumption greatly compared to heavy infrastructure counterparts, and promotes data center service providers to fulfill their environmental responsibilities and pursue sustainability.



Waste Management

Bairong Inc. complies with relevant environmental laws and regulations that have a significant impact on us relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, such as the Environmental Protection Law of People's Republic of China and other national standards, and carries out works related to waste management.

The hazardous waste generated by the Company is mainly waste batteries, waste toner cartridges, ink cartridges, lamps, etc. from daily office activities; harmless waste is mainly waste paper, plastics and household waste, etc. These hazardous wastes and harmless wastes are entrusted to professionals for recycling and treatment. At the same time, the Company complies with the Regulations of Beijing Municipality on Supervision of Household Waste Sorting, and has installed specialized collectors for food, recyclable and other waste on each floor of the office premises. In addition, the Company also puts up posters to lead employees toward garbage sorting and recycling. Used electronic products are stored separately.

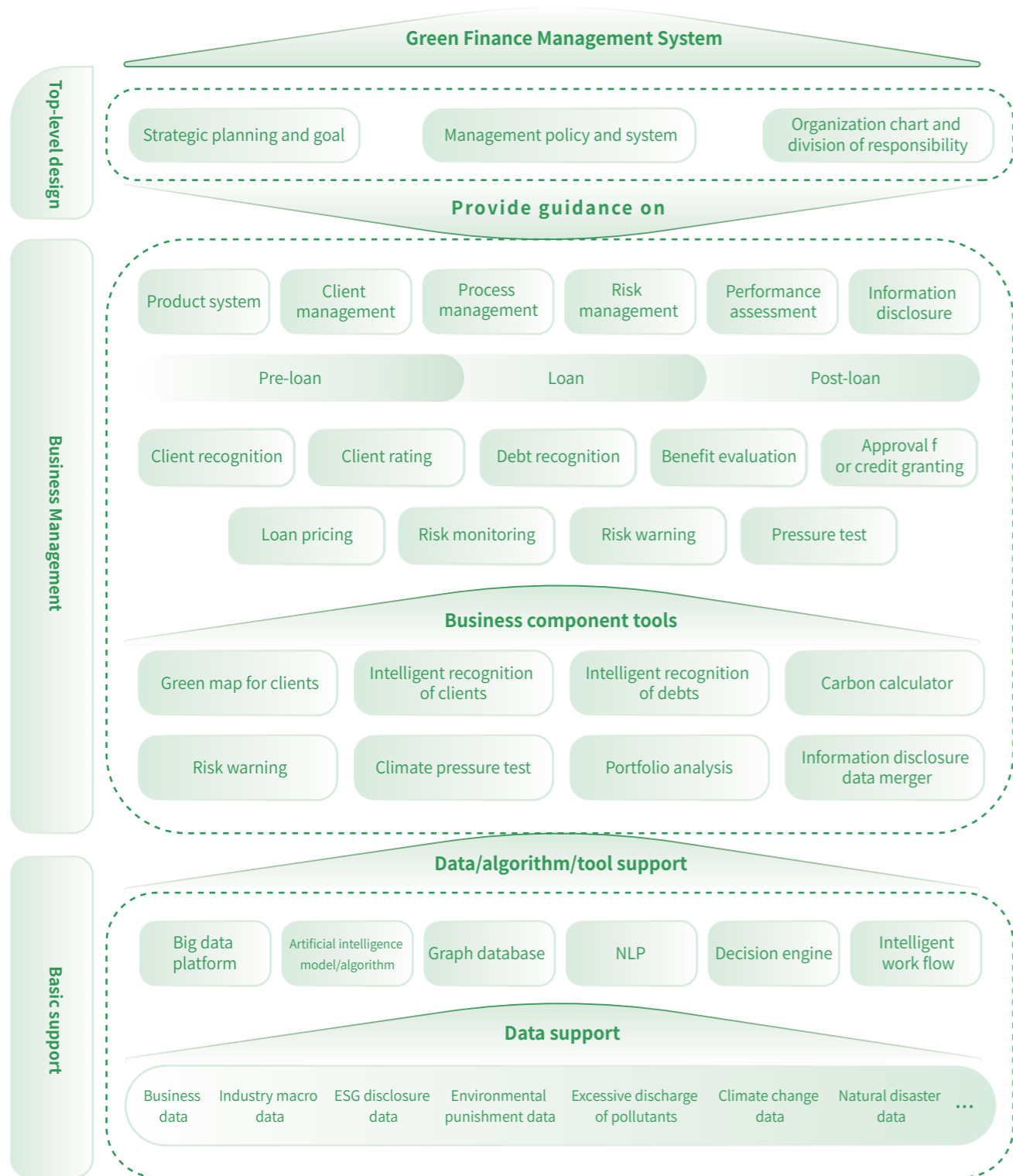
Green Service

Support green credit

The Company continues to deeply cultivate advanced technologies such as artificial intelligence, cloud computing and big data, give full play to its own technological advantages, consider the business demands, pain points and difficulties of financial institutions in developing green finance, and constantly iteratively