Environmental, Social and Governance Report

2023

Linklogis Inc.

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)
Stock Code: 9959

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Chairman's Statement

Song Qun
Chairman and CEO

Year 2023, labelled by the World Meteorological Organization as the hottest year on human history, reflects the challenges we face: climate change and the urgency of sustainable development. Under global warning, the "dual carbon" goal of the People's Republic of China (collectively, the "People's Republic of China", the "PRC" or "China") has become a guide to lead green transformation, and promoting the transformation of development mode to green has become an inevitable trend of the times. In this wave of the times, how companies position themselves will determine their future destiny. The answer given by Linklogis is: to be the initiative in the midst of change.

Since 2022, Linklogis has started to publish annual ESG reports, which have been the third year. These reports cover multiple key dimensions such as green finance innovation, supporting inclusive finance, building data and information security barriers, and green and low-carbon operations, and comprehensively demonstrate our engagement and achievements in ESG.

In the past two years, Sustainalytics, an international authoritative ESG rating agency under Morningstar, has rated our ESG performance as "low risk" consecutively, with a score of 17.8 in 2022 and 14.4 in 2023, ranking in the top 10% in the world, which demonstrates our efforts in fulfilling our green mission, promoting green actions, and building a sustainable future. Linklogis has been committed to becoming a leader and role model in the industry on the road of promoting sustainable development, and contributing technological strength to the sustainable ecological advancement in the future.

Linklogis leads sustainable development with the support of innovative technology. Linklogis firmly believes that technology is the key to promoting the progress of human society, and with the vision of

"Technology empowers the development of sustainable supply chain finance", Linklogis provides more efficient and safer solutions for anchor enterprises and financial institutions, promotes their digital and intelligent transformation, helps SMEs solve financing problems and promotes the development of the real economy, guides enterprises to increase green investment, promotes environmental protection, reduces carbon emissions and pollutant emissions, and creates environmental, social and economic win-win results; actively responds to national regulatory compliance requirements and independently develops the Bee Security Privacy-preserving Computation Platform to solve the problems of data silo, data rights confirmation, and data privacy protection for all parties in the supply chain industry, and realizes data security; assists in the development of treasury system, helps enterprises improve the efficiency of capital utilization, accelerates the development of digital and intelligent finance and efficient resource allocation; actively embraces the industry innovation and changes brought by large language models and artificial intelligence ("AI"), quickly adapts to new scenarios and new business environment, and promotes the sustainable development of supply chain finance.

Linklogis builds a green financial system and continues to promote environmental protection practices. Linklogis has integrated green actions into all aspects of the company. This reporting year, Linklogis Shenzhen headquarters moved to a new office. The Company comprehensively built energy-saving and environmental management system, encouraged resource recovery and recycling, advocated for all employees to participate in energy conservation and consumption reduction, and promoted green office to facilitate sustainable development, further optimized the company's framework structure, simplified internal operation processes, and improved teamwork ability to improve communication efficiency and reduce work costs, encouraged employees to adopt environmentally friendly travel methods, supported the use of public transportation or shared transportation, and actively carried out environmental protection promotions and education activities to improve the awareness and attention of employees and customers to environmental protection, and jointly contribute to the development of a green ecology. In addition, we actively participated in social welfare activities, supported environmental organizations and projects, and practiced corporate social responsibility.

Sustainable development is the foundation of enterprise progress and development. With this in mind, we are committed to creating long-term value for our employees, customers and shareholders, and facing the future with confidence and anticipation. We actively respond to the country's policy call, enhance environmental awareness, and promote green and low-carbon operations. We continue to increase our investment in technology innovation and integrate sustainable concepts into our products and development decisions. At the same time, we are well aware that practicing ESG is not only a responsibility, but also a mission, so we continue to provide customers with more efficient and sustainable solutions through industry-leading technology and mature service experience. We encourage our partners to explore new paths for sustainable development, promote the development of the entire industry, and create a bright future together.

On the way forward, we will encounter various challenges and difficulties, and wind and rain may accompany us from time to time. However, it is in this environment that we are able to continue to grow and improve. Only by constantly accumulating steps can we go thousands of miles. Linklogis will continue to adhere to the mission of sustainable development, keep pace with the times, continue to innovate, and create an efficient, green and intelligent sustainable future with digital and intelligent innovation, so as to contribute to the construction of a beautiful China and the promotion of sustainable development in the world.

About This Report

This is the third Environmental, Social and Governance Report (the "Report") issued by Linklogis Inc. (the "Company") and its subsidiaries and related consolidated entities (collectively, "Linklogis", "we", the "Group" or "us"), which aims to disclose the Group's progress and achievements in the environmental, social and governance ("ESG") field in a transparent and open manner, so that stakeholders can better understand the Group's sustainability strategies and actions.

2.1 Reporting Guidelines and Principles

The Group has prepared this report in accordance with the Environmental, Social and Governance Reporting Guide (the "Guidelines") set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" or "HKEX"). This report has complied with all the "comply or explain" provisions of the Guidelines and has been prepared on the basis of the four reporting principles of the Guidelines: materiality, quantitative, balance and consistency.

"Materiality" principle: Stakeholder communication and materiality assessment processes have been incorporated into the preparation of this report as the basis for determining ESG materiality issues. The Group has appropriately aligned with the United Nations Sustainable Development Goals ("UNSDGs") in the process of improving the management of material issues. For details, please refer to the "Materiality Assessment" section.

"Quantitative" principle: This report discloses its key environmental and social performance indicators in a quantitative way, with explanations to illustrate, and describe its purpose and impact. We also provide information on last year's key performance indicators ("KPIs") for comparison in the report.

"Balance" principle: This report follows the principle of balance, presents accurate positive and negative information about the Group, and continuously formulates improvement measures.

"Consistency" principle: This report uses a consistent statistical approach to disclosure, and further refines the types of disclosures corresponding to some of the Guidelines. The Group will ensure that the scope of disclosure and reporting methodology of this ESG report are consistent from year to year.

2.2 Reporting Scope

This report discloses the Group's actions and performance on material environmental and social issues for the period from 1 January 2023 to 31 December 2023 (the "Reporting Period"). Unless otherwise specified, the social data in this report covers the entire Group and is aligned with the scope of the annual report. The reporting boundary of environmental data includes the operating premises with a usable area of more than 500 square meters, covering the Group's headquarters office in Shenzhen and the office in Wuhan.

2.3 Report Access

This report is available on the HKExnews website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of Linklogis Group (www.linklogis.com) for review and download.

2.4 Feedback

The opinions of stakeholders help the Group continuously improve its sustainable development work. If you have any comments or suggestions on this report or the Group's sustainability management, you are welcome to contact the Group through the following channels:

Address: 28-31 Floor, Qianhai Chow Tai Fook Finance Building, No. 66, Guiwan Community Hub Street, Nanshan Street, Nanshan District, Shenzhen, Guangdong Province
Phone: +86 (0755) 2391-5717
E-mail: esg@linklogis.com, ir@linklogis.com, pr@linklogis.com
Web page: www.linklogis.com

2.5 Board of Director's Statement

Linklogis regards ESG and sustainable development as the guarantee of the company's long-term stable development, incorporates ESG factors into the decision-making and daily operation process, and continuously improves the company's ability to resist risks. The Board of Directors of the Group is the highest responsible and decision-making body for ESG matters, and has ultimate responsibility for the Company's ESG strategy and reporting, and oversees ESG-related matters that may affect the Company's business or operations, shareholders and other stakeholders. The Board has established an ESG Executive Committee which is responsible for identifying and assessing ESG risks related to the Group, ensuring that the Group has an appropriate and effective ESG risk management and internal control system, and reporting to the Board on the progress of achieving the relevant ESG objectives.

The Group attaches great importance to the suggestions and opinions of various stakeholders, ensures sufficient communication channels to carry out communication with key stakeholders, discusses and identifies important ESG issues and ESG risks that the Group may face, and continuously improves ESG-related strategies and policies. The Board of Directors has reviewed the ESG materiality issues for the current year, and has approved proposals to adjust the materiality of each ESG issue to ensure the timeliness and reasonableness of the materiality issue matrix.

The Directors hold regular meetings to review and approve the Company's sustainability goals, guide and monitor the development and implementation of the Company's ESG vision, strategy and framework through the ESG Working Group, review the Company's material ESG issues, key ESG risks and opportunities, monitor the communication channels and communication methods with shareholders, and review the Company's ESG-related disclosures.

The Board of Directors and all directors guarantee that there are no false records, misleading statements or material omissions in the contents of this report, and assume responsibility for the authenticity, accuracy and completeness of the report. This report discloses in detail the progress and effectiveness of the Group's ESG work in 2023, which was deliberated and approved by the Board of Directors at its meeting on 26 March 2024.

About Linklogis

3.1 Company Overview

Linklogis was founded in Shenzhen in February 2016 by an experienced team of executives with extensive backgrounds in the global financial and internet sectors and backing from key early-stage shareholders including Tencent. Linklogis was the first supply chain finance SaaS enterprise to successfully complete a public listing in China, making its debut on the main board of the Hong Kong Stock Exchange in April 2021. The Company's major shareholders comprise leading domestic and international corporations and financial institutions, including Tencent, CITIC Capital, Government of Singapore Investment Corporation (GIC) and Standard Chartered Bank. Linklogis has consistently secured a leading position in its market, ranking No. 1 in China's third-party supply chain finance technology solution market for four consecutive years according to China Insights Consultancy.

Linklogis is committed to being the leading supply chain finance technology solutions provider, and aims to re-define and transform supply chain finance through technology and innovation. As one of the key members of Tencent's "To B" strategic ecosystem, Linklogis champions the philosophy of inclusive finance by leveraging advanced technologies such as AI, blockchain, cloud computing, and big data in supply chain applications, providing innovative supply chain finance technology solutions that are data-driven, use-case-based, and digital. Linklogis'cloud-native solutions optimize the payment cycle of supply chain transactions, digitize the entire supply chain finance workflow, and enhance transparency and connectivity in the supply chain finance ecosystem.

With purpose-built solutions and industry-leading technology infrastructure, Linklogis delivers tangible benefits to all parties in the supply chain finance ecosystem, meeting the evolving business and technology needs of anchor enterprises and financial institutions, while providing the ultimate financing experience for small and medium enterprises ("SMEs") and supporting the development of the real economy.

With comprehensive solution stacks such as Anchor Cloud, FI Cloud, Cross-border Cloud, and SME Scenario Cloud, Linklogis provides convenient and efficient supply chain finance technology services for anchor enterprises, their affiliated supply chain enterprises, financial institutions, and SMEs. By the end of 2023, the accumulated total volume of supply chain assets processed by Linklogis since its establishment had exceeded RMB1.13 trillion, and Linklogis has partnered with over 1,800 anchor enterprises and financial institutions, covering 45 of the Top 100 Enterprises in China and all top 20 commercial banks in China. Our customers cover 32 provinces and administrative regions across the country, and we have served more than 250,000 SMEs. Linklogis also launched the first blockchain-based cross-border supply chain financing platform in China, and is rapidly expanding its overseas business.

Vision

To Become the World's Leading Supply Chain Finance Technology Solution Provider

Mission

To re-define and transform supply chain finance through technology and innovation

Values

Customer-first, Integrity, Professionalism, Innovation and Collaboration

Office Distribution

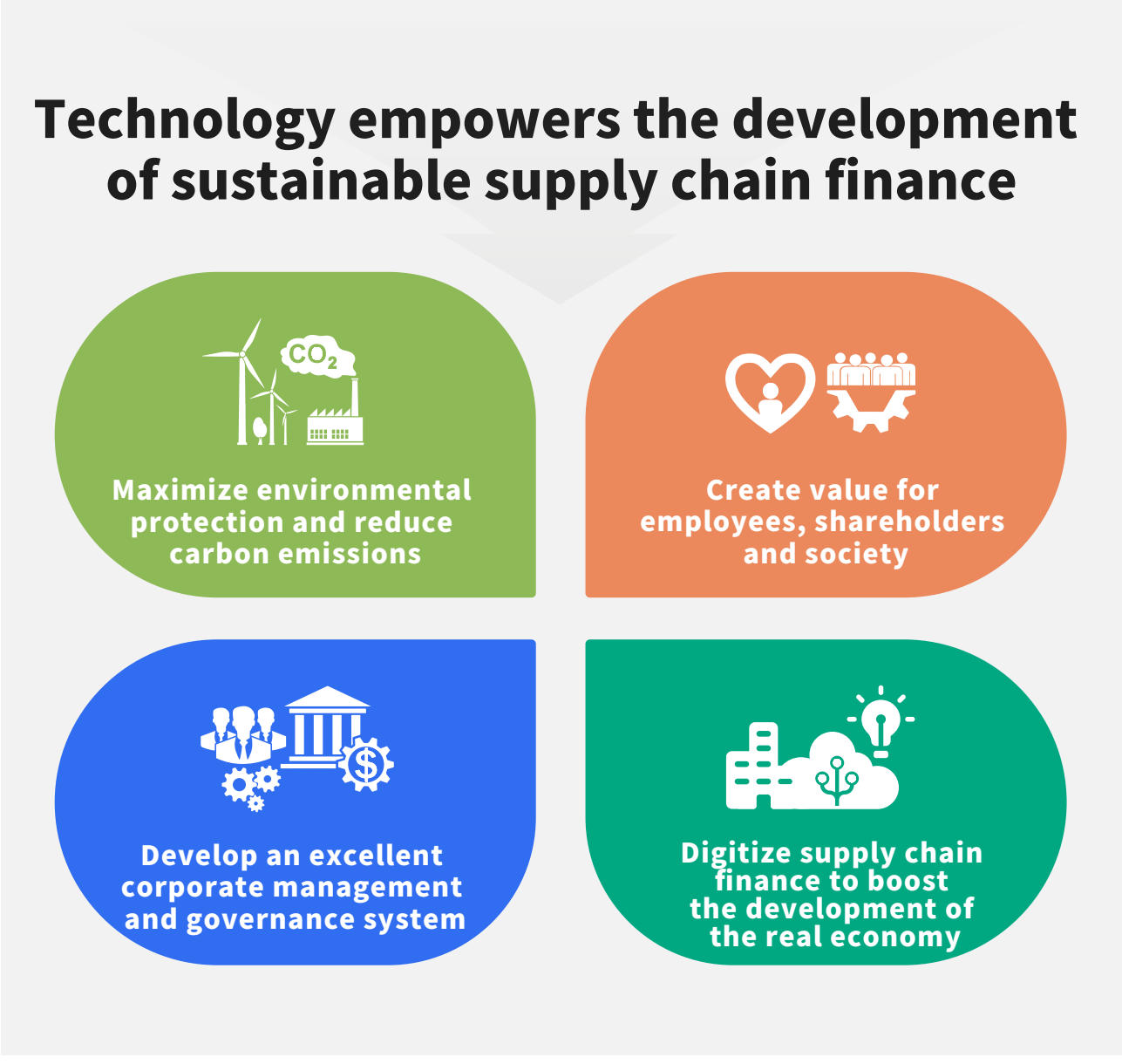
Total number of employees **914**

Office Locations **19**

*As of December 31, 2023

3.2 ESG Mission

Science and technology are the driving force for the progress of human society. Linklogis adheres to the vision of "Technology empowers the development of sustainable supply chain finance", helping anchor enterprises and financial institutions to achieve the development of sustainable supply chain finance, promoting digital transformation, helping SMEs solve financing problems, and promoting the development of the real economy. We continue to invest in technology to provide customers with efficient and safe solutions to improve the overall management efficiency of the supply chain. In line with the United Nations Sustainable Development Principles, Linklogis has built an excellent enterprise management system, and guided enterprises to increase green investment, reduce carbon emissions and pollutant emissions, and create environmental, social and economic benefits through green supply chain finance solutions.



3.3 Awards and Honors (2023)

2022 Excellent Solution Provider of Supply Chain Finance by the Asian Economic Conference

KPMG 2022 China Leading Fintech 50

Guangdong Engineering Technology Research Center

Innovation Award on Serving the Real Economy by Nanfang Daily

2022 Special Initiator of ABS Revitalizing Stock Assets by Shanghai Stock Exchange

2023 Top Employer for Human Resource Management by 51Job

2022 Tencent Lexiang Station Award - Value Selection Digital Intelligence Project

National High-tech Enterprise

Leading Supply Chain Finance Technology Solutions Provider China 2023 by World Business Outlook

2023 China Supply Chain Finance Industry Model - Best Supply Chain Finance Leading Enterprise Award

The Most Potential Partner by MYbank

Specialized and Sophisticated Enterprise in Shenzhen

Outstanding Institution of the Year at the Annual Conference of China Securitization Forum

Best Digital Solution – Supply Chain Award by The Asset

Top 100 SaaS companies in 2023 by Internet Weekly

Shenzhen Qianhai Headquarters Enterprise

2023 Digital Innovation Leadership Award at the 12th Financial Summit

Key Software Enterprise Encouraged by the State

2023 TOP 50 AI SaaS Influential Enterprises

Outstanding Contribution Enterprise by the Trusted Blockchain Initiatives

Global SME Finance Award

"Low Risk" ESG Rating by Sustainalytics, ranking in the top 10% in the world

2023 Fintech Innovation Ranking by the Internet Weekly

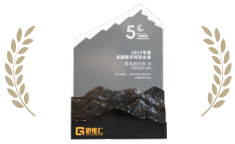
Global Software Development Capability Maturity Model Integration (CMMI) Level 5

Best Supply Chain Financial Technology Provider in China by the Global Banking & Finance Industry Awards

Best ESG Company Award by Zhitong Financial

Excellent Case of Collaboration with Cross-border Institutions in Financial Industry in the Guangdong-Hong Kong-Macao Greater Bay Area

1st China Fortune Golden Lion Annual Sustainable Development Pioneer Enterprise by China Fortune Network



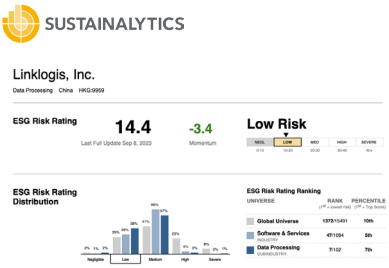
Annual Outstanding Digital Technology Enterprise by Guruclub

2023 Award for Contribution to the Commercial Factoring Industry

Capital Market Communication Innovation Team of the Year by Futubull Annual Selection of Listed Companies

3.4 Sustainability-related Performance

Linklogis has obtained a "low risk" ESG rating from Sustainalytics, an international authoritative ESG rating agency under Morningstar, with a score of 14.4 points, ranking 1,372 among the world's 15,491 rated companies, ranking in the top 10% in the world and the top 5% in the global software and service industry, with a significant jump in the global and industry rankings compared with last year.



The S&P Global ESG Score measures a company's performance and management of material ESG risks, opportunities, and impacts through company disclosures, media and stakeholder analysis, modelling methodologies, and in-depth company engagement through the S&P Global Corporate Sustainability Assessment (CSA). In 2023, Linklogis's S&P Global CSA ESG score is higher than the industry average.

Nanfang Daily's Financial Real Economy Research and Investigation is required to take the financial mission as the requirement, to serve the real economy as the direction, and to focus on financial technology and innovative services, collecting nearly 150 front-line cases of financial support for the real economy, visiting and researching more than 60 cases, and selecting the "Innovation Award on Serving the Real Economy" and "Innovation Service Award". Linklogis' self-developed green fintech solution based on edge computing and trusted blockchain technology won the "Innovation Award on Serving the Real Economy" by Nanfang Daily.

In the "Listed Company Selection" of the 8th Zhitong Finance Capital Market Annual Conference in 2023, Linklogis won the "Best ESG Company Award" for its outstanding green financial technology capabilities and great ESG governance.

The first China Fortune Golden Lion High-quality Development Excellent Practice Case Collection Initiated by China Fortune was successfully held. With its good performance in green finance and ESG, Linklogis was awarded the 1st China Fortune Golden Lion Annual Sustainable Development Pioneer Enterprise.

3.5 2023 ESG Key Performance

Environmental

Greenhouse gas emissions intensity

0.37 tonnes of CO_2e/person

Energy consumption intensity

0.62 MWh/person

Water consumption intensity

3.74 cubic meters/person

Harmless waste generation intensity

0.03 tonnes/person

Carbon emissions avoidance due to the elimination of offline transportation by the online supply chain finance process

13,000 tonnes of carbon dioxide equivalent

Carbon emission avoidance volume by the paperless ABS cloud of the supply chain finance process

6,000 tonnes of carbon dioxide equivalent

Social

Male-to-female ratio

1:0.74

Percentage of female employees in junior management

28%

Ratio of male and female remuneration for junior managers

1:1.03

Training hours per person

42.4 hours

Percentage of trainees

100%

Accumulated patent applications

551 patents

SMEs Cumulatively Served Over

250,000

Financing for Sustainable Supply Chains

RMB **19.2** Billion

Governance

The number of major information security incidents and major privacy protection incidents in the Reporting Period

0

Number of corruption and fraud incidents

0

Follow-up rate of reported incidents

100%

Business ethics and anti-corruption training rate

100%

Proportion of non-executive directors

63%

Sustainability Policy

4.1 ESG Strategy and Objectives

Sustainable development is the foundation for enterprise to make progress and develop. Linklogis adheres to the principle of sustainable development and creates long-term value for employees, customers and shareholders. In light of the Group's overall strategic development direction and daily operations, we have formulated a sustainable development strategy. To ensure that our long-term vision and ESG mission of "Technology empowers the development of sustainable supply chain finance" can be effectively executed across the Group, we have developed a sustainability framework with three strategic pillars:

Collaboration and Contribution to the Society

Linklogis is committed to creating greater value with the power of science and technology, actively fulfilling corporate social responsibility, and promoting sustainable social development.

Green Management Led by Technology

Linklogis is committed to enabling itself, its customers and partners to achieve online and paperless operations with efficient and advanced technology products and services, reduce carbon emissions, help environmental protection, and promote long-term benefits.

High Standards of Governance and Sustainable Development

Linklogis is committed to achieving high standards of corporate governance.

