

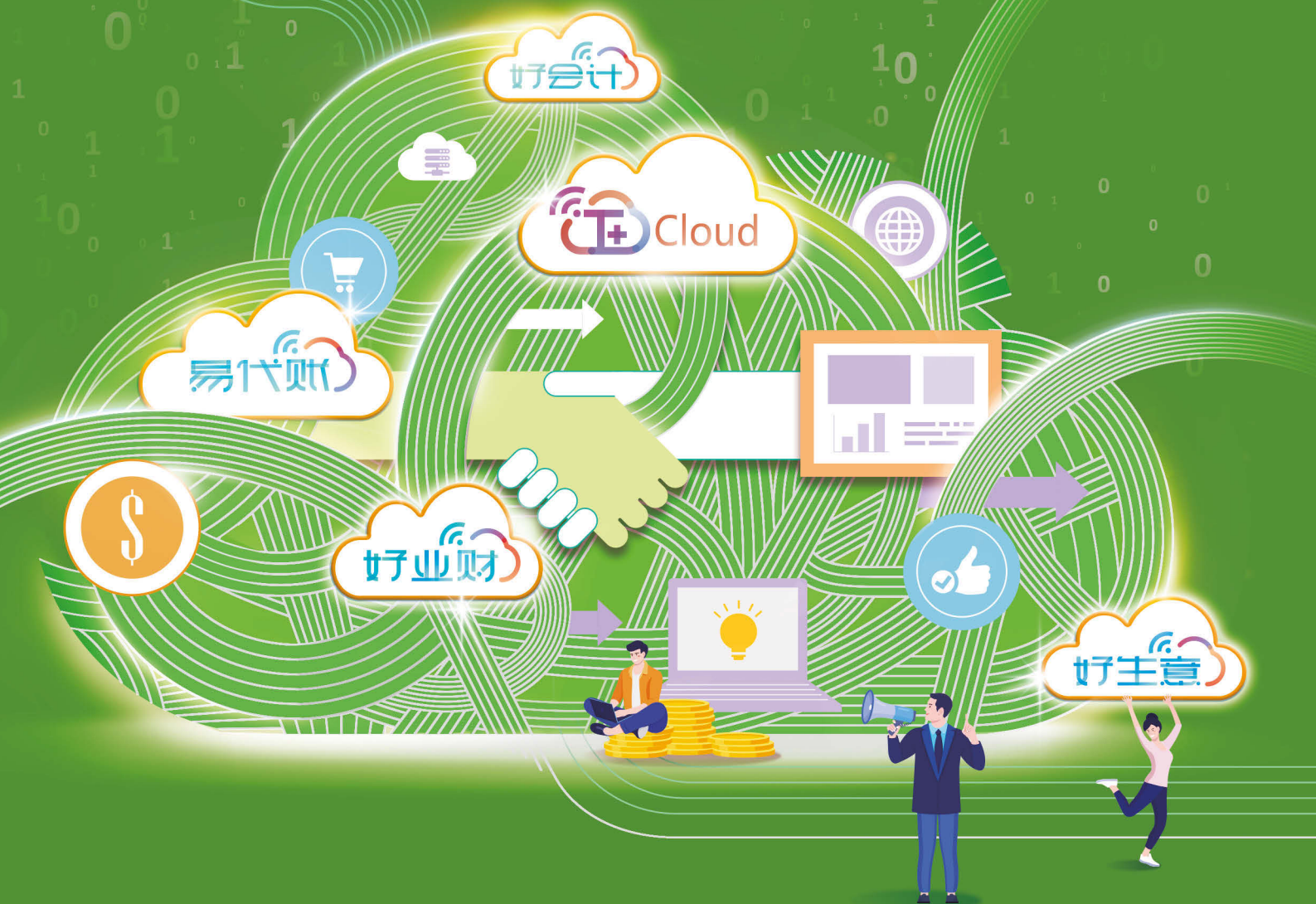
# 畅捷通 Chanjet

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

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

## 2023

Environmental, Social and  
Governance Report





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

### Reporting Scope:

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

### Reporting Period:

This Report is presented on an annual basis, and covers the period from 1 January 2023 to 31 December 2023 (the “Reporting Period”). Some contents may go beyond the aforesaid period due to the explanation needs.

### Basis of Preparation:

This Report is prepared in accordance with all mandatory disclosure requirements and the “Comply or Explain” provisions of the ESG Reporting Guide as contained in Appendix C2 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to the relevant requirements of the GRI Sustainability Reporting Standards issued by the Global Reporting Initiative.

### Explanation about the Data:

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

### Ways of Publication:

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



Microblog of Chanjet



WeChat of Chanjet



Douyin of Chanjet



# Contents

<b>Notes on the Environmental, Social and Governance (“ESG”) Report</b>	<b>2</b>		
<b>Statement from the Management</b>	<b>4</b>		
<b>Company Profile</b>	<b>5</b>		
<b>ESG Governance</b>	<b>6</b>		
ESG statement of the Board	6		
ESG governance structure	6		
ESG reporting principles	7		
Communications with stakeholders	7		
Material issues identification	9		
<b>1. Environmental Protection</b>	<b>10</b>		
1.1 Environmental management objectives and progress	10		
1.2 Emission management	11		
Management of greenhouse gas emission	12		
Management of electronic wastes	12		
Management of non-hazardous wastes	13		
Management of sewage disposal	13		
1.3 Use of resources	13		
Lowering energy consumption	14		
Saving water resources	14		
Scaling down the usage of packaging materials	14		
Promoting clean production	15		
1.4 Impact of climate change	15		
Identifying climate change risk	16		
Seizing green opportunities	16		
<b>2. Talent Development</b>	<b>18</b>		
2.1 Establish a harmonious team	18		
Equal and compliant employment	18		
Protection of rights and interests of employees	18		
Elimination of child labor and forced labor	19		
Performance data related to employment	20		
		2.2 Safeguard occupational health	21
		2.3 Focus on employee development	22
		Employees training	22
		Promotion mechanism	24
		2.4 Care for employees practically	24
		<b>3. Operation and Management</b>	<b>25</b>
		3.1 Supply chain management	25
		Supplier screening	25
		Supplier review	25
		Procurement violation management	26
		Green procurement	27
		3.2 Product Services	27
		Product quality	29
		Protection of information safety and privacy	29
		Scientific and technological innovation	31
		Quality service	33
		3.3 Anti-corruption	34
		Policies and systems	34
		Supervision and administration	35
		Whistleblowing channels	35
		Integrity training	36
		<b>4. Community Investment</b>	<b>37</b>
		<b>ESG Index Table</b>	<b>38</b>

## Statement from the Management

During the Reporting Period, Chanjet closely followed the national policy of “Digital Transformation during the 14th Five-Year Plan Period”, and actively embraced the development of the digital economy. Chanjet deeply cultivated the two major areas of digital intelligent finance and taxation and digital intelligent business for micro and small scale enterprises (“MSEs”). Adhering to the principle of customer success, the Group accelerated product innovation and development in the fields of “new finance and taxation, new commerce, new retail, new manufacturing and new service”, continuously enhanced product competitiveness, expanded sales channels, pursued ecological co-prosperity from application services to ecological platform services, promoted the large-scale development of businesses, and enhanced operating efficiency. The Group maintained continuous growth in the revenue from cloud subscriptions and the total revenue, and achieved a turnaround from loss to profit. During the Reporting Period, the Group achieved operating revenue of RMB801 million, representing a year-on-year increase of 18%, of which revenue from cloud subscriptions was RMB488 million, representing a year-on-year increase of 28%. The total assets of the Group amounted to RMB1.586 billion. While developing principal business, the Group adheres to business ethics, builds a corporate culture of integrity and compliance, actively promotes green development, follows and responds to climate change, practices the concept of mutual progress and win-win cooperation between people and enterprise, and continuously optimizes products and services to strive for the sustainable development of Chanjet in the long run.

### Operating in a green way to seek sustainable development

Chanjet actively practices the concept of sustainable development, continues to optimize emissions management and reduce resource consumption, actively copes with climate change so as to promote corporate operation and management in a green way.

### Caring for talents to seek joint progress of people and enterprise

Chanjet believes that talents are the primary resources of high-quality development of the enterprise, and always adheres to the people-oriented concept. Chanjet emphasizes the protection of the rights and interests of employees, cares for the physical and mental health of employees, and focuses on their career development as a way to deeply promote the joint progress and development of employees and the enterprise.

### Leading the industry with win-win cooperation

With a focus on digital intelligent finance and taxation and digital intelligent business for MSEs in the long run, Chanjet insists on and implements the partnership policy of “long-term cooperation and win-win development”. In accordance with the “open, fair and just” anti-corruption operation principle, Chanjet continues to optimize and improve supplier management, accelerates the expansion of ecological partners, actively explores new models of ecological cooperation, and continuously promotes the digital intelligent transformation of MSEs.

### Innovating products and optimizing services

Chanjet is committed to providing MSEs with more secure, more stable, more efficient and integrated finance, taxation and business solutions. Chanjet promotes the digital and intelligent transformation of MSEs by applying digital and intelligent solutions in multiple dimensions and scenarios, so as to achieve the mission of “facilitating MSEs’ development in operation and management through creativity and technology”.

### Practicing incorruptible governance, and fighting against corruption

Chanjet sticks to the principle of “maintaining integrity, pursuing long-term development, and fighting against corruption”, strictly abides by business ethics, laws and regulations, and ensures the legitimate and compliant operation of the Group by improving reporting channels, strengthening risk management, and conducting anti-corruption training.

In the future, Chanjet will keep its mission in mind and stick to its vision. While practicing the core values of “friends of users, continuous innovation and professional endeavor”, it will strictly abide by national laws and regulations, and actively undertake corporate social responsibilities. Chanjet will work with business partners to improve the operation and management standards of MSEs through digital intelligent transformation, as a way to jointly open a new chapter in the digital intelligent development.

## Company Profile

As a subsidiary of Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司), the Company was established in March 2010 and was listed on the Main Board of the Hong Kong Stock Exchange on 26 June 2014 (Stock Code: 1588). Taking “facilitating MSEs’ development in operation and management through creativity and technology” as its mission, striving for the vision of becoming “a worldwide leading provider of cloud services for MSEs” and “a platform for partners and employees enjoying work, making achievements and sharing success”, the Company is committed to providing platform services, application services, data-based value-added services for MSEs in the PRC, with a focus on financial and business management cloud services.

