SenseTime Group Inc.
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BUILDING AN INTELLIGENT FUTURE WITH AI

Sustainability Report 2023

CONTENTS

About This Report

Welcome to the 2023 Sustainability Report issued by SenseTime Group Inc. and its subsidiaries and Consolidated Affiliated Entities (hereinafter referred to as the "Group", "SenseTime", or "We") for all stakeholders, which discloses our sustainability-related initiatives and achievements in 2023. This Report focuses on our performance and effectiveness in integrating corporate environmental and social responsibility into corporate management and operations in 2023, contributing to balanced economic, social and environmental development, and enhancing the integrated value of the enterprise and stakeholders.

Reporting Scope

This Report covers the main business of the Group and the period from January 1, 2023, to December 31, 2023 (the "Reporting Period"), with some content dating back to previous years or extending to future years.

References

This Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (ESG Guide) set out in Appendix C2 to the Listing Rules issued by the Stock Exchange of Hong Kong Limited, the *Global Reporting Initiative (GRI)'s Sustainability Reporting Standards* (GRI Standards) and United Nations Sustainable Development Goals (UN SDGs).

Reporting Principles

"Materiality" : This Report has incorporated the stakeholder communication and materiality assessment as the basis for determining material ESG issues.

"Quantitative" : This Report uses quantitative information to present key performance indicators ("KPIs") in environmental and social aspects, with explanations to illustrate their purposes and impacts.

"Balance" : This Report adheres to the principle of balance and provides an unbiased picture of our ESG performance.

"Consistency" : If not otherwise specified, this Report adopts methodologies for information disclosure and data statistics consistent with those used in the 2021 ESG Report to ensure comparability.

Board Statement

The Board and all Directors of the Group undertake that there are no false records, misleading statements or material omissions in this Report and make the following statements on the ESG supervision and management of the Board:

The Board is the ultimate responsible body for the Group's ESG management and oversees the Group's ESG issues. SenseTime has established the Group's ESG governance structure, reviewed the implementation of ESG goals, and established an ESG risk management and internal control system. Please refer to the "ESG Governance Structure" section in this Report for details of the governance structure. The Board has reviewed the Group's assessment, priority and management of ESG issues. Please refer to the sections "Communication with Stakeholders" and "Materiality Assessment" for details.

Report Language

This Report is published in three languages: Simplified Chinese, Traditional Chinese and English. In case of any ambiguity in the interpretation of the Report among different languages, the Simplified Chinese version shall prevail.

Contact Information

If you have any questions or suggestions regarding the contents of this report, please feel free to contact us through the following channels:

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Message From the Chairman of the Group

Large models and Generative AI(Gen AI) have become one of the most high-profile technological breakthroughs in the world. In the past year, based on the a new AI infrastructure "SenseCore" and profound technical heritage, the Group unveiled the "SenseNova" large model, and kept the model capability stable at the forefront of the industry with continuous technological upgrading.

SenseTime believes that the continuous breakthrough of Generative AI will bring leapfrog development to social productivity. We use public clouds, private clouds, model as a service and other diversified models to help all industries of life improve quality and efficiency; unveiled Generative AI product series "SenseChat", "SenseMirage", "SenseAvatar", "SenseSpace" and "SenseThings" to open productivity innovation for creators; created office assistance software "Raccoon" to achieve software development, management, and office intelligence.

At the same time, as a leading artificial intelligence enterprise, SenseTime implements the concept of sustainable development in all aspects of business operations, and strives to create long-term value for all stakeholders with its own sustainable practices.

In terms of the environmental aspect, SenseTime helps carbon-intensive enterprises such as energy, industry and transportation achieve green and low-carbon transition through AI technology, and promotes the development of clean technology industries such as lithium batteries and smart cars, and works with all industries to jointly cope with climate change. At the same time, we continue to advance the strategic goals of "planning to achieve carbon peak emissions by 2025, striving to achieve operational carbon neutrality by 2030, and achieving net zero emissions by 2050", actively build a green Artificial Intelligence Data Center (AIDC), and continue to optimize Power Usage Effectiveness(PUE) through energy efficiency improvement, liquid cooling technology application and other initiatives. During the Reporting Period, SenseTime Lingang AIDC successfully controlled the annual PUE within 1.3, achieving an energy efficiency performance that exceeded the industry average.

In terms of social aspect, SenseTime continues to strengthen the management of product responsibility, sustainable supply chain and other aspects to provide reliable AI products for the society. We have built a secure and trusted "protection network" for large model governance from the three levels of data, model and content, and launched SenseTrust, a generative artificial intelligence governance infrastructure, to promote the development and training of large models in the industry and the reliability and trustworthiness of application governance. SenseTime also attaches great importance to the content security of AIGC, and continues to improve the content security management of AIGC from the aspects of management structure, system construction, technical control and other aspects, and guards the clean and healthy content environment with multiple audits. In addition, we continued to deepen the construction of sustainable supply chains, sorted out the performance appraisal rules of different categories of suppliers during the Reporting Period, and included environmental, human rights, labor rights, data privacy and other issues, contributing to the sustainable development of the industry ecology.

For employees, SenseTime is committed to creating a diverse, equal and inclusive workplace environment and growing together with employees. During the Reporting Period, SenseTime established the "SWAN Growth Plan", a mutual assistance organization for female leadership, to accelerate the growth of SenseTime's female employees, and link talent promotion and training to improve the innovative talent training model. Facing the society, we use AI technology to improve the efficiency of medical services and patient experience, promote the effective use of medical resources, and constantly iterate the intelligent auxiliary care system for ALS patients, using their own experience and advantages in the field of science and technology to contribute to the people's livelihood.

In terms of governance aspect, in January 2024, SenseTime established the Sustainability Committee, which is responsible for identifying and monitoring ESG-related risks and opportunities that have a significant impact on the company's business, and guiding the effective implementation of the company's ESG work. At the same time, we actively promote and improve the management of business ethics and information security, uphold a "zero tolerance" attitude towards fraud, bribery, conflict of interest and other violations of business ethics, and adhere to the highest standards of information security and data privacy regulations, continue to expand the types and coverage of relevant certifications, and enhance the ability to protect information security and privacy.

Looking forward to the future, SenseTime will deepen the implementation of the Artificial General Intelligence(AGI) strategy of "large model + large device", and work with all stakeholders to respond to the changes of the times with responsible AI innovation, and write answers to the questionnaire of sustainable development for mankind.

Xu Li

Co-founder of SenseTime

Chairman and CEO

About SenseTime

SenseTime is an artificial intelligence software company founded in October 2014. We always adhere to the mission of "to create a better AI-empowered future through innovation", and committed to advancing state of art in AI research, developing scalable and affordable AI software platforms that benefit businesses, people and society as a whole, while attracting and nurturing top talents to shape the future together.

Mission

To create a better AI-empowered future through innovation.

Vission

To advance the interconnerction of the physical and digital worlds with artificial intelligence, driving sustainable productivity growth and seamless interactive experiences.

SenseTime' s business covers three major areas, namely Generative AI, Smart Auto and Traditional AI. We invest in technology research for a long time, constantly enhance the industry leading, multimodel, multitasking generalized artificial intelligence capabilities, and promote industry technology upgrading and social progress. SenseTime has deep academic accumulation and innovation capabilities. We have created a variety of products covering key technology fields such as perceptual intelligence, natural language processing, decision intelligence, AI-enabled content generation, and have key capabilities including AI chips, AI sensors, and AI computing power infrastructure.

In addition, SenseTime is proactively building a new artificial intelligence infrastructure, SenseTime "SenseCore AI infrastructure", to connect the computing power, algorithms and platforms, and on this basis to establish SenseTime "SenseNova" large model and research and development system, so as to unlock the ability if general AI tasks at a low cost, and to promote high-efficiency, low-cost, and scaled-up AI innovations and landings, and then to open up the closed-loop of commercial value, solve the problem of long- tailed applications, and lead the development of AI into the stage of industri-alized development.

SenseTime is actively involved in the development of industry, national and international standards on data security, privacy protection, AI ethics and sustainable AI, and has worked closely with a number of domestic and multilateral institutions on the sustainable and ethical development of AI.

Key Milestones

Adhering to the needs of social development as the driving force, SenseTime continues to deepen the field of AI, committed to technological innovation and constantly expand the scope of business. Through unremitting efforts, we have gradually grown into a leading artificial intelligence enterprise, providing advanced technology support to society.

2015
- We started R&D on our deep learning training framework, SenseParrots, which lies at the heart of SenseCore
- We won the first place in large scale video object detection in the ImageNet Large Scale Visual Recognition Challenge

2017
- We started R&D on SenseFoundry for Smart City
- We started R&D collaboration with Honda Motor Company Ltd. for autonomous driving technologies

2019
- We co-founded China Augmented Reality Core Technology Industry Alliance, of which we are the inaugural chairperson
- Elected as the leading organization for the National Facial Recognition Technology Standard Working Group, driving the development of national standards
- We started R&D on AI sensors

2021
- We became the only AI company in Asia to have our *Code of Ethics for AI Sustainable Development* selected by the United Nations as one of the key publication references in the United Nations Resource Guide on AI Strategies published in June 2021
- We built the world's largest computer vision model with over 30 billion parameters
- Successfully listed on the Main Board of the Hong Kong Stock Exchange

2014
- Our Company was incorporated
- Independently developed the DeepID series of facial recognition algorithms, breaking through the threshold for industrial applications

2016
- We launched SenseME and SenseMARS, our software platforms for Smart Life
- We started R&D on autonomous driving for Smart Auto and broke the world record in pedestrian and vehicle detection

2018
- We were designated as the National Open Innovation Platform for Next Generation AI on Intelligent Vision
- We started R&D on our specialized AI chip

2020
- We completed the tape-out of our first specialized AI chip, STPU
- We became the first AI company to receive all three ISO/IEC certifications for Privacy Information Management System, Information Security Management and Personally Identifiable Information Protection

2022
- We ranked 1st in terms of strategic capabilities in IDC MarketScape: China Urban Intelligent Computing Platform Vendor Assessment Report
- We unveiled a new-generation AI quality inspection solution to empower the upgrade of the manufacturing industry
- Officially launched the SenseTime Intelligent Computing Center (Shanghai Lingang AIDC)
- Launched SenseTime's first home consumer AI product: SenseRobot AI chess-playing robot

2023 Milestones

2023 January
- SenseTime joined HKSAR delegation's visit to Saudi Arabia, signed contracts with local leading companies, and facilitated the successful organization of Riyadh Season with AI technologies
- SenseTime's AI technology contributes to the continued success of the Riyadh Season in Saudi Arabia

2023 February
- SenseAuto served as the deputy leader of the Research Team of the National Biometric Identification Standard for Vehicle Application

2023 March
- SenseTime utilized AI technologies for educational development programs in various cities such as Xining and Nanchong
- SenseTime released the multimodal and multi-task general model "INTERN 2.5", one of the largest and most accurate open-source AI model in the world

2023 April
- SenseTime launched "SenseNova" foundation model sets to fuel industrial innovation

2023 May
- SenseTime unveiled the cloud-based intelligent remote sensing platform "SenseEarth 3.0", introducing a groundbreaking Data-as-a-Service model
- SenseTime co-launched the generally capable AI agent - Ghost in the Minecraft

2023 June
- SenseTime co-launched the large language model (LLM) with over 100 billion parameters - "InternLM"
- SenseTime won the Conference on Computer Vision and Pattern Recognition 2023 Best Paper Award for groundbreaking perception-design integrated autonomous driving foundation model
- SenseTime launched "SenseRobot Go", an AI-powered board game robot

2023 July
- SenseTime unveiled the "SenseTrust" AI governance platform for reliable advancement of generative AI
- SenseTime and Shanghai AI Lab among collaborators to launch the "INTERN" foundation model sets
- SenseTime upgraded the "SenseNova" foundation model sets, revolutionizing industries with rapid iteration

2023 August
- SenseTime made the large language model "SenseChat" available to the public

2023 September
- SenseAuto debuted in Europe at IAA Mobility 2023 held in Munich, embarking on a new journey towards internationalization
- SenseTime's AI image generation "SenseMirage" was available to the public for registration

2023 October
- SenseTime released the upgraded LLM "SenseChat-Medical", officially offering services to the healthcare industry

2023 December
- SenseTime's intelligent programming assistant "Office Raccoon" started overall open beta testing
- SenseTime launched the Japanese version of "SenseRobot Go" to gain a share in the AI consumer market in Japan

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SenseTime continues to devote itself to the research of original technology, and strives to promote technology landing and industry progress while maintaining its own industry leadership. By the end of the Reporting Period, we have actively initiated or joined more than 90 industry alliances, associations, societies and standards organizations, working with all parties to jointly lead the development trend of the industry.