In order to effectively promote and achieve its ESG strategic objectives, the Group has established sustainable development goals in three key areas: environmental, social and governance in accordance with the pulse of the industry and the characteristics of the company. Guided by the strategy of "one vertical and one horizontal" and "one up and down", we will take supply chain finance as the cornerstone, continuously improve the product system, and provide precise services for all aspects of supply chain finance with the help of advanced digital technology, so as to build a supply chain finance ecosystem. We strongly support the growth of micro, small and medium-sized enterprises (MSMEs) and are committed to being a leading supply chain finance technology solutions provider. To this end, we have set medium-term goals: serving 1,000 anchor enterprise and financial institution customers, serving 1 million SMEs, and processing RMB1 trillion of supply chain finance transactions annually. Linklogis' performance in ESG-related targets in 2023 is set out in the table below. The ESG Executive Committee has reviewed the progress towards the relevant targets and reported to the Board of Directors.

Scope	Aspects	ESG-related goals	Performance in 2023
Environmental	Products & Services	• In the digital supply chain finance process, the carbon emissions of offline transportation are avoided: 10,000 tonnes of carbon dioxide equivalent	100% achieved the goal of avoiding 10,000 tonnes of carbon dioxide equivalent due to less transportation
		• In the paperless supply chain finance process, the carbon emission of the paper avoided: 6,000 tonnes of carbon dioxide equivalent	100% achieved the goal of avoiding 6,000 tonnes of carbon dioxide equivalent due to paperless process
	Use of Resources	• All purchased paper must be recycled paper	Recycled paper accounts for 100% of procurement
		• All purchased office equipment is required to have an energy label	Purchased 100% of office equipment with energy labels
		• All purchased water-using equipment is required to have a water efficiency label	The proportion of water equipment procurement with water efficiency labels is 100%.
Social	Employee	• Zero injury rate	The injury rate for the Reporting Period was zero
		• Zero work-related fatalities	There were zero work-related fatalities this Reporting Period
		• Forced labor and child labor will not be tolerated	There were zero cases of forced labor and child labor this Reporting Period
		• No serious cases of discrimination	The number of discrimination cases was zero during the Reporting Period
	Customers	• 95% of customer feedback is resolved within 24 hours	98% customer feedback resolution rate within 24 hours
		• 90% of complex problems are resolved within 48 hours	95% resolution rate of complex issues within 48 hours
		• Customer satisfaction of at least 95%	Customer satisfaction 98%
	Suppliers	• 100% supplier audit rate required	100% supplier audit rate
Governance	Anti-corruption	• Zero tolerance for corruption	0 incidents of corruption
		• All reported incidents need to be followed up	100% follow-up rate of reported incidents
		• All employees are required to undergo compliance and anti-corruption training	100% attendance of employee compliance and anti-corruption training
	Information Security	• No major information security incident	There were no major information security incidents during the Reporting Period
		• No major personal privacy leakage incident	There were no major personal privacy breaches during the Reporting Period
		• Annual business system availability needs to be as low as 99.9%	The annual business system availability ≥ 99.97%.
	Privacy Protection	• No leakage of customer personal data	The number of customer personal data breaches was zero during the Reporting Period
		• No company secrets or confidential information is allowed to be leaked	The number of leaks of company secrets or confidential information during the Reporting Period was zero

4.2 Stakeholder Engagement

The opinions of stakeholders are an indispensable part of the sustainable development of the company, and Linklogis maintains effective communication and builds trust with all stakeholders in an open and transparent manner through regular and two-way communication channels, so that the Group can understand their concerns, respond to their requirements and expectations, continuously improve and optimize its own sustainable development strategy and management methods, fulfill its corporate social responsibility, and create more value for stakeholders.

We have identified seven types of stakeholders as the most important stakeholders of the Group, and the table below shows the issues of concern to each stakeholder and the communication channels of the Group.

Stakeholder Group	Communication channels	Prioritized issues
Employee	• Internal communication • Employee activities • Linklogis Alumni Club • Employee complaint channels	• Employee benefits and rights • Talent management • Employee safety and health • Employee training and development
Client	• On-site visit • Official website, WeChat official account • Platform system, client system • Service hotline, email, WeChat	• Fintech product security and risk control • Data Privacy & Security • Customer rights protection
Shareholders/ Investors	• Annual Report • Shareholders' meeting • Investor conferences	• Corporate economic performance • Risk management
Vendor	• Supplier assessments • Bidding, procurement	• Supplier risk assessment • Green supply chain
Partners	• WeChat official account, the official website • Conference communication	• Fintech innovation • Accessibility and sustainability of financial services • Promoting the digitization of supply chain finance • Multi-party collaboration and ecosystem
Government	• Daily communication • Policy advocacy	• Business compliance development • Anti-corruption and anti-bribery
Community/Public	• Connect with relevant professional institutions • Industry conference • WeChat official account, the official website • Media	• Community engagement and public welfare activities

4.3 Materiality Assessment

The materiality assessment can help the Group identify the risks and opportunities related to sustainable development, identify the direction of improvement, and also help to enhance the transparency of the disclosure of this report and share the progress of the Group's sustainable development with various stakeholders. We regularly communicate with various stakeholders and conduct materiality assessment.

With the assistance of professional independent consultants, the Group conducts an assessment of materiality issues at least once every two years. With the assistance of independent consultants, we conducted a materiality assessment this reporting year to review and report on our sustainability approach and reporting. The analysis reflects material issues that the Group and its stakeholders consider to be material and impactful to the business, stakeholders and strategies. The materiality assessment process is divided into four main steps: identification, prioritization, validation and review.

01 Identification

By referring to the Guidelines of the HKEX and the Global Reporting Initiative (GRI), as well as industry benchmarks and the company' s own development status, the Group has added and integrated previous materiality issues. In this reporting year' s materiality assessment, the Group identified and identified 27 materiality issues, of which 5 were environmental issues, 8 were social issues, 8 were governance and operation issues and 6 are economic issues.

02 Prioritization

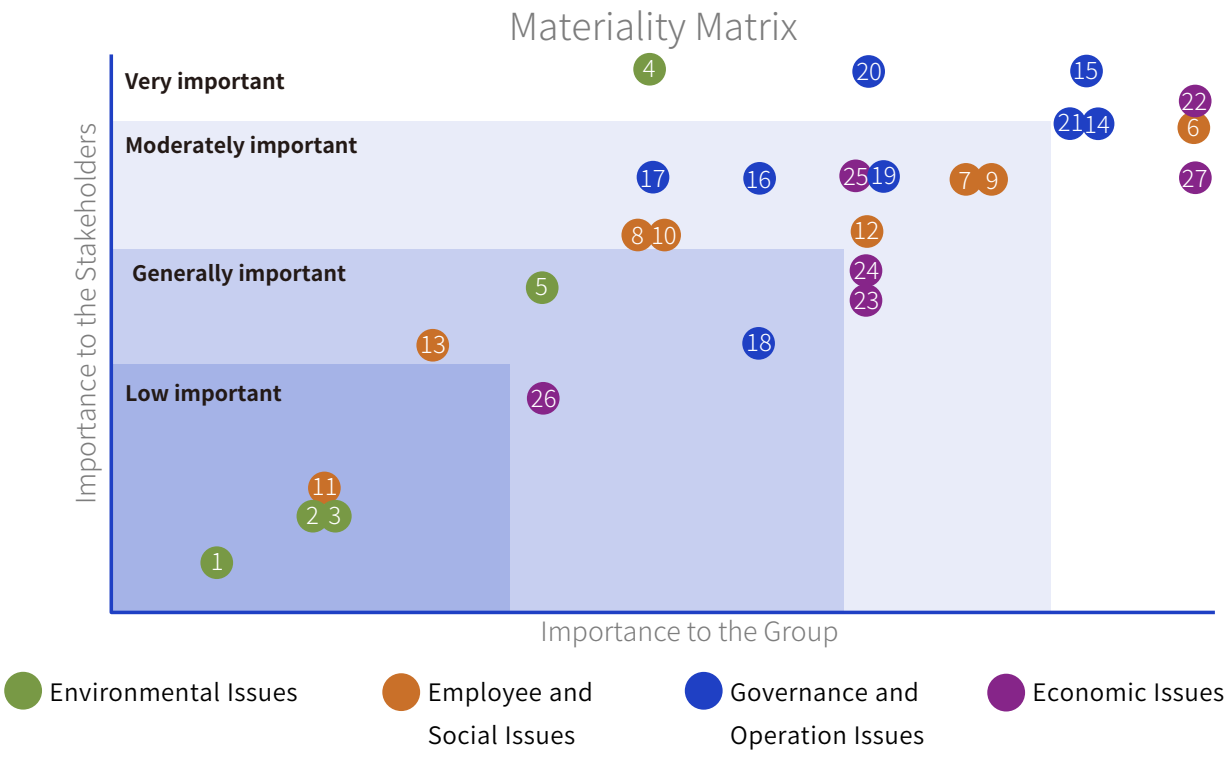
In this process, materiality issues are scored and prioritized through daily stakeholder communication and internal meeting discussions. We will prioritize issues that have a significant impact on our operational capabilities and create sustainable ESG value, based on their scores in previous years and their importance in the Guidelines, ESG ratings and materiality maps.
The topics will be sorted into 4 categories, namely very important issues, moderately important issues, generally important issues and low important issues.

03 Validation

From the two dimensions of "importance to Linklogis" and "importance to stakeholders", a matrix of substantive issues was constructed, and highly important topics were screened out according to the scores of each issue. The results will be presented to the Group' s management for discussion and review, which will be approved to finalize the ranking of material issues.

04 Review

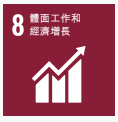
The Group review the assessment process of materiality issues, identify areas for improvement and make improvements to enhance the relevance and authenticity of materiality assessments.


Materiality Matrix
Very important
Moderately important
Generally important
Low important
Importance to the Stakeholders
Importance to the Group
4
20
15
22
21
14
6
17
16
25
19
7
9
27
8
10
12
24
5
23
13
18
26
11
2
3
1
Environmental Issues
Employee and Social Issues
Governance and Operation Issues
Economic Issues

Level of Importance	Topics	Related Chapter
High	22. Promote the digitization of supply chain finance	8.2 Digital Transformation
	6. Talent management	6.1.2 Human Resources Development
	27. Availability and Sustainability of Financial Services	6.4 Social Responsibility
	15. Fintech product safety and risk control	7.5 Information Security and Risk Management System
	14. Innovative Technology and product diversification	8.1 Technological Innovation
	21. Business compliance development	7.3.1 High Standards of Corporate Governance
	20. Data privacy and security	7.5 Information Security and Risk Management System
	4. Respond to climate change	5.2 Responding to Climate Change and Aligning with International Guidelines
Moderate	7. Employee communication and care	6.1.4 Employee Care
	9. Employee training and development	6.1.2 Human Resources Development
	25. Risk Management	7.3 Corporate Governance
	19. Business ethics and conduct	7.4 Business Ethics
	16. Customer protection and satisfaction	6.2.1 Protecting the Rights and Interests of Customers
	17. Protection of intellectual property rights	8.3 Patent and Intellectual Property Protection
	12. Promote the ecological development of the industry and practice social responsibility	6.4 Social Responsibility
	23. Assist micro, small and medium-sized enterprises	6.4.1 Digital Inclusion for Micro, Small, Mediumsized Enterprises
	24. Serve the real economy	6.4 Social Responsibility
	8. Employee safety and health	6.1.5 Employee Safety and Health
	10. Equal Opportunity, Diversity and Inclusion for Employees	6.1.1 Diversity and Inclusion
General	18. Supplier risk assessment	6.3 Supply Chain Management
	5. Contribute to the energy conservation and environmental industry	5.3 Digital and Intelligent Technology Solutions for Saving Energy and Reducing Emissions
	13. Community investment and public welfare activities	6.4.4 Public Welfare Activities and Contribution to the Society
	26. Investor Communication	4.2 Stakeholder Engagement
Low	2. Waste management	5.5.3 Waste Management
	3. Energy and resource management	5.5.1 Reducing Greenhouse Gases and Energy Conservation 5.5.2 Conservation of Natural Resources
	11. Prevention of child labor and forced labor	6.1.3 Employment Compliance
	1. Greenhouse gas and exhaust emission management	5.5.1 Reducing Greenhouse Gases and Energy Conservation

4.4 Promoting the United Nations Sustainable Development Goals

Linklogis believes that it is of vital importance to take concrete actions and make firm commitments to achieve the UNSGDs. In working on a number of sustainability issues, the Group has actively contributed to ensuring that our efforts are closely aligned with the Group's core UNSDGs to make a meaningful contribution to global sustainable development.

Scope	Related UNSDGs	Related Important Topics	Our Actions
Green Management Led by Technology	Target 7.3: Improve energy efficiency Target 12.5: Reduce waste through avoidance, reduction, recycling and reuse Target 13.1: Strengthen resilience to climate-related hazards and natural disasters	• Greenhouse gas and exhaust emission management • Waste management • Energy and resource management • Respond to climate change • Contribution to the energy conservation and environmental industry	• Formulate the "Workplace Management Measures of Linklogis" to clarify the requirements for energy conservation and consumption reduction • Set up waste paper recycling bins and collect used batteries in a centralized manner • Set up a common corner for office supplies to improve the utilization rate of office supplies • Formulate the "Climate Change Policy" • Disclose climate change-related risks and opportunities with reference to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").
Collaboration and Contribution to the Society	 Objective 8.7: Take immediate and effective measures to eliminate all forms of forced labour and terminate child labour Goal 8.8: Protect labour rights and provide a safe working environment for all workers Objective 10.3: Ensure equal opportunities and reduce inequalities	• Talent management • Employee communication and care • Employee safety and health • Employee training and development • Equal Opportunity, Diversity and Inclusion for Employees • Prevention of child labor and forced labor	• Sign labor contracts in accordance with the law, clarify employment standards, and strictly prohibit forced labor and child labor • Establish employee complaint and appeal channels • Formulate the "Staff Club Management" to protect the freedom of association of employees • Conduct regular pay reviews to ensure pay equality

Scope	Related UNSDGs		Related Important Topics	Our Actions
High Standards of Governance and Sustainable Development		Target 16.5 – Significantly reduce all forms of corruption and bribery	• Promote the ecological development of the industry and practice social responsibility • Fintech product safety and risk control • Customer rights protection and satisfaction • Protection of intellectual property rights • Supplier risk assessment • Community engagement and public welfare activities • Risk management • Investor communications • Business ethics and conduct • Data privacy and security • Business compliance development	• Provide anti-corruption training to staff and the Board of Directors on an ongoing basis • Formulate the “Management Measures for Employee Complaints and Reports of Linklogis” , and set up complaint and reporting channels • Set up the “Anti-Fraud Management System” • Formulate the “Integrity and Self-Discipline Convention”
Technological Innovation to Lead the Industry		Target 9.3: Increase access to financial services for small industrial enterprises and other enterprises and their integration into value chains and markets Target 9.5: Scientific research and scientific and technological capacities enhanced	• Promote the digitization of supply chain finance • Innovative technology and product diversification	• Drive the transformation of the real industry with the help of cutting-edge technologies such as AI, blockchain, big data, and cloud technology

4.5 ESG Governance

Sustainable development is an important part of Linklogis' corporate governance. The Group has continuously improved the level of corporate sustainability governance by establishing and improving the sustainability governance structure, covering the three levels, the Board, management and working levels, and forming an efficient working mechanism to implement the management functions of organizations at all levels on sustainability-related matters.

Board of Directors and Governance Committee

The Board has the final decision-making authority over the Group's ESG work and is responsible for the final review of the Group's ESG-related strategies and related reports. To ensure the effective implementation of the sustainability strategy, the Board has delegated oversight to the Governance Committee. The Committee meets at least once a year to report to the Board of Directors on ESG-related progress. The Governance Committee is responsible for formulating and reviewing the Group's ESG approach, strategy, policies and objectives, as well as monitoring trends, risks and opportunities for sustainable development, and assessing the impact of these factors on the Group's long-term development and positioning. In addition, the committee is responsible for assessing and prioritizing the importance of ESG issues and ensuring that processes are identified and implemented. The committee also regularly reviews the achievement of ESG goals and targets to ensure that ESG matters are properly implemented and improved. In terms of ESG reporting, the Governance Committee reviews and approves the annual ESG report to ensure that its content is accurate, honest and complete, so as to provide a solid guarantee for the Group's ESG work.

ESG Executive Committee

The ESG Executive Committee is an organization overseen by the Corporate Governance Committee and responsible for the development, promotion and implementation of ESG as a whole. The ESG Executive Committee is chaired by Chau Ka King, Vice Chairman and Chief Risk Management Officer of Linklogis, and has 4 vice chairmen and 3 members, all of whom are leaders and heads of various departments responsible for ESG decision-making, management, execution and coordination of the Group.

In order to ensure the effective implementation of the ESG strategy by the ESG Executive Committee, the Group has formulated the Charter of the ESG Executive Committee of Linklogis, which clarifies the core responsibilities of the ESG Executive Committee. For example, the committee needs to participate in the discussion and decision-making of key issues of ESG management, point out the direction of the Group's ESG management, and provide solid and pragmatic management support. In addition, the committee should actively promote and facilitate the implementation and execution of various ESG matters, and report regularly to the Board on the progress and effectiveness of ESG work. The ESG Executive Committee meets semi-annually to discuss the following key topics:

1. Review and make decisions on major issues related to ESG, including the organizational structure of the committee, key ESG personnel changes and major strategic changes
2. Review ESG reports
3. Review the performance targets of the current Annual Report
4. Review the development plan and work priorities for the next year
5. Consider other important matters

ESG Working Group

The ESG Working Group includes the heads of relevant business departments of the Company on ESG matters, and they will arrange specific colleagues to collect, collate and feedback ESG-related information in accordance with the requirements of the ESG Executive Committee.

In order to further improve the Group's management system, we have set up a dedicated ESG complaint feedback mailbox so that various stakeholders can provide valuable feedback on ESG-related matters. In addition, we provide ESG training and promotion to all employees of the Group at appropriate times, with a view to continuously improving the Group's ESG performance and effectiveness.

ESG complaint feedback mailbox: esg@linklogis.com, ir@linklogis.com, pr@linklogis.com

Benchmarking against the UNSDGs:

Green Management Led by Technology

Linklogis is convinced that the continuous progress of science and technology can help achieve the “dual carbon” goal set by China. We actively use digital and intelligent technology to facilitate green development, and effectively promote the practice of supply chain finance in energy conservation and emission reduction. Linklogis is committed to enabling itself, its customers and partners to achieve online and paperless operations with efficient and advanced technology products and services, reduce carbon emissions, facilitate environmental protection, and promote long-term benefits.

5.1Environmental Management Framework

Conserving resources and protecting the environment are fundamental national policies of China. In recent years, China has vigorously promoted the development of green, low-carbon and circular economy to help enterprises prosper to "green". Building and operating a carbon emission management system has become a key way to implement energy conservation and carbon reduction. According to our own situation, Linklogis builds a carbon emission management system based on our own management system and establishes a long-term mechanism for energy conservation and carbon reduction, including carbon inventory, carbon management plan formulation and carbon emission recording. We calculate the carbon footprint by monitoring the gas in the production process of enterprises, discover the high-carbon emission links in the process, and formulate improvement measures and carbon management plans based on the actual situation, record and summarize the results of carbon emission management, and reduce Environmental footprint, proactively assume responsibility for addressing climate change, thereby achieving sustainable development and better adapting to low-carbon development trends. We ensure strict compliance with relevant environmental laws and regulations. During the Reporting Period, the Group did not find any serious violations of environmental protection laws and regulations.

In terms of the overall emission reduction policy of the enterprise, Linklogis has formulated a series of actions from internal to external to better contribute to green development and respond to climate change:

Operational level	Management level	Product level	Fintech industry level
Support green office, adopt energy-saving design and office equipment	Identify the potential impacts of climate change on your company and plan mitigation measures accordingly	Provide products that help upstream and downstream companies in the supply chain identify their own carbon emissions	Assist the financial industry in developing green finance and green investment

5.2Responding to Climate Change and Aligning with International Guidelines

We are well aware of the potential impact of climate change on our business, and we are committed to strengthening our ability to effectively manage climate-related risks, both physical and transitional, and to develop industry-specific development strategies to enhance our ability to respond to climate change. With reference to the recommendations of the TCFD, we have identified the following risks and opportunities related to climate change.

Governance

In order to effectively address the challenges posed by climate change, we are actively considering integrating climate-related responsibilities into our existing ESG systems. By building a better climate change management system, we can monitor and manage the performance of enterprises in terms of climate-related risks and opportunities from top to bottom, and promote the sustainable development of enterprises. At present, the ESG Working Group is responsible for collecting and collating climate-related materials and information, and regularly reporting to the ESG Executive Committee to ensure that corporate decision-making in the field of climate change is supported by sufficient and accurate data.

Strategy

The Group has identified and managed climate-related risks and opportunities, and has put in place relevant preventive measures to reduce the negative effects of climate risks on the Group.

During the Reporting Period, we have identified the effected time frames for the impact of climate-related risks. We will evaluate in three dimensions: short-term (less than 3 years), medium-term (3-6 years) and long-term (more than 6 years).

[1] For relevant laws and regulations, please refer to the " Laws and Regulations" section.

Risk Type	Risk Level	Risk description	Potential financial impacts	Time Period	Our Actions
Physical Risk	Acute physical risk	The frequent occurrence of extreme weather incidents (such as typhoons, heavy rains, floods, etc.) may affect the safety of the company's buildings and equipment, extend the commuting time of employees, and have a certain impact on the safety of employees and the normal operation of enterprises	• Increased operating costs • Increased costs of employee insurance and subsidies • Reduced revenue	Medium to long term	The administrative department pays close attention to extreme weather and issues relevant emergency responses in a timely manner, and reminds employees to take safety precautions and adjust office arrangements in case of thunderstorms and windy weather, so as to effectively protect the safety of life and property of employees
	Chronic physical risk	Persistent hot weather due to global warming may increase the energy consumption of a company's refrigeration system, such as air conditioning system	• Increased operating costs	Long-term	Continuously improve operational processes and energy efficiency
Transition risk	Policy and Legal	Changes in climate change-related policies, both locally and internationally	• Increased compliance costs	Short-term to medium-term	Regularly monitor the development trend of laws and regulations to ensure compliance with regulations
	Technology	The advancement of technologies in the supply chain finance necessitates the increase in R&D investments and training of professional talents	• Increased R&D costs • Increased training costs	Medium to long term	Strengthen industry-university-research cooperation, provide students with practical opportunities, and establish a pathway for talent to transition from campus to the workplace Increase support and incentives for patent research and development to encourage employees to actively participate in scientific and technological innovation
	Reputation	If the company fails to fulfill its social responsibilities and take appropriate measures to manage the potential impacts of climate change, it may affect the evaluation of the company by various stakeholders, including investors	• The corporate image is damaged • Reduced investment	Long-term	Strengthen our communication with all stakeholders, disclose relevant information in a timely manner, and ensure that all stakeholders have the right to know the current situation of the group
Opportunity	Products	The Company's green fintech products can help enterprises solve the problems, address the pain points of the green finance industry and attract more investment	• Increased revenue	Medium to long term	Implement smart technology solutions for green finance, such as "Carbon0chain" and "SCeChain" , to solve the major pain points of the current green finance market: the difficulty in collecting and tracking carbon footprint data, and the lack of incentives for enterprises, especially manufacturing enterprises, to participate in carbon neutrality development

Risk Management

The Group attaches great importance to the risks and opportunities brought about by climate change and plans to incorporate climate-related risks into our risk management system. This Reporting Period, we have identified climate-related risks that have a potential impact on the Company's operations, and in the future, we will rank and identify the likelihood of occurrence and the severity of the impact through the analysis, assessment and response to climate scenarios and related risks.