The Company is a council member of the China Association of Small and Medium Enterprises, a member of the China Software Industry Association and a member of the Beijing Software and Information Service Industry Association. It has been regarded as the “Key Software Enterprises under the National Planning Layout (國家規劃佈局內重點軟件企業)” as well as “High and New Technology Enterprises (高新技術企業)” for consecutive years. In 2021, the Company was successfully selected into the “National Public Service Demonstration Platform for Small-and-Medium-sized Enterprises (國家中小企業公共服務示範平台)” by the Ministry of Industry and Information Technology of China, and the list of “Specialized and Sophisticated” Small and Medium-sized Enterprises that Produce New and Unique Products in Beijing (北京市「專精特新」中小企業認定名單). The Company has always safeguarded user information and privacy security with high standards and requirements, and has obtained several authoritative certifications, including Trusted Cloud Security Standard Evaluation (可信雲安全標準評估), National Information Security Protection Level III Certification (國家信息安全等級保護三級認證), ISO27001 Information Security Management System (ISMS) Certification, ISO27701 Privacy Information Management System Certification, ISO27018 Certification of Identifiable Personal Information Protection Management System in Public Cloud, and ISO27017 Cloud Service Information Security Management System Certification.

During the Reporting Period, the Company was awarded the “Best Innovative Service Enterprise” in the 15th “2023 iResearch Awards” sponsored by iResearch, and the “2023 Excellent Digital Service Provider (2023年度卓越數字化服務商)” at the “Star of Analysys (易觀之星)” award ceremony hosted by Analysys. At the 2023 China Software Technology Conference (2023中國軟件技術大會), the Company was awarded the “Micro and Small Enterprise Business, Finance and Tax Cloud Service Leading Enterprise (小微企業業財稅雲服務領軍企業)”. At the 2023 Digital Transformation Promotion Conference (2023數字化轉型推進大會), the Company was awarded the “2023 Digital Transformation Outstanding Enterprise (2023數字化轉型傑出企業)”. At the 2023 Trusted Cloud Summit (2023可信雲大會), Chanjet Good Accountant (好會計), Good Business (好生意), Good Business and Finance (好業財) and T+Cloud were successfully shortlisted for the “Trusted Enterprise-grade SaaS Product Capability Ecological Directory (可信企業級SaaS產品能力生態名錄)”. According to the 2023 China Enterprise Digital and Intelligent Transformation Market Research Report (《2023年中國企業數智化轉型市場研究報告》) released by Frost & Sullivan, Chanjet ranked first in terms of the SaaS market share and cumulative paying users of business, finance and taxation applications among China’s MSEs, and customers of Chanjet had the highest satisfaction rate with its brand and products in all dimensions. Moreover, products of Chanjet had the highest net promoter score.



# ESG Governance

## • ESG STATEMENT OF THE BOARD

The Board attaches great importance to the work on ESG of the Group, assumes full responsibility for the ESG strategy, reporting and supervision. The Board is committed to deeply integrating ESG into the Group’s major decisions and business practices, ensures the establishment of appropriate and effective ESG risk management and internal control systems, and continuously strengthens its supervision and participation in the Group’s ESG affairs.

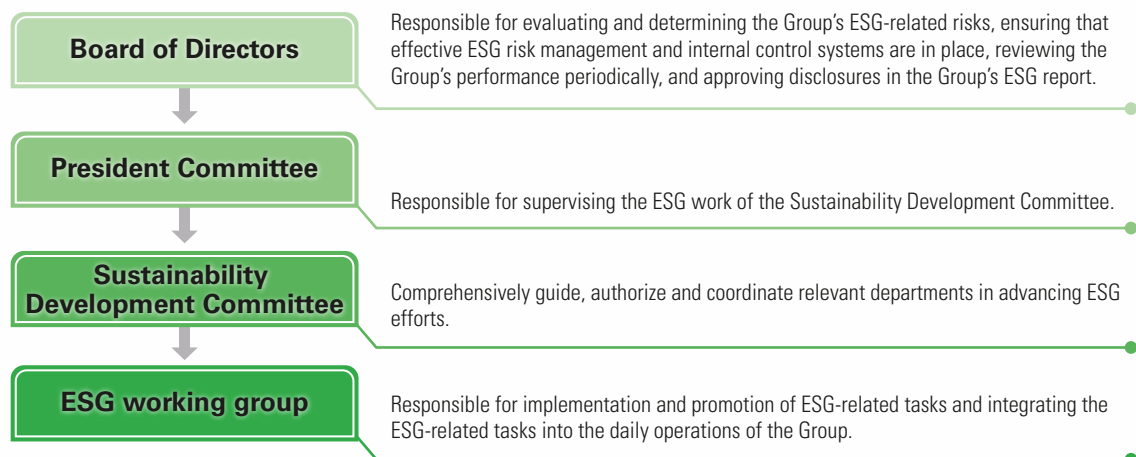
The Board is committed to integrating the supervision of ESG matters (including their risks to the business of the Group) into the daily management and business operations of the Company, requires the management to regularly assess the occurrence and impact of crucial ESG issues and their risks in the daily management and business operations, and develop corresponding risk handling measures. The Board regularly reviews the relevant risk assessment reports submitted by management, focuses on the supervision on the crucial ESG issues and risks as identified, and urges the management to deal with risks in accordance with the risk handling measures as reviewed and approved by the Board. The Board shall meet at least once a year on crucial ESG issues, and may convene temporary meeting when necessary.

The Board implements clear and targeted ESG management policies and initiatives that are closely aligned with the Group’s overall business strategy. The Board attaches great importance to the decision procedure of ESG material issues, improves the way stakeholders communicate, and launches the identification and assessment of crucial ESG issues in conjunction with the changes in the external economic environment, macroscopic policies and the Group’s development strategies, in order to clarify the priorities of ESG governance of the Company.

During the Reporting Period, the Board reviewed the performance of the Group’s ESG-related environmental objectives with a view to minimizing the impact of the Group’s business operations on the environment and fulfilling its ESG responsibilities. The review on performance and its relevance to the Group’s business is disclosed in this Report.

## • ESG GOVERNANCE STRUCTURE

Chanjet regarded ESG as an important driving force for the Group’s sustainable and high-quality development, and continuously optimized its ESG governance structure and systematically promoted ESG governance. The ESG governance structure of Chanjet is set out in the chart below:



The Board is the highest decision-making body for the Group's ESG management work and assumes full responsibilities for the Group's ESG strategies, reporting and supervision. The members of the Board possess experience and knowledges in management, law, stakeholder management, and other ESG-related fields. The President Committee is responsible for supervising the ESG work of the Sustainability Development Committee. The Sustainability Development Committee, comprising executive Directors and senior management, is responsible for comprehensively guiding, authorizing and coordinating relevant departments in advancing ESG work. The Sustainability Development Committee reports ESG-related issues to the Board at least once a year, and communicates with the Board on ESG-related issues in due course. The Sustainability Development Committee has established an ESG working group, which is responsible for implementing and promoting ESG-related tasks and integrates the ESG-related tasks into the daily operations of the Group under the leadership of the Sustainability Development Committee.

During the Reporting Period, Chanjet invited its legal adviser and ESG professional institution to provide optimization suggestions on the ESG management process to further improve the process system, and conducted online ESG training for the Board, management and employees, to actively improve the level of ESG management and ESG information disclosure of the Group.

## • ESG REPORTING PRINCIPLES

**Materiality:** This Report discloses the Group's philosophy, practices and key performance in sustainability and addresses crucial issues of concern to our stakeholders. The materiality of the ESG issues of Chanjet is determined by the Board. The process of stakeholder communication, identification of material issues and the materiality matrix are all disclosed in this Report.

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

**Balance:** This Report shall provide an objective picture of the Group's ESG performance during the Reporting Period and should avoid any elaboration or presentation format that may inappropriately influence the decision or judgment made by the report readers.

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

## • COMMUNICATIONS WITH STAKEHOLDERS

Chanjet maintains regular and multi-channel communications with stakeholders, continuously understands the expectations and suggestions of different stakeholders, such as shareholders, government/community, customers, business partners and employees, on the Group's ESG work, makes timely responses to the opinions of stakeholders, and assumes social responsibility to create value for stakeholders.

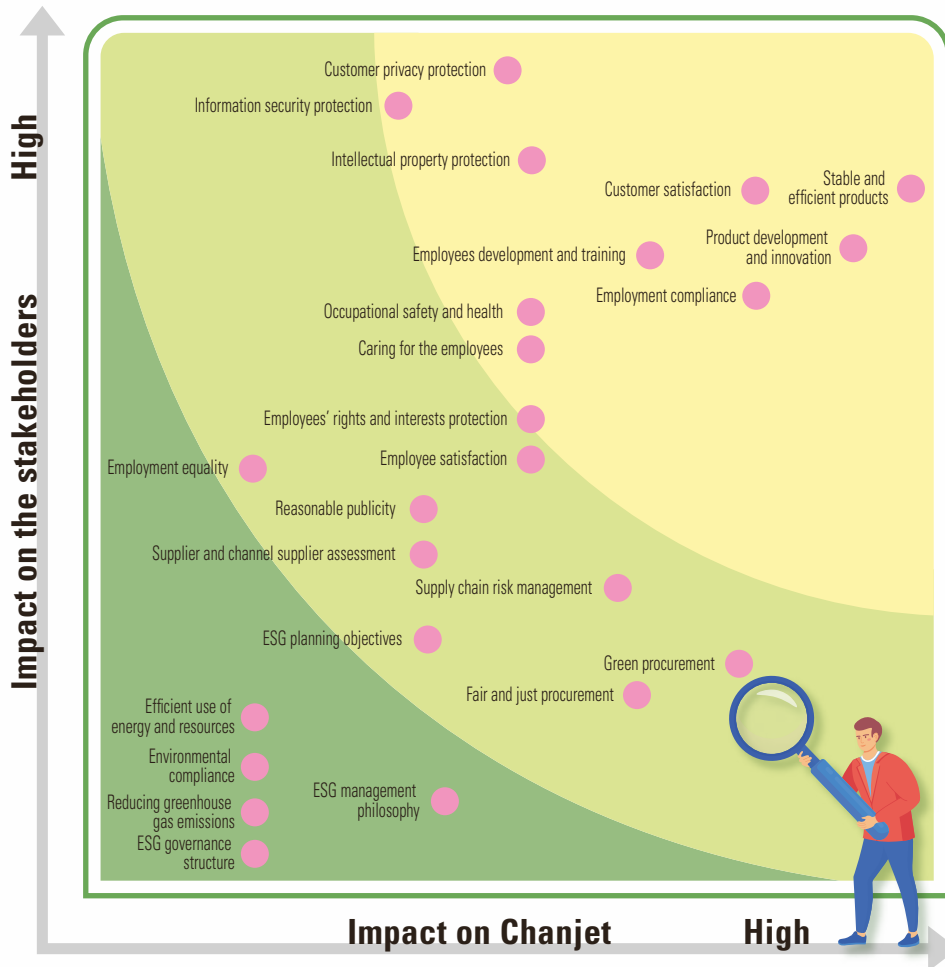
During the Reporting Period, Chanjet continued to prepare and distribute questionnaires to stakeholders to investigate and collect statistics on stakeholders' concerns and influences at different levels, and identified the Group's environmental, social and governance priorities. The Company has sorted through and worked out a stakeholder communication form to provide foundation for the identification of material topics of the Group.