Industry Alliance
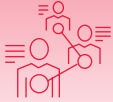
· Artificial Intelligence Industry Technology Innovation Strategic Alliance
· China OSS Promotion Union
· China Augmented Reality Core Technology Industry Alliance
· Virtual Reality and Metaverse Industry Alliance, China Academy of Information and Communications
· Metaverse Standards Forum
· ......

Standardization Organization

· Institute of Electrical and Electronics Engineers (IEEE) AR Standards Working Group
· Metaverse Working Committee of China Electronics Standardization Association
· National Information Technology Standardization Technical Committee International Electrotechnical Commission (IEC) Bio-Digital Fusion System Evaluation Team
· ......

SenseTime's Sustainability Performance

Since the establishment of SenseTime, we have been committed to using AI technology to create a happy life for human beings and integrate the concept of sustainable development into every level of corporate operations. During the Reporting Period, we not only promoted sustainable development practices within the Group, but also committed to promoting sustainable progress in society as a whole, and gained recognition from all sectors of society.

Key Performance in 2023 at a Glance

Environment

The Goals
Planning to achieve carbon peak emissions by 2025 , striving to achieve operational carbon neutrality by 2030 , and achieving net zero emissions by 2050

The Initiatives
By optimizing the data center cooling control strategy and continuously improving energy efficiency, Shanghai Lingang AIDC successfully controlled the annual PUE within 1.3, achieving energy efficiency performance beyond the industry average
The Group has adopted a series of management measures to effectively regulate the operation of building equipment and avoid unnecessary energy waste. During the Reporting Period, the annual electricity consumption of Xinzhou Tower decreased by 16.48% year-on-year

Social

Fostering Employee Growth Together
The percentage of trained employees reached 99%
By the end of the Reporting Period, 221 SenseTime instructors from 16 different departments had developed 209 courses and provided training for more than 20,000 employees, with an average teaching time of over 2.5 hours per person
At the same time, 278 new courses were added to SenseTime's digital learning platform, which was used more than 110 thousand times throughout the year
Won 15 talent employer related awards and honors

Expansion of Innovation Boundaries
Released the large-scale model system " SenseNova " and the Generative AI product series: " SenseChat ", " SenseMirage " and " SenseAvatar "
The number of SenseTime large infrastructure operating Graphics Processing Unit (GPU) chip cards reached 45,000 cards, which can output 12exa FLOPS of power

Giving Back to Social Benefit
During the Reporting Period, we spent 109 days in charitable and public welfare activities, and donated RMB 0.9 million in donations or equivalent goods

Governance

Co-creating AI Ethical Governance
By the end of the Reporting Period, SenseTime had participated in the formulation of 33 AI ethics-related standards

Bearing Information Security
SenseTime has obtained ISO 27001 Information Security Management System certification, ISO 29151 Personal Identity Information Protection Management System certification, ISO 27701 Privacy Information Management System certification and BS 10012 Personal Information Management System certification in 2022
During the Reporting Period, SenseAuto was awarded the first domestic ISO/SAE 21434 Road vehicles - Cybersecurity engineering certification and the Trusted Information Security Assessment TISAX AL3 certification

Response to UN SDGs

Title of sections	UN SDGs	Response to UN SDGs
Topic: A Smart Future Built on Innovation	**3** GOOD HEALTH AND WELL-BEING **7** AFFORDABLE AND CLEAN ENERGY **9** INDUSTRY, INNOVATION AND INFRASTRUCTURE **11** SUSTAINABLE CITIES AND COMMUNITIES **13** CLIMATE ACTION **17** PARTNERSHIPS FOR THE GOALS	Continue to promote the landing of AI in all industries and daily life, and help shape a smart future of sustainable and high-quality development.
Responsible Governance to Ensure Trusted AI	**12** RESPONSIBLE CONSUMPTION AND PRODUCTION **16** PEACE, JUSTICE AND STRONG INSTITUTIONS **17** PARTNERSHIPS FOR THE GOALS	Build trust with responsible governance, create artificial intelligence products that are "sustainability, human-centric approach and controllable technology", and promote the credible development of the AI industry.
Expansion of Innovation Boundaries	**4** QUALITY EDUCATION **9** INDUSTRY, INNOVATION AND INFRASTRUCTURE **11** SUSTAINABLE CITIES AND COMMUNITIES **12** RESPONSIBLE CONSUMPTION AND PRODUCTION **17** PARTNERSHIPS FOR THE GOALS	With the mission of "to create a better AI-empowered future through innovation", we continue to lead the frontier research of artificial intelligence and create credible products, and promote the credible development of the AI industry.
People-Oriented to Empower Employee Growth	**3** GOOD HEALTH AND WELL-BEING **5** GENDER EQUALITY **10** REDUCED INEQUALITIES	Create an equal, inclusive and diverse workplace, and continuously improve the welfare system, incentive and training mechanism, so that employees can achieve personal and professional development goals within the company.
Inclusive Technology for Social Benefit	**1** NO POVERTY **3** GOOD HEALTH AND WELL-BEING **10** REDUCED INEQUALITIES	Continue to pay attention to the fields of public welfare education, care for vulnerable groups and community, and practice the original intention of technology inclusion.
Low-Carbon Development for a Green Home	**12** RESPONSIBLE CONSUMPTION AND PRODUCTION **13** CLIMATE ACTION	Adhere to the concept of green development, support the low-carbon transition of society with concrete actions, and jointly build a green and low-carbon future.

Sustainable Development Merits

Stockstar - ESG New Benchmark Enterprise Award 2023

China Business Journal-2023 "Csr Competitiveness" Responsibility Typical Case Selection

National Business Daily - Qingxin 2023 Digital Intelligence Practice Pioneer Project

Shanghai Federation Of Economic Organizations, Shanghai Federation Of Industrial Economics - Digital Development Enterprises

The 4th Brand Innovation Development Conference- Hero Award -2023 Social Contribution Model Enterprise

The 4th Brand Innovation Development Conference- Hero Award -2023 ESG Practice Model

Zero Carbon Research Institute Of The Beijing News -2023 Outstand-ing Case - Green Park

Datayuan, Shanghai Big Data Alliance -2023 China Data Intelligence Industry The Most Socially Responsible Enterprise

National Business Daily - The Most Socially Responsible Listed Company

The 2nd International Green Zero Carbon Festival -2023 Green Sustainable Development Contribution Award

Capital Week - Crystal Ball Award - Most Socially Responsible (ESG) Listed Company of the Year

Internet Association of Shanghai -2023 Social Responsibility and Social Welfare Outstanding Case Award

Zhitongcaijing, Hithink RoyalFlush Information Network Co., Ltd - Best ESG Innovation Award

Mobile Video - Social Responsibility Award 2023

Huxiu -2023 Sustainable Brand Model Award

Beijing Business Today - Corporate Social Responsibility Development Forum - Ronghua Award

TOPIC
A Smart Future
Built on Innovation

01 Upgrading "SenseNova" to Revolutionize Industries with Rapid Iteration

02 AI Empowering to Lead the New Quality Productive Forces

03 AI Empowering to Upgrade Driving Experience

04 AI Empowering to Enable Industrial Innovation

05 AI Empowering to Build Smart Life

06 AI Empowering to Create Smart Cities

Under new waves of intelligent technologies, the development and application of AI technologies are transforming all industries of life and influencing everyone's daily life. AI technologies for graphic design, industrial production, medical services, daily travel and so on are enlarging their influence, which have greatly raised economic and social productivity and laid a foundation for the sustainable development of humanity.

Keeping in mind the mission of "to create a better AI-empowered future through innovation", SenseTime implements the strategy of AGI through the combination of "foundation models + large-scale computing" systems, aiming to create adaptive and inclusive AI products with responsible AI technologies and innovations. During the Reporting Period, SenseTime made active efforts in advancing the R&D and application of cutting-edge technologies such as large models, and strengthening the innovation in the four major sectors of Smart Life, Smart City, Smart Business, and Smart Auto. Also, the Group facilitated the digital and intelligent transformation in agriculture, transportation, healthcare, electricity, automotive and other industries, pushing human society to develop more intelligently, efficiently and sustainably.

3 GOOD HEALTH AND WELL-BEING | 7 AFFORDABLE AND CLEAN ENERGY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION | 17 PARTNERSHIPS FOR THE GOALS

Upgrading "SenseNova" to Revolutionize Industries with Rapid Iteration

The advent of the "Large Model Era" has changed the research paradigm for AI technologies and opened up more possibilities for AGI development. SenseTime is looking forward to building a new AI infrastructure "SenseCore" to perforate computing power, algorithm and platform. On this basis, the Group develops the "SenseNova" foundation model set and R&D system, paving a new path for long-term innovation in basic scientific research and large-scale application of Generative AI. Empowered by evolving and efficient technologies and application scenarios, SenseTime is bent on embracing changes in the AGI Era and building a smart future with innovation.

"SenseNova" Foundation Model Set

Based on our leading AI Infrastructure "SenseCore", we have created the foundation model set and named it "SenseNova", implying "constant renewal, daily renewal, and further renewal". We hope to continuously update the models' iteration speed and their problem-solving capabilities, thereby unlocking more possibilities for AGI.

Case: SenseTime Officially Launches SenseNova 4.0

In February 2024, SenseTime launched "SenseNova 4.0", a multi-dimensional upgrade of the foundation model sets. After upgrading, "SenseNova 4.0" demonstrates more comprehensive knowledge coverage with greater capabilities in reasoning, long-text comprehension, numerical reasoning and code generation, and can support multi-modal interactions.

Moreover, the language modeling capability of "SenseNova 4.0" has been hugely enhanced. Building upon SenseNova, the latest LLM general version "SenseChat V4" has demonstrated significant enhancement in knowledge understanding, reading comprehension, integrated reasoning, mathematical computing, code programming and long-text comprehension. While the comprehensive performance is on a par with GPT-4[GPT-4, developed by OpenAI, a US company, is a large multimodal model that can accept image and text inputs and emit text outputs.], this model even outperforms GPT-4 in reasoning and code programming. For instance, SenseChat V4 achieves a one-time pass rate of 75.6% (74.4% for GPT-4) on the authoritative HumanEval benchmark.

Note:

1.GPT-4, developed by OpenAI, a US company, is a large multimodal model that can accept image and text inputs and emit text outputs.

Meanwhile, SenseNova has brought many breakthroughs to SenseTime's business. SenseTime provides industry partners with a wide range of large Model-as-a-Service (MaaS), including automated data annotation, customized model training, model incremental training, model inference deployment, and development efficiency enhancement. Moreover, leveraging "SenseNova's" ability for the rapid iteration in underlying technologies, we actively fuel industrial upgrading. By combining the multi-modal capabilities of large models, we are making numerous breakthroughs in our four major sectors of Smart Business, Smart Life, Smart City, and Smart Auto.

SenseCore AI Infrastructure Supporting Intelligent Development

In the era of large language models, SenseTime is forward-looking to building a new efficient, low-cost and scalable AI infrastructure to grasp the development opportunities brought by research paradigm innovations. SenseTime builds the industry-leading infrastructure for the AGI Era - "SenseCore AI Infrastructure". The number of large devices operating GPU chip cards reached 45,000 cards, which can output 12 exaFLOPS of computing power. The port AIDC is one of the largest intelligent computing platforms in Asia, capable of delivering 8.1 exaFLOPS of computing power. Supported by infrastructure's capabilities, SenseTime has trained foundation models in computer vision, natural language processing, AI content generation, multimodality, decision intelligence and other fields, and continuously evolved its models' capabilities to support various applications.

SenseCore - General AI Infrastructure

2,500 pre-trained models

100,000+ Github stars

With the sustained development of SenseTime's business and AI technologies, we continue to build and optimize the AIDC as an integral physical carrier of "SenseCore" at the computing infrastructure layer. After being put into operation, AIDC will serve as an innovation foundation for SenseTime AI Infrastructure to drive AI productivity with higher efficiency and lower cost by virtue of ultra-large-scale elastic arithmetic, low computing cost, high security, low network delay and other leading advantages.

AI Empowering to Lead the New Quality Productive Forces

The large model of artificial intelligence has ignited a new round of technological revolution, bringing a powerful impetus to boost productivity and creativity. Relying on the construction of the "SenseNova" large-scale model system, SenseTime continued to explore the application of AI in various innovation scenarios, and pubulished the Generative AI product series during the Reporting Period: "SenseChat", "SenseMirage", "SenseAvatar", "SenseSpace" and "SenseThings" respectively correspond to the five mainstream Generative AI applications of natural language interaction, AI Vincencene diagram, digital people, 3D large scene reconstruction, and 3D small object generation. In addition, we have also built a large model native data analysis product "Office Raccoon" and a large language model intelligent programming assistant "Code Raccoon" to promote productivity with the innovation of production tools.