Metrics and Target

The Group, actively promotes energy conservation and emission reduction, is committed to improving the efficiency of energy and resource use in an all-round way, sets corresponding targets for our emission reduction actions, and has made significant progress on various key climate indicators. For details, please refer to the section "9.2 Summary of ESG Data Performance ".

5.3 Digital and Intelligent Technology Solutions for Saving Energy and Reducing Emissions

The Group actively promotes the all-round application of green technologies and implements the concept of green and sustainable development into product and development decisions. Through digital and intelligent technology solutions, we help customers and partners in digital transformation and upgrading, and realize digital, one-stop, streamlined and secure operation of the whole process with the power of financial technology, helping customers and partners reduce resource consumption and energy use. The digital and intelligent financing solution uses advanced digital technology and data analysis capabilities to greatly improve the efficiency and transparency of financing, reduce unnecessary physical documents and business trips, and achieve digital and paperless operations, so as to achieve the effect of energy conservation and emission reduction.

This reporting year's contribution to emission reduction targets

Carbon emission avoidance from offline transportation by going online in the supply chain finance process:

10,000 tonnes of carbon dioxide equivalent

Carbon emission avoidance from paperless supply chain finance process:

5,000 tonnes of carbon dioxide equivalent

Performance in 2023

Carbon emission avoided in digital supply chain finance process due to the elimination of offline transportation:

13,000 tonnes of carbon dioxide equivalent

Carbon emission avoided in paperless supply chain finance process and ABS cloud, which have cumulatively saved paper for all participants:

6,000 tonnes of carbon dioxide equivalent

In addition, we have also developed a dedicated green supply chain fintech solution through digital and intelligent technology, which provides enterprises with statistics and tracking channels for carbon footprint data and ESG rating performance, which are linked to environmental benefits and energy conservation and emission reduction projects, and encourage enterprises to invest in renewable energy, energy-saving equipment and other environmental protection projects, so as to promote their energy conservation and emission reduction goals.

ESG Green Solution

Linklogis' ESG Green Solution combines the Group's existing multi-tier transfer cloud with the ESG intelligent green platform "Bee-Clean", so as to achieve a comprehensive integration of carbon footprint, carbon emissions and other information, and form a close ecological connection with green financial products. Through our self-developed AI, blockchain, edge computing and privacy-preserving computing technologies, this solution is able to accurately count and continuously track the carbon emissions generated by the investment business in Scope 3. This breakthrough effectively solves the problem that carbon footprint data in the current green finance market is difficult to count and track, and provides a strong incentive for enterprises, especially manufacturing enterprises, to participate in carbon neutrality development. This solution can not only help banks significantly improve the efficiency of green credit, reduce risks and strengthen the standardization of supervision, but also enable small and medium-sized enterprises in the supply chain to enjoy more preferential green loan interest rates and convenient green financing services provided by financial institutions settled on the platform.

Green asset identification

- Understand green standards and quickly identify green assets
- Transparency of environmental data such as carbon emissions of entities/products

Sustainable data acquisition

- Digital, large-scale green supply chain financial products
- Automatic search and collation of green clues or evidence

Standardized green financial products

- Transparency of other ESG data
- Embedded carbon emission reduction data support

During the development process of its ESG green solution, Linklogis integrated the characteristics of green finance with its existing supply chain financial technology products and processes. By monitoring carbon emissions and green contributions, it assists financial institutions in achieving precise deployment of green loans, providing better support for the green economy or industries. This promotes the layout and development of new areas such as clean energy, energy conservation and environmental protection, clean production, and ecological environment, accelerating the cultivation of new economic growth. It supports the construction of a high-tech, low-resource consumption green economy, further promoting the upgrading and transformation of the real economy and sustainable development, and accelerating the realization of "carbon neutrality."

In 2023, Linklogis' ESG green solution won the "Innovation Award on Serving the Real Economy" by Nanfang Daily, affirming the strength and breadth of the platform in enhancing the real economy of financial services.

"SCeChain" landed its first sustainability-linked deep supply chain financing project

The SCeChain supply chain financing solution jointly developed by Linklogis and Standard Chartered Bank helps customers actively promote emission reduction measures through the new "dual-chain integration" model of supply chain and blockchain. Standard Chartered has introduced ESG evaluation standards from third-party rating agencies to provide supplier partners in the supply chain with a set of professional, comprehensive and scientific ESG rating solutions. The solution can rate suppliers based on their past and existing ESG performance, and the rating results will be linked to a green financing incentive mechanism to encourage suppliers to be more proactive in enhancing their ESG and governance performance in order to improve their ESG ratings. In 2023, we provided in-depth supply chain financial services to Yibin Grace Group, one of the world's leading bio-based fiber manufacturers, and its subsidiaries, through the collection of ESG rating data from suppliers through SCeChain, and customers can use the ESG rating results obtained by suppliers to strengthen their supply chain management, so as to obtain more preferential financial support and achieve a win-win solution for environment and business interests.

Lender

- Linklogis and Standard Chartered Bank jointly formulate financing incentive policies
- Provide preferential financial support to suppliers of anchor enterprises with good ESG performance
- Reduce the carbon emissions generated by lenders in their investment business

Anchor Enterprise

- Incorporate supplier rating results into its own company's ESG governance framework to promote sustainable procurement
- Use supplier ratings to drive suppliers to implement emission reduction measures, thereby reducing corporate scope 3 carbon emissions

Supplier

- Review their own ESG governance performance through ESG rating reports and improve corporate governance
- Establish a sustainable corporate brand and image to help attract cooperation from large enterprises

5.4 Investment in Climate Projects and Promotion of Green Industry Services

Linklogis not only provides green financial technology solutions, but is also committed to providing investment services for green industries and supply chains. Investors can invest in environmental protection projects and enterprises through Linklogis' platform, so as to achieve their institutional energy conservation and emission reduction goals. At the same time, these services can also provide enterprises with more financing channels and options, further encouraging and promoting the development of green-related industries. We work closely with financial institutions to jointly promote the industrial development of many green industries such as environmental protection, agriculture and animal husbandry, photovoltaics, and advanced manufacturing. With the help of cutting-edge digital technologies such as AI, blockchain, and big data, we provide timely bank financing for these green enterprises, reduce financing costs, optimize layout, and promote a virtuous cycle of green economy.

We have worked with a number of financial institutions, including Industrial and Commercial Bank of China Shenzhen Branch, Agricultural Bank of China Shandong Branch, Agricultural Bank of China Chengdu Branch, and Bank of Dalian to explore and practice the green supply chain finance model. Through these collaborations, we have helped a number of green industries stabilize their supply chains and industrial chains, and have successfully landed a number of businesses.

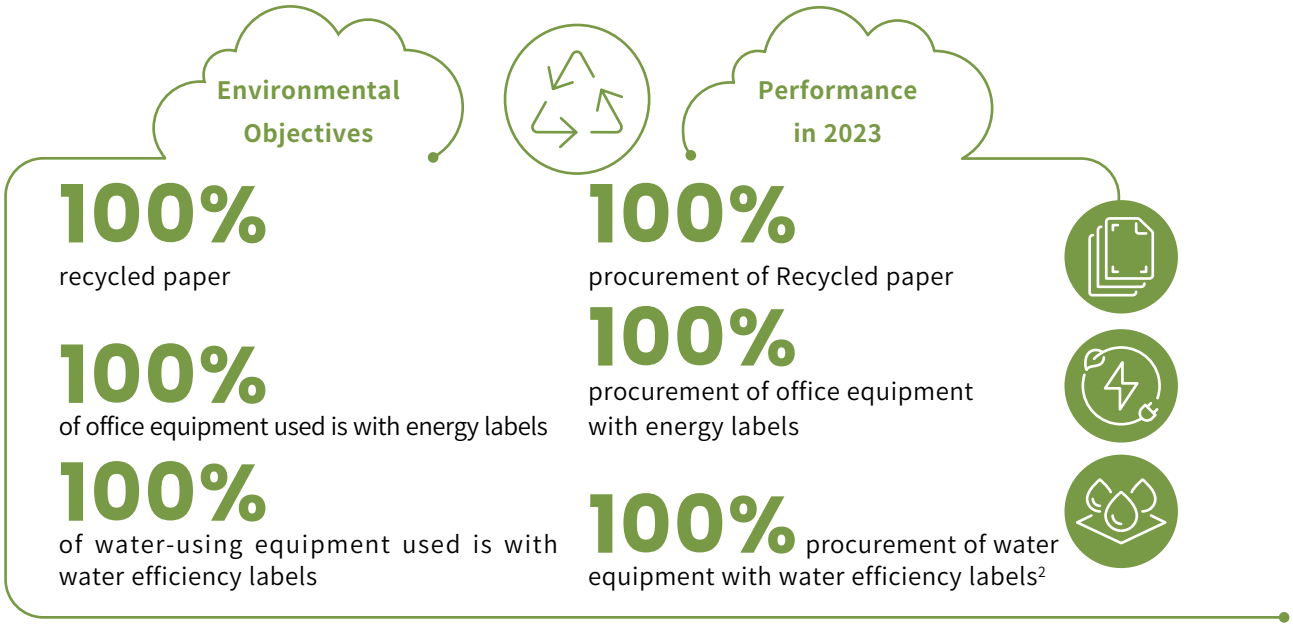
Promote the digital intelligence of the supply chain finance of the optoelectronic industry

In 2023, Linklogis worked closely with the Export-Import Bank of China Jiangxi Branch to successfully use the blockchain multi-tier transfer platform to provide digital and intelligent supply chain financial services for a leading enterprise in the optoelectronic industry. This cooperation has achieved the financing of RMB200 million for the first time, providing unprecedented convenience for the company's supply chain. Through the full online method, suppliers can efficiently complete the whole process of registration, issuance of electronic credit certificates, trade background checks, financing applications and loans, so as to obtain financial support in a timely manner. This full-online process and self-service operation mode not only effectively revitalized accounts receivable assets, but also greatly promoted the financing and trading activities between anchor enterprises and their upstream suppliers, and significantly improved the operation efficiency of the entire supply chain. This innovative practice has set a new benchmark for the digital and intelligent development of supply chain finance in the optoelectronic industry.

5.5 Comprehensive Environmental Management System to Create a Green Office Space

With the goal of minimizing the environmental impact of its operations, Linklogis promotes the sustainable development of stakeholders and communities by reducing resource consumption and enhancing resource recovery and recycling. We have formulated the "Workplace Management Measures of Linklogis" to promote green office. The approach emphasizes environmental management, encourages resource recovery and recycling, and requires all employees to participate in energy conservation and consumption reduction to promote sustainable development and jointly create a green office. The Group's administrative department has set up a "Logistics Support Team" to regularly review the effective implementation of relevant green office measures, such as whether energy-saving lamps and water-saving equipment are operating normally, so as to ensure that green measures are effectively implemented in daily office. When a problem is found, the Logistics Support Team will intervene in time to repair or replace it to ensure that all equipment is always in the best condition.

The Group has also set targets related to environmental protection and strives to integrate sustainability into its daily operations



During the Reporting Period, the Group did not find any serious violations of laws and regulations related to waste gas and greenhouse gas emissions, water and land discharge, and hazardous and non-hazardous waste generation.

[2] Since no new water equipment was procured in 2023, 100% of the water equipment was procured with water efficiency labels.

5.5.1Reducing Greenhouse Gases and Energy Conservation

In order to raise employees' awareness of environmental protection, the Group has actively organized relevant activities and trainings. In November 2023, the company held a week-long ESG activity to promote ESG knowledge to all employees in various forms such as popular science graphics, prize collection, and knowledge competitions. During the event, the cumulative number of popular science pictures and texts was as high as 1,500 times. In addition, a total of 204 employees actively participated in the limited-time knowledge competition, and 118 of them passed the test with full scores, fully proving the effectiveness of the activity in improving employees' ESG awareness. Through this event, the company successfully promoted the ESG concept among all employees.

The Group's greenhouse gas emissions are mainly derived from purchased electricity consumed in offices and construction development, while the exhaust emissions are mainly derived from the Company's commercial vehicles. We have taken a number of measures to save energy in our offices. First of all, we adopted an open-plan office layout, which not only saves office space, but also allows employees to share equipment, which reduces electricity consumption. The new Shenzhen headquarters office environment makes full use of natural ventilation and lighting conditions, which greatly reduces the power consumption caused by lighting and ventilation. The new office has a vertical green wall in the center, which not only beautifies the office environment, but also brings a touch of nature and freshness to the employees. In addition, the new headquarters has adopted intelligent measures, such as automatic lighting sensors in meeting rooms and automatic lighting shut-off in public areas, which also contribute to energy

Glass curtain wall increases daylight

Vertical green walls greening the office environment

In terms of energy-saving behavior of our staff, we actively encourage our staff to switch off unnecessary electrical equipment when leaving the office and keep the room temperature between 25 and 27 degrees Celsius to reduce energy consumption. At the same time, we also strictly enforce the "after-hours shutdown" rule to ensure that all equipment is turned off during non-working hours. The logistics support team of the company's administrative team will also conduct inspections and reports in the workplace from time to time to remind everyone to supervise each other and develop good energy-saving habits. Together, these measures help us achieve a greener, more low-carbon office environment.

5.5.2 Conserving Natural Resources

In order to improve water efficiency, the Group actively procures equipment with water efficiency labels, and encourages employees to properly control the water flow when washing their hands, so as to eliminate the phenomenon of "long flowing water" and "dripping", and cultivate water conservation awareness. Once the equipment is found to be dripping, leaking, etc., we encourage employees to report to the Administration Department in a timely manner, and the Administration Department will quickly arrange professionals to repair it to ensure that the problem is solved in a timely manner, so as to reduce unnecessary waste of resources. In addition, we encourage our employees to take the right amount of drinking water according to their own needs, avoid waste caused by overnight water dumping, and work together to conserve water.

In order to reduce the Group's consumption of packaging materials, the Group adopts sustainable packaging design. We prioritize suppliers who offer biodegradable or easily recyclable materials to work closely together to ensure that the packaging materials we choose meet sustainability standards. In addition, we are working to simplify the packaging structure and remove unnecessary packaging layers, thereby reducing the amount of packaging material used. This streamlined packaging design not only reduces the environmental burden, but also helps to reduce waste generation and achieve a green and environmentally friendly packaging concept.

5.5.3 Waste Management

In order to reduce the waste of resources, the Group advocates paperless office, uses internet communication software such as network sharing, online approval and e-mail to transfer and read documents, greatly reduces the printing and distribution of paper documents, and strictly prohibits employees from printing and copying private information in the company. We encourage the use of double-sided paper when printing or copying is needed, and to reduce waste by recycling paper that has been printed on one side without confidential information. The company's printers are set to black and white, double-sided by default, and have a dedicated recycling bin for waste paper. We encourage the secondary use of discarded printed documents that do not involve confidential information, such as for attaching invoice. In addition, the company has set up waste sorting and recycling bins and provided detailed sorting guidelines to help employees accurately sort waste into recyclables, hazardous waste, and general waste, so as to promote the rational recovery and reuse of resources. Together, these measures promote the efficient use of the company's resources and environmental protection.

Overview of the performance of environmental indicators in 2023

Category	2023 Performance
Energy	• During the Reporting Period, the Group's energy consumption included electricity and petrol, with consumption of 549 and 21 MWh respectively. • The total energy consumption is 570MWh, and the per capita energy consumption is 0.62 MWh/person.
Greenhouse gas	• During the Reporting Period, the Group's total greenhouse gas emissions amounted to 342 tonnes of carbon dioxide equivalent, of which 91% were Scope 2 greenhouse gas emissions, mainly from purchased electricity, with a total of 313 tonnes of carbon dioxide equivalent. • Greenhouse gas emissions per capita were 0.37 tonnes of CO_2e/person, and GHG emissions per unit area were 0.041 tonnes of CO_2e/sq m.
Water resources	• During the Reporting Period, the Group's total water consumption was 3,174 cubic meters and per capita water consumption was 3.74 cubic meters per person. The Group had no issue in sourcing water that is fit for purpose.
Exhaust gas and wastewater discharge	• During the Reporting Period, the Group's emissions of sulphur oxides, nitrogen oxides and particulate matter were0.034 kg, 2.18 kg and 0.16 kg respectively. • During the Reporting Period, the Group's total wastewater discharge amounted to 437 cubic metres and per capita wastewater discharge was 0.48 cubic metres per person.
General waste	• During the Reporting Period, the Group generated 31 tonnes of non-hazardous waste, mainly household waste and paper. The per capita amount of non-hazardous waste generated is 0.03 tons per person. • 0.32 tons of hazardous waste, mainly for waste printer ink cartridges and lamps. The per capita amount of hazardous waste generated is 0.35 kg per person.

Aligning with the UNSDGs:

Collaboration and Contribution to the Society

Linklogis believes that the power of technology can lead the society in a positive direction. Therefore, we actively practice corporate social responsibility, not only to create a safe, positive and happy working environment for employees, but also to pay more attention to human rights in the entire value chain, and continuously improve people's livelihood and well-being, and improve the welfare system. We firmly believe that through these efforts, we can bring about positive changes in our company and society and make the world a better place.

6.1 Employees

6.1.1 Diversity and Inclusion

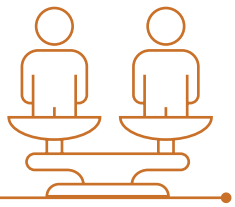
Believing that human resources are the cornerstone of sustainable success, the Group is committed to providing its employees with the right environment for growth and professional development tools. We adhere to the principle of equal and equitable employment, and are committed to creating a respectful and inclusive workplace. In the recruitment process, the Group adheres to the strictest equal opportunities guidelines and strives to eliminate all types of discrimination, including but not limited to race, ethnicity, gender, religion, age and disability, to ensure that every employee can work in a fair and unbiased environment. In addition, the Group actively implements an anti-discrimination policy to demonstrate our respect and commitment to diversity and inclusion.

Diversity & Inclusion Goals

Serious cases of discrimination are with
0 tolerance

Performance in 2023

The number of discrimination cases during the Reporting Period
0



Ethnic Minority Care

We are resolutely opposed to any form of discrimination and are committed to a fair and equal working environment. To this end, the Group has specially formulated the “Administrative Measures for the Entry and Resignation of Employees of Linklogis” and the “Administrative Measures for Social Recruitment of Linklogis “ to ensure that the recruitment process is always based on the qualifications and experience required for the position, and is not affected by factors such as religion, race, ethnicity, region, gender, age or disability. We require that all publicly available job postings do not contain any discriminatory content, and that salaries are not graded on the basis of gender or biological condition. These steadfast anti-discrimination measures have created a positive and fair atmosphere within the Group. In addition, we also take into account the language and emotional needs of ethnic minority employees, and provide them with mentors to ensure that they are fully supported and cared for in terms of integration into the company culture, communication and personal development. These mentors are not only experienced but also familiar with multicultural backgrounds, and are able to provide language coaching and emotional support to ethnic minority employees to help them better adapt to the work environment, integrate into the team, and achieve their personal career development goals. As of December 31, 2023, we have a total of 3 foreign employees and 29 ethnic minority employees, including Buyi, Daur, Dong, Hui, Manchu, Tujia, Yao, Zhuang, etc.

Gender Equality

As of 31 December 2023, the Group had a total of 914 employees, of which 524 (57.3%) and 390 (42.7%) were male and female respectively. At the management level, there were 2 female senior managers (15.4%), 17 female middle managers (37.8%) and 24 female junior managers (28.2%). We will continue to maintain a proper gender balance through various diversity actions.

In terms of remuneration system, the Group adheres to the principle of equality and strives to narrow the pay gap between men and women in order to enhance the work enthusiasm and self-identity of female employees. We conduct regular salary reviews and provide an in-depth analysis of the remuneration of both male and female employees at all levels. As of December 31, 2023, the average remuneration of female employees is on par with that of male employees, while among senior and middle managers, female employees are paid approximately 26% and 5% higher than male employees, respectively, while the average gender pay gap and median gender pay gap are 24.1% and 19.6%, which not only reflects our commitment to gender equality, but also highlights the important contribution and status of women in the Group.

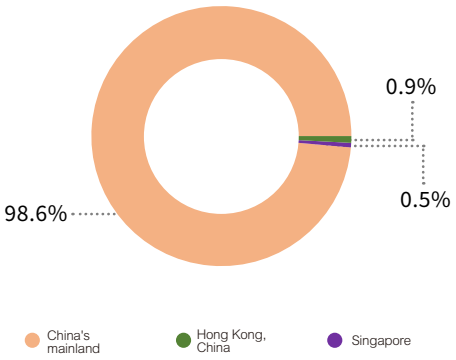
In addition, in order to ensure the legitimate rights and interests of female employees, the Group provides comprehensive pregnancy care, and has specially formulated the " Management Measures for Leave and Attendance of Linklogis". The measures set up a series of maternity leave, including prenatal examination leave, prenatal rest leave, maternity leave, breastfeeding leave, paternity leave and parental leave, to ensure that female employees can enjoy due leave benefits during pregnancy and childcare. We also have the flexibility to extend leave for our employees according to their pregnancy, so that they can better balance work and family. In addition, in order to provide more detailed care, the Group has also made it clear that pregnant women can use VIP toilets to ensure that they can be taken care of during pregnancy. Currently, there are 31 employees on maternity leave, with 22 returning to work after their maternity leave. These measures aim to create a more friendly and inclusive working environment for female employees.