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



## • MATERIAL ISSUES IDENTIFICATION

In accordance with the ESG Reporting Guide as contained in Appendix C2 to the Listing Rules and relevant international standards, Chanjet draws the 2023 materiality matrix for the relevant ESG issues based on the importance ratings of each stakeholder to the issues from the two analytical dimensions of the “significance to the stakeholders” and the “significance to Chanjet”, which will serve as the focus of the Group’s ESG work and reporting. In accordance with the 2023 materiality matrix, this Report will accordingly enhance the disclosure of the Group’s work and performance in these areas, and the 2023 materiality matrix will serve as an important reference basis for ESG planning in the next year.



2023 Materiality Matrix of Chanjet

# 1. Environmental Protection

## 1.1 ENVIRONMENTAL MANAGEMENT OBJECTIVES AND PROGRESS

During the Reporting Period, Chanjet closely focused on the environmental management targets set for the next five years in 2021, launched multi-dimensional environmental protection actions, and continued to promote energy conservation and emission reduction to ensure that all work was steadily progressed in accordance with the targets.

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

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

### Objectives of electronic wastes generated:

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

### Objectives of non-hazardous wastes generated:

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

The performance indicators of Chanjet in respect of environment in 2023 are set out as follows:

Indicators	Unit	2023	2022	2021
Direct greenhouse gas emissions <sup>Note 1</sup>	(tCO <sub>2</sub> e)	0	0	0
Indirect greenhouse gas emissions <sup>Note 2</sup>	(tCO <sub>2</sub> e)	222.59	257.75	234.72
Total emission of greenhouse gases	(tCO <sub>2</sub> e)	222.59	257.75	234.72
Increase or reduction in emission of greenhouse gases as compared to last year	(tCO <sub>2</sub> e)	-35.16	23.03	88.48
Per capita emission of greenhouse gas	(tCO <sub>2</sub> e/person)	0.20	0.21	0.18
Electronic wastes generated	(tonnes)	1.14	1.74	6.36
Per capita electronic wastes generated	(kg/person)	1.02	1.44	4.92
Non-hazardous wastes generated	(tonnes)	21.19	22.67	24.23
Per capita non-hazardous wastes generated	(kg/person)	18.90	18.75	18.74
Total electricity consumption	(10,000 kWh)	38.31	45.20	40.40
Per capita electricity consumption <sup>Note 3</sup>	(kWh/person)	341.75	373.83	Not Applicable
Comprehensive energy consumption	(tonnes of standard coal)	47.09	55.55	49.65
Per capita comprehensive energy consumption	(kg of standard coal/person)	42.01	45.94	38.40
Total water consumption	(tonnes)	1,447	1,478	1,700
Per capita water consumption	(tonnes/person)	1.29	1.22	1.31
Total packaging materials <sup>Note 4</sup>	(tonnes)	0.62	1.07	3.16
Packaging materials per unit of production	(kg)	0.28	0.28	0.28

Note 1: As a finance, taxation and business cloud service provider for MSEs, Chanjet did not possess or have control over any direct emission sources, did not directly utilize coal, gasoline, diesel, natural gas and other fuels, and therefore did not involve in direct emission of greenhouse gases and other exhaust.

Note 2: The indicator was calculated using the 2022 national grid average emission factors provided in the Notice on Management of Greenhouse Gas Emission Reports of Enterprises from Power Generation Industry from 2023 to 2025 (Huan Ban Qi Hou Han [2023] No. 43) (《關於做好2023-2025年發電行業企業溫室氣體排放報告管理有關工作的通知》(環辦氣候函[2023]43號)) issued by the Ministry of Ecology and Environment of the People's Republic of China.

Note 3: The per capita electricity consumption index has been added since 2022 to more clearly present the energy consumption of the Group.

Note 4: The total packaging materials in 2023 decreased significantly compared to that of 2022, mainly because the delivery of the Group's cloud products can be without packaging materials, and the amount of packaging materials used decreased as the Group continued to strengthen the development of its cloud services business and the proportion of such products increased.

## 1.2 EMISSION MANAGEMENT

Strictly complying with the Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), the Implementing Scheme on the Mechanism for Domestic Wastes Classification of the National Development and Reform Commission and the Ministry of Housing and Urban-Rural Development (國家發展改革委、住房城鄉建設部《生活垃圾分類制度實施方案》), the Beijing Environmental Sanitation Regulations on Municipal Appearance (《北京市市容環境衛生條例》) and other national and local laws and regulations related to environmental protection, Chanjet practices energy conservation and emission reduction, adheres to green and low-carbon development, and ensures that pollutants are discharged up to standards, and waste is disposed of in a compliant manner and utilized as resource.

During the Reporting Period, there were no administrative penalties or lawsuits arising from environmental protection issues of Chanjet.

- **Management of greenhouse gas emission**

As a finance, taxation and business cloud service provider for MSEs, Chanjet does not own or control direct emission sources, does not directly use coal, gasoline, diesel, natural gas and other fuels, and does not involve direct emissions of greenhouse gas and other waste gases. The greenhouse gas emissions of the Group mainly come from the electricity used in daily office work and the indirect greenhouse gas emissions generated during the commuting and traveling process of employees.

In order to reduce greenhouse gas emissions, Chanjet has advocated green office in office operations and implemented a variety of effective measures:

- ★ Encourage employees to use online communication methods such as telephone, email, and online meetings in their daily office work;
- ★ Reduce electricity consumption for the operation of electronic equipment and central air conditioning;
- ★ Place greenery in the work area and equip air purifiers to reduce the amount of carbon dioxide in the air;
- ★ Encourage employees to adopt green travel for commuting, provide shuttles and dormitories to reduce greenhouse gas emissions related to employee commuting;
- ★ Require employees to turn off electrical appliances that are not in use when they leave work to reduce electricity consumption.

- **Management of electronic wastes**

The electronic wastes generated by Chanjet mainly includes servers, computer hosts, monitors, laptops, printers and other electronic equipment that are scrapped during operation. During the Reporting Period, the Group actively carried out the recycling and treatment of waste electronic equipment to promote the comprehensive utilization of resources and reduce the amount of electronic waste generated:

- ★ Reduce the procurement of fixed assets such as electronic equipment, give priority to leasing, and reduce the generation of electronic waste equipment from the source;
- ★ Use large-scale printers which enable feeding of toner without use of cartridges instead of printers with toner cartridges;
- ★ Recycle the old computer hard disk and equipment parts after transformation;
- ★ Set up recycling bins for waste batteries to avoid environmental pollution.

For the electronic wastes generated, the Group classifies them in a unified manner, and then hands them over to a qualified provider for recycling and disposal.

- **Management of non-hazardous wastes**

In accordance with the requirements of the Notice of the General Office of the State Council on Forwarding the Implementing Scheme on the Mechanism for Domestic Wastes Classification of the National Development and Reform Commission and the Ministry of Housing and Urban-Rural Development (《國務院辦公廳關於轉發國家發展改革委住房城鄉建設部生活垃圾分類制度實施方案的通知》) (Guo Ban Fa [2017] No. 26), Chanjet classifies and disposes various non-hazardous wastes. The Group actively improves daily office processes and environment to minimize the generation of non-hazardous wastes in daily office operations:

- ★ Perform online approval process through the online office management platform. Discard the paper manual application to reduce the use of paper;
- ★ When printing internal materials and documents, advocate printing on both sides or using single-sided printing paper for the second time, and post double-sided printing reminder slogans on the printer to reduce meaningless printing and save printing paper.

- **Management of sewage disposal**

Sewage of Chanjet mainly comes from domestic sewage generated in the office zone, all of which is treated according to the standardized process in the park and discharged to the municipal pipeline after being turned into water that can be safely discharged. During the Reporting Period, the Group did not discharge waste into land.

### 1.3 USE OF RESOURCES

In accordance with the relevant requirements of the Law of the People's Republic of China on Energy Conservation (《中華人民共和國節約能源法》), Chanjet has advocated and practiced the concept of green development in operation and management, implemented green office and measures to conserve energy and reduce emission, and improved the comprehensive utilization capacity of resources as a way to reduce energy and resource consumption, and contribute to the sustainable development of society.

The resources used by the Group mainly include the electricity consumed in office areas and electronic equipment, the water resources consumed in workplaces, and packaging materials such as packaging boxes, manuals and CDs used in software products. The Group relies on municipal water supply, and has not encountered and does not expect to encounter problems in obtaining water sources in its operations. During the Reporting Period, the Group actively implemented various energy conservation and consumption reduction measures to reduce energy and resource consumption:

- **Lowering energy consumption**
  - ★ Advocate employees to minimize energy consumption, publicize electricity conservation by posting reminder slogans and other means, and enhance employees' awareness of energy conservation;
  - ★ Reasonably use lighting and air-conditioning equipment, turn off the main power supply when leaving the office for a long time, and carry out "lights out for one hour" activity at noon on weekdays to reduce non-essential power consumption;
  - ★ Reasonably design circuits and replace traditional lighting with LED lighting to reduce power waste;
  - ★ Turn off electronic devices or turn on sleep mode in time during non-working periods, and turn on the power-saving mode of devices at work;
  - ★ Use cloud servers provided by Alibaba Cloud and other service providers to reduce the energy consumption of server operation.
  
- **Saving water resources**
  - ★ Introduce water purifiers to reduce consumption of tap water and mineral water;
  - ★ In addition to automatic sensor faucets, replace all other faucets with atomizing faucets;
  - ★ Inspect water pipes, faucets and other equipment regularly, and update worn equipment in time to reduce waste caused by leaking or dropping water;
  - ★ Post water-saving reminders in water-using areas to enhance employees' awareness of water conservation.
  
- **Scaling down the usage of packaging materials**
  - ★ With the transformation of the Group's software business to cloud service business, the use of packaging will be gradually abandoned;
  - ★ Promote cloud-based purchases and software-encrypted purchases to gradually replace physical product purchases;
  - ★ Apply eco-friendly materials for packaging boxes of software products to mitigate the adverse impact of waste packaging materials on the environment.