"商量商量，都能解决"
商汤自研中文语言大模型应用平台

Case: Generative AI Solutions Empowered by SenseChat

SenseChat is one of the earliest LLM-empowered chatbot products with hundreds of billions of parameters in China. Based on "SenseCore" and "SenseNova", "SenseChat" is trained on massive amounts of data, which enables it to fully comprehend Chinese context so that it can better understand and process Chinese texts and excel in understanding multi-round conversations and ultra-long texts. SenseTime has also deployed several hundreds of servers and thousands of GPUs to support computational needs. Coupled with algorithms and manual verification, the raw corpus data can be classified and cleaned to ensure the quality, security and value of the data and the output content.

By the end of the Reporting Period, SenseChat had established in-depth cooperation with more than 500 customers in various vertical industries engaged in finance, healthcare, automotive, real estate, energy, media, and industrial manufacturing. By providing application programming interfaces (APIs) and services, this system can help customers realize Generative AI functionality with fewer professional barriers, lower costs, and higher efficiency.

SenseChat Reconstructs Human-Vehicle Interactions

SenseMirage

The text-to-image creation platform showcases powerful image capabilities with realistic lighting, rich details and varied styles. Relying on the continuous upgrading of the large model, the number of parameters of "SenseMirage" has been raised to the order of 10 billion, which can reach the level of movie-grade poster generation.

SenseAvatar

The natural language processing model with hundreds of billions of parameters is trained on massive amounts of data to make it better understand and process Chinese texts with adequate consideration of the context.

Case: SenseAvatar creates a virtual digital instructor "Xiaolu Teacher" to start the innovation of educational products

For educational institutions, teachers are the biggest core asset and the biggest cost. Therefore, after several months of joint research and development, the eoffcn and SenseTime launched the first artificial intelligence course – "AI System Class" during the Reporting Period, and released the virtual digital instructor "Xiaolu Teacher" to teach.

Based on SenseTime's "SenseAvatar" digital person and "SenseChat" language model technology, we use AI technology to analyze the teaching process of excellent teachers, specifically training virtual digital people to simulate their teaching methods and styles, and restore the real teaching scene through digital means. So that virtual digital people can provide students with high-quality learning courses. During the teaching process, virtual digital lecturer Xiaolu can rely on the professional content knowledge base, analyze students' learning data, realize teaching interaction with students, provide real-time feedback and suggestions to help them better understand and master knowledge, and improve learning efficiency.


Virtual digital Instructor "Xiaolu Teacher"

Case: SenseTime "Raccoon" promotes the process of the new quality productive forces

The new quality productive forces are the concrete embodiment of the modernization of productivity. Compared with traditional productivity, it has a higher technical level, better quality, higher efficiency, and more sustainability. Relying on the blessing of AI's large model, SenseTime has created "new production tools" that workers can easily use – "Office Raccoons" and "Code Raccoons", which fully help accelerate the development of new quality productivity.

Among them, SenseTime "Office Raccoon" is a large model native data analysis product, that can automatically transform data into valuable analysis and visualization results through the user's natural language input, and is widely used in financial analysis, procurement management, business analysis, project management and other application scenarios. SenseTime "Code Raccoon" is a big language model intelligent programming assistant, which can meet various needs of users such as software requirement analysis, architecture design, code writing, programming learning, etc., and better help developers improve programming efficiency in multiple application scenarios such as software development, code writing, software testing, and programming education.

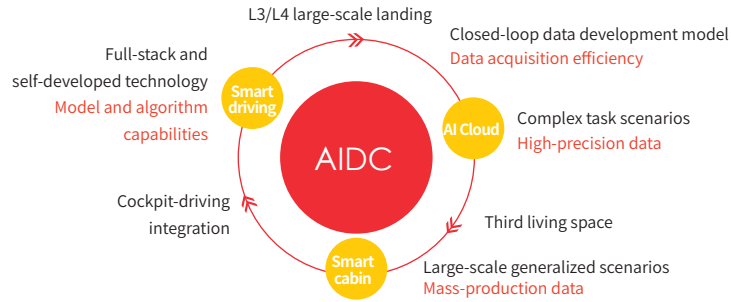Data analysis tool "Office Raccoon"
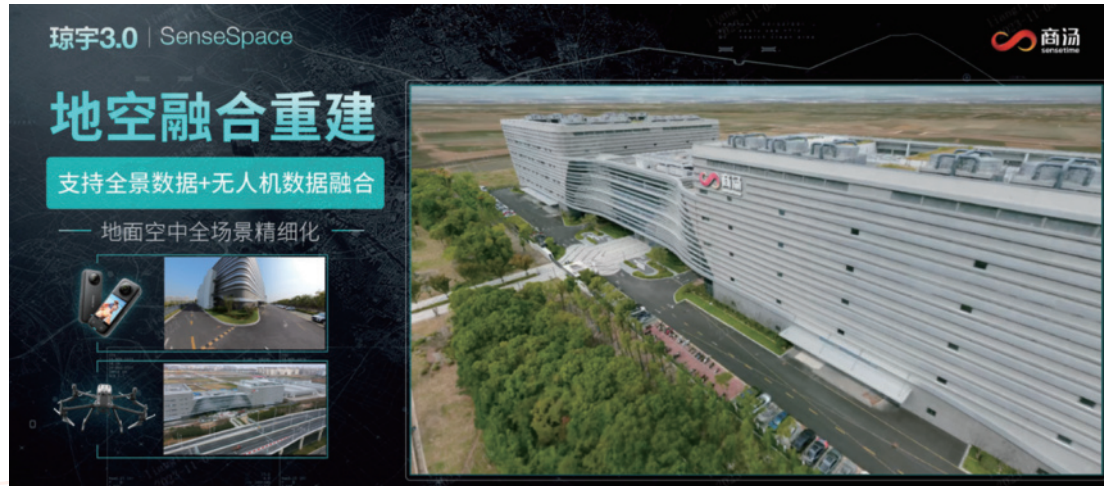
SenseSpace and SenseThings

The two 3D content-generation platforms can generate large-scale 3D scenarios and refined objects with higher efficiency and lower cost, providing new possibilities for meta-universe and mixed-reality applications.

AI Empowering to Upgrade Driving Experience

Under the wave of science and technology, intelligence has become the driving engine for change and innovation in the automotive industry. We create a trinity of intelligent driving, intelligent cockpit and AI cloud product system to provide full-stack intelligent driving solutions for the automotive industry, completing the end-to-end automatic driving solution from perception to decision-making integration. This has made the driving experience more comfortable and reassuring. By the end of the Reporting Period, SenseAuto has cumulatively delivered 1.95 million smart cars, covering more than 90 models. In addition, we added more than 16 million new smart car points during the Reporting Period, from 41 new models.

L3/L4 large-scale landing

Closed-loop data development model
Data acquisition efficiency

Full-stack and self-developed technology
Model and algorithm capabilities

Smart driving

AI Cloud

AIDC

Complex task scenarios
High-precision data

Cockpit-driving integration

Third living space

Smart cabin

Large-scale generalized scenarios
Mass-production data

Case: SenseAuto Creates a High-Speed Intelligent Driving Solution

With the support of Bird's Eye View(BEV) perception and other innovative technologies, high-level intelligent driving technology is ushering in the golden opportunity for mass production. With industry-leading BEV target perception algorithms, BEV lane line perception algorithms and NN-Fusion, SenseTime can bring end-users better high-speed pilot-assisted driving experience. For example, SenseAuto intelligent driving products can accurately identify targets such as small cars, non-motor vehicles and pedestrians in front of them and then alert the driver when driving on urban streets on rainy days. When facing different car models. SenseAuto can still maintain a high inspection and recognition rate to achieve excellent perception and identification ability in different scenarios.

In addition, UniAD, the industry's first integrated end-to-end autonomous driving solution for perception and decision-making, has achieved a 20% increase in multi-target tracking accuracy, a 30% increase in lane line prediction accuracy, a 38% decrease in motion displacement prediction errors, and a 28% decrease in planning errors. This solution has further improved the industry competitiveness of SenseTime's autonomous driving products.

Case: SenseAuto Smart Cockpit Creates Safe and Pleasant Driving Experience

With vehicles becoming increasingly intelligent, the smart car is more than just a mobility tool, but also a movable third living space for people. SenseTime released six new features at the Shanghai International Automotive Industry Exhibition, including Lipspeaking, Sentinel Mode, Intelligent Rescue, Air Touch, (Augmented Reality)AR Karaoke, and Smart Screen Saver, in order to create an extremely "intelligent" cockpit experience.

"Sentinel Mode" Provides Intelligent Security Alerts for Different Scenarios

Intelligent Alert for Fatigued Driving under the "Drowsiness Relief" Mode

Child Care Throughout the Whole Ride

Case: AI Technology Helps Build a Digital F1 Team

Nowadays, AI technology is playing an increasingly significant role in F1 races.[2] Alfa Romeo F1® Team (hereinafter referred to as Alfa Romeo) has entered into a technology partnership with SenseTime, which means that SenseTime needs to customize AI racing solutions for Alfa Romeo to help improve the team's performance. Using real-time racing data, SenseTime will customize AI racing solutions for the team to improve the performance of racing cars, vehicle maintenance, garage and headquarters operations, optimize the team's decision-making and racing strategy, and enhance the team's core competitiveness.

SenseTime Helps Alfa Romeo Build AI Racing Cars

Note:

2. "F1 races" refers to the FIA Formula 1 World Championship.

AI Empowering to Enable Industrial Innovation

As science and technology are gaining momentum, AI has gradually become a crucial driver to industrial upgrading in the era of digital economy. With precise image recognition and effective image analysis by AI large models, SenseTime comprehensively supports the digital transformation of enterprises in agriculture, electricity, communications, manufacturing, transportation, financial services and other fields, so as to promote the sustainable development of social productivity.

Case: AI Remote Sensing Technology Empowers Agriculture to Guarantee Food Security

Food security is a major issue for social sustainability. We are committed to exploring and practicing the multi-scenario application of AI technologies in agricultural production, so as to pioneer in upgrading the agricultural industry in the AI era.

SenseTime continues to deepen the agricultural application of AI technologies and reached a strategic partnership with Beidahuang Group's Information Company during the Reporting Period. The two sides will jointly develop monitoring models based on intelligent remote sensing and meteorologic technologies. Based on AI image recognition technology, the models can determine the scope of crop pests and diseases and then take effective preventive measures, so as to ensure harvest and advance agricultural development with science and technology.

Meanwhile, relying on SenseTime's original AI deep learning framework, SenseTime's AI remote sensing model "SenseEarth" can accurately carry out land-level cultivated land identification, cultivated land change monitoring, staple grain crop growth monitoring, staple grain crop distribution monitoring, etc. Provide targeted business data services for a variety of scenarios such as high-standard farmland supervision, non-agricultural and non-grain supervision, and food production safety analysis and early warning. At the same time, combined with SenseTime "SenseChat" large language model and smart agriculture digital, it provides more scientific and comprehensive guidance training and agricultural technology intelligent questions and answers for "new farmers" food planting. Through these services, agricultural producers and managers can carry out planting and production management more scientifically and efficiently, so as to strengthen digital and intelligent means, improve grain yield per unit area, reduce production costs, achieve precision agriculture, and ensure food security.
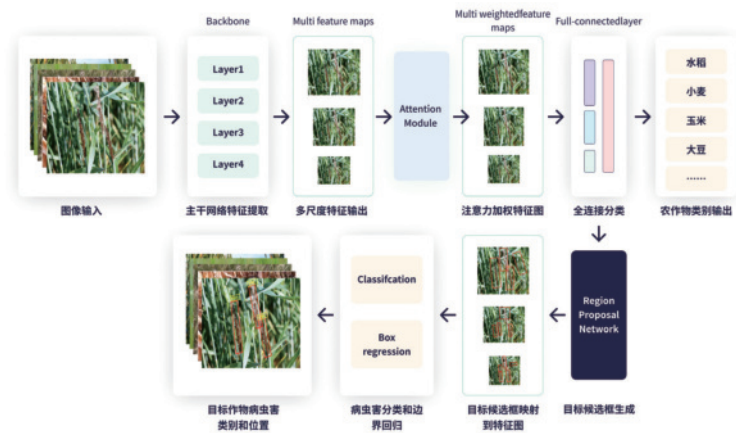

Diagram of Intelligent Technologies for Crop Pests and Diseases Detection

AI Remote Sensing Large model "SenseEarth"

Food planting intelligent questions and answers

Case: AI remote sensing model helps agricultural finance become intelligent

Agricultural finance is crucial to agricultural development. It provides financial support, reduces risks, promotes modernization, increases farmers' income, and promotes the diversified development of the rural economy, which is an important guarantee for the sustainable development of agriculture.