Some of our female managers

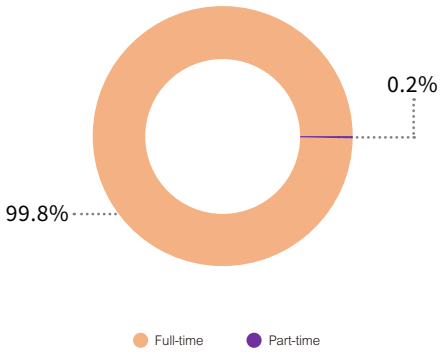
Note: The Gender Wage Gap is the difference between wages of women and men divided by men's wages. It is a measure of wages inequality between employed men and women in the labour market.

The average gender pay gap is calculated based on the average salary of women and men, whereas the median gender pay gap is calculated based on the median salary of women and men.

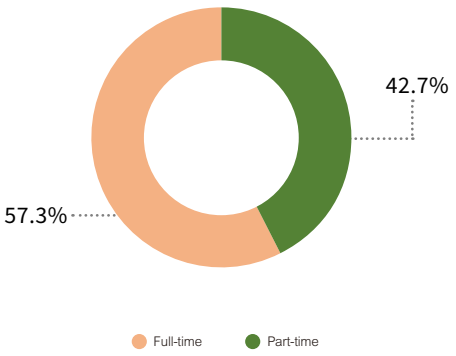
Composition of employees by region



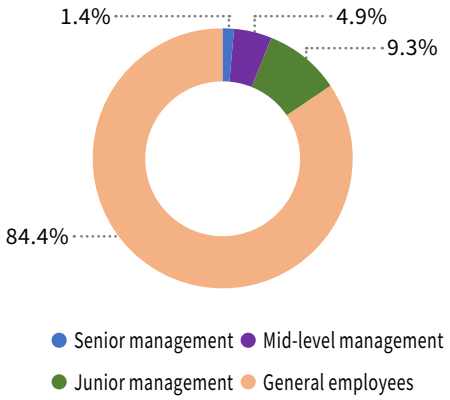
Composition of employees by type of employment



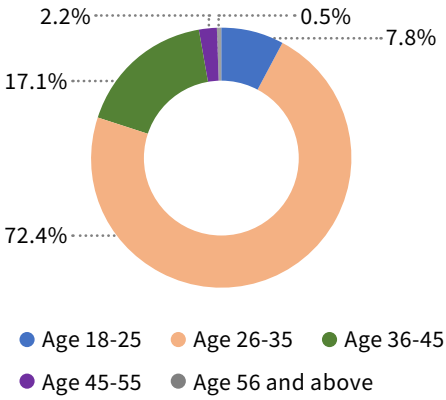
Composition of employees by gender



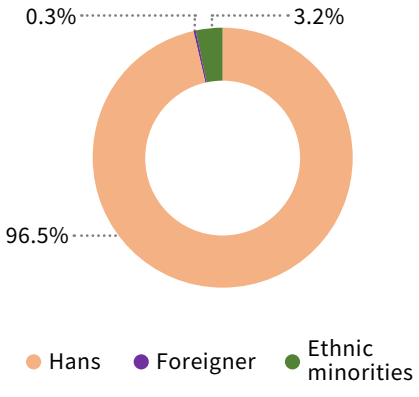
Composition of employees by employee category



Composition of employees by age group



Composition of employees by ethnicity



6.1.2 Human Resources Development

Linklogis firmly believes that talent is the most valuable asset of the company. The Group has been awarded the 2023 Outstanding Employer in Human Resource Management Award for two consecutive years, demonstrating the Group's achievements and dedication in human resource management. We will continue to optimize our talent recruitment mechanism and strengthen our talent retention strategy, and are committed to providing systematic training and development opportunities for our employees to build a strong talent team.

> ***I have always believed that the most important asset of Linklogis is our talent, and they are also the biggest gain since I started the business***
>
> ***Song Qun***
> *Chairman and CEO of Linklogis*

Talent Acquisition

The Group is well aware that talents are the core force to promote the development of enterprises. We have formulated the "Administrative Measures for the Social Recruitment of Linklogis ", aiming to improve recruitment efficiency through standardized and professional recruitment processes, and attract and select the most suitable talents. The formulation of this recruitment policy is closely integrated with the company's development strategy to ensure the formation of a reasonable talent hierarchy and ability combination, and provide a solid talent guarantee for the sustainable development of the Group. We recruit and gather high-end talents around the world through various channels such as the Company's official recruitment website, recruitment WeChat official account, talent recruitment website, new media platform, third-party recruitment providers, talent market, talent recruitment fairs, and special job fairs. At the same time, campus recruitment, apprenticeships, visits and internship programs are used to attract outstanding talents on campus.

Need Confirmation

- HRBP, recruitment team and requested department communicates on the employment needs
- Develop recruitment plan

Recruitment Selection

- Resume collection and screening
- Written test assessment
- Interview assessment
- Rating and salary setting

Employee Onboarding

- Employment application and approval
- Deliver offer
- Background check
- Onboarding
- Recruitment effectiveness evaluation

Recruitment Process

Talent Retention

Linklogis firmly believes that a clear and distinct growth path is crucial for attracting and retaining employees who wish to continue their professional development within the company. To this end, we have established the "Employee Position Ranking Management Measures of Linklogis", creating a scientifically effective career development system that provides institutional guidance for individual growth. In line with our business development plans and organizational echelon construction, the group organizes promotion assessments every year in the second quarter. We have defined the conditions necessary for promotion, enabling employees to apply for advancement based on quantifiable performance criteria and tenure. The department, channel committee, and human resources committee conduct the promotion evaluations.

At the same time, the Group is committed to building a sustainable, fair and objective performance system, and has formulated the "Performance Management System of Linklogis", which carries out performance management from four aspects: setting of performance target, implementation and coaching, performance evaluation, feedback and application. We divide the performance into five levels, and steadily improve the capabilities of employees and organizations through coaching and periodic review of performance.

Commendation Activities

In August 2023, the Group held semi-annual recognition ceremony, which solemnly recognized individuals who had outstanding performance and teamwork, and greatly enhanced the sense of honor of employees by promoting their excellent achievements. At the same time, we continue to hold annual recognition activities to recognize outstanding project teams and individuals, and to motivate all employees to continuously strive for excellence.

Career Milestone

In 2023, Linklogis launched a career milestone program to record the growth trajectory of employees in Linklogis through the design of email greetings and anniversary collections. We have specially designed the "5th Anniversary Lucky Bracelet" for employees who have been in the company for 5 years, and awarded it on the anniversary day to enhance the sense of belonging of employees.

Talent Training System

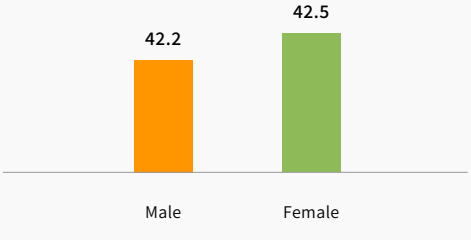
The Group has developed a comprehensive talent training system to provide accurately matched training programs for employees of all levels and functional positions, so as to ensure that each employee can obtain their own growth path and development opportunities.

Types of training	Curriculum System					Training Programme
Management Training	Training of senior management					Voyage Programme
	Training of middle management					Pilot Programme
	Training of junior management					Sailing Programme
	Training for management trainee					Rising Star Programme
Vocational Training	Provide professional skills training programs for different professional positions					Special Training Programme; Pre-job Compulsory Map; Bee Lecture Hall; Excellent Practice Sharing; Expert Face-to-face; Bee Talk; TT Training
	Business training	Technical training	Product training	Project training	Functional training	
	Provide a wide range of general skills training courses for all employees					
New Employee' Training	Pre-job training for new employees from open recruitment		Pre-job training for new employees from campus recruitment			Training for new employees; Bee+ Programme; Bee Mentor Mentorship
External training	T-learning Platform: High-profile courses provided by Tencent and other Internet companies					
In-house training	Bee Sharing Platform: A large number of high-quality learning materials and video courses inside and outside the Company					

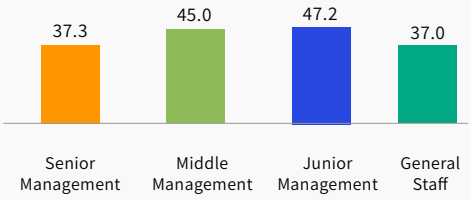
During the reporting year

The total number of training hours	The average number of training hours per person	The total number of trainees	The training coverage rate
39,721 hours	**42.4** hours	**15,475** people	**100%**

Average number of training hours per employee by gender (hours/person)



Average training hours per employee by employment category (hours/person)



Management Training

During the Reporting Period, the Group reorganized the training objectives and key competencies of management personnel at all levels, and closely combined with the "Linklogis Leadership Model" to tailor differentiated leadership development programs for management at different levels, so as to promote employees to make progress at different stages of personal growth and career development. These programs are designed to help management personnel improve their business management, team management, organizational management and team leadership capabilities in learning and practice, better perform their duties, improve employees' ability to lead the team, and effectively achieve the Group's goals.

The Pilot Program

The Pilot Program is a leadership improvement program specially designed for middle-level management. Through classroom learning, case studies, practical training and other forms, the program aims to help managers improve their self-awareness, clarify their positioning and responsibilities in the organization, and understand hierarchical structure. Through the training, participants can better balance the relationship between operation and organizational development, improve cross-departmental coordination ability, promote business collaboration, and jointly build an excellent performance team. The 2023 Middle Management Pilot Program lasted for 2.5 months, with a total of 30 middle-level management personnel actively participating. During the training, the trainees not only completed self-awareness and reflection exercise, but also mastered the skills of talent development and cross-departmental collaboration, and everyone worked hand in hand to move towards the goal of building an excellent performance team.

The Rising Star Program

The Rising Star Program is a management ability improvement project designed for high-potential talents . Through classroom learning, case discussions, practical training and other methods, the program aims to help participants establish management awareness, clarify the role positioning and responsibility requirements of managers, master basic management tools and methods, and then improve their management ability and provide strong support for the achievement of team goals. The 2023 Rising Start Program lasted for 1.5 months and attracted 38 high-potential key members to participate. In the course, they established a systematic sense of management, mastered the basic skills of team management, and laid a solid foundation for their transformation in management roles and the smooth realization of team goals. At the end of the program, we conducted a satisfaction survey, and the results showed that the course was highly rated by the participants, with a satisfaction score of 4.88/5, which also confirmed that the participants had achieved remarkable results in thorough management reflection and action plans. In addition to the recognition of the students, the program has also been recognized by external party. In November 2023, Rising Star Program won the 2023 “National Enterprise Learning Program Excellence Award” from China’s Leading Talent Development Service Platform (“CSTD”).

Vocational Training

We are committed to providing our employees with a full range of vocational training, covering vocational skills and general skills. In 2023, we held a total of 35 training events, of which 13 were on-site and 22 were online. The training topics are rich and diverse, including industry insight, product development, technology research and development, compliance management, and career development. Through these trainings, employees can not only learn from internal experts and executives, but also listen to the sharing of external professionals, broaden their thinking horizons, and improve their overall quality. We strive to meet the diverse growth needs of our employees and help them progress in their careers.

New Employee Training

In addition to nurturing managers at all levels, we also focus on nurturing new employees and expanding the Group's "pool of talents". We divide new employees into two categories: open recruitment and campus recruitment, and provide tailored onboarding training and resources based on their characteristics. Through mentoring for new employees and diversified online and offline training courses and activities, we help new employees quickly adapt to their job roles and integrate into the organization. The onboarding training for new employees recruited via open recruitment adopts a variety of forms such as on-site lectures, team games, and group presentations, aiming to deepen the understanding of the Company's strategy, business system, and corporate culture. For new employees recruited on campus, we have specially launched the " Training Bee+ Plan of Linklogis" to help them quickly master the necessary skills for the job and accelerate their integration into the organization. The training content is based on the values of Linklogis, and is committed to cultivating employees' tenacious, and agile learning attitudes, so as to achieve efficiency, collaborate and pursue win-win outcomes in their work, and continue striving for excellence.

Employee Training System

The Group is committed to comprehensively enhancing the professional competence and overall competitiveness of its employees through external and internal training courses. In terms of external training, we provide employees with multi-channel training opportunities, including the Shenzhen Financial Bureau Talent Training Program, Tencent TLearning online courses, industry summits, training provided by associations, etc., to broaden their horizons and knowledge. In terms of internal training, the Group has established the "Bee Sharing Learning Platform" to provide employees with a convenient online learning resource library, and at the same time encourage employees to serve as internal lecturers to share business knowledge and experience, forming an interactive learning atmosphere. In order to ensure the quality of training, we have formulated the "Internal Lecturer Management Measures of Linklogis" and the "New Employee Mentor Management Measures of Linklogis" to continuously optimize training resources and ensure the systematization and effectiveness of training work.

In-house Instructor Training

In order to enhance the capabilities of our in-house instructors, we offer a series of well-designed instructor training courses in our e-learning platform. For example, the "Bee Mentor Induction Course" is an online learning program specially created for new employees' mentors, covering coaching skills, coaching key movements, etc., aiming to help them quickly master effective coaching methods and improve their coaching ability. We also have the "TTT Instructor Training Camp" course, which helps lecturers to take their teaching to the next level through the learning of course development logic, content presentation design, public expression skills and interactive points of teaching. In addition, we will hold a series of themed activities on Teacher's Day every year, including certification ceremonies, recognition and awards, and coffee breaks, to express our deep gratitude to our internal lecturers and mentors who have made selfless contributions to the Company in the past year. In the 2023 Teacher's Day Appreciation Party, a total of 22 people obtained the official instructor certification and 10 people obtained the internal instructor certification. Up to now, our school has 83 experienced in-house lecturers and 49 senior formal tutors, who are committed to further development and growth of our in-house faculty.

Bee Sharing Learning Platform

As an important platform for employees to learn and share, it provides employees with a convenient learning environment and rich resources. Employees can access learning materials anytime and anywhere through the platform for self-improvement. At the same time, the platform also promotes the interaction between employees and deepens the emotional connection with each other. Based on the analysis of the data and the feedback of the students, we continuously optimize the course content to attract employees to continue learning. In 2023, we added 80 new online courses, 653 documents, achieved 60,598 views, and a total of 4,930 hours of learning. In addition, an average of 959 people visit the Bee Sharing Learning Platform every month, and the employee coverage rate reaches 92%.

6.1.3 Employment Compliance

Linklogis strictly abides by the Company Law of the People's Republic of China, the Labor Law of the People's Republic of China and other relevant national laws and regulations and relevant international labor standards[3], adheres to the principle of non-discrimination during recruitment and employment, and does not discriminate against employees based on gender, age, education, ethnicity, etc., so as to create an equal, diverse and inclusive workplace for employees. We adhere to the principle of consensus, equality and voluntariness, strictly prohibit and resist any form of child labor, and oppose all forms of forced labor. If there is a violation, we will take it seriously and punish accordingly. The Group has formulated the " Social Recruitment Management Measures of Linklogis ", aiming to strictly eliminate the phenomenon of illegal employment, especially the employment of child labor. We expressly prohibit the hiring of full-time employees under the age of 18 and interns under the age of 16. Once a violation is discovered, remedial measures will be taken immediately, and the relevant responsible persons will be held legally responsible in accordance with the law. During the Reporting Period, the employment contract signing rate of all contract workers of the Group was 100%, and there was no forced labor or child labor.

Employment Compliance Objectives

Forced labor and child labor are with **0 tolerance**

Performance in 2023

The number of forced labor and child labor cases was **0** this Reporting Period

6.1.4 Employee Care

The Group strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Regulations on the Implementation of the Employment Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China and other relevant laws and regulations, establishes and improves the relevant management system to protect the rights and interests of employees. We regard our employees as part of our family and are constantly striving to create a harmonious and warm working atmosphere to ensure that every employee feels respected and cared for by the Group. To this end, the Group has formulated the "Administrative Measures for Employee Benefits of Linklogis" , which covers various welfare policies, including the provision of social insurance (pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and supplemental commercial insurance), housing provident fund, transportation and meal subsidies, etc., as well as holiday benefits. Every year, we will integrate various festival events, such as anniversaries, reading days, teachers' day, etc., to hold a variety of cultural activities to create a warm cultural atmosphere. In addition, we also released the cultural publication "The Story of Me and Linklogis" and interesting cultural articles through the internal online platform and the official account of "Linklogis Recruitment" to increase the interaction and understanding between employees and the Group. At the same time, we upload the culture of Linklogis through various channels, such as event organization, peripheral product promotion and media communication, so that new and old employees can have a unified set of cultural language, enhance their sense of identity with the Group, form a strong team cohesion, and promote the continuous development of the Group.

[3] For relevant laws and regulations, please refer to the " Laws and Regulations" section.

Sports and Entertainment Clubs

Adhering to the concept of "Happy Work and Healthy Life", the Group has established various sports and entertainment clubs to provide employees with a diversified sports experience. The Group not only provides financial support to its employees, encouraging them to participate in sports such as basketball, swimming, badminton, and football, but also encourages employees to plan and organize healthy team activities. In 2023, the club held a total of about 240 entertainment activities, with an average of more than 20 employees actively participating in each event. These exciting activities not only enhance the interaction between employees, allowing them to relax and develop hobbies after work, but also further enhance the cohesion of the team.

Employee Communication and Feedback

We want to create an open, inclusive, and dynamic communication environment where employees' voices are heard and their wisdom is brought to life. The Group has established a diversified communication and feedback channel to encourage employees to actively express their opinions and grow together with the company.

For example, the Group actively participates in the organizational capability research jointly initiated by Tencent Consulting, KNX, and YCA Y-Triangle CEO Alliance every year to conduct a comprehensive and systematic review of its own organizational capabilities. In order to identify problems thoroughly and formulate corresponding action plans, we organize report seminars at all levels internally, closely discuss key issues, and listen to the voices of employees at all times, and continuously optimize and strengthen our organizational capabilities in combination with the actual needs of organizational development.

In addition, in order to ensure that employees' demands and suggestions can be responded to in a timely and effective manner, we continue to optimize the construction of our internal online "Q&A Community", so that employees' questions and topics of interest can be responded to and answered in a timely manner. We have also established channels for complaints, appeals and whistleblowing. Employees can complain or report information leakage, improper performance of duties, concealment of accidents, and other behaviors that damage the interests of the Company and employees through the designated email address or telephone. In order to ensure fairness and transparency, we have also established an internal audit department that is responsible for promptly investigating employee appeals, resolving them prudently, and providing clear responses. These measures are aimed at safeguarding the rights and interests of employees and promoting the overall healthy development of the Company.

Dialogue with Senior Management in Townhall Meeting

We regularly organize face-to-face communication activities for employees, and invite senior management to share the Company's development and future plans, so as to help employees' personal growth and career development. In 2023, we held two Townhall Meetings, where senior management and all employees were invited to participate in the event, focusing on thorough sharing of the company's strategy, industry frontiers and other hot topics concerned by employees.

6.1.5Employee Safety and Health

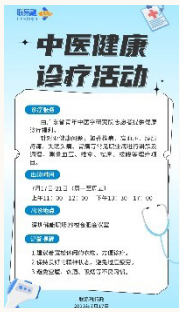
The Group organizes various themed educational activities from time to time every year, aiming to provide a solid guarantee for the physical and mental health of employees. In 2023, we organized a training activity titled "Overcoming Career Hurdles: Steps to Success ", and invited the co-general managers of the information technology division to share their personal career experiences and thoughts to improve the psychological quality and resilience of employees. In addition, we also specially invited teachers from Guangdong Safety and Health Center to organize a "Safety and Health Course" to share first aid knowledge and prevention of underlying diseases for employees, so as to comprehensively improve the physical and mental health of employees.

In order to prioritize the health care of employees to the greatest extent, the Group arranges health check-ups for employees every year. In the Shenzhen office, we provide two options: exclusive health examination and individual health examination, of which exclusive health examination is equipped with special vehicle service, and a series of additional services such as family physical examination discounts, free breakfast, professional interpretation of physical examination reports and free delivery of reports, etc., to take care of the health needs of employees and their families in an all-round way. In the past three years (including the reporting year), the Group did not have any work-related fatalities or injuries.

Safety & Health Goals		Performance in 2023	
Work-related injury rate	0	The injury rate for the Reporting Period	0
Work-related fatalities	0	The number of work-related fatalities for the Reporting Period	0

Diagnosis and Treatment Services

In July 2023, the Group invited volunteers from the Guangdong Youth Institute of Traditional Chinese Medicine to provide diagnosis and treatment, providing free consultation on common diseases, explanation of prevention and health care knowledge, as well as physiotherapy services such as traditional Chinese medicine conditioning, blood pressure measurement, pulse checking, massage, etc., to strengthen the health management of employees.



6.2 Customers

In order to fully protect the rights and interests of customers, the Group strictly abides by the "Advertising Law of the People's Republic of China" and other relevant laws and regulations[4], ensures the legal compliance of Linklogis products, and ensures the safe, reliable and stable operation of the system, so as to improve the ability to respond to various system emergencies and prevent important system risks, so as to provide customers with efficient, high-quality and safe full-process operation service guarantee. We always put the privacy and interests of our customers first and ensure that they are fully protected.