- **Promoting clean production**

- ★ The Group implements a business strategy of giving priority to cloud service business and cloud subscription, and to reduce the use of product packaging, delivers cloud products through activation codes, without involving the consumption of packaging and other materials, so as to achieve truly green and clean production;
- ★ Digital intelligent finance and taxation products of the Group promote the use of digital electronic invoices by MSEs, advance the electronic declaration of tax returns, effectively improve the work efficiency of MSEs in the invoicing and tax declaration process, and reduce the use of paper resources. Digital intelligent business products help MSEs transform and upgrade from traditional offline operations to online and offline integrated operations, support efficient business synergies, and realize the digitization and intelligence of management, marketing and production processes, provide operational decision support for clean production of MSEs, and improve resource utilization while reducing costs and increasing efficiencies, so as to reduce consumption and emissions.

## 1.4 IMPACT OF CLIMATE CHANGE

To actively respond to the requirements of the national carbon peaking and carbon neutrality goals, Chanjet has implemented energy conservation and emission reduction measures, continued to explore and identify the risks and challenges that climate change may bring to the enterprise, actively formulated response strategies, and fully integrated climate change-related risk management into Chanjet's production and operation process. In addition, while realizing its own green and low-carbon development, Chanjet leverages on its own advantages in digital and intelligent technology to assist MSEs in digital and intelligent transformation and grasp the opportunities of green development.

• **Identifying climate change risk**

With reference to the disclosure framework of the Task Force on Climate-related Financial Disclosures (TCFD), Chanjet has identified the risks arising from climate change to the Company's operations, including transition risks and physical risks, based on its own business development, assessed their impact on the Group's business operations and management development, and proposed corresponding countermeasures:

Risk type		Impact	Countermeasures
Transition risk	Policy and legal risk	Medium	★ Actively obtain the latest policy trends related to climate change, improve the level of ESG information disclosure, integrate climate change countermeasures into the Company's long-term development plan, and consider the impact that relevant policy requirements may have on the Company's business development and financial expenses.
	Market risk	Low	★ Properly configure cloud servers to reduce the increase in server hardware caused by customers' use of products as a way to meet customer demand in a climate change environment; ★ Help customers transform their business into online and offline integrated operations to reduce the impact of climate change on their business operations.
	Reputation risk	Low	★ Strictly abide by the relevant policies and requirements of sustainable development, obtain the evaluation of the Group from customers, communities and other stakeholders, continuously improve the quality of products and services, continuously strengthen the sense of social responsibility, and maintain the good reputation of the Group; ★ Attach great importance to the sustainable development and management of the supply chain, sign the Social Responsibility Commitment (《社會責任承諾書》) with suppliers, help suppliers reduce carbon emissions, and strengthen training on sustainable development of suppliers.
Physical risk	Acute risk	Low	★ Take into account of the frequency and scale of extreme weather (such as typhoons, floods, storms, etc.) in the office area, evaluate and inspect the safety of buildings, and formulate emergency plans in advance to control the adverse effect of extreme weather on the Company's buildings and equipment.

• **Seizing green opportunities**

Chanjet closely follows the guideline on carbon peaking and carbon neutrality at the national level, including the Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy, and the Notice of the State Council on Printing and Distributing the Action Plan for Carbon Dioxide Peaking Before 2030. Chanjet actively responds to various requirements for green and low-carbon development including the Industrial Green Development during 14th Five-Year Plan Period (《「十四五」工業綠色發展規劃》). Chanjet is committed to serving the informatization of MSEs. Based on its own business development experience and independent innovation capabilities, Chanjet helps MSEs save resources, reduce costs and increase efficiency, and empowers the digital and intelligent transformation of MSEs throughout their life cycle.



**Case:**

Enabling the digital transformation of Shaoxing Shunhai Intelligent Equipment Co., Ltd. (紹興舜海智能裝備有限公司)

Shaoxing Shunhai Intelligent Equipment Co., Ltd. is a national high-tech enterprise dedicated to the provision of intelligent cleaning services for photovoltaic modules, and offers highly reliable, clean and low-cost intelligent solutions for photovoltaic module cleaning to multiple well-known enterprises.

Based on the business model of customized order-taking production of Shaoxing Shunhai Intelligent Equipment Co., Ltd., Chanjet T+Cloud helps it realize digital management, optimize material management, make workshop site management transparent and the whole process of products traceable, and improve inter-departmental collaboration. Digital management enables Shunhai Intelligent to realize full-link management from finance, sales, warehousing, production, workshop management, etc., improve production efficiency by 30% and inventory turnover by 15%, and scientifically increase enterprise benefits.

**Case:**

Helping traditional restaurants upgrade to become innovation leaders

Nanjing Yingtao Duck Industry Co., Ltd. (南京櫻桃鴨業有限公司) is an industrial and trade chain enterprise mainly engaged in the production and sale of Nanjing's specialty salted duck and marinated duck products, and the brand of Yingtao Duck (櫻桃鴨) is well known in Nanjing. As a food and beverage industrial and trade chain enterprise, online and offline member management, order processing and distribution, and product processing and production are crucial to the success of its business.

Through the use of Chanjet T+Cloud, Nanjing Yingtao Duck Industry Co., Ltd. has realized the unified management of online and offline members and precise marketing, which has improved customer activity and repurchase rate by obtaining traffic in the whole area. When the cashier prints customer orders at the front desk, the back kitchen receives orders and prepares meals in time, which shortens the time for customers to pick up meals and reduces the error rate of leafleting to zero; and builds a self-service ordering platform for distributors, realizing a 24-hour business without closure, breaking the business model of traditional food and beverage sales offline only, and realizing the full-network sales. Meanwhile, in the production process, T+Cloud's digital intelligence management helps to increase production capacity, reduce production losses, and realize lower production costs, which effectively improves the profit margin of the enterprise.

## 2. Talent Development

### 2.1 ESTABLISH A HARMONIOUS TEAM

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

- **Equal and compliant employment**

Chanjet adheres to the principle of "openness, fairness and justice" in recruitment, opposes any discrimination, and establishes a harmonious labor recruitment and dismissal system to ensure that the recruitment and dismissal conditions are legal and compliant. Chanjet continuously expands and enriches employee recruitment channels through various recruitment methods including campus recruitment, social recruitment, and internal recommendation, and examines candidates in terms of work ability, work attitude, and job matching. Chanjet respects and protects the rights to know, participate, express and supervise that employees enjoy in accordance with the law, protects the legitimate rights and interests of employees from infringement, and is committed to building an equal and diversified employee team.

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

- **Protection of rights and interests of employees**

Chanjet has strictly implemented the relevant national regulations on vacations, working hours and remuneration. During the Reporting Period, Chanjet revised the Chanjet Work Attendance Management Measures (《暢捷通考勤管理辦法》), the Chanjet Remuneration Management Measures (《暢捷通薪酬管理辦法》) and other internal rules and regulations, and further improved the internal system building of the Group to endeavor to protect the legitimate rights and interests of employees.

Vacation management	<ul style="list-style-type: none"> <li>★ In response to the needs of the flexible work system promoted by the Company, revised the Chanjet Work Attendance Management Measures;</li> <li>★ Implemented the Front-line Special Welfare System (《一線特殊福利制度》) to provide front-line employees with additional paid leave in addition to statutory holidays.</li> </ul>						
Working hours' management	<ul style="list-style-type: none"> <li>★ Continued the flexible work schedule to help staff balance their work and life.</li> </ul>						
Remuneration and welfare	<table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 30%;">Basic welfare</td> <td> <ul style="list-style-type: none"> <li>★ Revised the Chanjet Remuneration Management Measures to comprehensively consider market research data, the Company's remuneration strategy, position, rank, sequence, department, length of service and other factors to reasonably set remuneration;</li> <li>★ Implemented the basic security benefits for all employees, including the payment of statutory social security and provident fund, various subsidies, holiday visits, physical examination and payment of accident insurance for all employees; provided special flexible benefits such as high-end physical examination and commercial insurance for core talents.</li> </ul> </td> </tr> <tr> <td style="vertical-align: top;">Talent incentives</td> <td> <ul style="list-style-type: none"> <li>★ Continued to implement the dual-channel development system of cadres and experts, improved the qualification evaluation system, guided the development of employees through the qualification evaluation, and organically combined the individual development of employees with the development of the enterprise;</li> <li>★ In order to attract, retain and motivate middle and senior management and core key employees, the Group has implemented long-term incentive plans, including the Employee Stock Ownership Scheme and the Long-term Incentive Bonus Scheme to achieve win-win results between the Company and employees and promote the long-term healthy development of the Group.</li> </ul> </td> </tr> <tr> <td style="vertical-align: top;">Other welfare policies</td> <td> <ul style="list-style-type: none"> <li>★ Revised the Traffic Welfare System (《交通福利制度》) to meet the needs of employees to use more flexible transportation to commute and reduce their commuting pressure;</li> <li>★ Revised the Regulations on Grants for Dispatched Employees (《外派員工補助規定》) to provide employees with grants for dispatched assignments;</li> <li>★ Revised the Front-line Special Welfare System to provide welfare benefits such as transportation subsidies for round-trip family visits, high-temperature subsidies, and urban subsidies;</li> <li>★ Continued to implement the Communication Expenses Management Measures (《通訊費管理辦法》), and provided corresponding communication fee subsidies for employees in different positions.</li> </ul> </td> </tr> </table>	Basic welfare	<ul style="list-style-type: none"> <li>★ Revised the Chanjet Remuneration Management Measures to comprehensively consider market research data, the Company's remuneration strategy, position, rank, sequence, department, length of service and other factors to reasonably set remuneration;</li> <li>★ Implemented the basic security benefits for all employees, including the payment of statutory social security and provident fund, various subsidies, holiday visits, physical examination and payment of accident insurance for all employees; provided special flexible benefits such as high-end physical examination and commercial insurance for core talents.</li> </ul>	Talent incentives	<ul style="list-style-type: none"> <li>★ Continued to implement the dual-channel development system of cadres and experts, improved the qualification evaluation system, guided the development of employees through the qualification evaluation, and organically combined the individual development of employees with the development of the enterprise;</li> <li>★ In order to attract, retain and motivate middle and senior management and core key employees, the Group has implemented long-term incentive plans, including the Employee Stock Ownership Scheme and the Long-term Incentive Bonus Scheme to achieve win-win results between the Company and employees and promote the long-term healthy development of the Group.</li> </ul>	Other welfare policies	<ul style="list-style-type: none"> <li>★ Revised the Traffic Welfare System (《交通福利制度》) to meet the needs of employees to use more flexible transportation to commute and reduce their commuting pressure;</li> <li>★ Revised the Regulations on Grants for Dispatched Employees (《外派員工補助規定》) to provide employees with grants for dispatched assignments;</li> <li>★ Revised the Front-line Special Welfare System to provide welfare benefits such as transportation subsidies for round-trip family visits, high-temperature subsidies, and urban subsidies;</li> <li>★ Continued to implement the Communication Expenses Management Measures (《通訊費管理辦法》), and provided corresponding communication fee subsidies for employees in different positions.</li> </ul>
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• **Elimination of child labor and forced labor**

Chanjet opposes any form of forced labor and strictly avoids child labor, forced labor and other illegal employment practices. During the recruitment process, the Group checks on candidate's identity and identify his or her real age by the relevant departments to ensure that his or her qualifications meet the statutory requirements. At the same time, the Group assesses human resource management risks on an annual basis, reviews and discusses the risks related to labor relations, and promptly rectifies any possible violations or high-risk factors, so as to eliminate violations as soon as possible, reduce risks, and ensure the legal compliance of the Group's labor employment.