CPIC (China Pacific Insurance (Group) Co Ltd) will apply SenseTime's AI remote sensing model "SenseEarth" to the pre-loan verification, loan supervision, underwriting claims, and other aspects of agricultural finance business, realizing fully automated matching analysis of the national regional insured area and remote sensing identification area, and fully automated verification of disaster degree and loss area, overhauling the traditional remote sensing technology that requires a large number of manual participation. Effectively improve the authenticity, timeliness and objectivity of underwriting data and claims data. Compared with the past, the collection time of underwriting data and claim loss data has been shortened to 1/4 of the original, and agricultural finance companies can reduce the cost of investment by half, and the insured can get the claim payment after the insurance from the original several weeks to three days, helping them recover their losses as soon as possible, and better maintain their livelihood and agricultural operations.

SenseTime's AI remote sensing model "SenseEarth" has directly and indirectly served more than 200,000 agricultural subjects (farmers and large growers) in the agricultural finance business, helping the rapid development of "agriculture, rural areas and farmers" economy and ensuring the sustainability of agricultural production.

Insured lot verification

Covered crop audit

Case: SenseTime Helps Build Shanghai's Main Position in AI Application to Promote the High-Quality Development of the Digital Economy

On November 28, 2023, SenseTime signed a strategic cooperation framework agreement with the Shanghai Branch of China Unicom to deeply implement the national strategic plan of developing new-generation artificial intelligence. By leveraging respective strengths, the two sides provide high-efficiency, low-cost algorithmic and computing services for the industry to form a closed loop from big-model innovation to application.

SenseTime, together with the Shanghai Branch of China Unicom, will accelerate the construction of world-class AI industry clusters, establish a universal AI innovation ecosystem, and prepare for the development of AI industry in the large model era. The two companies will work together to help Shanghai build a main position of AI application and promote the high-quality development of the digital economy with all-around, multi-disciplinary integration and cooperation.

Signing Ceremony of Strategic Cooperation between SenseTime and the Shanghai Branch of China Unicom

Case: AI technology enables the construction of new power systems

The power sector is a key opportunity for global carbon reduction, but the intermittency of new energy power also poses certain challenges for the power system. In order to achieve a high proportion of new energy supply consumption and the achievement of China's "double carbon" goal, SenseTime actively helps to build a safe and efficient, clean and low-carbon, flexible and smart integrated new power system.

SenseTime continues to invest in the application of digital and smart power grid scenarios, lowering the development and application threshold of large model technology, and aims to help the power industry achieve intelligent upgrading and green development in multiple dimensions. During the Reporting Period, SenseTime signed a strategic cooperation agreement with China Southern Power Grid. The two sides will cooperate in many aspects such as multi-modal large model, linguistic large model and visual large model, explore the optimization of large model technology for new power systems, and carry out applications in the fields of scene scheduling and operation decision-making, source load forecasting, and power data intelligent processing, so as to promote the low-carbon transition and intelligent upgrading of the power industry.

AI technology enables the construction of new power systems

Case: SenseTime Facilitates the Digital Transformation of Lithium Battery Quality Inspection with AI Technologies

During the Reporting Period, SenseTime presented multi-functional software and hardware solutions to lithium quality inspection at Vision China 2023 to contribute to the digital transformation in the lithium battery industry.

The production processes and structure of lithium battery production are so complicated that traditional manual inspection is inefficient. Supported by the strong computing power of SenseCore and the powerful learning capability of "Intern General Large Model System", SenseTime has achieved industrial vision intelligent algorithm development for a small number of samples. With the help of various defect inspection systems for different scenarios and processes throughout the lithium battery production line, the Group improves the quality and efficiency of lithium battery production.

SenseTime's AI Vision Technology Driving Lithium Battery Quality Inspection to Achieve Quality and Efficiency Leap Forward

Case: SenseTime's Intelligent System for High-Speed Railway Catenary Inspection

Beijing-Shanghai High-Speed Railway is a major traffic artery connecting the north and south of China. Besides, the safe operation of this railway looms large given the huge passenger volume. Backed by its leading AI technologies, SenseTime developed the 4C (catenary defect detection device) intelligent analysis system, which would reduce the heavy human labor by replacing manual inspection with images captured by the 4C catenary inspection vehicle. In addition, following the introduction of intelligent analysis, SenseTime's AI algorithms can analyze large-scale, massive image data of over 25 million pixels, which greatly enhances the efficiency of manual review and reduces the reliance of 4C detection on experience accumulation. Meanwhile, AI technology can predict and effectively prevent component failures as data accumulate. By the end of the Reporting Period, the system had analyzed more than 3,000 routes totaling approximately 170,000 kilometers, with the ability to inspect 150 safety matters.
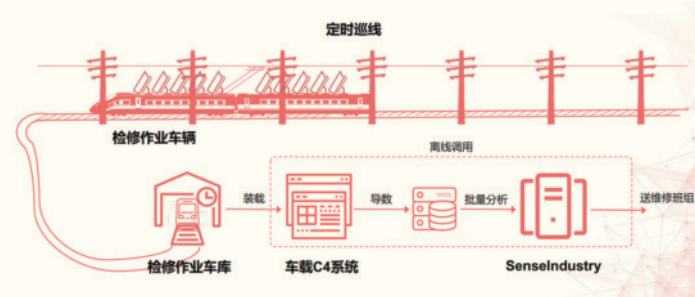

SenseTime's 4C Intelligent Analysis System

Case: SenseTime's Low-Carbon Operation Technology Stack System - AIDO

Smart traffic is a key technological approach to carbon reduction in the transportation industry. By improving access efficiency and saving energy, the smart transportation system can help realize carbon reduction across the entire society.

After years of in-depth exploration, SenseTime has independently developed a low-carbon operation technology stack system - AIDO. By offering a green one-stop AI product suite to the low-carbon operation of the transportation industry with software innovations, we hope to push the industry towards low-carbon and high-efficiency operation. As for the equipment of the AIDO system, SenseTime advocates the use of existing equipment and server resources by intelligently utilizing cameras and signal machines, so as to save computing power and lower energy consumption in transportation operations.
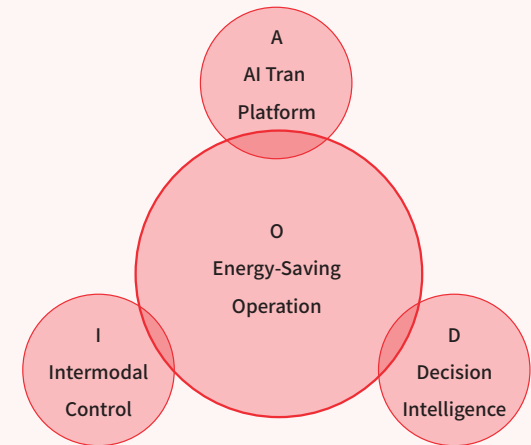
AIDO System Independently Developed by SenseTime with the Goal of Energy-Saving Operation

On December 16, 2023, the Bank of Shanghai officially launched two AI staff "Hai Xiaozhi" and "Hai Xiaohui" on multiple channels like the mobile banking APP and offline flagship outlets. Supported by SenseTime's large-scale model, these AI staff will provide customers with more attentive services.

Digital transformation in the financial sector can assist financial institutions in improving service efficiency with otherwise limited manpower. Furthermore, the digital transformation of the bank has made some elderly people feel the "digital gap". As an important application of the "SenseAvatar" AI digital human in the financial sector, "Hai Xiaozhi" and "Hai Xiaohui" possess appearances that are comparable to real persons. They can also communicate like human rather than in a search mode, thereby lowering the barriers for older people who are unaccustomed to using complicated APPs. The two digital employees provide a better and more exclusive interaction experience to elderly customers with warmer companions and communication.

AI Staff Provide Personal Financial Services to Customers

AI Empowering to Build Smart Life

Artificial Intelligence is gradually penetrating into our daily lives. By virtue of industry-leading technologies, SenseTime brings novel lifestyles to people in various fields such as healthcare, home, large-scale events, and cultural communication, so that the innovative AI experience can be integrated into daily life and usher in a better future for humanity.

Empowering Healthcare

Adhering to the "patient-centric, quality first" mission, SenseTime's smart health platform is designed to create intelligent transformation solutions for healthcare organizations and provide patients with premium medical services. During the Reporting Period, SenseTime fully upgraded the integrated solution of "SenseCare®" supported by large models. This upgrade revolved around five scenarios of SenseCare Cloud, SenseCare Medical, SenseCare PatientAssist, SenseCare Management, and SenseCare Research, aiming to improve the efficiency of healthcare services, patients' experience and medical resource utilization.

SenseCare Cloud

- A full-stack multi-modal integrated service platform of intelligent imaging.
- The platform provides a variety of solutions like medical image data interconnection, mobile image reading, 5G+ remote consultation, AI intelligent diagnosis and treatment, image research and teaching and patient cloud-based image health records.
- The platform helps regional medical alliances or multi-campus hospitals to build an integrated healthcare cloud platform that is open, intelligent, secure and convenient.

SenseCare Medical

- The platform has been equipped with over 20 AI-assisted diagnostic applications for clinical treatment in ten-odd fields, including lung, coronary artery, head and neck vessels, liver, orthopedics, pathology, and radiotherapy.
- Intelligent surgery planning systems of SenseCare® Liver, SenseCare® Lung CT and SenseCare® Pathology Intelligent Clinical Solutions and other competitive products are employed in daily diagnosis and treatment by many national leading Grade A tertiary hospitals.

SenseCare PatientAssist

- Based on the underlying capabilities of the medical and healthcare big language model SenseChat-Medical, it realizes multi-scenario functions such as intelligent diagnosis guidance, intelligent pre-questioning, and intelligent follow-up and medication management, which helps the outpatient process to be intelligentized in the whole process.
- In-hospital AR navigation service can effectively shorten patients' stay in the hospital and improve the medical experience.

SenseCare Management

- SenseCare's operation management system is built to support all-round scenarios by thoroughly applying computer vision technology.

SenseCare Research

- Driven by AI LLM and big data, the platform provides one-stop full-process intelligent research management for medical institutions to accelerate the application of scientific achievements.

In order to strengthen the underlying capacity building of the integrated solution "SenseCare®", SenseTime actively explores the development and application of medical large-scale models. SenseTime has worked with industry partners to develop a series of multimodal medical base model groups covering a variety of medical data modes such as computed tomography (CT), magnetic resonance imaging (MRI), ultrasound, endoscopy, pathology, medical text, and bioinformatics data.

In terms of medical vision base model, SenseTime has developed a number of basic models for different medical image data modes based on the learning of common features of massive images. These models can achieve small data, weak labeling, and efficient training in more downstream tasks, breaking through the bottleneck of small data samples and high labeling difficulty in medical long-tail problems, and providing great help for AI diagnosis and treatment to cover a wider range of disease types. Based on the above basic model, SenseCare® smart diagnosis and treatment platform built by SenseTime can provide one-stop intelligent image analysis covering multiple parts and organs of the whole body for medical institutions.

In the field of medical language large model, based on massive medical knowledge and clinical data, SenseTime has built a Chinese medical and health language large model "SenseChat-Medical", which has powerful multi-round dialogue and context understanding ability, as well as rich tool invocation ability, and can realize professional medical Q&A and complex medical task reasoning. It can also conduct intelligent interpretation and interactive question and answer of multi-modal medical documents, and has covered 10+ subdivided medical and health scenarios such as intelligent self-diagnosis, medication consultation, post-diagnosis follow-up management, intelligent medical records, and image report structure. In The 2023 Professional pharmacist exam large model evaluation released by The Chinese University of Hong Kong (Shenzhen) and Shenzhen Big Data Research Institute, the comprehensive ability score of "SenseChat-Medical" ranks second, and the overall performance is close to GPT-4. In addition, GPT-4 is surpassed in two subdivisions. In addition, "SenseChat-Medical" integrated solution provides personalized functions for users, such as customizing prompt engineering, accessing long-term memory (LTM), searching medical knowledge bases and making summaries. It helps create customized healthcare large models for upstream and downstream institutions of the industry chain according to their actual needs, so as to promote the digital and intelligent transformation of the industry in an all-round manner.

SenseChat-Medical Applied in 10+ Segmented Healthcare
Scenarios Across Four Medical Fields

By the end of the Reporting Period, "SenseCare®" had been applied in many top medical institutions in China, such as Ruijin Hospital of Shanghai Jiao Tong University School of Medicine, the First Affiliated Hospital of Zhengzhou University, West China Hospital of Sichuan University, Xinhua Hospital Affiliated to Shanghai Jiao Tong University School of Medicine, to provide intelligent medical services for countless patients and serve as powerful assistance tools for doctors.

Case: SenseTime helps Shanghai Jiaotong University Medical College Attach Xinhua Hospital to build a university-level intelligence patient assistant platform

SenseTime helps Shanghai Jiaotong University Medical College Attach Xinhua Hospital to build a smart medical platform covering the whole hospital and providing full service to patients. The use of large language model, digital twin, meta-universe and other technologies to achieve the entire process of intelligent outpatient procedures. At present, the platform has served more than 100,000 patients, significantly improving patient medical experience.