improve existing green financial solutions. In order to cope with the management challenge of green finance, Bairong Inc. specially designed a set of intelligent green financial solutions. This scheme not only covers the green rating of clients, the environmental benefit evaluation of the project, but also provides a whole set of credit process construction schemes for financial institutions. The implementation of this solution will greatly improve the business efficiency of financial institutions and bring more investment opportunities for green projects.

In 2023, the Company provided services for a joint-stock commercial bank, helped it build an intelligent system for identifying green finance, and promoted the development of green business in the joint-stock commercial bank from the infrastructure level. By incorporating data resources such as green credit, green bills and green bonds into the green financial identification system, the system data can be automatically captured, the manual identification workload of business personnel in the bank can be reduced, the accuracy of green financial identification can be improved, the "green content" of credit business of the whole bank can be improved, and an effective tool can be provided for the joint-stock commercial bank to calculate the impact of environmental benefits.

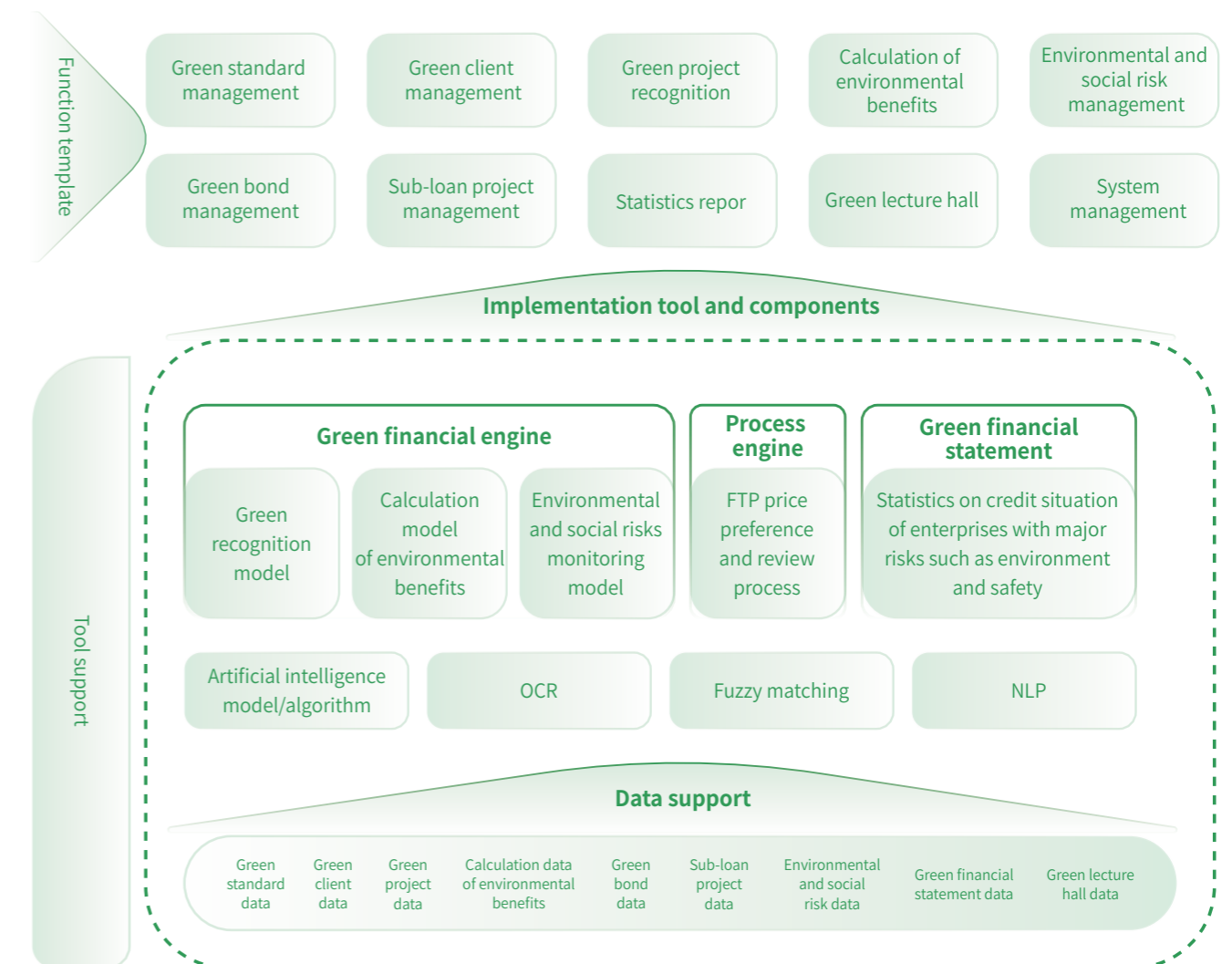
Bairong Inc. combines its own financial technology advantages, fully considers the business demands and pain points of financial institutions in developing green finance, and constantly iteratively improves the existing green financial solutions.