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

- **Performance data related to employment**

In 2023, the employment diversity and other relevant performance data of Chanjet are as follows:

Indicators	Unit	2023	2022	2021
<b>Employment indicators</b>				
Total number of employees	(persons)	<b>1,121</b>	1,209	1,293
Full-time employees	(persons)	<b>1,110</b>	1,207	1,289
Part-time employees	(persons)	<b>11</b>	2	4
Number of male employees	(persons)	<b>783</b>	833	906
Percentage of male employees	(%)	<b>69.85</b>	68.90	70.07
Number of female employees	(persons)	<b>338</b>	376	387
Percentage of female employees	(%)	<b>30.15</b>	31.10	29.93
Number of employees aged under 30	(persons)	<b>328</b>	433	574
Percentage of employees aged under 30	(%)	<b>29.26</b>	35.81	44.39
Number of employees aged between 30 and 50	(persons)	<b>774</b>	759	708
Percentage of employees aged between 30 and 50	(%)	<b>69.05</b>	62.78	54.76
Number of employees aged above 50	(persons)	<b>19</b>	17	11
Percentage of employees aged above 50	(%)	<b>1.69</b>	1.41	0.85
Number of employees in Beijing	(persons)	<b>655</b>	699	745
Percentage of employees in Beijing	(%)	<b>58.43</b>	57.82	57.62
Number of employees in areas other than Beijing	(persons)	<b>466</b>	510	548
Percentage of employees in areas other than Beijing	(%)	<b>41.57</b>	42.18	42.38
Percentage of employees at junior ranks	(%)	<b>9.63</b>	13.65	17.71
Percentage of employees at intermediate ranks	(%)	<b>30.69</b>	35.65	37.20
Percentage of employees at senior ranks or above	(%)	<b>59.68</b>	50.70	45.09
Percentage of disabled employees	(%)	<b>0.71</b>	0.83	0.70
<b>Employee turnover rate indicators <sup>note</sup></b>				
Turnover rate	(%)	<b>18.31</b>	19.61	23.63
Turnover rate of male employees	(%)	<b>17.60</b>	20.44	25.73
Turnover rate of female employees	(%)	<b>19.91</b>	17.72	18.24
Turnover rate of employees aged 30 or below	(%)	<b>21.75</b>	25.98	23.94
Turnover rate of employees aged between 30 and 50	(%)	<b>16.51</b>	15.76	23.55
Turnover rate of employees aged 50 or above	(%)	<b>–</b>	5.56	10.20
Turnover rate of employees in Beijing	(%)	<b>15.64</b>	17.18	20.10
Turnover rate of employees in areas other than Beijing	(%)	<b>21.80</b>	22.73	27.97

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

## 2.2 SAFEGUARD OCCUPATIONAL HEALTH

Chanjet attaches great importance to the occupational health and safety of employees in strict compliance with the Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》), the Law of the People's Republic of China on Prevention of Occupational Disease (《中華人民共和國職業病防治法》) and other laws and regulations in relation to occupational health. It has formulated and strictly executed internal management systems and implemented occupational health management measures to create a good working environment, and regularly monitors the safety of employees' working environment:

- ★ Implement differentiated physical examination strategies according to the needs of different employees, and provide orientation physical examinations and annual physical examinations to ensure the health of employees;
- ★ Purchase commercial accident insurance for all employees to provide additional security;
- ★ Provide statutory maternity leave for female employees, setting up special facilities such as nursery rooms in the office to support new mothers, taking a half-day off on Women's Day in 2023 and sending each female employee holiday gifts;
- ★ Provide employees with a sunny, healthy and pleasant office environment, and configuring air purifiers and green plants in the office;
- ★ Provide employees with classic healthy tea drinks in autumn and winter.

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

The performance indicators of Chanjet in respect of employees' health and safety in 2023 are set out as follows:

Indicators	Unit	2023	2022	2021
Work-related fatalities	(persons)	0	0	0
Workdays lost due to work injuries	(days)	0	0	0
Coverage of physical examination package for employees <sup>note</sup>	(%)	99.2	99.1	99.3

Note: The formula for calculating the coverage of physical examination package for employees: coverage of physical examination package for employees = the number of employee undergoing physical examination/ number of full-time employees.

## 2.3 FOCUS ON EMPLOYEE DEVELOPMENT

Chanjet regards employee development as the foundation of the Company's development, continuously improves the specialty literacy and comprehensive skills of employees, and helps them better realize their own value at work. To actively respond to the development needs of employees, Chanjet has established a scientific and effective talent training system and a fair and just career promotion mechanism, with an aim to improve the personal quality and ability of employees, and fully mobilize their work initiative and enthusiasm so as to accelerate the growth of talents and realize the common development of enterprises and employees.

- **Employees training**

In accordance with the relevant provisions of the Chanjet Training Management System (《暢捷通培訓管理制度》) and the Chanjet Lecturers and Courses Management Measures (《暢捷通講師與課程管理辦法》), Chanjet carries out internal training and external training for employees in both online and offline to help employees develop in an all-round way and the enterprise grow sustainably.

The training activities of Chanjet cover employees at different levels, and can be divided into three types: new employee training, professional training, and management training. Among them, the training for new employees is mainly carried out for new comers, and the training content includes the development history of the enterprise, product business knowledge and company rules and regulations, etc.; professional training is mainly carried out for grassroots employees, and the training content includes professional knowledge, cutting-edge theories of the industry and special training camps; and the management training is mainly carried out for reserve cadres and key employees, and the training content is mainly for the improvement of management knowledge and skills. The Group attaches great importance to the results of training, and distributes training satisfaction questionnaires after each training, and continuously improves the training system by analyzing the questionnaires and giving ear to employee feedback.

In terms of internal training, the Group continues to provide diversified training courses for employees through internal training platforms such as "Youlexue" (友樂學) and "Chanjet School" in accordance with the development strategy and the results of training needs survey, and sets up a lecturer wall for outstanding lecturers who are concurrently served by the Company's internal experts, so as to encourage outstanding lecturers to continue to develop high-quality courses and share knowledge. In terms of external training, the Group continues to engage external professional teachers to carry out professional competency training for employees; actively encourage employees to obtain work-related qualification certificates, and give priority to the approval and reimbursement of learning expenses for specific scope of qualification certification.

The performance indicators of Chanjet in respect of employee training in 2023 are set out as follows:

Indicators	Unit	2023	2022	2021
Number of employees trainees	(persons)	<b>1,112</b>	1,199	1,280
Percentage of employees trainees <sup>note 1</sup>	(%)	<b>99.20</b>	99.34	99.30
Percentage of male employees trained <sup>note 2</sup>	(%)	<b>70</b>	69	70
Percentage of female employees trained	(%)	<b>30</b>	31	30
Percentage of employees at senior ranks or above trained	(%)	<b>60</b>	51	45
Percentage of employees at intermediate ranks trained	(%)	<b>31</b>	36	37
Percentage of employees at junior ranks trained	(%)	<b>9</b>	13	18
Expenses incurred for trainings <sup>note 3</sup>	(RMB10,000)	<b>43</b>	85	123
Total training hours for employees	(hours)	<b>88,720</b>	96,650	163,084
Average training hours for employees	(hours/person)	<b>79.78</b>	80.61	127.41
Average training hours for male employees	(hours/person)	<b>83.48</b>	84.70	127.34
Average training hours for female employees	(hours/person)	<b>71.18</b>	69.40	127.55
Average training hours for employees at senior ranks or above	(hours/person)	<b>79.21</b>	52.86	127.28
Average training hours for employees at intermediate ranks	(hours/person)	<b>79.23</b>	121.04	127.12
Average training hours for employees at junior ranks	(hours/person)	<b>85.52</b>	73.22	129.27

Note 1: The formula for calculating the percentage of employees trainees: percentage of employees trainees = the number of employees trainees/number of full-time employees.

Note 2: The formula for calculating the percentage of employees trainees in certain category: percentage of employees trainees in certain category = the number of employees trainees in the category/number of employees trainees.

Note 3: The decrease in expenses incurred for training in 2023 compared with 2022 was mainly due to the corresponding decrease in external training expenditure as the Group implemented comprehensive efficiency-based operation, strengthened training operations and utilized internal lecturer resources.

- **Promotion mechanism**

Chanjet regards talents as the most valuable wealth of the enterprise, and takes talent development as one of the most important management tasks. The Group has established a dual-channel development system of cadres and experts, and has implemented employee promotion procedures in accordance with the Professional Personnel Development and Management Mechanism (《專業人員發展與管理制度》), the Qualification Evaluation Management Measures for Professional Personnel (《專業人員任職資格評審管理辦法》) and the Cadre Management System (《幹部管理制度》). Guided by the needs of strategy and business development, the Group conducts annual qualification evaluation with the participation of cadres and internal experts, and revises and adjusts the qualification evaluation criteria in a timely manner as a way to guide employee development through qualification evaluation, integrate employees' personal development with enterprise development, and achieve a win-win results for the enterprise and employees. During the Reporting Period, a total of 233 people in Chanjet were promoted for professional ranks.

## 2.4 CARE FOR EMPLOYEES PRACTICALLY

Chanjet actively creates a caring and equal working atmosphere to care and protect employees. It organizes a variety of employee activities to continuously improve employees' happiness and sense of belonging, and guide employees to balance work and life.