Annual Customer Satisfaction Goals

95%
customer feedback resolution rate within 24 hours

90%
resolution rate of complex problems within 48 hours

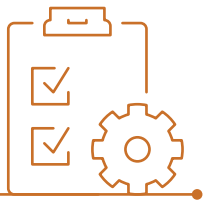
Customer satisfaction rate needs to be
≥95%

Performance in 2023

98%
resolution rate of customer feedback within 24 hours

95%
resolution rate of complex problems within 48 hours

Customer satisfaction rate
98%

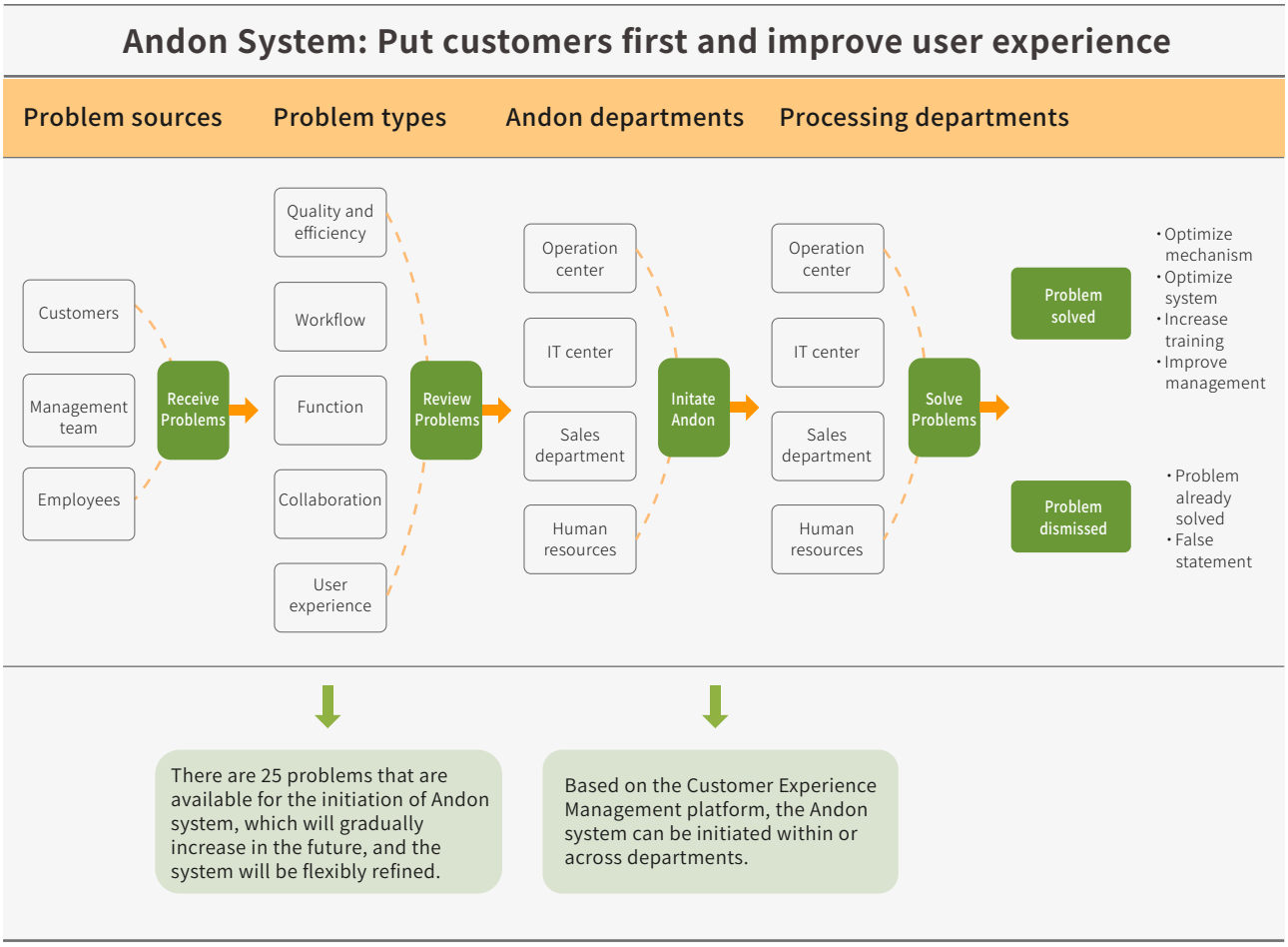


[4] For relevant laws and regulations, please refer to the " Laws and Regulations" section.

6.2.1 Protecting the Rights and Interests of Customers

The Group has developed a series of strict management systems and risk management measures to ensure product quality, information security, customer privacy and responsible advertising. We strongly prohibit any exaggerated or untrue descriptions. According to the "Measures for the Administration of the New Media ID of Linklogis, all external promotional materials must be submitted online for approval, and reviewed and verified by the Public Relations Center and the client to ensure the authenticity and accuracy of the promotional content.

In addition, in order to protect the privacy of customers, the Group has formulated policies such as the "Application of Security Review Management Procedures", the "Information Security Incident Management Measures" and the "Emergency Release Approval Procedure" to ensure the normal operation of products at critical moments. The information security department, the R&D department, and the system operation and maintenance team share the responsibility to ensure the security of our products and systems. We have successfully obtained the ISO 22301 Business Continuity Management System certification this reporting year, which is a testament to our integrated management process. This management system helps us to identify and analyze potential risks, and provides an effective management mechanism to prevent and reduce potential threats and losses to our customers. In order to ensure the availability of the double-active data center, we conduct disaster reserve replacement drills every year, and continuously improve the information system emergency management system to enhance emergency response capabilities and system risk prevention capabilities.



Linklogis Andon System

6.2.2 Optimizing Customer Communication and Service

In order to further optimize the customer experience, we have developed a complete service process and successfully launched the customer experience management platform. In order to ensure smooth communication with customers, we have established diversified communication channels and mechanisms to identify and correct problems in customer service in a timely manner. We actively promote a customer-centric corporate culture responding quickly to and addressing our customers' concerns and needs. To this end, we have implemented an internal "Andon System" and set up a variety of feedback channels, including quarterly evaluation of the sales department's satisfaction with the operation center's services, supplier satisfaction evaluation, email, WeChat Work, WeChat complaints, and on-site complaints, so as to collect and process customer feedback in a more comprehensive and timely manner.

In 2023, the Group has always maintained a high degree of self-discipline in advertising and marketing content, and has not found any cases of improper advertising or marketing content adversely affecting the Group's operations. We will continue to adhere to laws and regulations to ensure the legality and compliance of all promotional and marketing activities.

6.2.3 Customer Complaint Handling

We always strive to deal with all disputes and complaints raised by our customers promptly and fairly. In order to ensure that this commitment is realized, we have formulated and strictly implemented the "Customer Complaint Management Guidelines" and the "Supplier Satisfaction Evaluation Implementation Guidelines" to improve customer experience: standardize customer complaint handling procedures and optimize the efficiency of complaint handling. In order to further strengthen communication and contact with customers, the Group has set up a customer service center and provided customers with diversified feedback channels, including client portal, platform system, email, WeChat and hotline. When dealing with customer complaints, we adhere to the following principles:

- Prevention and control in advance principle
- First inquiry responsibility system principle
- Compliance principle
- Diversity principle
- Territorial management principle
- Convenient and efficient principle
- Open investigation, timely handling principle
- Information and data confidentiality principle
- Addressing both symptoms and root causes and promoting rectification principle

The Group's operation center is responsible for improving the working mechanism for handling customer complaints. We have set up a complaint management team, which is responsible for the overall management of customer complaints, complaint verification, complaint return visits, complaint management evaluation, and complaint case training. Once a complaint is received, the Group will deal with it immediately according to the extent of the impact of the complaint, and our handling process is as follows:

1. Accept complaints and ensure that they are received and documented in a timely manner
2. Handle complaints, analyze problems and propose solutions
3. Inform the progress of the processing and maintain transparent communication
4. Verify the effectiveness of the solution
5. Visit customers back and collect feedback
6. File the complaint materials for the record
7. Analyze the reasons for complaints and summarize experience
8. Hold relevant personnel accountable and clarify responsibilities
9. Rectify the relevant mechanisms to prevent similar problems from recurring

6.2.4 Customer Satisfaction

Linklogis attaches great importance to the needs of customers, and endeavor to improve customer satisfaction, viewing it as a core task to enhance the collaboration experience. Currently, our customer satisfaction rate is 98%, which is reflected in our high customer retention rate of 99%. Behind this data is the feedback and recognition from our customers, and we have received a number of letters of appreciation and praise from our customers, which further confirms that our efforts to enhance the customer experience are capturing genuine attention.

表扬信

联易融数字集团科技有限公司：

[illegible]项目已经圆满完成，三期项目正在持续推进中，目前3.0、3.1、3.2版本项目已成功上线。其中，3.2版本主要包含[illegible]，项目工期紧、任务重，贵公司团队高质量地完成了该版本的开发测试工作，给我司留下了深刻的印象。

为保证项目进度，贵司成员参与多次需求讨论、方案协调会议，并于10月11日完成该版本系统功能投产上线。在项目实施过程中，团队成员展现出了高效的执行力和票据系统建设的专业性。

在此，我司对贵公司项目组全体成员为项目做出的贡献表示衷心的感谢。项目组同事的优秀表现，让我们看到了专业团队的职业精神和一流企业的责任担当。

感谢贵[illegible]大力支持，让我们对未来的合作充满信心，期待我们未来的合作更加顺利，共同促进供应链金融的[illegible]！

[illegible]

表扬信

联易融数字科技集团有限公司：

我支行于2022年5月以来与[illegible]业务，贵公司作为该平台运营方，配合协助[illegible]平台，并负责与我行沟通对接供应链平台相关工作。

自业务开展以来，贵司大力配合我行开展业务，经过一年多的合作，平台不断优化，也为我行放款工作提升效率及便捷程度。

我行供应链业务的开展，离不开贵公司的大力支持和配合，在面临业务时间紧、任务重的情况下，贵司团队共同加班加点，攻克难点、团结协作、顽强拼搏、无私奉献，展示出了良好的职业素养与昂扬的精神风貌。离不开公司领导及员工们的辛劳付出。在此，特向贵公司的辛勤付出表示衷心感谢。

在日常业务合作及配合过程中，贵司王淇弘老师和韦翠琼老师工作专业高效，不畏辛苦，为我支行业务贡献力量，并得到了全体客户经理的高度赞扬。在此，我支行由衷感谢。希望贵司一如既往大力支持我行业务，继续发扬优良作风，完美配合。

最后，祝贵司事业蒸蒸日上，双方继续保持愉快合作！

[illegible]

Customer Satisfaction Rate

98%

6.3 Supply Chain Management

The Group attaches great importance to mutual benefits and long-term cooperative relations with suppliers. We are committed to responsibly sourcing and building resilient and sustainable supply chains that have a positive impact on ourselves, society and the environment. We seek to partner with suppliers who align with our values and continuously optimize and refine our supplier lifecycle management processes. In the selection, onboarding and evaluation of suppliers, we have set high standards of access principles to prevent supply chain-related risks and ensure the robustness and sustainability of our partnerships. We insist on diversified sourcing and cooperate with suppliers from all over the world. During the Reporting Period, we had a total of 703 cooperating suppliers, of which 639 were from Chinese mainland, 42 were from Hong Kong, China, 10 were from Europe and North America, and the remaining 12 were from other regions, mainly in services, engineering and goods.

Supply Chain Objectives

supplier audit rate required

100%

Performance in 2023

supplier audit rate

100%

6.3.1 Supplier Management

Our Technology Service Centre is responsible for the procurement of the IT line, overseeing the quality of suppliers' products and services, managing the performance of contracts, and handling complaints in a timely manner. In order to ensure that information security and privacy protection are not threatened by suppliers and their personnel, the Group has formulated the "Supplier Relationship Security Management Measures".

In addition, in order to ensure the continuous stability of the supply chain, the Group has also promulgated the "Linklogis Rules for Supplier Management of Information Technology Center" and "Rules for Procurement Management of Information Technology Center". These two detailed rules stipulate in detail the sourcing methods, access standards, daily management, assessment and evaluation standards, exit procedures, and supervision and management of suppliers. All of the Group's suppliers are required to follow these measures and rules to ensure the efficient, safe and sustainable development of the entire supply chain.

Sourcing of Suppliers

We use a variety of methods such as in-warehouse screening, open sourcing, online search, supplier self-recommendation and internal recommendation to find suitable suppliers. And we will base on the supplier's operation data and project implementation delivery capacity and other access standards to eliminate unqualified suppliers to ensure the quality and efficiency of the supply chain.

Daily Management

We monitor the quality, price, execution and performance of our suppliers' products and services on a daily basis to ensure that our suppliers always maintain high-quality performance. At least once a year, a comprehensive evaluation is conducted, which comprehensively considers the performance of suppliers in terms of corporate profile, business cooperation, service and quality, logistics and delivery, ESG and other indicators, as well as supplier daily management and complaint management, and publishes supplier evaluation reports based on the supplier evaluation results to provide necessary basis for procurement activities. We encourage suppliers to actively perform their contracts, improve the effectiveness of cooperation, and impose appropriate constraints and penalties on suppliers with poor performance to maintain supplier performance.

Supervision

Suppliers are not only required to comply with the laws and regulations of the countries or regions in which they are located, but also to comply with the Group's requirements for the environment, safety, products, business ethics, intellectual property rights, labor practices, etc. At the same time, suppliers also undertake not to engage in any acts that infringe on the Group, including but not limited to trademark rights, corporate name rights, and fair trade rights. If any relevant infringement is found, we will immediately stop the cooperation, investigate the liability for breach of contract or infringement, and move the supplier to the blacklist to prohibit further cooperation.

Exit of Supplier

Once the supplier has serious problems with business conditions, business reputation or product quality, there are violations of laws and regulations, or there is a major breach of contract, the cooperative relationship will be terminated immediately. We will conduct a careful assessment and may choose to terminate the cooperation if the supplier fails to meet the standards for two consecutive assessments, there are transaction integrity issues, or there are other companies in the same industry removing the supplier from their supplier list due to the supplier's business ethics.

For the suppliers who will be withdrawn, we will have the procurement manager and the supplier to deal with the outstanding matters, initiate the exit process, and remove them from the "List of Qualified Suppliers" after the approval of the relevant department.

6.3.2 Responsible Sourcing

In order to standardize procurement management, the Group has formulated the " Management Measures for Procurement of Linklogis" and the "Rules for Procurement Management of Information Technology Center" and other systems, clearly listing the procurement process and responsibilities to ensure the high quality of procurement projects. At the same time, according to the characteristics of the Group's business, we regularly revise and optimize the bidding and procurement management system, strengthen the supervision mechanism, and improve the tender and procurement system to prevent the occurrence of major risks.

We also require suppliers involved in procurement cooperation to sign the "Supplier Integrity Commitment Letter" to jointly demonstrate the Group's procurement principles of "Promoting Effectiveness, High Efficiency, Compliance with Laws and Regulations, Fairness and Justice, and Traceability". The letter of commitment should show that the supplier will firmly resist illegal acts such as soliciting, offering and accepting bribes, and ensure the openness, transparency and integrity of the procurement process. If a supplier is found to have violated the relevant regulations on integrity and anti-corruption, we will take measures such as suspending the transaction, disqualifying the supplier, or even terminating the contractual relationship.

At the same time, we encourage our suppliers to work together to promote environmentally friendly and socially responsible practices. In the supplier evaluation process, we provide corresponding bonus points for suppliers who have obtained environmental management system certification (ISO 40001), quality management system certification (ISO 9001) and occupational health and safety management system certification (ISO 45001) to demonstrate our commitment to sustainable supply chain. We also give priority to those with energy-saving labels or environmental certifications when selecting suppliers and products, for example, we will clearly set out our expectations for the procurement of green products in the tender documents, including the requirements for the use of energy-efficient equipment and environmentally friendly refrigerants, in order to promote sustainable development together with our suppliers.

6.4 Social Responsibility

6.4.1 Digital Inclusion for Micro, Small and Medium-sized Enterprises

Adhering to the original aspiration and mission of supply chain finance to promote digital and intelligent transformation, the Group leverages industry-leading technology infrastructure to tailor solutions for micro, small and medium-sized enterprises (MSMEs) to solve their financing problems and high financing costs, and help enterprises achieve sustainable development.

"Qilu eChain" for Providing Financing Services for SMEs in Shandong

Linklogis, together with Shandong Institutes of Industrial Technology and the Financial Technology Institute under Shandong Institutes of Industrial Technology, has jointly built a supply chain finance platform "Qilu eChain", using digital and intelligent means to provide convenient and efficient financing solutions for SMEs in Shandong. Based on the credit penetration of anchor enterprises and the circulation of digital credit certificates, the platform simplifies the traditional financing process and solves the problems of difficult, expensive and slow financing for SMEs. It not only promotes the healthy development of Shandong's real economy, but also ensures the stability and optimization of the supply chain and industrial chain, and promotes a virtuous cycle of economy.

A New Generation Bill Management Platform for Jiangling Motors Group Finance Co., Ltd.

As a technical service provider, Linklogis worked closely with Jiangling Group to successfully connect to the new generation bill management platform of the Shanghai Commercial Paper Exchange. This system integrates the processing of the whole life cycle of bills, solves the problem of segmentation management in the past, and provides efficient and convenient bill services for Jiangling Group and its upstream and downstream enterprises. It not only improves the online and digital intelligence level of financial services in the automotive supply chain, but also enhances the financial support ability to serve the real economy, optimizes the group's capital liquidity, and provides strong support for SMEs to solve problems.

Financing for a Live Streaming E-commerce Clothing Micro Enterprise

With the prosperous trend of the live streaming e-commerce market, Linklogis has also focused on this emerging industry model, established a service platform for SMEs, and is committed to providing financing solutions to solve the financial problems faced by SMEs in the process of surging sales and production. In view of the common problems such as the complex chain of the garment industry, the low concentration of the industry and the financing difficulties of SMEs, Linklogis' Smart-Bee Platform can provide e-commerce with a variety of functions such as business data management, payment process management, risk control and early warning notifications, etc., and is more committed to optimizing the financial model of live streaming e-commerce clothing industry through the empowerment of systematic and technological capabilities. We help live streaming merchants achieve funds for delivery orders, shorten the payment period, and ensure that merchants can obtain the required funds in a timely manner, thereby effectively alleviating the financing pressure.

The platform also combines the development plan of the digital industry of Shenzhen Data Exchange and the leading technological and operational advantages of Linklogis to further improve the efficiency of data flow and guide the generation of more data transactions. This not only promotes the capital turnover efficiency and ability of e-commerce platform merchants, but also brings a more convenient and efficient financial service experience to the entire live streaming e-commerce industry.

6.4.2 Rural Revitalization

In order to implement the national strategic decision of "accelerating digital development" pointed out in the "The Recommendations of the Central Committee of the Communist Party of China for Formulating the 14th Five-Year Plan for Economic and Social Development and Long-Range Objectives through the Year 2035", Linklogis actively assumes social responsibility and promotes the sustainable and digital development of rural areas. The Group uses the power of science and technology to realize the digital intelligence of the industry, help the development of the real economy, and make significant contributions to the advancement of China's digital economy. At the same time, we work closely with financial institutions to explore the development path of sustainable supply chain finance. The Group serves a number of sustainable development industries and provides intelligent, customized and data-based supply chain financial technology solutions for many high-tech enterprises. In 2023, the assets of transactions that Linklogis served related to sustainable supply chains (including renewable energy, rural revitalization, environmental protection, intellectual property, etc.) reached RMB19.2 billion, demonstrating its firm determination and strength in promoting sustainable supply chain finance and digital inclusion.

Digital Intelligent Transformation of the Agricultural Sector

SCeChain continues to help the provincial grain trading company under Sichuan Shangtou Supply Chain Management Co., Ltd. and enable upstream farmers' specialized cooperative and crop farmer to experience swift financing services and promote rural revitalization and the development of the agricultural industry through online, digital intelligent and automated financing experience. Combined with the supply chain entity business advantages of the Provincial Grain Trading Company, the financial services of Standard Chartered Bank and the digital technology of Linklogis' platform, this project realizes the full-online process from application to lending in 24 hours, effectively solving the problems of availability, coverage and convenience of financing products for agricultural business entities. This enriches the financial products and services of agricultural operators, and alleviates the challenges of financing difficulties, expensive financing, long approval processes and slow capital recovery of small, medium and micro agricultural operators.

Collaboration with Chengdu Rural Commercial Bank to Build a "Rural Commercial Rong e-Chain".

Linklogis and Chengdu Rural Commercial Bank have collaborated to build a Rural Commercial Rong e-chain platform, aiming to provide upstream suppliers with full-online and self-service supply chain financial services. The platform uses scientific and technological innovation methods to solve many problems in the traditional supply chain financing business, help private enterprises and small and micro enterprises quickly obtain bank financing, effectively revitalize the accounts receivable assets of small and medium-sized enterprises, and promote the capital financing and transactions of anchor enterprises and their upstream suppliers. This digital, intelligent, automated, and simplified solution not only improves the bank's supply chain finance support capability for inclusive finance, but also aims to address the three rural issues and revitalizing the rural area.

6.4.3 Industry Collaboration and Formulation of Standards

Linklogis insists on promoting the digital and intelligent transformation of supply chain finance, so as to empower the common development of the entire industry. To this end, we not only actively hold relevant forums and activities, such as the 2023 Beijing Industry and Finance Treasury Conference, to build a platform for communication and exchange for the industry, but also actively conduct in-depth exchanges with industry experts to discuss new trends and standards for industry development, promote cooperation and achieve mutually beneficial outcomes within the industry.

In 2023, the Group served as the lead of The White Paper on Cross-border Data Circulation Compliance and Technological Application (2023) (the "White Paper (2023)"), and officially commenced the preparation and recruitment process. In the process of compiling the white paper, we received enthusiastic participation and support from leaders, experts and representatives from the government, domestic and foreign data service professional institutions, legal professionals, business sector and relevant associations, and discussed the challenges and opportunities of cross-border data circulation from different perspectives, and put forward valuable suggestions and opinions for the regulatory requirements of cross-border data circulation, the ability to ensure compliance of cross-border data circulation, and the technical solutions to promote the implementation of legal compliance, providing strong support for the development of global cross-border data circulation.

The White Paper (2023) will further increase the analysis of the legal environment of the countries of The Association of Southeast Asian Nations (ASEAN), Russia, and Taiwan, and compare and analyze the relevant laws of data security in China on the basis of updating the cross-border data compliance legal developments of the European Union, the United States, Japan, Singapore, Hong Kong, and Macao. This initiative will help legal and practical practitioners in the field of global data circulation to better understand the cross-border compliance requirements of data in different countries and regions, so as to provide more targeted legal guidance for enterprises and institutions. The White Paper (2023) was officially released during the 2023 China (Shenzhen) Data Element Industry Innovation Conference, providing a comprehensive, in-depth and authoritative reference guide for global cross-border data circulation.

6.4.4 Public Welfare Activities and Contribution to the Society

In order to encourage employees to actively participate in public welfare activities, the Group established a public welfare organization "Linklogis Charity" in 2022 to be in line with the concept of "bring sparks together and ignite a strong flame". In 2023, Linklogis Charity has held a total of three public welfare activities, and no less than 20 enthusiastic employees have participated in each activity.

Gifts to the dawn

On the eve of the Mid-Autumn Festival, the Group and Chun Nuan social workers jointly organized a public welfare activity called "Gifts to the Dawn", in which more than 30 enthusiastic employees were convened to make warm Mid-Autumn Festival gifts for children with special needs and a card full of sincere wishes written by employees to send warmth and care to these children.