Based on the large medical language model of SenseChat-Medical, the platform can quickly recommend corresponding departments to patients through the intelligent consultation function, and collect patients' condition information in advance with the help of the intelligent question and answer system during the waiting period of patients to achieve high-precision pre-consultation. At the same time, based on cutting-edge digital twin and meta-universe technology, the platform launched AR navigation function to push real-time positioning, office location and other information for patients, and plan the optimal treatment path in real time. For post-diagnosis follow-up, the intelligent follow-up assistant equipped on the platform can efficiently collect patient information through intelligent voice question and answer, assess high-risk factors, guide patients to take medicine scientifically, and intelligently suggest follow-up plans to help doctors track patients efficiently.

Case: SenseTime Helps Build a Smart Imaging Cloud Platform for the Ruijin Hospital of Shanghai Jiao Tong University School of Medicine

SenseTime assisted Ruijin Hospital in building a smart imaging cloud platform, providing various functions such as medical image data interconnection, mobile image reading, 5G+ remote consultation, AI image quality control, AI intelligent diagnosis and treatment, imaging research and teaching, and patient cloud-based image health records. In doing so, the Group laid a foundation for the construction of modern smart hospitals integrating multiple functions.

In terms of precision diagnosis and treatment, taking SenseCare® Intelligent surgical planning system for liver surgery as an example, the system can assist doctors in personalized and accurate pre-operative simulation and post-operative evaluation with fast and accurate 3D reconstruction, simulation, and comparison of various surgical procedure. Therefore, the system shortens the pre-operative surgical planning time from 1-2 hours to 3-5 minutes, which has been widely recognized by doctors.

In addition, SenseTime assisted the Pathology Department of Ruijin Hospital, Shanghai Jiaotong University School of Medicine in developing a digital image reading platform and AI-assisted diagnostic algorithms, so as to form a full-stack intelligent pathology workflow. These efforts shorten the time of generating pathology diagnostic reports from 3-5 days to 2 days, which greatly trims the workload of doctors in the department and optimizes patients' experience of medical services. Relevant results have been included in China's first *White Paper Being a Digitalization and AI-Driven Pathology Deparment 2023*. It provides valuable experience for the digital and intelligent transformation and upgrading of hospital pathology departments in China.
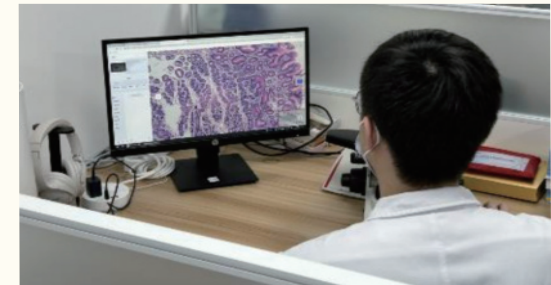
Enhancing the Image Reading Efficiency of Pathologists with the Digital
Image Reading Platform and AI-Assisted Diagnostic Algorithms

Creating a Digital Space

SenseTime is committed to connecting the real world with the digital one with artificial intelligence. By applying AI and AR technologies to multiple scenarios like large-scale events and traditional cultural communication, we expect to bring an engaging, vivid and inclusive interaction to society.

Case: AI Empowers Smart Asian Games to Create a Virtual-Reality Event Experience

The Asian Games is a platform for cultural exchanges and integration more than an international sports event. As the official exclusive provider of intelligent visual services for the Hangzhou Asian Games, SenseTime provided a multi-scenario virtual-reality experience throughout the Asian Games and Asian Para Games based on the large-scale model systems of "SenseCore" and "SenseNova". Additionally, supported by the leading Neuron Radiation Field (NeRF) technology of "SenseSpace", SenseTime built a digital space for an immersive experience of the Asian Games atmosphere, allowing the public and athletes to personally experience the artificial intelligence.

Virtual Interaction with Asian Games Mascots

Spectators can interact with Asian Games mascots by scanning with their phones at designated places in the venue. In the venue, attendees may virtually navigate to their destination with just one click on their AR guide devices. At the same time, they can immerse themselves in learning the culture of Hangzhou and easily query event information with the AR glasses and intelligent screens, thus creating exclusive memories of the Hangzhou Asian Games. In addition, the large screen in the AR Intelligent Bus displays Hangzhou's historical and cultural elements with real scenes, allowing passengers to have more fun between reality and virtual.
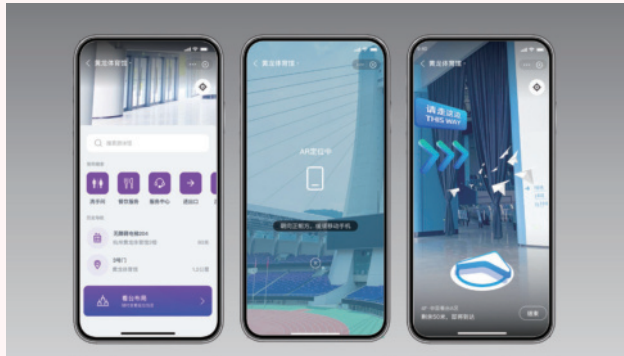
Efficient Navigation Service with AR Technology

Virtual Interaction with AR Glasses and Intelligent Screens

To achieve more accurate and sensitive AR effects, we provide high-precision digital reconstruction functions of city-level large-space scenarios for all Asian Games AR applications. Therefore, AR positioning for street scenes and locations inside and outside the venues are more detailed, thus presenting more accurate and smoother virtual-real fusion effects. Amidst the enthusiastic atmosphere of the Asian Games, AI brings people new experiences of diversified and interactive lifestyles and entertainment, and promotes the new trend of "Sports for All".

Case: "Masters in Forbidden City" - AR Technology Helps Promote Traditional Chinese Culture

The National Palace Museum and its collections are the wisdom of the ancient Chinese people. Based on the Mixed and Augmented Reality Platform - SenseMARS, SenseTime innovatively applies AI+AR technology to the restoration of national treasures. This allows the participants not only to immersively tour and enjoy the real-life digital space of the Palace's Yangxin Hall, but also to experience the highest level of ancient restoration techniques by their own hands. Under the guidance of national craftsmen, participants can "pick up" tools such as wool brushes to remove dust from the treasures, then reinforce them with such tools as slurry, gelatin, and brushes, and redraw them with leaching kits, coloring brushes and other tools to revive the treasures.

National treasure restoration scene

Case: SenseMars XR Space Embarks on a Journey to "Maritime Silk Road"

"Huangsipu", the ancient name of Dongdu Yuan in Tangqiao Town, Zhangjiagang City, Suzhou, Jiangsu Province, is an important trade center in the lower reaches of the Yangtze River. It is known as the bright pearl of the "Maritime Silk Road". SenseMars XR Space integrates AI visual recognition, AI voice explanation, AI natural gestures, AIGC and other multi-modal interaction methods to build an indoor and outdoor, multi-sensory, full-scenario immersive experience space. The platform breaks the limitations of time and space, connects millennia-long cultures with space, and bridges the time gap with digitalization to create an immersive experience of time travel between the contemporary and ancient eras.

"Huangsipu" scene reappeared

Case: "SenseRobot Go" Helps Promote Go Culture

As a highly complex board game, go can play a positive role in cultivating children's spatial imagination and logical thinking. With a powerful AI engine and mechanical arm, SenseTime cooperates with the authorities to enable users to practice and play go with robots on a real board.

"SenseRobot Go"

Multiple Industry Awards Won by "SenseRobot Go"

Popularizing SenseTime Products

Since SenseTime launched the first SenseRobot product in 2022, SenseRobot has been committed to integrating AI into life to safeguard the healthy growth of children. During the Reporting Period, the SenseRobot Go released by SenseTime, introduced AI technology to daily lifestyles, enabling millions of ordinary families to feel the inclusive value that science and technology brings to their lives.

AI Empowering to Create Smart Cities

Urban governance is highly complex, and the application of AI is a key path to promote the modernization of urban governance and improve people's well-being. SenseTime empowers leading AI perception and decision-making capabilities in city construction and management and provides customized intelligent solutions for the needs of long-tail scenarios in different cities. By doing so, we help cities achieve digital transformation and improve the quality and efficiency of urban governance.

SenseFoundry, an open platform for urban governance, is able to integrate with IT infrastructure and transform raw visual data into real-time insights, event alerts and actions for city operations through multiple in-built AI models. The platform can timely and effectively promote the transformation of urban management from human-intensive operation to human-computer interaction. By the end of the Reporting Period, SenseFoundry had been applied in a number of cities at home and abroad, including Beijing, Shanghai, Shenzhen, Dubai and Singapore. The platform has become an operating system for digital city operations to help safeguard urban security and improve governance efficiency.

Case: SenseFoundry Promotes Intelligence Management of Yiwu City

In recent years, as the population continues to accelerate, Yiwu City in Zhejiang Province is in dire need of strengthening its urban construction through intelligent and digital reforms. Based on the existing Internet of Things (IoT) perception devices, the AI analysis service provided by SenseFoundry for the urban governance of Yiwu City can support 1,200 channels of video analysis, and flexibly dispatch 42 kinds of urban governance algorithms to facilitate efficient identification and monitoring of various scenarios in urban governance. City fires, roadside businesses, random packing, overflowing garbage, passenger flow statistics detection, construction vehicle detection and motor and non-motor vehicle violations can all be effectively identified with SenseFoundry. In addition, SenseFoundry also provides integrated intelligent public platform services for relevant government agencies such as Transportation Bureau, Ecology and Environment Bureau, Fire Brigade, and Emergency Management Bureau, to realize more efficient and smarter digital urban governance, and ensure timely urban traffic safety, urban sanitation, fire safety, etc.
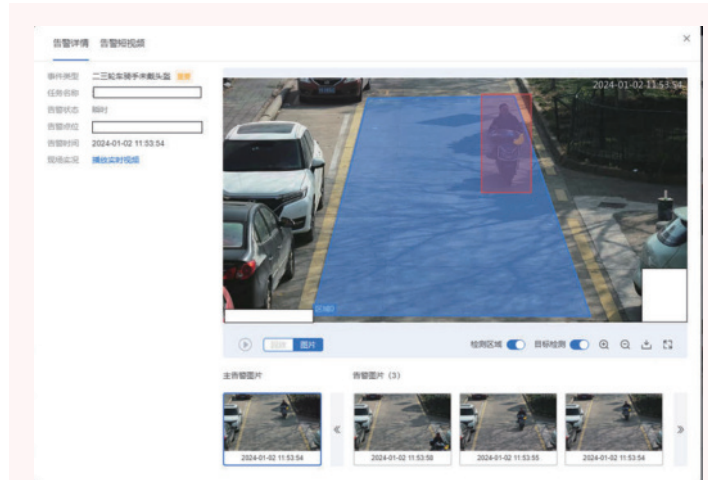
Intelligent Incident Identification by Video Analysis

Case: "SenseFoundry" Empowers Jinshan District, Shanghai, to Digitalize Urban Governance

As one of the important measures for Shanghai to promote urban digitalization, an "integrated management platform" plays a positive role in improving urban governance, but also puts forward requirements for digitalization and intelligence. SenseTime takes an active part in exploring the digital transformation of urban governance empowered by AI technology. Through SenseFoundry, we help Jinshan District build the "AI Xinyan Platform". Since the "SenseFoundry" was put into use, the platform has helped the "AI Xinyan Platform" develop 16 types of algorithms for detecting standing water, discovering muck vehicles, random parking, roadside businesses, etc., to provide warnings and reminders for risks and hidden dangers for earlier disposal. During the Reporting Period, SenseTime was selected for the "Computing Power Service Pilot Program", representing that the construction of AI large computing power infrastructure has become an important foundation for promoting the innovative development and application of smart cities.

SenseTime Helps Shanghai Jinshan District Build the "AI Xinyan Platform"

"SenseFoundry" was Selected as an Industry Benchmark of "Computing Power Service in Business Practice"

Responsible Governance to Ensure Trusted AI

01 Corporate Governance

02 ESG Governance

03 Compliant Operation and Business Ethics

04 Promoting Trusted Development of AI

05 Ensuring Information Security

Under the "large model era", the breakthroughs and applications of AI technology are evolving rapidly. Responsible governance is necessary for the AI industry to achieve sustainable development. SenseTime attaches great importance to and practices responsible governance. Based on high-standard corporate governance, we continue to optimize our governance and strategy on ESG and sustainable development issues, and practice comprehensive management and control on compliant operation, business ethics and anti-corruption, AI ethics governance, information security and privacy protection. In doing so, we are committed to promoting the sustainable development of the industry and society through responsible practices.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

1.1 Corporate Governance

Sound and effective corporate governance is the cornerstone for stable and far-reaching corporate development. The Group carries out corporate governance in compliance with the *Company Law of the People's Republic of China,* the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* and other laws, regulations and institutional requirements. The Board of Directors of the Group is responsible for the leadership and control of the Group and the direction and supervision of the Group's affairs. At the same time, to supervise the various affairs of the Group comprehensively and effectively, the Board of Directors has established four Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee. This has jointly constituted a board structure with specific duties and a clear accountability mechanism. The Board of Directors, through its sub-committees, can provide guidance to the management in formulating and implementing strategies, monitoring operational and financial performance, and ensuring that the Group has a sound risk management and internal control system, so as to achieve comprehensive top-down oversight.