### Strengthen democratic management

In order to maintain continuous communication with employees, Chanjet regularly collects employee satisfaction to fully understand their expectations and needs, and conducts research results analysis meetings to timely improve and solve problems in employee feedback and continuously improve job satisfaction and happiness of employees.

### Carry out cultural and sports activities

Chanjet enriches the spare time life of employees and enhances team cohesion by organizing a variety of cultural and sports activities, including "1024 Programmer's Day" (1024程序員節) activities, Children's Day activities, monthly birthday parties, mini marathon competitions, basketball competitions, etc.

### Help the needy employees

Chanjet pays attention to the work and living conditions of employees in difficulty, and carries out different relief work for colleagues who have difficulties in life due to illness or other family circumstances. When employees suffer from serious illnesses, the Group will seek medical resources for them as much as possible, actively provide assistance, and help them tide over the difficulties to continuously enhance their sense of belonging.



## 3. Operation and Management

### 3.1 SUPPLY CHAIN MANAGEMENT

Chanjet adheres to an “open, fair and just” anti-corruption operation principle so as to put an end to all conducts of commercial bribery, and has established a strict and standardized supplier selection and admission mechanism. Chanjet has established a scientific and transparent supplier management system and standardized procurement behavior through the Procurement Management System (《採購管理制度》) and the Supplier Management Measures (《供應商管理辦法》) and other management systems. The Group proactively identifies potential risks in the supply chain during the supplier selection and assessment stage to ensure the quality of the goods or services procured. At the same time, the Group requires our cooperative suppliers to sign the Anti-corruption Cooperation Commitment (《陽光合作承諾書》) and the Suppliers’ Social Responsibility Commitment (《供應商社會責任承諾書》) to practice sustainable procurement strategies and build a responsible supply chain.

- **Supplier screening**

Chanjet implements the supplier access process in strict compliance with the relevant provisions of the Supplier Management Measures, actively identifies potential risks in the supply chain, and gives priority to suppliers who meet the qualifications and attach importance to social responsibilities.

In terms of qualification review, Chanjet has made clear requirements on suppliers’ business scope, integrity record, establishment period, etc., and for bidding projects, supporting evidence for corresponding qualifications need to be provided. New suppliers need to complete the registration in the supplier management system and submit materials for review. After being reviewed, they can be selected into the Group’s supplier database.

In terms of social responsibility, Chanjet has fully established and implemented the SA8000 social responsibility management system and requires suppliers to cooperate with the implementation of standards of the social responsibility management system as a way to build a responsible supply chain. Chanjet requires suppliers to sign the Anti-corruption Cooperation Commitment and Suppliers’ Social Responsibility Commitment. The Anti-corruption Cooperation Commitment clearly prohibits commercial bribery, conflicts of interest and other improper business practices. The Suppliers’ Social Responsibility Commitment requires suppliers to make commitments in prohibiting the use of child labor, forced or compulsory labor, protecting the rights and benefits of employees, promoting law-abiding and compliant supply chain management, and establishing a social responsibility management system.

- **Supplier review**

According to the Procurement Management System (《採購管理制度》) and Supplier Management Measures, Chanjet conducts categorized and classified management of suppliers, and establishes an annual supplier review mechanism. It classifies suppliers into three categories, namely “qualified”, “ordinary” and “temporary”, and conducts static and dynamic assessment of suppliers.

### **Static assessment**

In the process of procurement, the procurement management post organizes the executive department and the demand department to conduct an annual review of the qualified suppliers with a purchase amount of more than RMB200,000 (inclusive) in the previous year at the beginning of each year, and organizes the executive department to conduct an annual review of the qualified suppliers with a purchase amount of less than RMB200,000 in the previous year before the first cooperation in the current year.

### **Dynamic assessment**

Upon the completion of the initial inspection of large and medium-sized procurement projects, the Group conducts dynamic real-time assessment of suppliers according to the specific situation. At the same time, depending on the importance of the purchased products or services, as well as the frequency of supplier problems, on-site assessment will be conducted for suppliers from time to time.

### **Application of assessment results**

In the follow-up procurement process, each demand department and procurement execution department will tilt the procurement to suppliers assessed as excellent according to the results of supplier performance assessment. The Group will freeze the suppliers who have not responded to the bidding and inquiry or failed the annual review consecutively for one year in the qualified supplier information database, and cancel the cooperation with them in the following years.

- **Procurement violation management**

Chanjet has formulated a strict management mechanism for procurement violations, and clearly stipulates the supervision and handling of internal employees and suppliers' violations in procurement in the Procurement Management System, Code of Business Conduct for Employees (《員工商業行為守則》) and Anti-corruption Cooperation Commitment.

### **Supervision and handling of employee violations**

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

### **Supervision and handling of supplier violations**

Chanjet requires suppliers to strictly abide by the relevant requirements. If a supplier has procurement violations, measures including internal notification, penalties according to the Procurement Management System and the Anti-corruption Cooperation Commitment, and permanent cancellation of supplier qualifications will be taken depending on the seriousness of the circumstances; and if the circumstances are particularly serious, the Company will reserve the right to pursue relevant legal responsibilities.

• **Green procurement**

Chanjet actively promotes the green and low-carbon concept in procurement and fully considers resource conservation and recycling. It conducts procurement activities and supplier management through the online procurement platform, and gives priority to online review of relevant qualification materials to avoid the waste of resources caused by the use of paper materials as much as possible.

In 2023, Chanjet implemented the above-mentioned policies and practices on supplier engagement and management to all its suppliers. Other performance indicators in supplier management are as follows:

Indicators	Unit	2023	2022	2021
Total number of suppliers <sup>note</sup>	(unit)	<b>772</b>	725	466
Number of suppliers in Mainland China <sup>note</sup>	(unit)	<b>763</b>	716	457
Number of suppliers in the regions of Hong Kong, Macau, Taiwan and other countries <sup>note</sup>	(unit)	<b>9</b>	9	9

Note: The above-mentioned indicator data was the number of suppliers under effective cooperation at the end of the Reporting Period.

### 3.2 PRODUCT SERVICES

Chanjet continues to focus on the two major fields of digital intelligent finance and taxation and digital intelligent business for MSEs. Adhering to the principle of customer success, it has made continuous efforts to improve product competitiveness, expand sales channels, and pursue ecological co-prosperity to provide customers with stable and high-quality products and services. Chanjet strictly controls the quality of products and services, attaches great importance to privacy protection and data security, enhances the efforts to create leading innovation capabilities as a way to continuously improve user experience.

During the Reporting Period, Chanjet has been widely recognized in the industry by virtue of its rich experience in financial and business management cloud services for MSEs:

- ★ Selected into the “deepened pilot platform of accounting data standards for electronic vouchers” jointly organised by nine ministries and commissions including the Ministry of Finance;
- ★ Selected into the recommended list of digital transformation service providers for small and medium-sized enterprises in Shijiazhuang, Fuzhou, Kunming, Hangzhou, Nanchang, Haikou, Wuhan and other places;
- ★ Selected into the list of “Guangdong Industrial Internet Industry Ecological Supply Pool” (廣東省工業互聯網產業生態供給資源池);
- ★ Won the 2023 Alibaba Cloud “Co-creation Award” (共創雲端獎);
- ★ Won the “Excellent Cloud Store Partner Award” (優秀雲商店夥伴獎) from Huawei Cloud;
- ★ Won the 2023 iResearch Awards – “Best Innovative Service Enterprise Award” (最佳創新服務企業獎) from iResearch;

- ★ Awarded the “2023 Outstanding Digital Service Provider” (2023年度卓越数字化服务商) by Analysys;
- ★ Won the “2023 Digital Transformation Outstanding Enterprise” (2023数字化转型杰出企业) award at the 2023 Digital Transformation Promotion Conference (2023数字化转型推进大会);
- ★ Won the “Leading Enterprise of Finance and Taxation Cloud Service for Small and Micro Enterprises” (小微企业财税云服务领军企业) award at the 2023 China Software Technology Conference (2023中国软件技术大会).

In addition, a number of the Group’s products have been highly recognized by the market:

Product	Awarding Party	Awards
T+Cloud	China Electronic Information Industry Federation	2022-2023 Excellent Innovative Software Product (2022-2023年优秀创新软件产品)
T+Cloud	2023 National Conference on Digital Transformation of Small and Medium-sized Enterprises (2023全国中小企业数字化转型大会) jointly hosted by the Ministry of Industry and Information Technology and the People’s Government of Anhui Province	Typical Cases of Digital Transformation
Good Accountant	China Electronic Information Industry Federation	2022-2023 Excellent Innovative Software Product
Good Business and Finance	UXPA China	Good eXperience Award
Good Accountant, Good Business, Good Business and Finance, T+Cloud, and Easy Accounting Agent (易代账)	2023 China SaaS Conference	Selected into 2024 China Enterprise Services Cloud Map (2024中国企业服务云图)

- **Product quality**

In strict compliance with laws and regulations including the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) and the Patent Law of the People's Republic of China (《中華人民共和國專利法》), Chanjet has developed and continuously improved the Development Process Specification (《開發過程規範》), the Project Quality Standards (《項目質量標準》) and other internal management policies, with reference to and based on industry-leading software engineering methods as well as standards and practices related to product development models, in light of the latest news and trends in the industry. The Development Process Specification clarifies the completion standards and output results of key links in the development process, and the Project Quality Standards regulate the quality verification at different stages of product development such as unit testing, integration testing, and on-line testing to ensure product quality. Chanjet has obtained ISO 9001 quality management system certification and has passed the annual review.

In terms of product return procedures, Chanjet provides convenient return channels: users can fill out the Cloud Product Return Application (《雲產品退貨申請》) and Electronic/Paper Invoice Refund Application (《電子／紙質發票退票申請》) online, and call customer service within 7 days of product registration and activation to efficiently complete product returns.

- **Protection of information safety and privacy**

While maintaining the rapid development of its business, Chanjet always adheres to high standards and strict requirements to protect user information and privacy security. In strict compliance with the Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》), the PRC Network Security Law (《中華人民共和國網絡安全法》), the Interim Measures for the Administration of Internet Advertisement (《互聯網廣告管理暫行辦法》), the Regulations on Telecom and Internet User Personal Information Protection (《電信和互聯網用戶個人信息保護規定》) and other laws and regulations, Chanjet has developed and constantly improved management systems related to information security and privacy protection, including the Chanjet Personal Information Protection Management Specification (《暢捷通個人信息保護管理規範》), the Chanjet Information Security Management System (《暢捷通信息安全管理體系》), the Chanjet Internet Export Security Management Measures (《暢捷通互聯網出口安全管理辦法》), the Chanjet Account and Password Security Management Measures (《暢捷通賬號密碼安全管理辦法》), and the Chanjet Product Security and Emergency Response Management Measures (《暢捷通產品安全與應急響應管理辦法》), and has actively explored and built a complete data security and privacy system to provide safe and reliable information technology services for MSEs.