Empowering green finance —>

The digitalization of green finance is actually a digital transformation based on the "green" attribute. This means that any technology application must conform to the principle of green and environmental protection. Bairong Inc. has made a lot of technological innovations in this respect, ensuring that its solutions are not only technologically advanced, but also truly meet the standards of green and environmental protection.

Relying on strong model ability, Bairong Inc. has created and empowered financial institutions to develop green finance. The Company assisted the digital transformation of institutions. Based on Bairong Inc.'s digital intelligence, it realized the core functions of the system, including green identification and environmental benefit calculation, by introducing intelligent technology, adopting flexible model design and flexible API interface, all of which involved the intelligent implementation of regulatory requirements and industry practices. Bairong Inc. created a comprehensive green financial platform for national joint-stock commercial bank to realize the automation of business processes such as green credit, green bills, refinancing and green bonds. It can also effectively collect green data in the bank and generate relevant statements, effectively support the business development of national joint-stock commercial bank, realize online business management, effectively reduce the consumption of resources and energy in traditional financial business processes, and facilitate the green transformation of financial services.



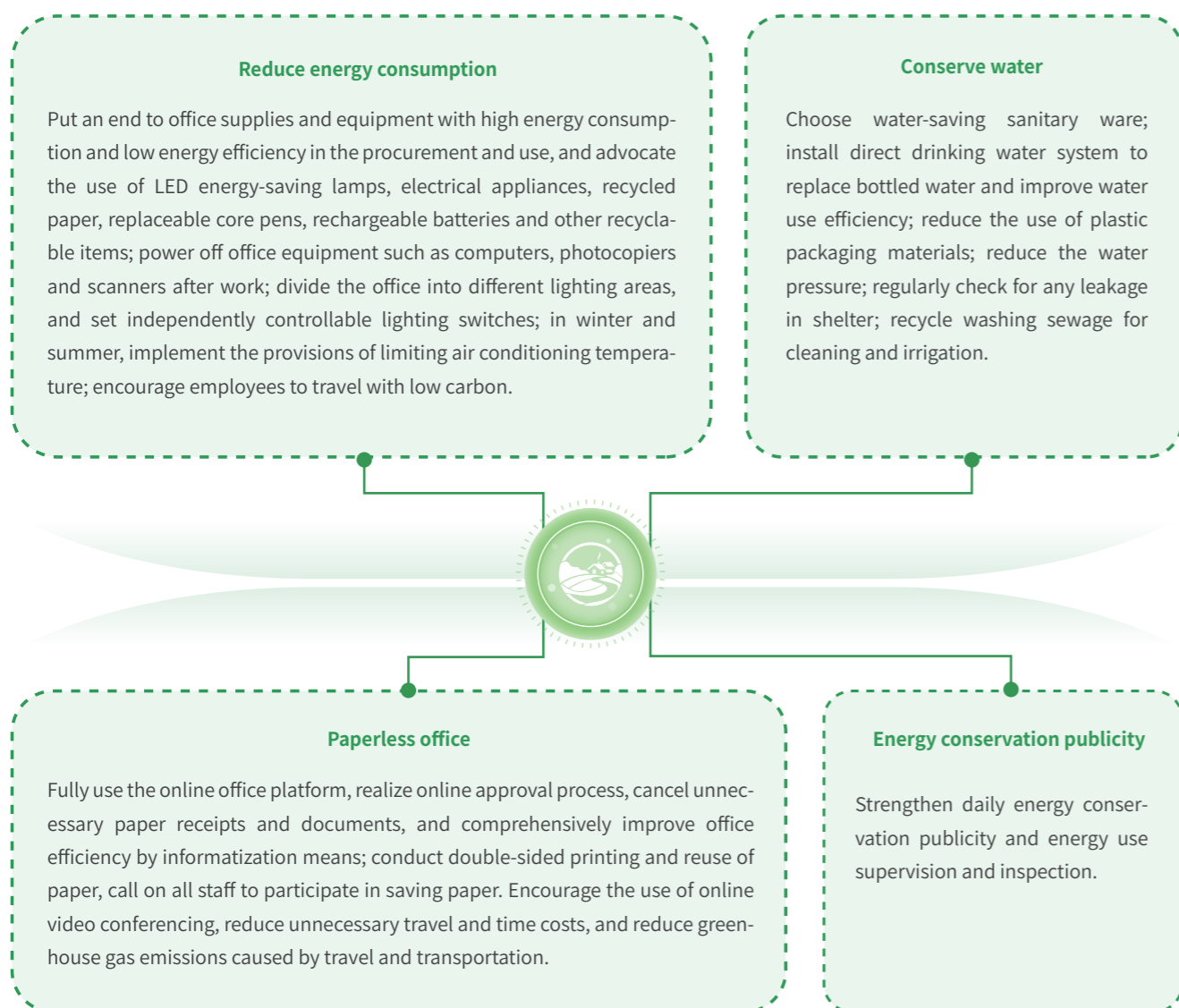
Green Operation

Green Office

Bairong Inc. complies with the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on Energy Conservation, and is committed to continuously strengthening the construction of internal environmental management system. The Company has adopted a series of targeted energy conservation and emission reduction measures, aiming at reducing the energy consumption in daily office activities and data center operation, so as to specifically implement its commitment to environmental protection.

The Company's office space has been designed with the concept of environmental protection and sustainable development, and has set strict building standards in structural design, ventilation and lighting, facilities and systems, and has obtained the certification of environmental management system (ISO14001).

The Company runs low-carbon concept throughout the whole process of enterprise operation, and adopts a series of measures to implement green office and practice green low-carbon life.