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                    │ Board of Directors │
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  │Committee│  │ Committee │  │ Committee │  │    Committee     │
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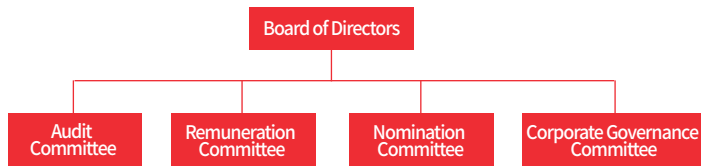
Corporate Governance Structure of SenseTime

Composition and Diversity of the Board of Directors

As the core of corporate governance structure, the Board of Directors undertakes key responsibilities such as decision-making, supervision and management, and benefit balance. All directors of the Group have extensive and valuable business experience, knowledge and professionalism, which facilitates the Board to perform its duties efficiently. In reviewing and assessing suitable candidates, we will take into account their skills, knowledge, professional experience and qualifications, industry and regional experience, cultural and educational backgrounds, age, gender and potential contributions to the Board, based on the principle of meritocracy to our business models and specific needs.

A diverse Board is important to maintain competitiveness, as well as to attract and motivate talents. SenseTime has established the *Board Diversity Policy*, which aims to maintain diversity of the Board in accordance with the Group's circumstances, following the principle of meritocracy. In addition, we attach great importance to the independent viewpoints and impartial opinions from independent directors and the Nomination Committee conducts an annual evaluation to confirm the independence of the directors. By the end of the Reporting Period, the number of the Board of Directors of the Group was seven, including one female director and three independent directors.

Transparent Communication

We are committed to enhancing the transparency through timely disclosure of the Group's information and effective communication with shareholders and investors. To this end, we have established multiple communication channels to provide shareholders and investors with true, accurate, complete and timely information mainly through financial statements, general meetings of shareholders, the website of stock exchanges, newsletters published on the Group's website as well as other publications, so as to adequately safeguard shareholders' rights and interests.
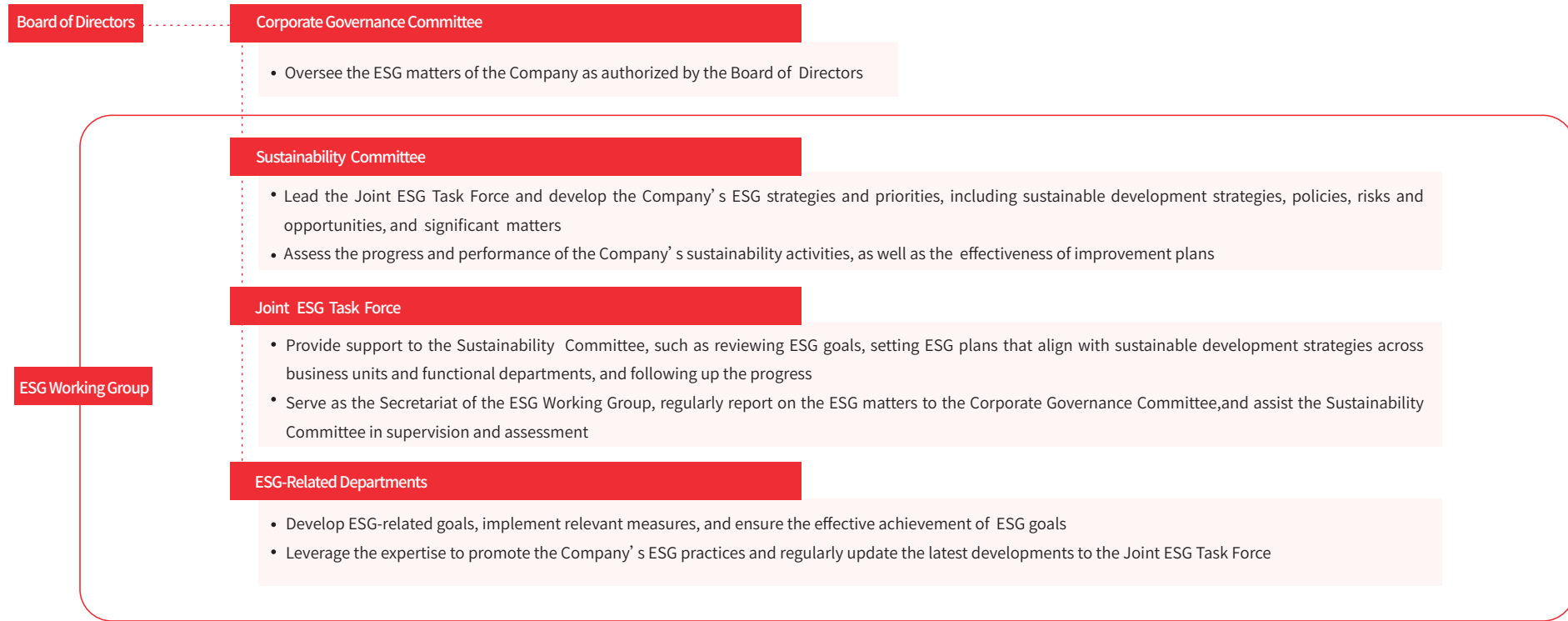
1.2 ESG Governance

As a pioneer in the AI industry, SenseTime continues to improve its sustainable development matters, striving to create more value for stakeholders with its sustainable practices. We refer to the *International Financial Reporting Sustainability Disclosure Standard 1 - General Requirements for Disclosure of Sustainability-Related Financial Information (S1)* issued by the International Sustainability Standards Board (ISSB) to identify and assess the sustainability-related risks and opportunities related to our business, and to continuously improve our ability to manage sustainability at the four levels of governance, strategy, risk management and objectives and targets. Meanwhile, we attach great importance to communication with various stakeholders. This can help us to achieve a balance between corporate development and external expectations, and promote harmonious environmental and social development with AI technology.

Governance Structure

In terms of supervision by the Board of Directors, as the highest responsible body for ESG management, the Group's Board bears the responsibility for overseeing SenseTime's environmental, social and governance issues, and receives written reports from the Sustainability Committee on ESG-related motions and voting results not less than twice a year. Meanwhile, the Board shoulders the responsibilities to review ESG-related assessment, priority, management and annual sustainability reporting, and regularly review the progress of ESG goals, so as to achieve top-down oversight of ESG work.

We continue to enhance the knowledge and competence of the Board of Directors on ESG disclosure and management, and encourage them to take ESG into account in the process of corporate governance. During the Reporting Period, the Group conducted special ESG training for all directors to introduce the disclosure requirements, trends and implications related to global climate change.

On January 27, 2024, aiming to further promote the sustainable and high-quality development of the Group, the Board of Directors, at the meeting of the Corporate Governance Committee, approved the establishment of a Sustainability Committee under the Corporate Governance Committee. The Sustainability Committee is accountable for supervising and guiding the effective implementation of environmental protection, social responsibility, compliant governance and other work.

Board of Directors ········· **Corporate Governance Committee**

- Oversee the ESG matters of the Company as authorized by the Board of Directors

Sustainability Committee

- Lead the Joint ESG Task Force and develop the Company's ESG strategies and priorities, including sustainable development strategies, policies, risks and opportunities, and significant matters
- Assess the progress and performance of the Company's sustainability activities, as well as the effectiveness of improvement plans

Joint ESG Task Force

- Provide support to the Sustainability Committee, such as reviewing ESG goals, setting ESG plans that align with sustainable development strategies across business units and functional departments, and following up the progress
- Serve as the Secretariat of the ESG Working Group, regularly report on the ESG matters to the Corporate Governance Committee, and assist the Sustainability Committee in supervision and assessment

ESG Working Group

ESG-Related Departments

- Develop ESG-related goals, implement relevant measures, and ensure the effective achievement of ESG goals
- Leverage the expertise to promote the Company's ESG practices and regularly update the latest developments to the Joint ESG Task Force

ESG Governance Structure

In January 2024, we issued the *Charter of the Sustainability Committee of SenseTime* to further refine the responsibilities of the Sustainability Committee and the collaboration mechanism with the ESG Joint Working Group and ESG-related departments. The Joint ESG Task Force consists of the Corporate Social Responsibility Department, the Office of the Secretary General of the Board of Directors, and the Brand Marketing and Communications Department, and is responsible for the daily liaison of the Sustainability Committee, the organization of meetings, supervision of the implementation of the Sustainability Committee, the construction of the indicator system, and the evaluation and assessment of the Committee. Meanwhile, as the work involved in ESG comprehensively covers all departments and business groups of the Company, each relevant department and business group has designated a member as the ESG work coordinator, who will participate in ESG-related work on behalf of the department. Since then, SenseTime has formed a top-down ESG management pattern with the involvement of multiple departments to facilitate the implementation of SenseTime's sustainable development concept.

ESG Strategy

Adhering to the development concept of "human-centric" and "AI for good", and driven by corporate culture and employee recognition, we have formulated SenseTime's ESG strategy. SenseTime focus on six areas of compliant operation, industrial empowerment, business partners, employee care, community welfare, and climate change, to promote internal and social sustainable development.

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sensetime

"Human-centric" and "AI for good"

Compliant Operation

- Comply with laws and regulations
- Conduct business with integrity to safeguard the interests of shareholders and stakeholders
- Adhere to business ethics
- Strengthen AI ethics governance
- Safeguard information security

Industry Empowerment

- Leverage AI computing power infrastructure to facilitate the digital transformation of industries
- Promote the high-quality development of Smart Life, Smart City, Smart Business, and Smart Auto
- Achieve open-source collaboration and platform synergy

Business Partner

- Treat business partners fairly and reasonably and listen to their feedback and suggestions
- Optimize customer service and keep abreast of customer needs
- Build a responsible supply chain

Employee Care

- Provide employees with a diverse, equal, inclusive, and safe working environment
- Improve the employee training system
- Provide comprehensive employee health benefits

Community Welfare

- Promote "AI for Good" and create a harmonious digital environment
- Participate in social activities, devote to charity and public welfare, promote social equity, and contribute to improving people's living standards

Climate Change

- Consider the environmental impact during the development and operation of products and services
- Focus on net-zero emissions and optimize resource utilization
- Strengthen publicity and education on climate change and low-carbon development, and foster an environmentally friendly atmosphere

SenseTime ESG Strategy

Risk Management and Materiality Assessment

We continue to pay attention to the hot topics in the field of ESG development, and maintain communication with stakeholders such as shareholders and investors, governments and regulators, media and non-governmental organizations, partners, suppliers and employees, in order to continuously enrich and update the content and connotation of the material issues of SenseTime. In February 2024, SenseTime updated the ESG issues and carried out a materiality assessment covering a wide range of stakeholders, our materiality assessment consisted of the following main steps:

### Step 1: Identification of ESG Issues

Combining the characteristics of the artificial intelligence industry and the development plans of the Group, and referencing both domestic and international ESG disclosure standards and capital market interests, we update and iterate ESG issues to identify the top 20 ESG issues most relevant to our business activities and of greatest concern to stakeholders.

Step 2: Materiality Assessment of ESG Issues

Through methods such as internal and external stakeholder surveys, we conduct a materiality assessment on the 20 ESG issues from two major dimensions: "importance to SenseTime" and "impact on stakeholders". The prioritization of ESG issues is determined and the ESG materiality assessment matrix is mapped based on actual survey results. The materiality issue analysis is based on 193 survey responses, covering nine categories of internal and external stakeholder groups.

Step 3: Validation of Materiality Assessment Results

To ensure the accuracy, effectiveness, and relevance of the assessment results, the Board of Directors and the Sustainability Committee of the Group review and critique the materiality assessment results. The final assessment outcomes are as materiality matrix of SenseTime.