### Information safety

Chanjet has made continuous efforts to improve the information security management system and enhance security compliance capabilities. It has been recognized by domestic and foreign authorities in information security, network security, cloud service security, operation and maintenance security and other aspects. Chanjet has obtained four international standard certifications: ISO 27001 information security management system, ISO 27701 privacy information management system, ISO 27017 cloud service information security management system, ISO 27018 personal identifiable information protection management system in public clouds, as well as a number of authoritative certifications such as trusted cloud security standard assessment and the level 3 certification of national information security protection, in order to provide users with secure and reliable digital intelligent finance and taxation and digital intelligent business cloud services. To cope with the increasingly complex cyber security environment, the Group has continuously strengthened and improved the handling and emergency response mechanism for information security issues. The Group was awarded the “Outstanding Contribution Unit for Vulnerability Resolution” (漏洞處置工作突出貢獻單位) award by the China National Vulnerability Database (CNVD) during the Reporting Period. At the 2023 Trusted Cloud Summit, Chanjet Good Accountant, Good Business, Good Business Finance and T+Cloud were successfully selected into the “Trusted Enterprise SaaS Product Capability Ecological Directory” (可信企業級SaaS產品能力生態名錄).

The Group attaches great importance to information security training, and on the basis of conducting training for all employees every six months, it also organizes and carries out information security month activities themed “Building a Solid Security Fortress and Ensure Security for the Future Information” (築牢安全堡壘·共贏安全未來信息). During the security month activities, the Group carried out a number of activities including “Security Lecture Hall” (安全大講堂), “Security Grand Prix” (安全大獎賽) and “Security Simulation Phishing” (安全模擬釣魚) to further popularize information security knowledge and skills among employees, and enhance their awareness and attitude towards information security.

### Privacy protection

Chanjet attaches great importance to data security and privacy protection, and actively promotes data privacy protection measures in line with international standards to ensure that the privacy and confidentiality of user data are fully guaranteed, and publicizes the measures related to privacy protection on the Group’s official website. The Group has formulated and issued the Chanjet Personal Information Protection Management Specification, which regulates the collection, transmission and storage, use, entrusted processing, sharing, transfer and disclosure of personal information, and also clarifies the emergency response and disposal mechanism for security incidents of personal information leakage, so as to minimize the impact and loss of data leakage on users and lower the Company’s compliance risks.

The emergency response and handling process of data leakage security incidents of Chanjet:

Event reporting	★ After a personal information security incident occurs, the department involved shall notify the technology operation department at the first time and cooperate with the department to conduct an event risk assessment.
Emergency response	<p>★ If the incident has caused harm, promptly inform affected personal data subjects of the relevant circumstances by email, telephone, push notification, etc. When it is difficult to inform personal data subjects one by one, take reasonable and effective measures to release relevant warning information;</p> <p>★ In the event of a security incident involving the leakage, damage, or loss of personal information of more than 100,000 people or sensitive personal information related to people’s livelihood and public interests, the technology operation department shall promptly report the relevant situation to the regulatory authority.</p>
Summary of reasons	★ Afterwards, summarize and analyze the causes and handling process of the incident, summarize a report and submit it to the Group’s information security and privacy protection committee, and update the emergency plan at the same time.

The Group provides data security control measures including identity verification, access control, encrypted transmission and other technical means, and implements strict internal control and external audit to ensure data security and privacy to the greatest extent.

• **Scientific and technological innovation**

Chanjet firmly pursues the core value of “continuous innovation”. It has established and improved technology research and development (R&D) and innovation system, set R&D and innovation management goals, and maintained high-level investment in R&D to continuously strengthen technology R&D capabilities and actively carry out R&D and innovation. As of the end of the Reporting Period, the R&D team of the Group had a total of 432 members, accounting for 39% of the total staff, and had a group of high-level technical experts and R&D talents.

**Innovative incentive mechanism**

Chanjet attaches great importance to the investment in science and technology R&D and the incentive of employee innovation, and has formulated a series of R&D and innovation incentive policies to encourage all R&D personnel to actively innovate. Chanjet implements various incentive policies for employees who have made contributions in R&D and innovation:

- ★ Timely incentives: conduct monthly and quarterly evaluations to motivate outstanding daily performance personnel in various departments;
- ★ Targeted incentives: targeted incentives are provided to teams and individuals who overcome difficulties in R&D, exceed expectations in completing R&D, and effectively promote product quality, including semi-annual individual incentives, semi-annual project incentives, and post-evaluation incentives;
- ★ Supplementary incentives: innovation incentives in the annual evaluation is a supplement to timely incentives and targeted incentives to encourage employees to carry out micro-innovation, important innovation, and significant innovation in product and technology innovation, management innovation, and other aspects.

### R&D platform management

Chanjet has established and continuously improved the R&D process, and implemented R&D standards by virtue of the R&D management platform to streamline the work tasks in terms of task flow, collaboration, defect management, review management, code management, continuous construction and continuous integration, environment deployment and release, online management, asset management, delivery quality management, and project management. In addition, the R&D management platform monitors and analyzes the collected data to provide digital management basis for the R&D team.

### Protection of intellectual properties and brand

In strict compliance with the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》), the Advertising Law of the People’s Republic of China (《中華人民共和國廣告法》), the Interim Procedures on Internet Advertising Management (《互聯網廣告管理暫行辦法》), the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》), the Patent Law of the People’s Republic of China (《中華人民共和國專利法》) and other relevant laws and regulations, Chanjet has formulated and implemented relevant internal management systems to strengthen the protection of intellectual property rights and enhance employees’ awareness of brand protection, and has executed a series of related measures:

- ★ Formulate the annual patent application target and follow up the completion status of such target;
- ★ Introduce external lecturers to provide training on patent document preparation;
- ★ Regularly organize internal patent review, submit patent materials according to the review results, follow up on the status of the authorization process, manage patent-related matters in a closed-loop, and file for record;
- ★ Develop the Chanjet Brand System Management Specification (《暢捷通品牌體系管理規範》), establish a complete Chanjet brand system, clarify the organizational structure and responsibilities of brand management, and standardize the management of the use of Chanjet brand, business brand, and product brand; continuously update the Group’s overall introduction, product and business introduction, customer cases, awards, qualifications, market leadership and industry positioning and other brand marketing materials, regularly update and release the “Chanjet Brand Visual Identity Manual” (暢捷通品牌視覺識別手冊), which is applied to various brand use scenarios to meet the needs of product business development and brand promotion, and ensure the standardization and uniformity of corporate branding and market promotion.

The performance indicators of Chanjet in respect of patent innovation in 2023 are set out as follows:

Indicators	Unit	2023	2022	2021
Investment in R&D	(RMB10,000)	<b>24,734.0</b>	27,172.5	24,255.7
Percentage of investment in R&D over sales income	(%)	<b>31</b>	40	41
Cumulative patents licensed <sup>note</sup>	(pieces)	<b>125</b>	97	100
Newly licensed patents	(pieces)	<b>28</b>	23	16

Note: The above-mentioned indicator data was the number of cumulative patents licensed within the validity period.



- **Quality service**

Chanjet attaches great importance to customer opinions and feedback, and constantly improves service quality in terms of normalized services, customer complaint handling, and sensitive application and emergency problem handling.

**Continuously improve the normalized service mechanism**

Based on different customer habits, Chanjet summarizes and refines service standards for different service modes, including hotline service, online service, WeCom community service, intelligent robot, product self-service, and service community to ensure stable customer service quality. On the basis of providing standard services, the Group has also developed a series of value-added service processes based on customer business needs, and customers can choose to pay for higher-value services.

To ensure service quality, the Group has established a complete supervision system and a self-inspection and random inspection mechanism for service quality. In terms of self-inspection, customer service personnel review the problems handled in the previous day on a daily basis, and conduct telephone follow-ups one by one for partners with satisfaction ratings below 4 points to summarize service experience. In terms of random inspection, the customer service supervisor conducts random telephone or WeChat interviews with customers weekly to understand their satisfaction with the service, categorizes and summarizes feedback from customers, improves processes that need to be optimized, and continuously improves the service capabilities of customer service personnel through special training.

**Customer complaint handling**

In response to customer complaints, Chanjet handles customer complaints through different methods such as telephone, email, and letter in accordance with the relevant provisions of the Complaint Handling Procedure (《投訴處理程序》), and promptly feeds back to the relevant responsible personnel. After the relevant complaint is handled, the quality supervisor will promptly feed back the result to the customer. Chanjet has established a service quality supervision and management team, which is responsible for following up the complaint handling process throughout the procedure and verifying the handling result of the complaint through irregular return visits to the customer.

**Establish a special group for sensitive applications**

Chanjet has set up a special team for sensitive applications to quickly address issues of sensitive applications, improve customer satisfaction, and avoid product issues affecting the normal operation of customer business. After customers raise issues, the special team for sensitive applications will respond quickly. Issues requiring the collaborative solution of the R&D team will directly enter the green channel and the progress of issue handling will be fed back every hour to ensure that customer issues are resolved in a timely and effective manner.

### Improve the efficiency of handling emergency issues

Chanjet has set up an emergency coordination team consisting of three departments: product, R&D, and customer support. The team is responsible for handling emergency incidents in security, network, operation and maintenance, etc. The emergency coordination team makes comprehensive predictions based on the scope of the issue, the impact on customer usage, and the customer experience, and coordinates with customer service, product, and R&D personnel in a timely manner to address the issues efficiently and quickly. After the emergency issues are addressed, the customer service personnel will conduct targeted follow-ups with customers to ensure a complete issue handling mechanism and improve user satisfaction.

The performance indicators of Chanjet in respect of customer service in 2023 are set out as follows:

Indicators	Unit	2023	2022	2021
Number of filed customer complaints displayed <sup>note 1</sup>	(items)	<b>1</b> <sup>note 2</sup>	0	0
Satisfaction on customer service <sup>note 3</sup>	(%)	<b>87.00</b>	86.10	87.60

Note 1: This indicator refers to the number of complaints displayed on the nationwide 12315 information display platform for complaints.

Note 2: The complaint has been settled by the parties themselves or withdrawn by the complainant.

Note 3: The Group conducts customer satisfaction surveys through questionnaires, and calculates customer satisfaction based on the responses from customers.