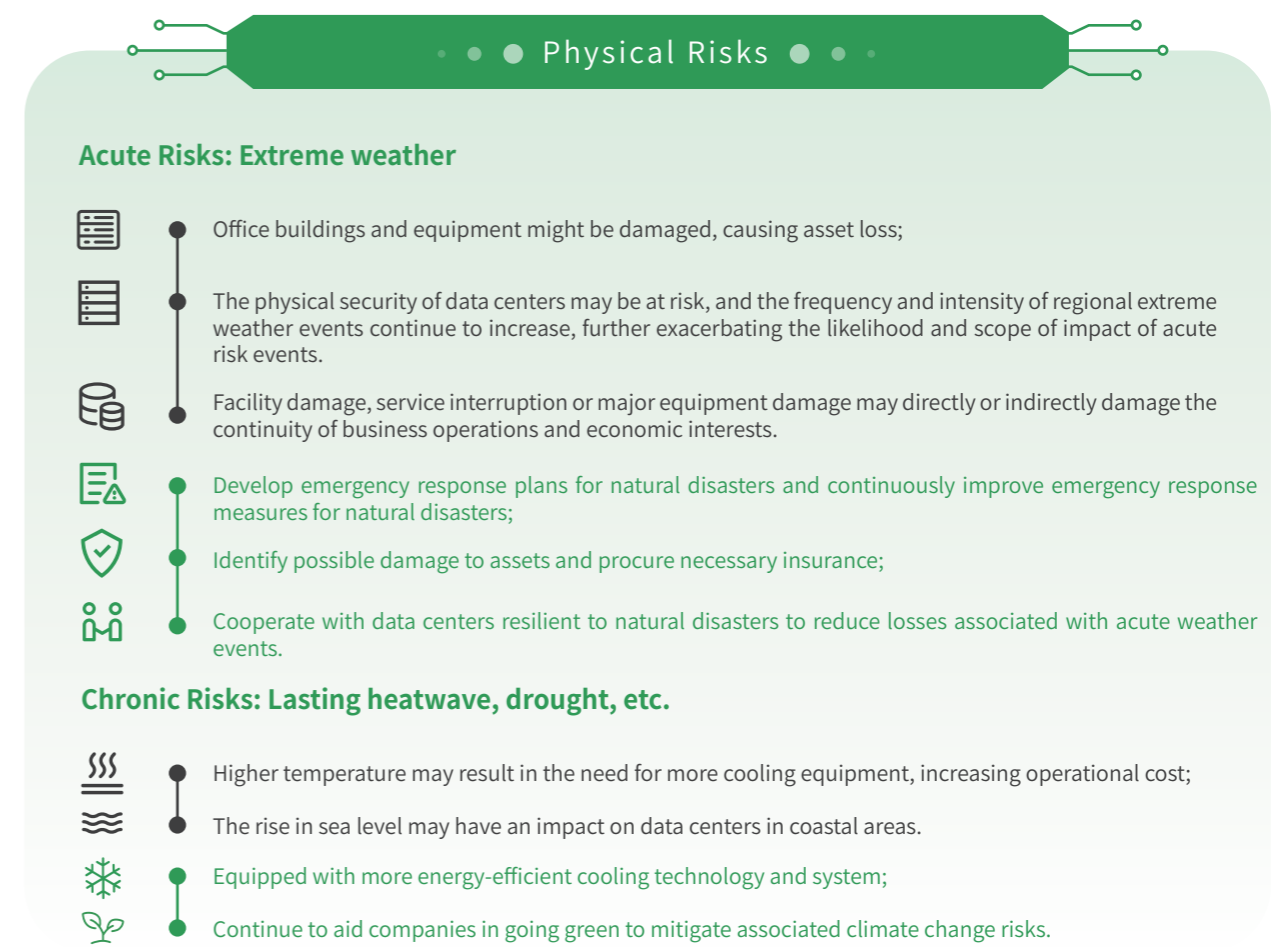
Green publicity

Bairong Inc. actively guides employees to turn their demand for building a beautiful green home into practical actions to protect the ecological environment, and jointly create a good atmosphere for everyone to participate in protecting the ecological environment. The Company actively carries out energy conservation publicity and education, makes full use of TV, newspapers, publications, lectures and other publicity tools, actively publicizes energy conservation principles, policies, laws, regulations, standards and scientific knowledge, promotes advanced models of energy conservation, and educates employees to improve their awareness and concept of energy conservation. Post signs at the workplace to promote the saving of electricity, paper and water.

Coping with Climate Change

Global climate change has led to frequent extreme events, ecological degradation, air, soil, water and other environmental problems, posing a serious threat to the survival of mankind. With the increasingly severe global climate problems, Bairong Inc. knows its responsibilities in dealing with climate change. Bairong Inc. is aware of these challenges to its business and operation brought by environmental and climate change risks, and proactively identifies climate change risks and seizes opportunities to better the Company's operations and development.

Risk & Countermeasures



Transition Risk

Policies and Laws Risks

- New policies, regulations, regulatory policies and taxes may increase the Company's compliance costs and related litigation or claims may also increase in numbers.
- Pay close attention to changes in environmental laws, regulations and policies and respond timely.