Materiality Matrix of SenseTime
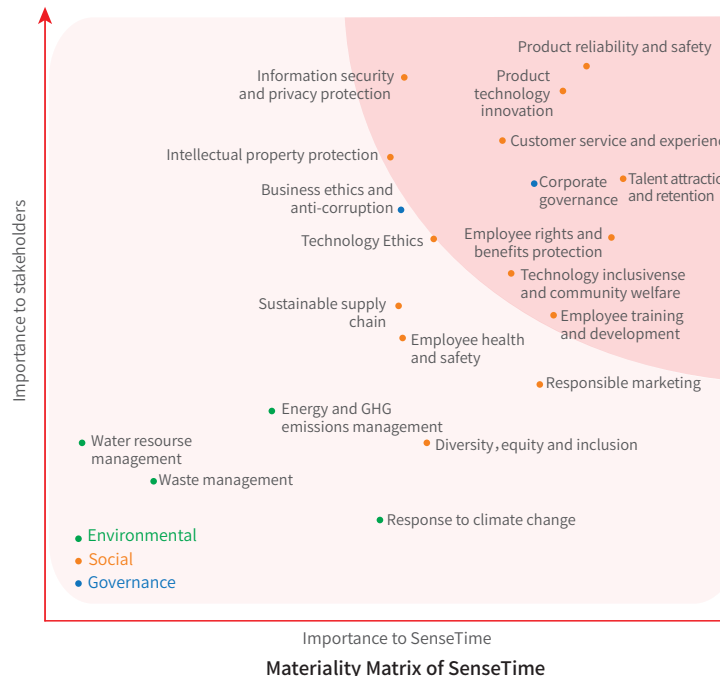
In particular, we conducted top-down risk management on ESG issues that are highly material to SenseTime, such as "information security and privacy protection", "technology ethics", and "business ethics and anti-corruption" as detailed in the sections of "Compliant Operation and Business Ethics", "Promoting Trusted Development of AI", and "Ensuring Information Security".

Communication with Stakeholders

SenseTime attaches great importance to communication with stakeholders. The key stakeholders of us include shareholders and investors, governments and regulators, media and non-governmental organizations (NGOs), suppliers, partners, users, employees, and communities and the public. We actively understand stakeholders' expectations and requirements for SenseTime through multiple communication channels, which is taken as an important reference for the Group's ESG work.

Stakeholders	Issues of concern	Communication methods
Shareholders and investors	Corporate governance Business ethics and anti-corruption Intellectual property protection	General meeting Regular reports and announcements Investor mails and meetings
Government and regulatory authorities	GHG emissions management Waste management Energy management Water resource management Response to climate change	Information disclosure Daily communication and reporting Regulatory inspection Visits reception
Media and NGOs	Responsible marketing	Social media Official website Press conference Communication at meetings
Suppliers	Sustainable supply chain	Project procurement Contracts and agreements Invitation for tender Supplier management conference
Partners	Product technology innovation	Corporate forum Partners summit Project cooperation Technical exchanges
Users	Technology inclusiveness Technology ethics Information security and privacy protection Product reliability and stafety Coustomer serive and experience	Official website User feedback channels Product research feedback Social media
Employees	Diversity, equity and inclusion Talent attraction and retention Employee rights and benefits protection Employee training and development Employee health and safety	Internal meetings Management committee Staff training Social media
Community and the public	Community welfare	Community activities Official website Social media

During the Reporting Period, SenseTime actively organized and participated in internal and external stakeholders' ESG-related communication activities to strengthen the communication on ESG within the Group and with all sectors of society. This enables us to share our exploration and insights on sustainable development practices as a high-tech enterprise.

SenseTime Continues to Carry Out Internal ESG Training and Communication Activities

- On July 13, 2023, SenseTime launched ESG training for all employees to help them understand their role in ESG, laying a solid foundation for the subsequent ESG management improvement.

- From January 4 to January 5, 2024, SenseTime held the annual corporate social responsibility (CSR) and ESG results show, inviting all employees to vote for the annual charity projects and propose suggestions on ESG reporting online. By doing so, we listened to the suggestions and thoughts of internal employees on SenseTime's CSR and ESG practices.

SenseTime Actively Participates in External ESG Communication Activities

- On June 13, 2023, SenseTime participated in the special sharing activity of "TMT Industry Low-Carbon Development Practice and Opportunities & Challenges" at the first Shanghai International Carbon Neutral Expo. We shared with guests the practice of AI technology enterprises in coping with climate change, as well as the application of AI technology in various industries and scenarios to help reduce carbon emissions.

- On June 15, 2023, SenseTime participated in the "2023 International Green Zero Carbon Festival & 2023 ESG Leadership Summit" co-hosted by Syobserve, Gongyidaily and various media to share the application of AI technology in the field of energy production.

- On September 3, 2023, SenseTime participated in the "Global Artificial Intelligence and Sustainable Investment Forum" at the China International Fair for Trade in Services (CIFTIS), to discuss how original and advanced AI technologies will help solve environmental, social, and governance challenges and support enterprises to practice sustainable development.

On September 5, 2023, SenseTime participated in the "2023 China Corporate Social Responsibility Innovation and Development Forum" to introduce the practice of "general large models + professional expertise" to various industries.

1.3 Compliant Operation and Business Ethics

SenseTime attaches great importance to compliant operation and business ethics management, and has established a scientific, reasonable and effective management system. We uphold a "zero tolerance" for fraud, bribery, conflict of interest and other violations of business ethics, and work together with partners to build a clean and fair business ecosystem. At the same time, we regularly carry out internal compliance inspections and awareness-raising training, and disclose reporting channels to various stakeholders, aiming to ensure that SenseTime's business practices are monitored and improved to safeguard the sustainable development with integrity.

Compliant Operation

Compliant operation is the red line and bottom line of enterprise development. SenseTime has built and has been improving its compliance management system. Relying on the Group's Legal Department and extensive external legal resources, we pay close attention to the changes in domestic and overseas laws and regulations in various jurisdictions in which SenseTime operates. When changes in external laws and regulations affect SenseTime's operations, the Legal Department of the Group will work with business departments to adjust and improve business rules, and to identify and dispose of relevant compliance risks, in order to ensure that the Group's business practices are in compliance with applicable laws and regulations. During the Reporting Period, the Group was not punished for any violations of laws and regulations.

Meanwhile, SenseTime attaches great importance to the control of anti-monopoly and trade compliance. In terms of anti-monopoly, during the Reporting Period, the Group completed the evaluation of more than 10 investment projects' declaration of operators in the Chinese mainland in accordance with the law, and no anti-monopoly-related legal proceedings were received. In terms of trade compliance, the Group strictly implements applicable trade-related laws and regulations (including but not limited to export control, customs, and taxation) at home and abroad. We have also built a scientific, reasonable and effective compliance system to ensure that all applicable trade laws and regulations are completely, accurately, and strictly enforced in SenseTime. At the same time, we carry out trade compliance training covering all employees, and based on the needs of business units and the actual situation, provide targeted trade compliance training to all relevant business units from time to time.

Anti-Fraud Management System

SenseTime always adheres to the basic code of conduct and the core concept of abiding by the law and operating with integrity, and adopts a "zero tolerance" attitude towards violations, corruption, unfair competition and other acts. We adhere to operation with integrity to safeguard sustainable development, and work together with partners to build a clean business ecology. We abide by the laws and regulations of the countries and regions where we operate, such as the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Money Laundering Law of the People's Republic of China*. As such, we conduct business in compliance with local laws and regulations relating to anti-fraud, anti-bribery and anti-money laundering to ensure adherence to business ethics.

We have formulated a series of documents such as the *Anti-Fraud Management System* and the *Anti-Commercial Bribery Policy and Guidelines* to set up norms for the Group's anti-fraud work, and instituted the Anti-Fraud Committee as the highest decision-making body for anti-fraud management. The Chairman of the Committee is appointed by the Group's CEO. The Human Resources Department, the Legal Department, the Internal Control Department, the Internal Audit Department and the Compliance Supervision Department shoulder the responsibility for the specific work including system construction, case investigation, and educational training. During the Reporting Period, the Group had no major violations of laws and regulations.

Anti-Commercial Bribery

SenseTime also takes a "zero-tolerance" approach to corruption and therefore does not accept employment or promotion of individuals who are responsible for incidents of corruption. During the Reporting Period, there was no lawsuit related to corruption that had been filed against the Group and our employees. In addition, during the Reporting Period, we revised the *Management System for Gifts Received* by SenseTime Employees applicable to all employees to further clarify the registration, submission, and disposal of the gifts that cannot be refused or returned, so as to promote compliance and integrity of employees.

Meanwhile, during the Reporting Period, SenseTime further promoted and deepened the signing of the *Letter of Commitment to Anti-bribery* with suppliers. We embed the signing process in the introduction process for new suppliers and require all suppliers to complete the signing prior to cooperation. For existing suppliers, we require them to complete the signing on time. In the event that a small number of suppliers are unable to sign due to special circumstances such as involving overseas laws and regulations, the Group will require the addition of anti-commercial bribery clauses to the cooperation contracts to ensure that the Group's anti-commercial bribery requirements cover all cooperative suppliers. By the end of the Reporting Period, 100% of the Group's suppliers had signed the *Letter of Commitment to Anti-bribery* or specified anti-commercial bribery clauses in their cooperation contracts.
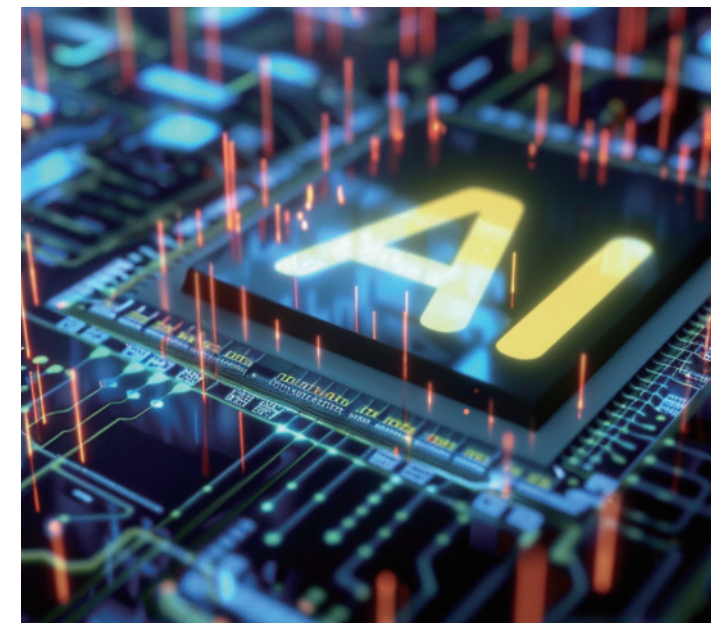
Conflicts of Interest Management

SenseTime has established a full-process conflicts of interest management system covering the pre-employment, on-boarding, and in-service periods, and regularly carries out annual declarations and reviews on conflicts of interest, and the signing of the *Letter of Commitment to Conflict of Interest*. During the Reporting Period, we completed the annual declaration on conflicts of interest covering all employees to comprehensively prevent fraud arising from conflicts of interest. By the end of the Reporting Period, all employees had signed the *Letter of Commitment to Conflict of Interest*.

Pre-Employment Review

For prospective candidates, we will complete a conflict of interest check before their on-boarding. If a conflict of interest situation is found during the verification, we will require the candidate to rectify the situation before on-boarding.

On-Boarding Signing

After passing the check, new employees are required to sign the *Letter of Commitment to Conflict of Interest*.

In-Service Declaration

We carry out annual declarations on conflicts of interest and require each employee to make a declaration in accordance with the actual situation.

In addition, if the employee who has conflicts of interest during in-service periods, such as serving as an honorary professor and a visiting lecturer, or associating with key project partners, he/she needs to take the initiative to make a declaration, which must be reviewed and approved by the administrative office system.

Full-Process Management for Conflicts of Interest

Compliance Inspections and Reporting Channels

The Group carries out compliance inspections on an ongoing basis. During the Reporting Period, SenseTime conducted two compliance inspections for certain business groups and management supporting departments respectively. As a result, the inspected departments were able to optimize and rectify their systems and processes, daily and travel reimbursements, and the management of gift acceptance and registries, further consolidating the Group's adherence to business ethics.

In addition, we encourage internal and external stakeholders to monitor the Group's business practices and disclose reporting channels on the "Business Compliance" section of our website and the *Compliance and Integrity Proposal*, to enhance the availability of reporting channels. Upon receiving a report, the Anti-Fraud Committee of the Group will carry out an investigation and verification within the specified period and report to the CEO's Office as appropriate. Meanwhile, all personnel of the Group who may have access to the whistleblower's information will strictly keep confidential the reported information and are prohibited from disclosing the whistleblower's information such as name, workplace, department, and content of the report, so as to jointly maintain the open and clean anti-fraud environment at SenseTime.

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Business Ethics Training

The construction of an honest and upright corporate culture requires a variety of internal publicity and training. We continue to communicate integrity requirements to our directors and employees. During the Reporting Period, the Group carried out anti-fraud training covering all staff, and conducted 5 on-site training sessions for procurement and supply chain management, brand market communication departments, and some business groups, sharing and promoting SenseTime's anti-fraud system, requirements, as well as cases of fraud and violations with relevant employees.