In order to continue the warmth of the event, the Group carefully planned the second phase of the "Gifts to the Dawn Event" on Halloween. The event also attracted 40 volunteers to make cute candy bags, Halloween lanterns and colorful paintings for children with special needs. The event also invited representatives of the Group's employees to send Halloween gifts and blessing cards to the lovely children, as well as Linklogis' bee dolls and U-shaped pillows, hoping that these gifts and blessings can bring the children the power to grow and make them feel the warmth and care of the society.

Benchmarking against the UNSDGs:

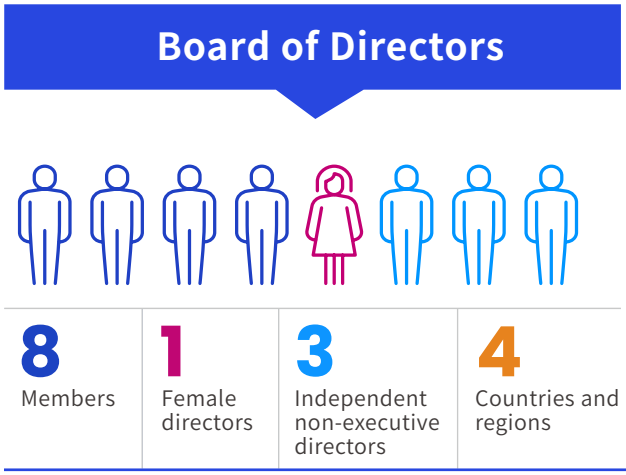
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

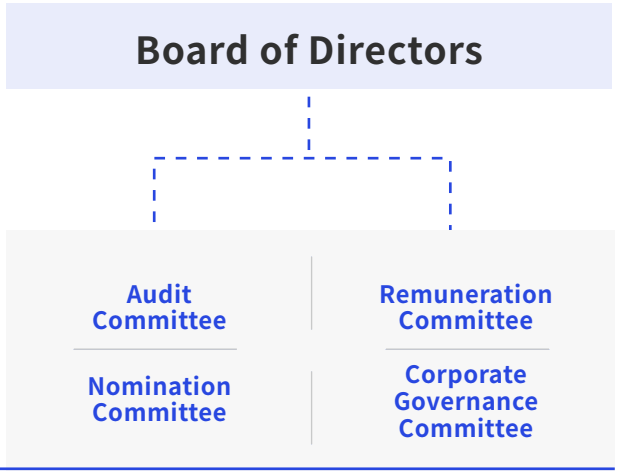
High Standards of Governance and Sustainable Operation

The Group adheres to the pursuit of excellent corporate governance and aims to safeguard the rights and interests of shareholders and stakeholders. The Board strictly adheres to the Corporate Governance Code and implements various governance measures to ensure a robust risk management framework. In addition, we uphold the principle of integrity, are committed to cultivating an ethical and honest corporate culture, and continuously improve the governance model to operate our business, so as to ensure the sustainable and sound development of the Group.

7.1 Diversity of the Board of Directors

In terms of daily operations and management, we empower management to implement the decisions of the Board of Directors and to direct and coordinate the daily affairs of the Company. Currently, the Board consists of eight members, including three executive directors, two non-executive directors and three independent non-executive directors. In order to oversee the specific affairs of the Company more effectively, the Board has established four committees: the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee. These committees were established with clear written terms of reference, which can be found on the Company's and HKEXnews websites.





7.2 Identification of Risks and Opportunities

The Group's Risk Management Committee consists of an audit review committee and an investment review committee. The Risk Management Committee reviews and reflects on the appropriateness of the corresponding risk strategy annually in light of market conditions. We are committed to improving the profitability of the Company while controlling the risks of all stakeholders in the Group. The Group is committed to maintaining a systematic, transparent, institutionalized and sensitive risk management system, and considering the great changes in the market and industry conditions in recent years, the Company has adjusted its specific risk control strategy accordingly, which is reflected in all relevant products and services. Additionally, we have established a sound risk assessment and monitoring system to conduct regular risk assessments for all business activities and to monitor and manage risks in a timely manner.

7.3 Corporate Governance

7.3.1 High Standards of Corporate Governance

The Group is relentless in its pursuit of excellence in corporate governance. We believe that a comprehensive and sound corporate governance structure is essential to safeguard shareholder interests, enhance corporate value and ensure accountability. As the core decision-making body of the Group, the Board of Directors is responsible for overseeing the business, making strategic decisions and evaluating the performance of the Group, and is committed to guiding and supervising the Group's affairs to promote the prosperity and development of the Group. The responsibilities of the Board of Directors include the formulation of policies, strategies and budgets, the implementation of internal controls and risk management, the review of significant transactions (especially those involving conflicts of interest), the review of financial information, the appointment of directors, and other matters relating to the Group's major operations.

An effective risk management and internal control system can protect the Group from potential threats, ensure the smooth operation of the business, and create long-term value for the Group. The Board oversees the risk management and internal control functions directly and through the Audit Committee, the Risk Management Committee and senior management.

Risk Management

In order to ensure the effective implementation of the Group's risk management policy and actively monitor the risks faced, the Group has established a Risk Management Committee, which is responsible for formulating and implementing risk management and internal control policies and procedures that are in line with business operation norms. The Risk Management Committee will work closely with other businesses and functions and will meet at least once a month as required.

Internal Controls

The Group has established a sound internal control and audit mechanism. We have set up an internal control review team and an internal audit department in the Risk Management Department, and conduct internal audits on a regular or irregular basis. In addition, we engaged KPMG to conduct an external audit to ensure the comprehensiveness and accuracy of the audit. These audits cover all business lines and middle and back office management departments of the Group, and are conducted in accordance with management needs and the requirements of the Board of Directors and Audit Committee. The results of the audit will be submitted in writing to the Audit Committee.

In addition, in 2023, we organized more than 20 special trainings on risk control and compliance, covering the introduction of the financial regulatory system, the interpretation of the Civil Code, the compliance promotion of connected transactions, the identification of operational risks, the verification of the authenticity of trade backgrounds, and the management of development and testing specifications. These trainings are designed to provide guidance on risk management and internal control for all employees and specific positions, so as to further enhance the compliance knowledge of employees.

7.3.2 Prioritizing the Interests of Shareholders

Linklogis always puts the interests of shareholders first and actively maintains close ties with the capital market to promote the company's sustainable growth and development. To this end, we focus on enhancing our business capabilities and core competitiveness, continuously expanding our business scope, and optimizing risk management and business processes with the help of advanced technology to reduce operating costs and create higher value for shareholders. At the same time, we attach importance to the improvement of the corporate governance structure to ensure that the decision-making process is transparent, compliant and efficient. By strengthening the functions of governance mechanisms such as the Board of Directors and the Board of Supervisors, we have improved our internal oversight and management to ensure the soundness and sustainability of the Company's operations, thereby fully protecting the rights and interests of shareholders.

In addition, we attach great importance to communication and exchanges with shareholders, regularly publish financial reports and results announcements, and maintain close contact with shareholders through various channels such as shareholders' meetings and conference calls, and actively listen to and respond to shareholders' opinions and needs. In return for shareholders' support and trust in the Company, Linklogis' board paid a special dividend of HK$0.25 per share in 2023, totaling about HK$570 million, and recommended a special dividend of HK$0.1 per share for 2024, totaling HK$230 million. This special dividend plan will be based on the company's profitability and is designed to reward shareholders and ensure that they can benefit from the company's growth.

The Group will always adhere to the interests of shareholders as its core focus, and strive to create more generous returns for shareholders by continuously improving its own capabilities, optimizing its governance structure and strengthening communication. In the future, we will continue to unswervingly pursue the maximization of shareholder benefits.

7.4 Business Ethics

The Group is committed to maintaining the highest standards of ethical conduct, including business integrity, honesty and transparency, throughout its operations. We have zero tolerance for any form of corruption, fraud, bribery, money laundering and other unethical practices, and aim to monitor the Group's business ethics on a permanent basis. At the same time, we standardize our own business practices by regularly reviewing our internal anti-corruption management system, strengthening anti-corruption training for employees, and improving anti-corruption reporting procedures to ensure the sustainable and healthy development of the Group.

Anti-corruption objectives

Tolerance for corruption incidents
0

Follow-up rate of reported incidents
100%

Employee compliance and anti-corruption training rate
100%

Performance in 2023

Incidents of corruption
0

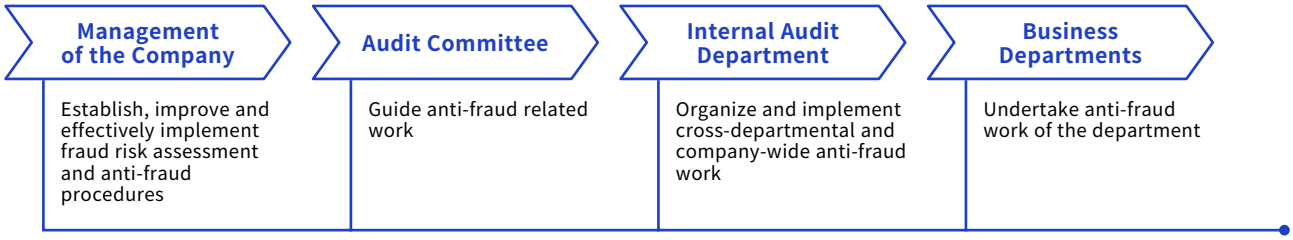
Follow-up rate of reported incidents
100%

Employee compliance and anti-corruption training rate
100%

7.4.1 Anti-corruption and fraud

To ensure that our day-to-day operations are protected from fraud and to prevent social risks, we are committed to a series of strong policies and actions. The Group strictly abides by the laws and regulations of the countries or regions in which it operates[5], and has formulated a number of anti-corruption systems, including the "Anti-Fraud Management System", the "Anti-Bribery Compliance Policy of Linklogis", and the "Risk Management System for Anti-Money Laundering, Anti-Terrorist Financing and Sanctions Prevention of Linklogis". The purpose of these systems is to standardize the professional conduct of the company's directors, management and employees, and to ensure that they strictly adhere to industry codes, guidelines and professional ethics. We are committed to creating a clean, diligent and dedicated working environment, and firmly prevent any behavior that damages the interests of the Group and its shareholders.

Anti-fraud liability management structure



Permanent Establishment and Functions for Anti-Fraud Work

As a permanent anti-corruption and fraud organization of the Group, our Internal Audit Department is subject to the supervision of the Board of Directors and the Audit Committee, and submits an annual report on anti-fraud work to the Board of Directors and the Audit Committee. In order to effectively identify and assess fraud risks and establish appropriate control mechanisms, the Group's management integrates fraud risks into the overall enterprise risk assessment system. The risk assessment process covers the identification and assessment of fraud risks at the corporate level, across business units and at the financial level. At all levels, we have established anti-fraud controls to ensure that the Group operates in a clean and efficient manner.

During the Reporting Period, the Group was not involved in any corruption cases and had complied with all relevant laws and regulations relating to bribery, extortion, fraud and money laundering. The Group is also not aware of any incidents related to the dismissal or disciplinary action of employees due to corruption and the termination or non-renewal of contracts with business partners due to irregularities related to corruption.

[5] For relevant laws and regulations, please refer to the "Laws and Regulations" section.

7.4.2 Anti-commercial Bribery

Based on the characteristics of its business and the anti-commercial bribery and anti-corruption laws and regulations of the industry, the Group has formulated the "Code of Conduct on Preventing Commercial Bribery and Personal Conflict of Interest" and the "Code of Conduct for Integrity of Linklogis", aiming to prevent the risks of commercial bribery and conflict of interest that employees may face in actual business operations. In addition, we require all employees to sign the "Integrity and Self-Discipline Convention" when they join the Group, so as to ensure that employees will not engage in any behavior that pursues improper benefits. The Group firmly opposes any form of commercial bribery, and requires employees to report to their superiors in a timely manner and take the initiative to avoid any conflict between their personal interests and the interests of the Group.

Employees must strictly comply with the provisions of this Code of Conduct. Employees who violate the Code of Conduct will be dealt with in accordance with the Measures for "Disciplinary Actions for Employees of Linklogis". If an employee's violation also violates the law, the Group will take legal action against him or her. We also encourage management to lead by example and set an example for all employees to comply with the Group's policies and codes.

7.4.3 Business Ethics and Anti-corruption Training

The Group has been actively strengthening the publicity of business ethics, anti-corruption policies, procedures and related measures to ensure that employees can fully receive training in laws, regulations and professional ethics. We use a variety of channels, such as employee handbooks, company rules and regulations, and special publicity activities to effectively communicate and train employees. We will launch a series of courses on our internal learning platform to provide regular training on anti-corruption and anti-commercial bribery for our employees, and cooperate with various measures such as system reminders, community pushes and department-to-point publicity to expand the coverage of the training and enhance the compliance awareness of all employees. For new employees, we will carry out special onboarding training on anti-fraud, laws and regulations, and integrity and ethics education, aiming to help employees clarify the concept of corruption and accurately define the standards of behavior for legality, integrity and morality. We hope that through these trainings, employees will have a deep understanding of the serious consequences of suspected corruption and business ethics violations, so as to strengthen their ethical awareness and improve their anti-corruption thinking standards and skills. In order to further support the development and growth of our employees in terms of ethics, we have also established a consultation mechanism on ethical issues. Employees who have any ethical questions or confusion can always consult with the Internal Audit Department, and we will be happy to provide them with support and guidance.

In 2023, we held more than 20 special training sessions on compliance and risk control for all employees, including courses related to "Integrity and Compliance Promotion" and "Promotion of Confidentiality System". All employees have received training in compliance and anti-corruption and have successfully completed the course and passed the exam. We also regularly collect and publicize anti-corruption cases on a monthly basis, and provide corresponding prevention tips to raise employees' awareness of ethics.

Compliance and risk control training

7.4.4 Whistleblowing Mechanism

In order to promote the sustainable development of the Group, to ensure that the legitimate rights and interests of all stakeholders are protected, and to ensure the smooth operation of employee complaint and whistleblowing channels, the Group has formulated the "Management Measures for Employee Complaints and Reports". This policy applies not only to internal employees, but also to third parties such as external suppliers and customers. According to the management measures, employees and third parties can choose to report corruption and violations of business ethics through round-the-clock reporting hotlines, e-mail addresses or letters, etc., in real name or anonymously. The company's official website also provides the complaint and reporting channels in both Chinese and English versions to facilitate users of different backgrounds.

In order to ensure the standardization and process of whistleblowing, the Internal Audit Department is responsible for formulating written procedures and systems. These procedures and systems detail how all types of allegations, including real-name and anonymous reports from employees and third parties, are received, retained and processed, and are documented for review by senior management, the Audit Committee and the Board of Directors. For employees or third parties who report in their real names, the Internal Audit Department will verify them in accordance with the established acceptance procedures, and implement strict confidentiality measures for the identity of the whistleblower and the information provided to protect their rights and interests.

During the Reporting Period, the Group received a total of five complaints and reports involving issues like failure to perform duties according to job requirements and illegally receiving overtime meal allowances. The Internal Audit Department has intervened quickly in accordance with the established complaint and reporting workflow and effectively dealt with all suspected issues, ensuring that the normal operation and interests of the Group are not compromised.

7.4.5 Anti-unfair Competition

The Group abides by the Code of Business Conduct, adheres to fair competition, strictly abides by the Anti-Unfair Competition Law, Anti-Monopoly Law and other laws and regulations, opposes any form of corruption, commercial bribery, money laundering, monopoly and unfair competition, and requires partners to comply with relevant laws, regulations and policies on anti-commercial bribery and anti-corruption, and strives to create a clean and honest operating environment and good cooperative relations.

In accordance with the Anti-Unfair Competition Law, Linklogis resolutely puts an end to behaviors that violate the principles of voluntariness, equality, fairness, good faith, as well as laws and business ethics, disrupt the order of market competition, and damage the legitimate rights and interests of operators or consumers.

7.5 Information Security and Risk Management System

As a fintech SaaS company, Linklogis attaches great importance to information security, respects the personal privacy of employees, suppliers, consumers and other third parties with whom we have business dealings, and adopts appropriate and due diligence to protect information security in accordance with the law to prevent customer data and personal information from being disclosed in violation of regulations. We strictly abide by the "Cybersecurity Law of the People's Republic of China", the "Provisions on the Management of Security Vulnerabilities of Network Products" and other laws and regulations[6], optimize the information security governance framework, continuously strengthen the construction of security technology foundation, improve information security operation capabilities, and provide strong support and guarantee for the Group's internal data security and customer privacy protection.

Information Security and Privacy Protection Objectives

Major information security incidents are with **0** tolerance

Major personal privacy leakage incidents are with **0** tolerance

leaks of company secrets or secret information
0

Breaches of customer personal data
0

The annual availability of the business system needs to be as small as
99.9%

Performance in 2023

Major information security incidents during the reporting year
0

Major personal privacy breaches during the reporting year
0

incidents of corruption
0

The number of customer personal data breaches during the reporting year
0

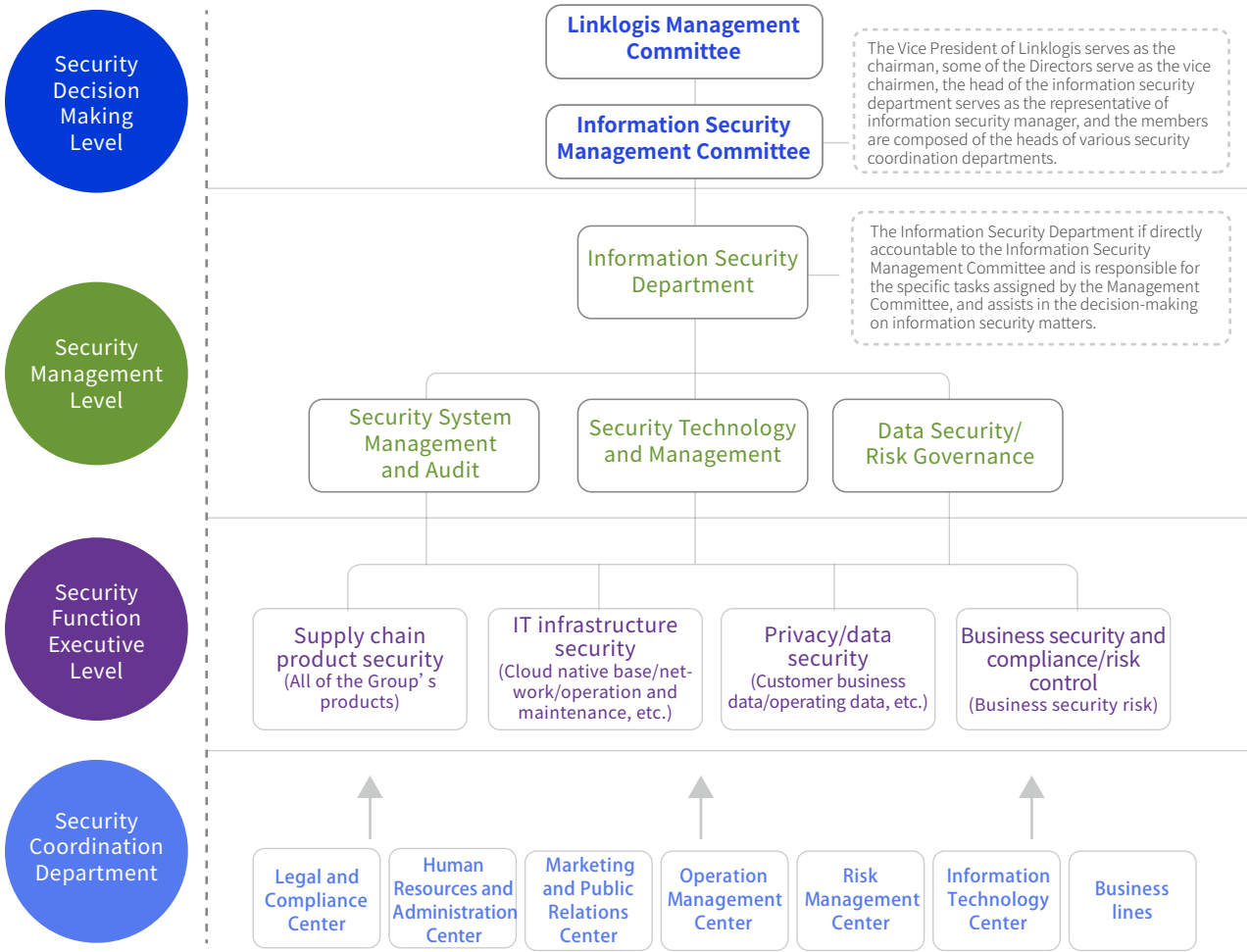
Annual Business System Availability
≥99.97%

7.5.1 Information Security and Risk Management Framework

In order to improve the efficiency of the Group's overall information security decision-making, management, coordination and implementation, and to ensure that the Group's information security policies and objectives are effectively promoted, the Group has formulated the "Information Security Management Committee Charter of Linklogis". In accordance with the charter, we have established an Information Security Management Committee, which will be responsible for coordinating the decision-making, management, execution, and coordination of information security across the Group. Through this structure, we are committed to ensuring the security compliance of the Group's businesses and guaranteeing the continuity and stability of our business operations. The following is an overview of the Group's information security management structure:

[6] For relevant laws and regulations, please refer to the "Laws and Regulations" section.

Linklogis Management Committee



In terms of information risk management, we have formulated the "Information Security Incident Management Measures" and the "Information Security Risk Management Measures", which aim to identify and manage the risk of information leakage, and ensure that all kinds of information security incidents and security defects can be reported in a timely manner and effectively handled. During the Reporting Period, we added the "Management Measures for Reporting Operational Risk Events of Linklogis", which specifically addresses behaviors such as failure in the operation and design of information technology systems, such as products not being designed in accordance with risk prevention and control functions. It provides us with specific provisions and solutions to ensure that we are able to respond to and address these risks in a timely manner.