Technology Risks

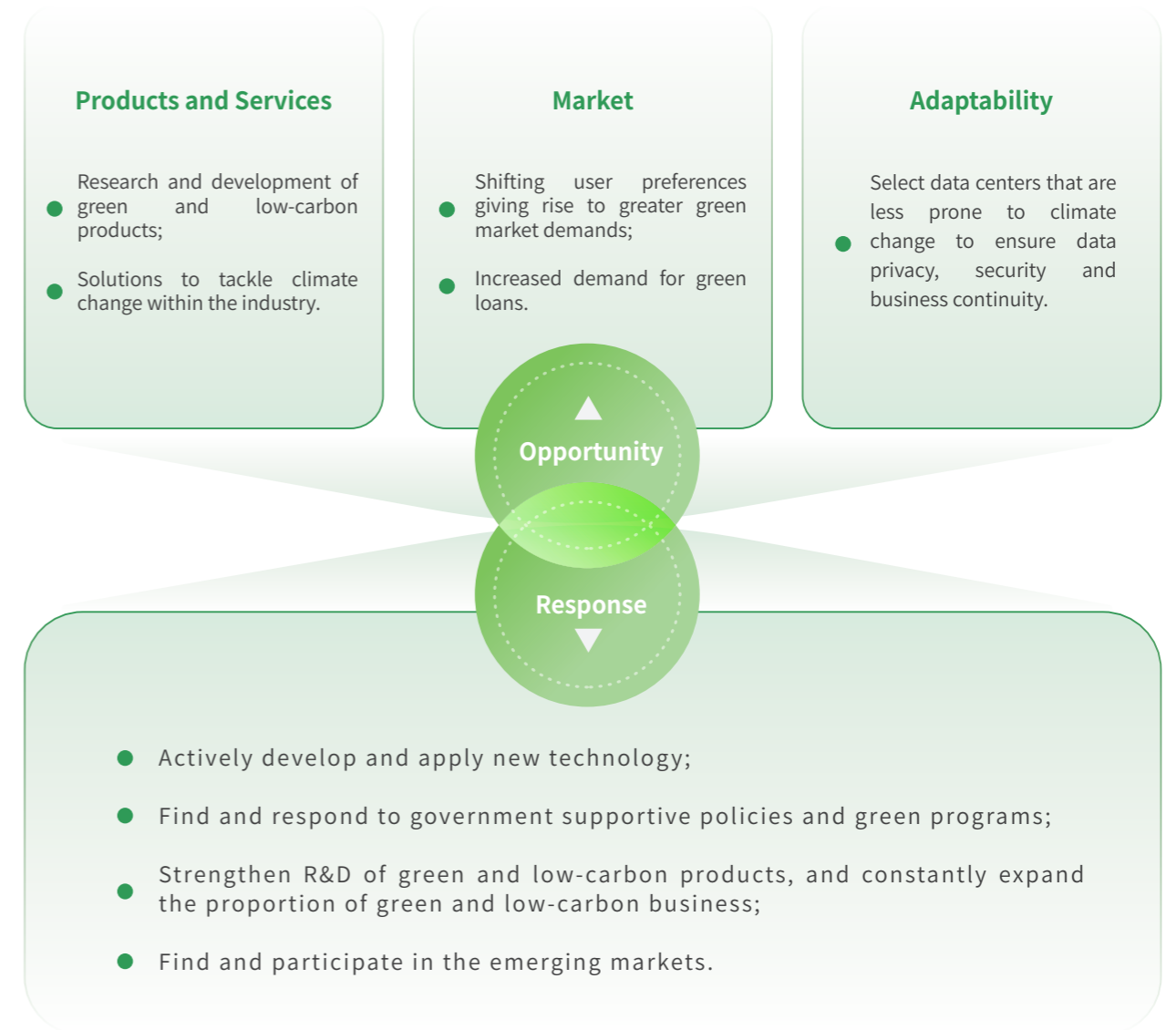
- Failure to identify and apply emerging technologies such as low-carbon technologies and artificial intelligence in a timely manner may lead to greater climate-related risks in businesses.
- Boost R&D capabilities through measures such as training and retention of talents.

Market Risks

- Data centers may be affected by climate change, which will lead to higher costs and indirectly increase the Company's costs.
- The change of client preference may increase the attention to green and low-carbon products.
- Seek suppliers less affected by climate change;
- Actively develop green and low-carbon products, track market trends and meet consumer demand.

Reputation Risks

- Poor performance in combating climate change and sustainable development giving rise to negative feedbacks from associated stakeholders.
- Boost sustainable development of the Company and actively combat climate change;
- Improve the transparency of associated management systems and respond to stakeholders' concerns.



In order to actively respond to the national "dual carbon" goals, Bairong Inc. is committed to operating technology in the R&D of green and low-carbon products and promoting the green transformation in the financial sector. The Company has always practiced the concept of green and low-carbon operations, reduced energy consumption and strengthened its own management of energy conservation and emission reduction. The Company actively responds to the concerns of all parties, such as providing green financial services for clients and meeting the needs of investors for sustainable development. In addition, the Company has continuously increased the monitoring and management of greenhouse gas emission sources in daily operations. Through these efforts, the Company has made continuous progress on the road of green and low-carbon operation and development, and contributed to achieving the "dual carbon" goals.

Appendix

Key Performance Indicators

Part I: Social category →

Indicator	Unit	2023
Total number of employees	Person	1,430
Number of full-time employees	Person	1,354
Number of part-time employees	Person	76
Number of employees in Mainland China	Person	1,364
Number of employees from Hong Kong, Macao and Taiwan and overseas regions	Person	5
Proportion of male employees to total employees	%	51
Proportion of male employees in the senior management	%	1.6
Proportion of grassroots male employees	%	99
Proportion of female employees to total employees	%	49
Percentage of female employees in the senior management	%	0.2
Proportion of grassroots female employees	%	99.8
Proportion of employees by age group		
Proportion of employees under 30 years old (inclusive)	%	35
Proportion of employees aged 30 - 50 (inclusive)	%	63
Proportion of employees over 50 years old	%	2
Number of employees from minority groups	Person	67