## 3.3 ANTI-CORRUPTION

Chanjet has always adhered to the principle of “maintaining integrity, pursuing long-term development, and fighting against corruption”. Chanjet strictly abides by business ethics, advocates employees to follow the correct ethical standards, strengthens the integrity management within the Company, and maintains a “zero tolerance” attitude towards violations such as commercial bribery to practice a corporate culture of integrity and compliance with high standards.

- **Policies and systems**

In strict compliance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Audit Law of the People’s Republic of China (《中華人民共和國審計法》), the Law of Anti-Money Laundering of the People’s Republic of China (《中華人民共和國反洗錢法》) and other laws and regulations, Chanjet has formulated various systems such as the Internal Audit System (《內部審計制度》), the Code of Conduct for Employees (《員工行為守則》), the Code of Business Conduct for Employees, the Reporting Management System (《舉報管理制度》) and Provisions on Punishment of Violations Found in Audit and Supervision (《對審計監察中發現的違規行為的處分規定》) to ensure that the Group’s operations are compliant and lawful.

- **Supervision and administration**

The Group continuously improves its internal control and risk management system, engages an independent internal control advisor to conduct internal control review every year and assist management in conducting comprehensive enterprise risk assessments. The reports on internal control review and enterprise risk assessment are reviewed and approved by the Board and the Audit Committee of the Board. Meanwhile, based on actual operating conditions and management evaluation, special audits for anti-corruption are conducted through internal audits or by engaging third-party external audit institutions to inspect illegal acts.

In terms of supervising employees, the Group stipulates ethical requirements and business conduct norms for employees in the Code of Conduct for Employees and the Code of Business Conduct for Employees. In terms of supervising suppliers, Chanjet always cooperates with business partners as per the “open, fair and just” anti-corruption principle, and strictly prohibits commercial violations such as corruption and bribery. In the process of cooperation with suppliers, relevant departments supervise the business conduct of suppliers. At the same time, the Reporting Management System of the Group also applies to business partners so as to strengthen the supervision of whistle-blowers in the process of cooperation with business partners.

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

- **Whistleblowing channels**

Chanjet has established an audit and supervision department specifically responsible for anti-corruption reporting, and has continuously improved the reporting and handling processes including receiving reports, verifying, investigating and obtaining evidence, and handling violations. The Group opens multiple channels to receive reports of violations of regulations and disciplines, encourages whistle-blowers to report to the audit and supervision department and Audit Committee of the Company through email, telephone, letter, interview, and other means, and strictly keeps confidential whistle-blowers’ information and relevant content to ensure their safety.

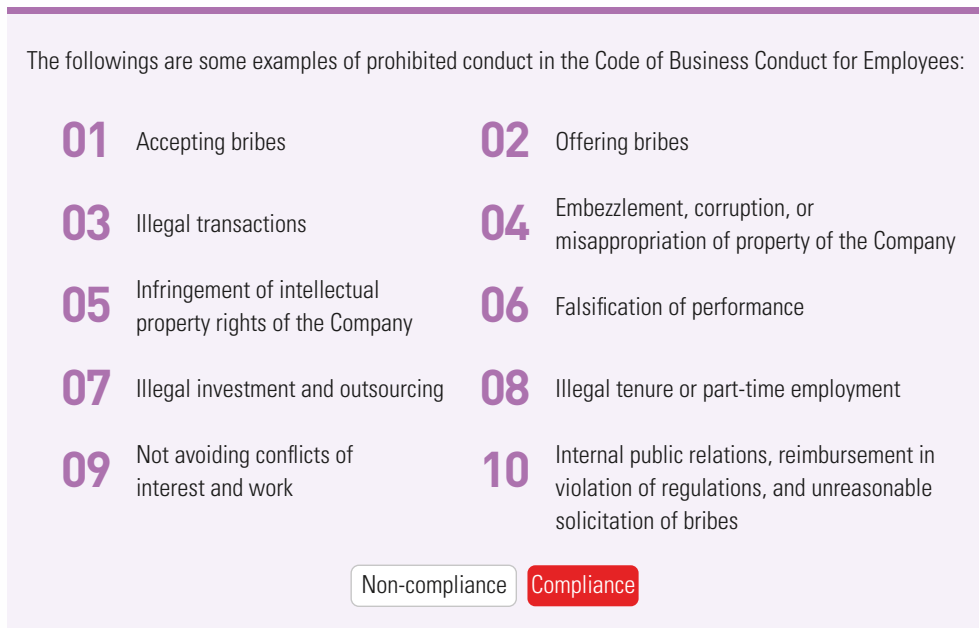
- **Integrity training**

Chanjet conducts anti-corruption, anti-bribery and other training for Directors and employees to prevent misconduct every year.

At the level of Directors and Supervisors, the Group organized all Directors and Supervisors to participate in a video course on judicial recognition and compliance recommendations for commercial bribery under the background of "investigating bribery and accepting bribery" (受贿行贿一起查) during the Reporting Period. The content covered new trends in law enforcement under the new situation of anti-corruption, the rising trend of criminal legal risks for enterprises involving bribery, common criminal risks and key points analysis of bribery, and the need for enterprises to strengthen the building of anti-corruption compliance system.

At the employee level, the Group organizes all employees to learn the Code of Business Conduct for Employees online every year, and sign a statement of compliance with the Code of Business Conduct for Employees after passing the relevant business conduct compliance knowledge test. The Group conducts annual value evaluation and compliance assessment for all employees to strengthen their understanding of internal and external compliance behaviors, reporting methods for violations, and punishment. Meanwhile, the Group continuously conducts trainings on compliance and values for new employees to avoid corruption from the source.

**Figure: Annual compliance assessment**



## 4. Community Investment

Chanjet actively undertakes corporate social responsibility and pays attention to coordinated development with business partners. It makes use of its own resource advantages in the information industry of MSEs to effectively integrate public welfare practices with its own business as a way to respond to and support the needs of the society, participate in public welfare and charity activities, promote industry exchanges and development, and help MSEs develop digitally and intelligently.

### Case:

#### Chanjet Accounting Culture Festival

During the 16th Chanjet Accounting Culture Festival themed “Intelligent Change in Finance and Taxation, Embracing Beauty” (財稅智變·擁抱美好), Chanjet held more than 500 online and offline activities across China, which attracted more than 200,000 accountants and covered more than 60,000 MSEs. Chanjet invested approximately RMB230,000 in the activities. Chanjet cooperated with partners across China to invite industry experts and excellent customer representatives of Chanjet to discuss the integration of business and finance under the new fiscal and taxation policy from a new perspective and enterprise best practices, and help MSEs upgrade management by virtue of digital and intelligent products.

### Case:

#### Chanjet MSEs Care Action

The 13th MSEs Care Action themed “Digital and Intelligence Benefit Enterprises and Gather Momentum for Growth” (數智益企·聚勢生長) was hosted by Chanjet and successfully carried out in Changshu, Yueyang, Haikou, Luoyang, Quanzhou and other places. More than 200 activities were held across China. The event attracted more than 30,000 people, and covered more than 120 cities. Chanjet invested approximately RMB300,000 in these activities. Industry leaders and business elites gathered together to closely focus on the exploration and thinking of MSEs in the digital and intelligent transformation, and jointly discussed the way of Chanjet to assist enterprises in digital and intelligent transformation and help many MSEs develop efficiently and healthily.

### Case:

#### 2023 Global Business Innovation Conference – Chanjet MSEs Digital Intelligent Development Forum (暢捷通小微企業數智發展論壇)

At the 2023 Global Business Innovation Conference, Chanjet held the “Chanjet MSEs Digital Intelligent Development Forum” to jointly analyze the in-depth integration of digital intelligent technology with scenario-based application of MSEs with many industry leading enterprises and ecological partners, so as to effectively solve the core business innovation and transformation management problems of enterprises in the new era.

## ESG Index Table

No.	Indicator description	Page
A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. <i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</i>	P10-13
A1 Emissions	A1.1 The types of emissions and respective emission data.	P10-11
A1 Emissions	A1.2 Direct (Scope 1) and energy indirect (Scope 2) total greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per employee).	P10
A1 Emissions	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per employee).	Not applicable <sup>1</sup>
A1 Emissions	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per employee).	P10
A1 Emissions	A1.5 Description of emission target(s) set and steps taken to achieve them.	P10-13
A1 Emissions	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.	P10-13
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	P13-15
A2 Use of Resources	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility, per employee).	P10
A2 Use of Resources	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility, per employee).	P10
A2 Use of Resources	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	P10, P13-15
A2 Use of Resources	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P10, P14
A2 Use of Resources	A2.5 Total packing material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	P10

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

No.	Indicator description	Page
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Not applicable <sup>2</sup>
A3 The Environment and Natural Resources	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
A4 Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P15-16
A4 Climate Change	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P15-17
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P18-19, P24
B1 Employment	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	P20
B1 Employment	B1.2 Employee turnover rate by gender, age group and geographical region.	P20
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P21
B2 Health and Safety	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P22
B2 Health and Safety	B2.2 Lost days due to work injury.	P22
B2 Health and Safety	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P21
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	P22-24
B3 Development and Training	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P23
B3 Development and Training	B3.2 The average training hours completed per employee by gender and employee category.	P23

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

No.	Indicator description	Page
B4 Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	P18-19
B4 Labor Standards	B4.1 Description of measures to review employment practices to avoid child and forced labor.	P19
B4 Labor Standards	B4.2 Description of steps taken to eliminate such practices when discovered.	P19
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	P25-27
B5 Supply Chain Management	B5.1 Number of suppliers by geographical region.	P27
B5 Supply Chain Management	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P25-27
B5 Supply Chain Management	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P25-26
B5 Supply Chain Management	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P25-27
B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P27-31
B6 Product Responsibility	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable <sup>3</sup>
B6 Product Responsibility	B6.2 Number of products and service related complaints received and how they are dealt with.	P33-34
B6 Product Responsibility	B6.3 Description of practices relating to observing and protecting intellectual property rights.	P32
B6 Product Responsibility	B6.4 Description of quality assurance process and recall procedures.	P29
B6 Product Responsibility	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	P29-31

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



No.	Indicator description	Page
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P34-36
B7 Anti-corruption	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P35
B7 Anti-corruption	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P34-35
B7 Anti-corruption	B7.3 Description of anti-corruption training provided to directors and staff.	P36
B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P37
B8 Community Investment	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	P37
B8 Community Investment	B8.2 Resources contributed (e.g. money or time) to the focus area.	P37



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CHANJET INFORMATION TECHNOLOGY COMPANY LIMITED