Major information security risks

- Data security and personal privacy data may be compromised by hackers or attacks on the Group's value data
- The risk of unauthorized external transfer of core data by internal employees

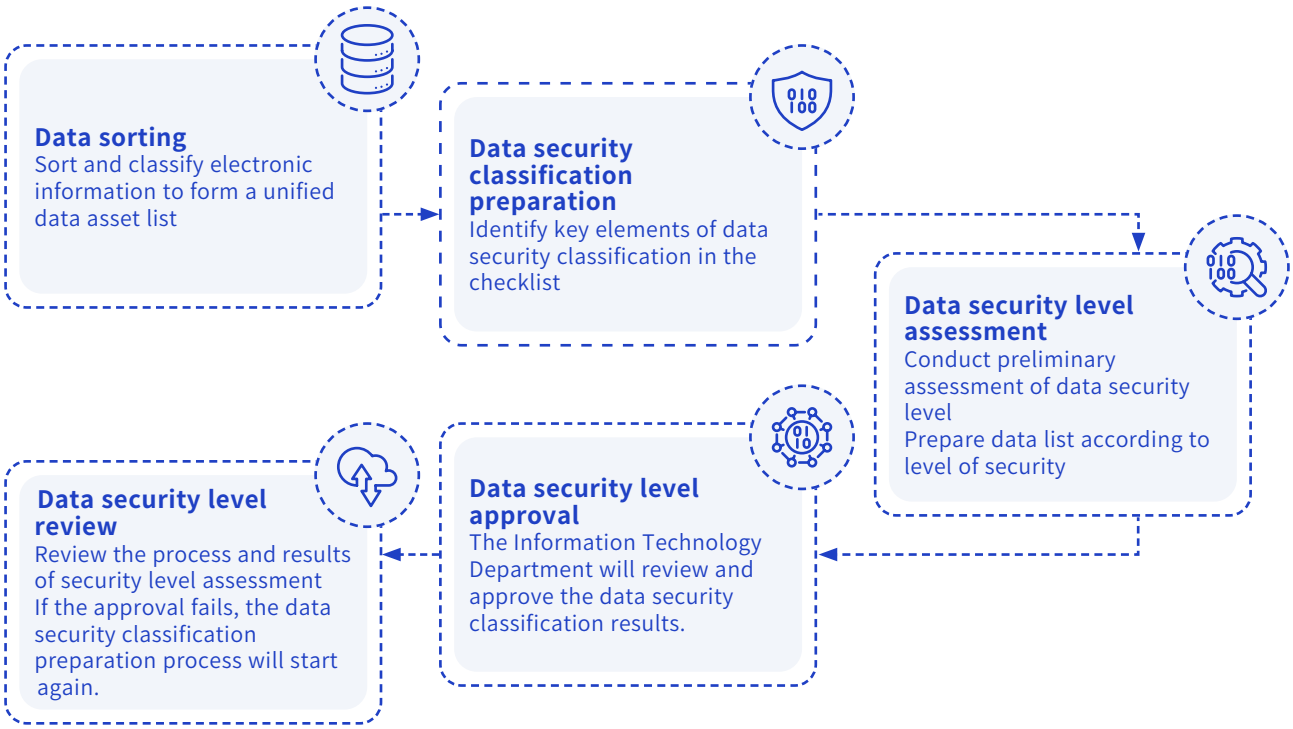
Measures

- The information platform is required to conduct penetration testing before opening to the external parties
- Strengthen the construction of in-depth security defense improve the effectiveness of attack barriers and security strategies, and improve implementation and monitoring capabilities
- Sort out the internal and external data transmission channels, and regularly carry out audit or cut-off measures for key transmission channels
- Add watermark measures for end users to facilitate electronic data traceability
- Regularly collect security vulnerability analysis from any channels and formulate a remediation plan

7.5.2 Information Security Certification and Assurance System

The Group has established a systematic new system on-line process and application security review process, and formulated the "System Deployment Management Measures" and "Application Safety Review Management Procedures", and has strictly controlled the quality of products and services, so as to minimize information security risks and make the operation of our systems and applications more secure and smooth. In order to further control sensitive information, we formulated the " Data Classification and Grading Management Measures of Linklogis" in 2023 to identify and clarify key protection objects, apply security measures to protect sensitive information, and reduce data protection resources and costs. We divide the security level of information into four levels: highly confidential, confidential, for internal use and open to the public, and take corresponding data protection and permission control measures.

Our overall data classification process is as follows:



In addition, the Group added and updated the following measures to strengthen data and information management in 2023:

Control of Data Sources

- Formulate the "Database System Management Measures" to ensure the security and confidentiality of data resources and create a stable and orderly production environment.

Strengthen Prevention and Control

- Establish data security control and protection mechanisms to ensure that data is not accessed, disclosed or altered without authorization during the data collection process, and reduce security risks and violations.
- Formulate the "Data Sharing Security Management Specification" to ensure that the Group's data meets the security, privacy protection and compliance in the process of sharing.
- Improve infrastructure security and defense capabilities, and strengthen the security and anti-intrusion capabilities of hosts, databases, intermediary software, and network devices.

Platform Supervision

- Formulate the "Information Security Operation and Maintenance Platform Management Specification" and the "Operating System Management Specification" to prevent unauthorized or high-risk data operation, standardize the management behavior of the operating system, and ensure the safe, stable, efficient and compliant operation of the operating system.

Code of Conduct

- Strengthen the code of conduct for the operation and management of the information system, ensure the safe, stable, efficient and compliant operation of the operating system, and provide a reliable data protection environment.

In 2023, some of the Group's privacy-preserving computing project cases:

Bee Security Privacy-preserving Computation Platform

The Group's Bee Security Privacy-preserving Computation Platform is a data security collaboration platform independently developed based on multi-party secure computing, blockchain and machine learning technologies, aiming to solve the problems of data silos, data rights confirmation, data privacy protection and other problems for all parties in the supply chain industry, and achieve the security goal of "making data useable but invisible". Through the use of cryptographic technology and algorithms, multi-party joint security data sharing, data query and data modeling are achieived, and applied to green economy support and green finance development.

Information Security Certification

Through the Group's commitment to strict monitoring and enforcement of information security, we became the first company in the supply chain fintech industry to obtain the privacy information management certificate ("ISO/IEC 27701:2019"). This certification covers the supply chain financial technology service platform business, as well as the information system planning, design, development, testing, operation and maintenance and other technical services that support this business platform. In addition, the Group's important systems and service platforms, including Linklogis Blockchain Cloud Service Platform, Linklogis Blockchain Supply Chain Finance Platform, Bee Security Privacy-preserving Computation Platform, Bee Privacy Federated Learning Platform and Fengniao Cloud Data Platform, have also passed the Level 3 certification of information system security level protection by the Ministry of Public Security and the China Academy of Information and Communications Technology.

Attestation of Compliance for PCI DSS Assessments

Linklogis International Company Limited

Payment Card Industry (PCI) Data Security Standard (DSS) Requirements and Security Assessment Procedures

atsec (Beijing) Information Technology Co., Ltd.

Linklogis International cross-border supply chain fintech business system has been obtained PCI-DSS Third-Party Payment Industry Data Security Standard Certification

Linklogis Blockchain Cloud Service Platform BeeTrust - Trusted Blockchain Security Certification

Linklogis Blockchain Supply Chain Finance Platform - Trusted Blockchain Supply Chain Finance Industry Certification

Bee Security Privacy-preserving Computation Platform – Multi-party secure computing financial application evaluation by CAICT

Bee Security Privacy-preserving Computation Platform – Blockchain-Assisted PEC Tools evaluation by CAICT

7.5.3 Product Quality Management

In order to ensure that the control requirements in the system development process are effectively implemented, the Group has specially formulated the "Information Technology System Quality Assurance Manual", which contains relevant specifications for each stage of R&D activities before, during and after the development activities to ensure that the system development process is efficient and in order. We have also formulated the "Implementation Rules for Software Test Design Management", "System Quality Assurance Manual" and "Information Technology System Operation Service Level Management Measures" and other systems to comprehensively ensure product quality from the planning, design, development to testing, operation and maintenance of information systems.

During the Reporting Period, the Group actively optimized the quality and efficiency of project R&D and management. We have adopted the GQIM measurement model to accurately identify the goals of the organization and projects, and established a R&D quality and efficiency measurement model suitable for the IT line. In FY2023, we planned 37 metrics and successfully achieved 30 metrics activities, which provides solid data support for our R&D quality. In addition, the Group has successfully completed the construction of the Application Platform as a Service ("ApaaS Platform"), which has improved R&D efficiency by 15%. In order to further enhance our R&D management capabilities, we have independently developed an integrated R&D management platform ("AIO Platform") to achieve full DevOps capabilities. In the process of product construction in the Anchor Cloud, FI Cloud, Cross-border Cloud and other business segments, we fully implement the unified, online, digital and standardized management of the R&D process, project management, continuous integration and delivery with the help of the AIO platform in accordance with the highest quality standards of the LLS R&D management system, which further ensures the excellence and stability of product quality.

Achieved Capability Maturity Model Integration ("CMMI") Level 5 Certification

After nearly four years of dedicated efforts and continuous improvement, Linklogis has successfully obtained the CMMI Level 5 certification, the highest level in the global software field, from passing the CMMI Level 3 certification in 2019 to successfully obtaining the highest level of CMMI Level 5 certification in the global software field, which the company has reached the remarkable international leading level in software research and development capabilities. Based on the CMMI Level 5 standard, we have built a comprehensive LLS R&D management system, including process systems, tool templates, metrics, monitoring and analysis, etc., to ensure the standardization and normalization of the software R&D process. This achievement not only reflects Linklogis' strong technical strength and project management capabilities, but also provides customers with more perfect, mature, high-quality and reliable products and services, and further consolidates the company's leading position in the industry.

7.5.4 Protection of Customers' Personal Privacy

The Group attaches great importance to the protection of customer privacy, and has formulated and implemented internal management systems such as the "Management Measures for Personal Information Protection" and the "Data Privacy Protection Strategy" to standardize the operational requirements and privacy terms of employees in all aspects of personal information collection, storage, sharing, use and destruction, so as to ensure the compliance and legality of the Group's personal information and data processing. We will strictly comply with relevant laws[5] and regulations to prevent the leakage or illegal use of personal information and effectively protect the interests of our customers.

The Group has established a sound personal information life cycle management system to ensure that the entire process from the collection to the deletion of customers' personal information complies with the regulatory requirements of laws and regulations. In order to further strengthen the protection of personal information, the Group has introduced the concept of privacy by design, which runs through the entire life cycle of security development, ensuring that all aspects of requirements, design, development, testing, implementation and operation are integrated with privacy protection measures. We are committed to maintaining the security of personal information and data at all times. To this end, we regularly conduct security audits and analysis of external end-user data flows, and regularly monitor and warn sensitive data and information in the cloud environment to ensure that data security is not threatened.

Collect

We strictly prohibit any form of fraud, deception and misleading when collecting personal information, and we have never obtained personal information from illegal sources. We strictly follow the principle of "minimum necessity" to ensure that the type of personal information collected is directly related to the realization of the business function of the product or service, and to avoid excessive collection. We always take a minimum impact on our personal interests to ensure that our privacy rights are adequately protected.

Use

The Group strictly manages the purpose of use and the right to use personal information, and takes appropriate access control measures to ensure that only authorized personnel can access the relevant information. We will also take appropriate measures to inform data subjects of the purpose of use of personal information to protect their right to information and privacy.

Process

When processing personal information, we will enter into a contract with the customer and will process strictly for the purposes stated in the contract.

Share

When sharing personal information, we always follow the principle of customer authorization to ensure that we have obtained the customer's explicit authorization before sharing the personal information collected, stored or used with any third party. To ensure data transparency and security, we record all disclosures of personal information to third parties and ensure that data processors disclose the use of any subcontractors to the data controller and the relevant approval processes to our customers. In addition, we conduct a rigorous security assessment of the data needs and data security protection capabilities of third parties.

Delete

We will ensure that all temporary files are securely deleted within a specified period of time to prevent the risk of data breaches. When a customer cancels an account or requests removal of personal information, we will immediately erase the relevant personal information and its backups. To ensure the completeness of data eradication, we use disk replication and dedicated data destruction tools to ensure that data is completely unrecoverable.

In order to effectively respond to possible personal information leakage incidents, the Group has formulated a thorough emergency response plan and regularly organizes emergency drills to enhance its response capabilities. The Group has also established a security incident response process to ensure that all aspects of the process of acceptance, identification, disposal, notification and closure can be carried out quickly and accurately in the event of an incident. At the same time, we piroritize the analysis and learning of past accidents, and continuously improve the awareness of prevention and emergency response capabilities, so as to ensure the security of personal information and the smooth progress of data protection. During the Reporting Period, the Group did not find any major information security incidents and privacy protection incidents, nor did any form of leakage of company secrets and personal data, fully achieving the Group's annual information protection and privacy protection objectives.

[7] For relevant laws and regulations, please refer to the "Laws and Regulations" section.

Benchmarking against the UNSDGs:

Technological Innovation to Lead the Industry

Linklogis stands at the forefront of the development of supply chain financial technology, builds a comprehensive and rich product system, and continuously injects vitality into the supply chain ecology with scientific and technological strength. With cutting-edge technologies such as AI, blockchain, big data and cloud technology, we continue to innovate technology solutions to promote the transformation and upgrading of the real industry and ensure that we stay ahead of the competition in the highly competitive market.

8.1 Technological Innovation

To meet the changing needs of all parties in the supply chain finance ecosystem, the Group is actively developing and applying advanced technologies, driving product and service innovation and introducing new solutions. With the help of AI technology, we have digitized and automated supply chain finance workflows, greatly improving efficiency. Blockchain and big data technologies are revolutionizing risk management by enhancing data reliability and transparency. As the adoption and market acceptance of emerging technologies continues to grow, it is expected to further drive the boom in supply chain fintech solutions.

8.1.1 Artificial Intelligence

As a basic technology and endogenous capability in the digital era, AI has become an important driving force for a new round of industrial and technological revolution. Linklogis actively embraces the innovation opportunities brought by AI technology and large language models. In the business scenario of supply chain finance, the application of AI technology can help the supply chain assets to digitize and automate the collection and management process, and verify information more accurately and efficiently, thereby improving the processing capacity and overall operational efficiency of the supply chain finance business.

Large Language Model Document Review and Intelligent Contract Analysis

Compared with traditional manual paper review, the use of AI technology can greatly reduce the time required for asset collection and verification in supply chain finance business, and shorten the time required for a single financing transaction from one to two weeks to a few hours, greatly improving work efficiency and convenience. The breakthrough change of large language models can directly understand the original unstructured data, so that supply chain finance can better process the original information when business occurs, make financial resources better matched with business, and promote the integration of information flow, capital flow and logistics.

Since the supply chain finance business involves complex forms of contract and document analysis, it requires an in-depth understanding of the details such as the layout of documents, which is difficult for general AI products and open source models to deal with. In this regard, Linklogis has built a powerful and flexible AI large language model framework - Linklogis Document Parsing ("LDP Framework"), which combines the efficient image processing of visual models, the deep text understanding of language models, and the data integration functions of information interaction modules to provide efficient, accurate and intelligent document processing services.

In a project with a foreign bank, Linklogis began to deploy large models. In this project, the document types are complex and changeable, each document has unique formats and requirements, there are as many as 20 document types, and some document types even exceed 1,000 formats, and the business scenarios are complex and extremely challenging, involving multiple business departments within the bank. Through the introduction of LDP, Linklogis comprehensively used a variety of cutting-edge AI technologies in the intelligent review of contracts of the project to comprehensively interpret and extract information. These include:

- The introduction of a professional image model, which has been optimized to accurately identify text, tables, seals and other elements in the document, ensures that the model can correctly interpret every detail of the document.
- Adopt large language models to focus on semantic-related tasks to enable a more precise understanding of contract content.
- Through specific modules, the features of the language model and the image model are effectively integrated, and the complementarity between the two is realized, ensuring the comprehensiveness and accuracy of the information.

Linklogis' algorithm engineers retrained LDP based on nearly 2 million document images from various professional fields. These training data cover a variety of key document types such as contracts and commercial invoices, ensuring that LDP has wide applicability and efficiency in applications. In practical applications, the AI accuracy rate of Linklogis'intelligent contract analysis products is close to 99%, and the accuracy rate is more than 90% for complex legal documents and contracts.

Accuracy rate of AI intelligent analysis

90%

Technical Verification and Implementation of Generative Pre-training ("GPT") Large Language Models

In 2023, Linklogis successfully implemented the practical application of generative pre-training ("GPT") large language model technology. In the first half of the Reporting Period, we conducted in-depth technology selection of the GPT model, conducted research and evaluation of a number of large models in the industry, and focused on the research and pilot selection of key operation scenarios in the second half of the Reporting Period, and actively explored the demand in the supply chain finance business that can be combined with the GPT model technology. At the end of the Reporting Period, Linklogis successfully applied the GPT model to the Group's operations, ecology, scenarios, administration, finance and other fields to support the automation of data collation, risk control review and customer service, further improving the Group's operational efficiency and customer experience.

GPT Application Results

Customer service scenario: 1,124 sessions
Data collation: 70% of assets are covered, and 100% of rules are covered
Risk control review: 17 new elements have been added, and the number of rule executions has reached 220,000

Examples of Operational Performance Improvements

Classification of trade materials: 31 types of documents are classified for document review items
Extraction of contract elements: The new form of documents can be quickly implemented, and the accuracy of the documents is up to 90%.
Duplicate checking: The accuracy can be increased by 10%.
Intelligent customer service: It can automatically recommend more suitable answers for users

8.1.2 Blockchain

Blockchain is seen as a blockchain-based, immutable, secure and trustworthy "decentralized ledger" technology that can record stakeholders' information and activities in a secure, permanent, and easily verifiable manner. The Group applies blockchain as a cutting-edge technology to supply chain finance business scenarios, generating immutable and traceable records, enabling stakeholders in the supply chain finance ecosystem to verify information and track transaction progress. This can not only greatly reduce information asymmetry, help build trust between various participants in the supply chain ecosystem, but also optimize the financing and payment processes of deep-tier suppliers in the supply chain.

Launch of a Digital Trade Tokenization Plan

In 2023, Linklogis participated in the promotion of two digital trade tokenization programs with blockchain as the core technology, namely "Project Dynamo" of the Innovation Hub of the Bank for International Settlements and "Project Guardian" of the Monetary Authority of Singapore

Project Dynamo

The project showcases the innovative use of DeFi technology in the trade finance sector, with anchor buyers able to leverage digital trade tokens ("DTT") for conditional payments. SMEs can use tokens to seek financing from institutional investors before meeting the established conditions, opening up richer and more diversified financing channels for SMEs.

Project Highlights:

- An innovative Web3 payment platform that enables programmable transactions
- Innovative financing methods for NFTization of payment transactions are adopted
- Design tokens with programmability on public blockchains that can be embedded in trade shipping status, electronic bills of lading (eBL), and ESG-related payment terms
- Ensure and analyze regulatory compliance and legal implications

Project Guardian

The project is used to test the feasibility of asset tokenization and decentralized finance applications in order to better manage the risks of the financial industry and ensure the financial soundness, the project uses smart contract technology to create, standardize and credit grouping, and uses the immutable and traceable characteristics of the blockchain to ensure the authenticity of the trade of its security tokens.

Project Highlights:

- Build an open and interoperable network to enable digital asset trading across networks and liquidity pools
- Divide the bank's accounts receivable assets into fungible tokens with different credit ratings to improve the liquidity of trade finance
- To provide investors with a portfolio of digital assets based on the real economy and easy to invest

8.1.3 Cloud Computing

Cloud computing is an Internet-based computing model that is delivered as a service by providing computing resources, storage resources, and applications to users. Based on virtualization technology and distributed computing concepts, it integrates huge data center resources to form a powerful computing platform. This computing model is flexible and scalable, providing infrastructure, platform, or software solutions based on demand. In the area of supply chain finance transactions, the Group can enhance the instant visibility of business processing through cloud computing to facilitate the processing of multiple transactions at the same time. In addition, cloud computing makes technology solutions easier to maintain and upgrade to meet the needs of expanding business scale and responding to more scenarios, thereby reducing costs and improving operational efficiency.

Linklogis Cloud

Linklogis Cloud is a cloud-native platform established by Linklogis based on its own supply chain finance system, which builds a service-oriented, observable, highly elastic, autonomous and controllable cloud base for enterprises to achieve agile computing and rapid delivery of business applications. The platform is compatible with mainstream domestic systems such as Kunpeng, and is committed to building a secure and trusted cloud environment, including Hybrid Cloud Platform and Container Cloud platform to meet the different needs of enterprises

Container Cloud Platform

Container Cloud Platform is a one-stop cloud-native Platform as a Service("PaaS") platform built by Linklogis based on the cloud-native architecture, with platform-level services such as multi-cloud and multi-cluster unified management, DevOps, microservice governance, and operation and maintenance management, which can flexibly meet the needs of various scenarios in the digital intelligence construction of enterprises, allowing enterprises to focus on their own business and data application service capabilities more efficiently, and helping enterprises succeed in digital and intelligent transformation. The platform has been certified by the authoritative Cloud Native Computing Foundation ("CNCF"), and has passed the adaptation certification of many mainstream information and innovation manufacturers in China, and has been tempered by financial-grade production scenarios, which is a high-performance and scalable enterprise-level container cloud platform.

Hybrid Cloud Platform

Hybrid Cloud Platform is a cloud-native, one-stop Infrastructure as a Service ("IaaS") resource management platform. The platform not only has advanced functions such as unified resource management, one cloud with multiple cores, heterogeneous compatibility, and hybrid cloud governance, but also strives to become a cloud-native cloud base in the new era, surpassing open source standards. Hybrid Cloud Platform hopes to help enterprises in the field of supply chain finance build a stable, reliable, and secure cloud infrastructure, and provide solid support for the digital and intelligent transformation of the industry.

8.1.4 Big Data

Big data technology refers to a complete set of "data + business + demand" solutions, which involves business analysis, data analysis, data mining, machine learning, artificial intelligence and other fields. The core of big data technology is to extract value from large and diverse data through a new generation of technologies and architectures. Technical means include tools, technologies and methods for big data storage, processing, analysis, collection, security, etc. This technology can predict the risk index for the group's service solutions through algorithmic rules and models, thereby enhancing risk management capabilities and providing deeper transaction insights and greater transparency to anchor enterprises and financial institutions.

Beebird Big Data Platform

Combining the open source technologies of more than 20 mainstream communities in the industry, Beebird provides an enterprise-level secure, low-cost, highly reliable, and scalable cloud-based fully managed pan-Hadoop big data architecture, which can create exclusive pan-Hadoop clusters within minutes, support automatic deployment of cluster components, online configuration, component upgrades, support resource elastic scaling, multi-tenant isolation, data security protection, rich monitoring charts and fault alarm mechanisms, visual operation and maintenance capabilities, support data quality, data security, metadata management, data visualization and other data governance services, and provide customers with "out-of-the-box" services. The platform can meet the needs of enterprise petabyte-level data storage and computing, provide real-time and offline computing services, data integration services, data development services, machine learning services, and support different development languages to reach the top level in the industry in terms of security, reliability, scalability, computing power, and management capabilities.