Indicator	Unit	2023
Human resource structure by department	Person	
Number of sales and marketing employees	Person	331
Number of product R&D employees	Person	627
Number of customer service employees	Person	179
Number of administrative employees	Person	217
Number of new jobs	Person	296
Number of new female employees	Person	166
Number of new male employees	Person	130
Number of fresh graduate employees	Person	87
Number of employees by social recruitment	Person	209
Turnover rate of employees	%	19
Turnover rate of male employees	%	45
Turnover rate of female employees	%	55
Turnover rate of employees under 30 years old	%	72
Turnover rate of employees aged 30 - 50 (inclusive)	%	28
Educational level of employees		
Doctoral	%	0.6
Postgraduate	%	28
Undergraduate and below	%	71.4
Average working hours	Hours/person	8
Number of employees leaving voluntarily	Person	201
Number of layoffs	Person	121
Number of deceased employees	Person	0

Indicator	Unit	2023
Social insurance coverage	%	100
Employee satisfaction	%	96
Salary cost	RMB one million	718.01
Number of work-related injuries/fatalities	Person	0
Ratio of work-related casualties	%	0
Number of working days lost due to occupational injuries	Day	0
Number of safety accidents	Nos.	0
Coverage of physical examinations and medical records	%	83
Employee training coverage	%	100
Proportion of trained male employees	%	100
Proportion of trained female employees	%	100
Proportion of trained senior management employees	%	100
Proportion of trained middle management employees	%	100
Proportion of trained grassroots employees	%	100
Employee training times	time	453
Annual training expenses	RMB ten thousand	62.1
Total annual training hours	Hour	5,087.6
Average training hours of employees	Hour	79.2
Average training hours of male employees	Hour	81.1
Average training hours of female employees	Hour	77.3
Average training hours of senior management employees	Hour	86.3
Average training hours of middle management employees	Hour	90.5
Average training hours of grass-roots employees	Hour	61.3

Indicator	Unit	2023
Number of labor dispute incidents	Nos.	0
Total time invested in public-interest activities	Hour	248
Number of personnel invested in public-interest activities	Person	58
Amount of funds invested in social welfare activities	RMB	1,043,000
R&D investment amount	RMB ten thousand	37,878.5
Proportion of R&D investment in main business revenue	%	14
Technical R&D personnel	Person	627
Cumulative patents and software copyrights	Item	233
Customer satisfaction	%	97

Part II: Governance category →

Indicator	Unit	2023
Number of stockholders' meetings held	time	1
Number of directors' meetings held	time	4
Number of audit committee meetings held	time	2
Number of corporate governance committee meetings held	time	2
Number of remuneration committee meetings held	time	3
Number of nomination committee meetings held	time	2
Number of board members	Person	8
Coverage of in-service director training	%	100
Number of exchange activities carried out	time	100+
Number of performance briefing meetings held	time	2

Index of Indicators

Guidelines on Environmental, Social and Governance Reporting of the Hong Kong Stock Exchange

Main categories, levels, general disclosure and key performance indicators		Section
A. Environment		
A1: Emissions		
General disclosure	For the emission of waste gas and greenhouse gases, the discharge of pollutants into water and land, and generation of hazardous and non-hazardous waste: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Waste management
A1.1	Types of emissions and related emission data.	N/A
A1.2	Direct (scope 1) and indirect energy (scope 2) greenhouse gas emissions (calculated in tons) and (if applicable) density (for example, calculated per production unit and per facility).	N/A
A1.3	Total amount of harmful wastes generated (calculated in tons) and (if applicable) density (for example, calculated per production unit and per facility).	N/A
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	N/A
A1.5	Describe the set emission targets and the steps taken to achieve them.	Waste management
A1.6	Describe the methods for treating harmful and harmless wastes, the measures to reduce the output and their results.	Waste management
A2: Resource use		
General disclosure	Policies for the effective use of resources (including energy, water and other raw materials).	Resource use
A2.1	Total direct and/or indirect energy consumption and density by type.	Resource use
A2.2	Total water consumption and density.	Resource use
A2.3	Describe the energy efficiency plan and its results.	Resource use
A2.4	Describe any problems in finding suitable water sources, the plan to improve water use efficiency and its results.	Resource use
A2.5	Total amount of packaging materials used for finished products and the proportion per production unit.	Resource use

Main categories, levels, general disclosure and key performance indicators		Section
A3: Environment and natural resources		
General disclosure	Policies to reduce the issuer's significant impact on the environment and natural resources.	Green operation
A3.1	Describe the significant impact of business activities on the environment and natural resources and the measures taken to manage the impact.	Green operation
A4: Climate change		
General disclosure	Policies to identify and respond to major climate-related matters that have and may have an impact on the issuer.	Response to climate change
A4.1	Describe major climate-related matters that have and may have an impact on the issuer and response actions.	Response to climate change
B. Society		
B1: Employment		
General disclosure	For remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other salaries and benefits: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Actively introduce talents and protect employees' rights and interests.
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Actively introduce talents
B1.2	Turnover rate of employees by sex, age group and region.	Actively introducing talents
B2 Health and safety		
General disclosure	For providing a safe working environment and protecting employees from occupational hazards: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Guarding safety and health
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Guarding safety and health
B2.2	Lost days due to work injury.	Guarding safety and health
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Guarding safety and health

Main categories, levels, general disclosure and key performance indicators		Section
B3 Development and training		
General disclosure	Policies on improving employees' knowledge and skills in performing their responsibilities. Describe training activities.	Smooth the development path
B3.1	Percentage of trained employees by gender and category (such as senior management and middle management).	Smooth the development path
B3.2	Average training hours of employees by gender and category.	Smooth the development path
B4 Labor standards		
General disclosure	For the prevention of child labor or forced labor: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Actively introducing talents
B4.1	Describe measures to review recruitment practices to avoid child labor and forced labor.	Actively introducing talents
B4.2	Describe the steps taken to eliminate violations when they are found.	Actively introducing talents
B5: Supply chain management		
General disclosure	Manage environmental and social risk policies of supply chain	Supplier management
B5.1	Number of suppliers by region	N/A
B5.2	Describe the practices of hiring suppliers, the number of suppliers who implement the practices and the implementation and monitoring methods of the practices.	Supplier management
B5.3	Describe the practices of identifying environmental and social risks in each link of the supply chain and the implementation and monitoring methods.	Supplier management
B5.4	Describe the practices of promoting the use of environmentally friendly products and services when selecting suppliers and the implementation and monitoring methods.	Supplier management
B6: Product liability		
General disclosure	For the health and safety, advertising, labeling and privacy matters of the products and services provided and the remedies: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Strictly control product quality

Main categories, levels, general disclosure and key performance indicators		Section
B6.1	Percentage of total products sold or shipped that need to be recovered for safety and health reasons.	Strictly control product quality
B6.2	Number of complaints about products and services received and countermeasures.	Strictly control product quality
B6.3	Describe the practices related to the maintenance and protection of intellectual property rights.	Strictly control product quality
B6.4	Describe the quality verification process and product recovery procedures.	Strictly control product quality
B6.5	Describe consumer data protection and privacy policies and implementation and monitoring methods.	Strictly control product quality
B7: Anti-corruption		
General disclosure	For the prevention of bribery, extortion, fraud and money laundering: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Implement standardized governance
B7.1	Number of corruption litigation cases filed against the issuer or its employees and concluded during the reporting period and litigation results.	Implement standardized governance
B7.2	Describe preventive measures and reporting procedures and implementation and monitoring methods.	Implement standardized governance
B7.3	Describe the anti-corruption training provided to directors and employees.	Implement standardized governance
B8: Community investment		
General disclosure	Policies on community participation to understand the needs of the community in which it operates and ensure that business activities consider the interests of the community.	Enthusiastic community public welfare
B8.1	Focus on contribution categories (such as education, environmental matters, labor needs, health, culture and sports).	Enthusiastic community public welfare
B8.2	Resources (such as money or time) focusing on the categories.	Enthusiastic community public welfare

QUESTIONNAIRE

Dear reader,

Thank you very much for taking your precious time reading the Bairong Inc. Environmental, Social and Governance (ESG) Report 2023. We look forward to your comments and suggestions on the report and our work. You can send your completed questionnaire back to us by mail or by scanning and emailing your valuable comments.

Thank you!

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1. What type of stakeholders does your employer belong to:

- Internal management Stockholders/Investors Internal employees Suppliers/Partners Customers and potential customers
- Government and regulatory authorities Communities Experts and scholars Non-governmental organizations The public
- Others (please specify) _____

2. Is the information you are concerned with fully presented in the report?

- Yes Partially No

3. Your overall comment on the 2022 ESG Report:

Readability (expressions of clarity, attractive design, engaging and easy to find the required information)

- 3 points (Excellent) 2 points (Average) 1 points (Bad)

Credibility (reported information is true and credible)

- 3 points (Excellent) 2 points (Average) 1 points (Bad)

Integrity of information (balanced positive and negative information and meets your needs on the information)

- 3 points (Excellent) 2 points (Average) 1 points (Bad)

4. Are you able to find the information you are interested in from the report with ease?

- Yes Partially No

5. What would you like to see in addition to what has been disclosed in the report?