In 2022, Beebird has passed two special evaluations, namely the "Special Evaluation of Distributed Batch Processing Capabilities" and the "Special Evaluation of Distributed Stream Processing Capabilities" of the China Academy of Information and Communications Technology, and has been determined by the industry authorities in terms of operation and maintenance management capabilities, multi-tenant capabilities, high availability capabilities, security capabilities, scalability capabilities, ease of use capabilities, and compatibility capabilities of data processing.

SME Credit Tech Solution

SME Credit Tech Solution is a digital and intelligent open platform focusing on the field of supply chain finance. The platform provides multi-dimensional data services such as invoices, flows, industry and commerce, justice, and network search, and combines rule computing, risk control strategies, and joint modeling to form a one-stop risk control solution. The platform gathers multi-dimensional data and information, builds a real business portrait of enterprise customers, and supports the flexible configuration of business indicators and risk control rules. In addition, SME Credit Tech Solution also uses big data analysis engine and machine learning technology to generate portraits of various enterprise operating conditions to provide strong support for business decision-making.

Full life cycle risk control services

Throughout the whole process before, during and after the loan, it helps enterprises accurately identify risks and flexibly adjust risk control strategies

Customized integrated solutions

Combined with customer needs, we provide customized services, support SaaS, API, localization deployment, etc., and provide sustainable update and alternative services

Multi-scenario combination

It can provide a variety of scenario combination analysis such as supply chain finance scenarios, small and micro finance scenarios, and supply chain risk management scenarios

8.2 Digital Transformation

Due to the lack of data credibility and information transparency, the inefficiency of the traditional supply chain finance model, and the tedious paperwork and manual processing of the supply chain finance process limits the large-scale development of the industry and is prone to fraud and operational risks. Therefore, the supply chain finance industry is gradually undergoing a comprehensive digital transformation. Linklogis is committed to providing leading digital solutions to anchor enterprises and financial institutions to meet their ever-changing business and technology needs, as well as providing excellent user experience for SMEs.

The Development of Treasury System

The development of the treasury system is becoming a key path for large enterprises to deepen reform and move towards world-class enterprises. In this change, supply chain finance plays an indispensable role, which not only enriches the connotation of the treasury management system, but also provides more comprehensive financial services for enterprises.

Compared with traditional treasury management, modern treasury management focuses on optimizing the operation management and efficient allocation of financial resources through digital technology. In respond to the needs of large enterprises and financial institutions for modern treasury deployment and management, Linklogis has established and launched a smart industry and finance treasury solution. Through the integration of multiple core modules such as decision management center, data analysis center, product trading center and technology interaction center, combined with advanced technologies such as AI, blockchain, big data and cloud computing, the solution effectively breaks the information silos and application system barriers in treasury management, realizes the data exchange of business-treasury-finance within the enterprise, and carries out the linkage and integration of internal and external data and transactions with external ecological partners such as banks and regulators, so as to realize the integration of industry and finance of the enterprise.

The smart industry and finance treasury solution helps large enterprise groups to improve and optimize in multiple dimensions such as capital operation, risk early warning, data penetration, and investment and financing management. This not only improves the efficiency of the company's capital utilization, but also reduces the operational risk, and provides a strong guarantee for the company's steady development and continuous innovation.

8.3 Patent and Intellectual Property Protection

The Group recognizes the importance of intellectual property (IP) and places it as a key element in driving business development and encouraging innovation and invention. In order to improve the level of management, protection and utilization of intellectual property rights, we have formulated and implemented the "Linklogis Intellectual Property Protection Management System". This system clarifies the Group's confidentiality system and elaborates on the rights and obligations of the intellectual property rights. In addition, the system also regulates the management of intellectual property rights in all key links such as declaration, use, transfer and authorization, so as to ensure that our intellectual property rights are effectively protected and rationally utilized, and maintain a competitive advantage in the market.

In order to ensure the smooth implementation of the system, our legal and compliance department has specially appointed an intellectual property administrator, who will regularly sort out the Group's various intellectual property rights to ensure timely declaration and updating. At the same time, we require all employees of the Group to sign the "Confidentiality Agreement" and "Intellectual Property Transfer Agreement", which not only protect the intellectual property security of the Group, but also safeguard the legitimate rights and interests of employees.

In addition to the above measures, the Group has the following patent incentives to encourage technological innovation and protect intellectual property rights:

Systematic management

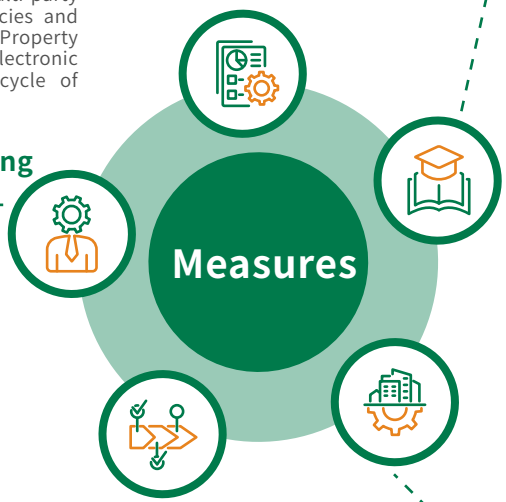
The introduction of intellectual property management system realizes the multi-party collaboration of enterprises, agencies and the China National Intellectual Property Administration, and realizes the electronic management of the whole life cycle of intellectual property

High-value patent training

improve the quality of patents through a variety of ways, improve the standards of patent proposals, conduct technical and legal evaluation and analysis of proposals, give priority to high-quality proposals for patent applications, and optimize the layout strategy of claims to cultivate high-value patents.

Rapid Authorization

By fully leveraging expedited authorization channels, such as pre-examination and priority review processes, we have accelerated the granting speed of core patents. This approach has enabled us to achieve the authorization of invention patents in as few as 74 days.



Professional training

We have held many professional trainings on intellectual property rights to comprehensively improve the awareness and ability of employees to protect intellectual property rights. The training covers intellectual property laws and regulations, patent application procedures, infringement case analysis, etc., to help employees fully understand the importance and practical operation of intellectual property protection. This kind of professional training not only helps to improve the professional level and work efficiency of employees, but also cultivates the team's sense of innovation and teamwork ability, and provides a strong guarantee for the Group's scientific and technological innovation.

Cultural construction

The Group has established a sound incentive mechanism to protect scientific and technological innovation and encourage invention and creation, and regularly issue patent bonuses to encourage technological innovation. At the same time, intellectual property training and counseling are provided to technical personnel from time to time to promote the transformation of innovation achievements. From time to time, relevant knowledge competitions will be held for all employees to promote patent knowledge.

As of the end of 2023, the number of intellectual property applications of Linklogis is shown in the figure:

Applications for patent	Obtained Authorization	Copyright Registration
551 items	139 items	213 items

Appendix

9.1 Laws and Regulations

The Group ensures that its business operations comply with all applicable ESG laws and regulations as follows:

Level	Applicable Laws and Regulations	Corresponding chapters
A1 Emissions	Environmental Protection Law of the PRC Law of the PRC on the Prevention and Control of Atmospheric Pollution Water Pollution Prevention and Control Law of the PRC Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste	5.5.1 Reduce greenhouse gases and energy conservation 5.5.3 Waste management
A2 Resource Usage	Energy Conservation Law of the PRC Water Law of the PRC	5.5.2 Conservation of natural resources
A3 Environment and Natural Resources	Environmental Protection Law of the PRC	5.5.2 Conservation of natural resources

Level	Applicable Laws and Regulations	Corresponding chapters
B1 Employment	Labor Law of the PRC Labor Contract Law of the PRC Employment Promotion Law of the PRC Social Insurance Law of the PRC Interim Provisions on Labor Dispatch Labor Dispute Mediation and Arbitration Law of the PRC Law of the PRC on the Protection of Women's Rights and Interests Law of the PRC on the Protection of Disabled Persons Measures for Public Holidays for National Annual Festivals and Memorial Days Employment Ordinance of Hong Kong Employees' Compensation Ordinance of Hong Kong Disability Discrimination Ordinance of Hong Kong Sex Discrimination Ordinance of Hong Kong Race Discrimination Ordinance of Hong Kong	6.1 Employees
B2 Health & Safety	Fire Protection Law of the PRC Law of the PRC on the Prevention and Control of Occupational Diseases Production Safety Law of the PRC Workplace Occupational Health Management Regulations Regulation on Work-Related Injury Insurance Occupational Safety and Health Ordinance of Hong Kong Fire Safety (Commercial Premises) Ordinance of Hong Kong	6.1.5 Employee safety and health
B4 Labor Standards	Labor Law of the PRC Provisions on the Prohibition of Using Child Labor of the PRC Law of the PRC on the Protection of Minors Employment of Children Regulations of Hong Kong	6.1.3 Employment Compliance

Level	Applicable Laws and Regulations	Corresponding chapters
B6 Product Responsibility	Advertising Law of the PRC Patent Law of the PRC Copyright Law of the PRC Trademark Law of the PRC Regulations of the PRC on Safety Protection of Computer Information Systems Cybersecurity Law of the PRC Personal Information Protection Law of the PRC Data Security Law of the PRC Personal Data (Privacy) Ordinance	7.5 Perfect information security and risk management system 6.3 Supply Chain
B7 Anti-corruption	Criminal Law of the PRC Anti-Unfair Competition Law of the PRC Anti-money Laundering Law of the PRC Company Law of the PRC The Bidding Law of the PRC Interim Provisions on Banning Commercial Bribery Competition Ordinance of Hong Kong Prevention of Bribery Ordinance of Hong Kong Foreign Corrupt Practices Act of the U.S.	7.4 Business ethics

9.2 Summary of ESG Data Performance

Environmental	Unit	2023	2022
A1 emissions			
Greenhouse gas[6]			
Total greenhouse gas emissions	tCO_2e	342	332
Scope 1: Direct emissions[7]	tCO_2e	6	3
Scope 2: Indirect energy emissions[8]	tCO_2e	313	306
Scope 3: Other indirect emissions[9]	tCO_2e	24	23
Greenhouse gas emissions per capita	tCO_2e/person	0.37	0.34
Greenhouse gas emissions per floor area	tCO_2e/sqm	0.041	0.040
Greenhouse gas emissions intensity (per million revenue)	tCO2e/Millions of revenue and income	0.39	0.36
Air Pollution[10]			
Sulfur oxides	kg	0.034	0.011[6]
Nitrogen oxides	kg	2.18	0.74[6]
Particulate matter	kg	0.16	0.05[6]
Wastewater			
Wastewater discharge	m^3	437.3	372
Wastewater discharge per capita	m^3 per person	0.48	0.38
Waste[12]			
Non-hazardous waste	ton	31.07	59
Non-hazardous waste generated per capita	tons/person	0.03	0.06
Recycled non-hazardous waste[13]	ton	0.3	/
Hazardous waste	ton	0.32[14]	0.05
Hazardous waste generation per capita	kg/person	0.35	0.05
Recycled hazardous waste	ton	0.24	/

Environmental	Unit	2023	2022
A2 Resource Usage			
Petrol	MWh	21	6
Electricity	MWh	549	537
Total energy consumption	MWh	570	543
Energy consumption per capita	MWh/person	0.62	0.55
Water resources	m^3	3,174	2,700
Water consumption per capita	m^3 per person	3.74	2.75
Packaging materials consumption			
Packaging materials consumption per capita			

[1] Description of the calculation method of greenhouse gas emissions:

The calculation methodology and emission factors of greenhouse gas emissions are based on the HKEX's "How to Prepare ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" and the "Notice on the Management of Greenhouse Gas Emissions Reporting for Power Generation Enterprises in 2023-2025" issued by the Ministry of Ecology and Environment of the PRC in 2022.

[2] Direct carbon emissions (Scope 1) generated by company-owned vehicles

[3] Indirect carbon emissions (Scope 2) are generated by purchased electricity

[4] Other indirect emissions (Scope 3) arise from waste paper disposed of in landfills and treated water and sewage

[5] Air pollution will be calculated with reference to the factors and calculation methods of HKEX's "How to Prepare ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs"

[6] The air pollution value in 2022 have been updated with reference to the method in HKEX's "How to Prepare ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs"

[7] Description of the calculation method of non-hazardous waste and hazardous waste:

Non-hazardous waste includes household waste, paper, etc. Domestic waste only includes the data in the Shenzhen office , and the Wuhan office has no data available as the property does not collect waste statistics. Hazardous waste includes waste printer cartridges, lamps, etc.

[8] Non-hazardous waste recycled this reporting year includes wastepaper.

[9] Since a large amount of discarded computer parts were generated during the office relocation this reporting year, hazardous waste has increased. Most of the discarded computer parts have been sent to relevant third parties for recycling.

Social	Unit	2023	2022
B1 Employment **B1.1 Total number of employees by gender, type of employment (e.g. full-time or part-time), age group and geographical region**			
Total number of employees	person	914	981
Geographical Distribution			
China's mainland	person	901	967
Hong Kong, China	person	8	9
Singapore	person	5	5
Age Distribution			
18-25	person	71	107
26-35	person	662	726
36-45	person	156	119
46-55	person	20	24
≥ 56	person	5	5
Gender Distribution			
Male	person	524	556
Female	person	390	425
Position Level Distribution[15]			
Senior management	person	13	15
Middle management	person	45	44
Junior management	person	85	66
General employee	person	771	856
Management Gender Distribution			
Male	person	100	81
Female	person	43	44

[10] Position level distribution:
According to the "Position Ranking Management System of Linklogis", the Group is divided into professional sequence (P), technical sequence (T) and management sequence (M) 1-3 are designed for junior managers, 4-6 for intermediate managers, and 7-9 for senior managers. This report is based on the management system.

Social	Unit	2023	2022
Distribution of Employment Types			
Full-time	person	912	980
Part-time	person	2	1
Ethnic Distribution			
Han	person	882	942
Other ethnic minorities[16]	person	29	39
Foreigners	person	3	3
Other Type			
Employees on maternity leave	person	31	28
Employees returning to work after maternity leave	person	22	18
B1.2 Employee turnover rate by gender, age group and region			
Total employee turnover rate[17]	%	20.46	13.17
Geographical Distribution			
China's mainland	%	20.20	13.14
Hong Kong, China	%	37.50	10.53
Singapore	%	40.00	28.57
Age Distribution			
18-25	%	25.35	9.76
26-35	%	21.45	14.01
36-45	%	12.18	10.89
46-55	%	30.00	15.38
≥56	%	40.00	18.18
Gender Distribution			
Male	%	18.70	14.76
Female	%	22.82	11.01
Position Level Distribution			
Senior management	%	15.38	6.67
Middle management	%	6.67	2.56
Junior management	%	8.24	1.53
General employee	%	22.70	14.72

11 Other ethnic minorities include Buyi, Daur, Dong, Hui, Manchu, Tujia, Yao and Zhuang
12 Due to the impact of the general environment after the pandemic, the turnover rate has shown signs of increasing slightly.

Social	Unit	2023	2022
B2 Health & Safety			
Occupational Safety and Health Performance			
Number of work-related accidents	number of accidents	0	0
Number of work-related injuries	person	0	0
Lost days due to work-related injury	day	0	0
Number of work-related fatalities	person	0	0
B3 Development & Training			
The total number of employees trained	person-time	15,475	7,358
Gender distribution			
Male	person-time	8,872	4,216
Female	person-time	6,603	3,142
Position Level Distribution			
Senior management	person-time	220	169
Middle management	person-time	762	633
Junior management	person-time	1,439	110
General employee	person-time	13,054	6,446
Total training hours of employees	hour	16,775	18,192
Gender Distribution			
Male	hour	9,550	10,188
Female	hour	7,225	8,004
Position Level Distribution			
Senior management	hour	225	451
Middle management	hour	1,127	904
Junior management	hour	2,312	3,092
General employee	hour	13,111	13,746

Social	Unit	2023	2022
Average training hours of employees	hour/person	18.4	18.5
Gender Distribution			
Male	hour/person	18.2	18.3
Female	hour/person	18.5	18.8
Position Level Distribution			
Senior management	hour/person	17.3	30.0
Middle management	hour/person	25.0	20.5
Junior management	hour/person	27.2	46.8
General employee	hour/person	18.4	16.1
Percentage of employees trained	%	100	100.0
Gender Distribution			
Male	%	100	100.0
Female	%	100	100.0
Position Level Distribution			
Senior management	%	100	100.0
Middle management	%	100	100.0
Junior management	%	100	100.0
General employee	%	100	100.0
B5 Supply Chain Management			
Total number of suppliers	unit	703	646
Geographical Distribution			
China's mainland	unit	639	576
Hong Kong, China	unit	42	47
Europe and North America	unit	10	9
Other regions	unit	12	14
B8 Community Investment			
Resources contributed to the focus area			
Donation	RMB	5,500	5,500
Volunteer work	hour	8	8

9.3 HKEX ESG Reporting Guidelines

Indicators	Requirements of the HKEX ESG Reporting Guidelines	Section/Remarks
Governance Structure		
General Disclosure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	2.5 Board of Director's Statement
Reporting Principles		
General Disclosure	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. Reporting Boundary	2.1 Reporting Guidelines and Principles
Reporting Boundary		
General Disclosure	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	2.2 Reporting Scope

Indicators	Requirements of the HKEX ESG Reporting Guidelines	Section/Remarks
A. Environmental		
Aspect 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.	5.5 Comprehensive Environmental Management System to Create a Green Office Space
Key Performance Indicator A1.1	Types of emissions and related emission data.	9.2 Summary of ESG Data Performance
Key Performance Indicator A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9.2 Summary of ESG Data Performance
Key Performance Indicator A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9.2 Summary of ESG Data Performance
Key Performance Indicator A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9.2 Summary of ESG Data Performance
Key Performance Indicator A1.5	Describe the emissions targets set and the steps taken to achieve them.	5.5.1 Reducing Greenhouse Gases and Energy Conservation
Key Performance Indicator A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.5.3 Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	5.5 Comprehensive Environmental Management System to Create a Green Office Space
Key Performance Indicator 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).	9.2 Summary of ESG Data Performance
Key Performance Indicator A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	9.2 Summary of ESG Data Performance
Key Performance Indicator A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.5.1 Reducing Greenhouse Gases and Energy Conservation
Key Performance Indicator 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.	5.5.2 Conservation of Natural Resources
Key Performance Indicator A2.5	Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced.	9.2 Summary of ESG Data Performance

Indicators	Requirements of the HKEX ESG Reporting Guidelines	Section/Remarks
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	5.5. Comprehensive Environmental Management System to Create a Green Office Space
Key Performance Indicator A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.5. Comprehensive Environmental Management System to Create a Green Office Space
Aspect 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.	5.2 Responding to Climate Change and Aligning with International Guidelines
Key Performance Indicator 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.	5.2 Responding to Climate Change and Aligning with International Guidelines
B. Social		
Aspect 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.	6.1.1 Diversity & Inclusion 6.1.2 Human Resources Development 6.1.4 Employee Care
Key Performance Indicator B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	9.2 Summary of ESG Data Performance
Key Performance Indicator B1.2	Employee turnover rate by gender, age group and geographical region.	9.2 Summary of ESG Data Performance
Aspect 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.	6.1.5 Employee Safety and Health
Key Performance Indicator B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	9.2 Summary of ESG Data Performance
Key Performance Indicator B2.2	Lost days due to work injury.	9.2 Summary of ESG Data Performance
Key Performance Indicator B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.1.5 Employee Safety and Health

Indicators	Requirements of the HKEX ESG Reporting Guidelines	Section/Remarks
Aspect B3: Development and Training		
General Disclosure	Policy on enhancing employees' knowledge and skills in performing their job duties. Describe the training activities.	6.1.2 Human Resources Development
Key Performance Indicator B3.1	Percentage of employees trained by gender and type of employee (e.g. senior management, middle management).	9.2 Summary of ESG Data Performance
Key Performance Indicator B3.2	Average number of hours of training completed per employee, broken down by sex and type of employee.	9.2 Summary of ESG Data Performance
Aspect B4: Labor Standards		
General Disclosure	For the prevention of child or forced labour: (a) policy; (b) Information on compliance with relevant laws and regulations that have a material impact on the issuer.	6.1.3 Employment Compliance
Key Performance Indicator B4.1	Describe measures to review recruitment practices to avoid child labour and forced labour.	6.1.3 Employment Compliance
Key Performance Indicator B4.2	Describe the steps taken to eliminate a violation if it is discovered.	6.1.3 Employment Compliance
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.3 Supply Chain Management
Key Performance Indicator B5.1	Number of suppliers by geographical region.	9.2 Summary of ESG Data Performance
Key Performance Indicator 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.	6.3 Supply Chain Management
Key Performance Indicator B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.3 Supply Chain Management
Key Performance Indicator B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.3.2 Responsible Sourcing

Indicators	Requirements of the HKEX ESG Reporting Guidelines	Section/Remarks
Aspect 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	7.5 Perfect Information Security and Risk Management System 6.2 Customers
Key Performance Indicator B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's products and services do not involve safety and health issues.
Key Performance Indicator B6.2	Number of products and service-related complaints received and how they are dealt with.	6.2.3 Customer Complaint Handling
Key Performance Indicator B6.3	Description of practices relating to observing and protecting intellectual property rights.	8.3 Patent and Intellectual Property Protection
Key Performance Indicator B6.4	Description of quality assurance process and recall procedures	7.5.3 Product Quality Management
Key Performance Indicator B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	7.5.1 Information Security and Risk Management Framework
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	7.4 Business Ethics
Key Performance Indicator B7.1	The number of corruption lawsuits instituted and concluded against issuers or their employees during the reporting period and the outcome of the proceedings.	7.4.1 Anti-corruption and Fraud
Key Performance Indicator B7.2	A description of the preventive measures and reporting procedures, as well as the relevant enforcement and monitoring methods.	7.4.4 Whistleblowing Mechanism
Key Performance Indicator B7.3	Describe the anti-corruption training provided to directors and staff.	7.4.3 Business Ethics and Anti-corruption Training
Aspect 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.	6.4 Social Responsibility
Key Performance Indicator B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.4.4 Public Welfare Activities and Contribution to the Society
Key Performance Indicator B8.2	Resources contributed (e.g. money or time) to the focus area.	9.2 Summary of ESG Data Performance

Linklogis Inc.