Types of Employees	Coverage of Anti-Fraud Training During the Reporting Period
Full-time Employees	100%
Part-time and Dispatched Employees	100%

1.4 Promoting Trusted Development of AI

With the swift development of AI technology, the economy and society are undergoing great innovation and change, but we believe that only credible and ethical AI products can truly benefit mankind. As a leading AI company in the industry, SenseTime proposes and adheres to the AI ethics of "balanced development", and is committed to creating AI products with "sustainability, human-centric approach and controllable technology".

AI Ethics

- **"Balanced development"** : Advocate and holistically promote the governance and development of AI, and avail the governance of AI for healthy and sustainable development of AI industry, and the digital and smart transformation of economy and society.

Principle of AI Ethics

- **"Human-centric"** : Advocates respecting, accommodating, and balancing differences in historical, cultural, social, and economic development among different countries and regions, and pursuing consensus among different cultures. Meanwhile, we should also ensure the protection of human rights and privacy and deploy technology without prejudice.

- **"Controllable technology"** : Advocates that AI is developed by and for humans and therefore, should be controlled by humans. Correspondingly, its controllers, i.e., humans, should be responsible for its actions.

- **"Sustainability"** : Advocates the sustainable development of society, economy, culture, and the environment, and promotes openness and inclusive innovation.

Since the establishment of the AI Ethics and Governance Committee in 2020, Sense-Time has gradually built a sound AI ethics governance system after four years of continuous construction and improvement. In doing so, we strive to realize a multi-dimensional closed-loop management from theory to practice, from organization to mechanism, and from research and development to the life cycle of the products, for effective AI ethics governance. At the same time, we positively strengthen collaboration with industry partners and share advanced practical experience with the industry to jointly promote the development of AI technology ethics governance.

Product Ethics Governance

SenseTime has established an AI System Ethics Risk Management Index System, focusing on ethical issues like privacy protection, data security and unbiased algorithms to ensure safe, reliable, manageable and trusted development of AI. Paying attention to the AI ethics governance in practice is our priority in the meantime. To ensure that its products and solutions are ethically compliant, SenseTime has developed and implemented a product ethics risk review platform. The AI ethics review of us covers the entire product life cycle, and we set up an open feedback channel on the official website for external discussion and communication on product ethics.

Product Initiation	Product Development	Product Release
Conduct product ethics risk review, identify potential risks, grade the risks of the product, and put forward the prevention and control requirements for the risks involved.	Prior to product development and release, the product is re-verified to ensure that initiatives have been taken to prevent and control ethics risks, and to confirm that the initiatives meet the early-stage requirements.	After the product is launched, customers or consumers who use the product will be visited regularly to confirm that no ethics risks have been triggered during the use of the product.

Product Ethics Risk Review, Prevention and Control Process

During the Reporting Period, "SenseAvatar" AI Digital Human Generation Platform passed the first batch of "Trusted Virtual Human Generation Content Management System" Certification by the China Academy of Information and Communications Technology (CAICT), and acquired the "L3 Excellence" certificate. Our "Commercial Bank AI Digital Human Solution" and "Large Model of AI-Generated Graphic Content for the Game Industry" were listed in the "2023 Trusted AI Case".

"SenseAvatar" Passed the First Batch of "Trusted Virtual Human Generation Content Management System" Certification by CAICT

SenseTime' s "Commercial Bank AI Digital Human Solution" Was Listed in the "2023 Trusted AI Case"

SenseTime' s "Large Model of AI-Generated Graphic Content for the Game Industry" Was Listed in the "2023 Trusted AI Case"

In addition, to ensure the effective implementation of the internal ethics governance process and to enhance the quality and efficiency of the implementation, SenseTime carried out an ethics governance audit for the first time during the Reporting Period. The Audit Department of the Group, together with experts in ethics-related fields, selects the product ethics risk review process as the audit target, and has carried out the audit from six dimensions: theoretical research, organizational support, mechanism guarantee, technical support, external communication and continuous tracking. This audit aims to verify the effectiveness of the implementation of ethics risk review and the applicability of relevant rules and regulations. The results of the audit show that the current process is working well, and suggestions are made for further strengthening the product ethics risk review.

AIGC Ethics Governance

With the swift development of large models and Gen AI, the risk of technology abuse has also escalated massively. How to guide the positive development of large models and AIGC is becoming an urgent issue in the industry. During the Reporting Period, SenseTime actively promoted the ethics governance research of AIGC, and released the trusted AI infrastructure - SenseTrust, and research reports such as the *SenseTime Large Model Ethics Principles and Practices Whitepaper* and the *Large Model Reliability Research Report* to provide solutions for the ethics governance of AIGC.

Case: Trusted AI Infrastructure - SenseTrust

To meet the new challenges brought by large models, SenseTime launched SenseTrust, a trusted AI infrastructure, at the 2023 World Artificial Intelligence Conference (WAIC), based on "SenseNova", to promote the reliable and trustworthy development, training, application and governance of large models. With data governance, model governance, application governance and other technical tools, SenseTrust can provide such functions as data processing, model training, model deployment, and reasoning services for all-round trusted AI detection and reinforcement, to lay a solid foundation in the large model era.

SenseTrust Was Awarded the "2023 Typical Case (Pilot Enterprise) of Artificial Intelligence Integrated Development and Security Application"

During the 2023 World Artificial Intelligence Conference, SenseTime also officially released the annual report on governance of AI ethics - *SenseTime Large Model Ethics Principles and Practices Whitepaper*. It was jointly compiled by SenseTime Intelligent Industry Research Institute and the Center for Computational Law and AI Ethics Research at Shanghai Jiao Tong University. Themed by the governance of Gen AI, the Whitepaper takes the governance practice of "SenseNova" against the background of large models' development for example, and systematically presents the latest views of both sides regrading AI governance.

Case: SenseTime and Cloud Computing and Big Data Research Institute of China Academy of Information and Communications Technology (CAICT) Jointly Released the Industry's First *Research Report on Large Model Reliability* During the Reporting Period

In December 2023, at the 10th plenary meeting of the Artificial Intelligence Industry Alliance (AIIA) & the 2023 General Artificial Intelligence Innovation and Development Forum, SenseTime and the Cloud Computing and Big Data Research Institute of CAICT jointly released the industry's first *Research Report on Large Model Reliability*. The report systematically analyzes the risk factors and governance suggestions, and provides important reference for the reliable development of large AI models. Meanwhile, it provides the framework and practice for building a large model risk management system.

Cooperation on the Governance over Ethics in Science and Technology

SenseTime has been participating in the formulation of AI ethics standards, and organizes forum activities to help standardize the governance over AI ethics with industrial peers. In terms of participating in organizations responsible for AI ethical standards, SenseTime served as the deputy leader of the reliability working group of the Artificial Intelligence Committee under the China National Information Technology Standardization Network and the vice chairman of the Virtual Reality and Metaverse Industry Alliance. During the Reporting Period, SenseTime became a member of the AIIA's Science and Technology Ethics Working Group. Members of the Group's Committee of AI Ethics and Governance served as deputy leaders of the Working Group. By the end of the Reporting Period, we had contributed to the formulation of 33 AI ethics-related standards, including 13 international standards and 20 Chinese standards.

SenseTime Became a Member of the AIIA's Science and Technology Ethics Working Group

In October 2023, SenseTime and Shanghai Jiao Tong University jointly hosted the "Global Economic Development and Security Forum at the Boao Forum for Asian - Sustainable Development and Risk Management Forum in AIGC Age". At the forum, SenseTime delivered a speech entitled "Promoting Trusted AI to Embrace Changes in AIGC Age", which shared SenseTime's thinking on ensuring the safety and reliability of AI system in the AIGC era.
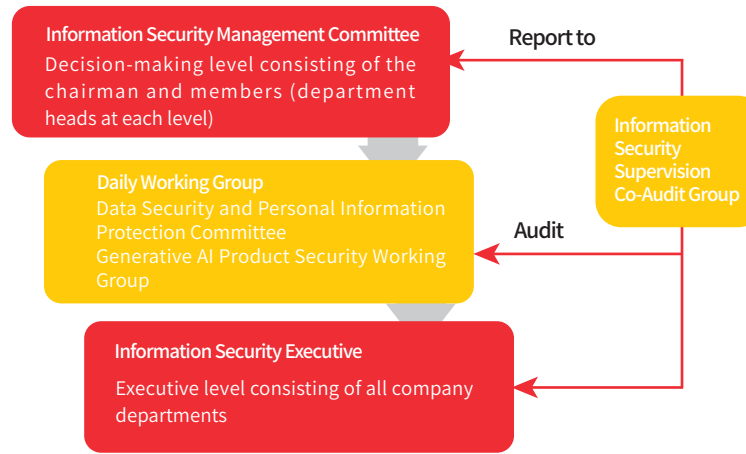
1.5 Ensuring Information Security

The accelerated advent of the AI era accentuates the importance of information security. SenseTime always adheres to the highest standards of information security and data privacy. Specifically, we strictly abide by laws and regulations related to information security of countries and regions where we operate, such as the *Cyber Security Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Provisions on Protecting the Personal Information of Telecommunications and Internet Users*.

Organizations and Policies of Information Security Management

Based on the information security policy of "business-driven security, comprehensive risk control, compliance in the use of personal information and privacy information, and effective data protection", SenseTime has implemented policies including the *Cyber Security Incident Management Measures of SenseTime Group*, and the *Information Security Risk Management Regulations of SenseTime Group*. In addition, we keep abreast of the latest changes in laws and regulations related to information security and privacy protection. During the Reporting Period, according to laws and regulations and the business needs, SenseTime Group issued 12 policies including the *Specification on the Design for Mobile Application Personal Information Protection of SenseTime Group*, the *Management Standards for Launching Mobile Applications of SenseTime Group* and the *Management Standards for Automobile Data Security of SenseTime Group*, to regulate the protection of data security and privacy throughout business operations.

SenseTime has established a top-down information security management framework, with the Information Security Management Committee as the Group's highest decision-making body. We have set up a department for information security supervision to audit and inspect the information security work of the Group and to urge and guide the improvement of the information security management system. During the Reporting Period, we conducted an annual information security audit on departments involved in the R&D of mobile applications. We also conducted a sample inspection of the compliance of mobile applications with regulations in privacy policies, function settings, and personal information collection, so as to give suggestions for better management.


Organizational Structure of Information Security Management Committee

Beyond that, information security training sessions covering all employees are continuously carried out. During the Reporting Period, the Group launched the compulsory course *2023 Security Red Line Training of SenseTime Group* and its exams for all employees, which introduced information security and security policies in daily work. Employees' daily conduct is regulated through the summary of security "red lines" to enhance their awareness of information security.

Information Security Management System

In 2022, SenseTime obtained ISO 27001 Information Security Management System Certification, ISO 29151 Personal Identity Information Protection Management System Certification, ISO 27701 Privacy Information Management System Certification, and BS 10012 Personal Information Management System Certification. During the Reporting Period, we further expanded the scope of certification by including Smart Auto business in the international privacy standard BS 10012 Personal Information Management System Certification to fully support its development and customers overseas.
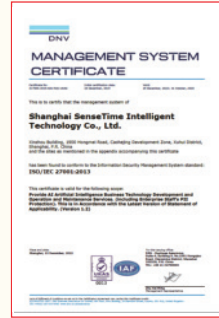
ISO 27001 Information Security Management System Certification

ISO 29151 Personal Identity Information Protection Management System Certification

ISO 27701 Privacy Information Management System Certification

BS 10012 Personal Information Management System Certification

As a software algorithm solution provider for intelligent vehicles, SenseAuto has built and improved the information security process system, and develops safe and reliable products on this basis. In addition, SenseAuto obtained the ISO/SAE 21434 Road Vehicles - Cybersecurity Engineering Certification in December 2022. During the Reporting Period, SenseAuto obtained the first ISO/SAE 21434 Information Security Product Certification in China, providing products and solutions that meet industry security standards from both management system and product technology. It also obtained the TISAX (Trusted Information Security Assessment Exchange) AL3 Certification. This means that SenseAuto has reached the highest standards in European automotive industry in terms of availability, integrity and confidentiality and other capabilities to protect data assets, and is able to safeguard information security for more international automotive companies.

Information Security Management Measures

SenseTime continues to take multiple measures to protect cyber security and data security. During the Reporting Period, we continued to strengthen cyber security based on internal and external resources, and carried out emergency drills to improve ability to respond to cyber security emergencies. In addition, we participated in attack and defense exercises organized by the government agencies where we operated and passed the tests.

Improving cyber security	Organizing emergency drills
To further prevent and control the risks brought by network attacks, we developed an extranet exposure management system during the Reporting Period, and sorted out and controled the access requirements of the intranet. We also systematically sorted out and dealt with extranet exposure risks, and improved the attack isolation capability of the intranet. External testing team were invited to conduct information collection and penetration tests on some of the Group's domain names and network assets to further identify and rectify corresponding risks.	During the Reporting Period, SenseTime conducted 4 "Red" vs "Blue" internal counterattack and defense exercises, targets of which include the cloud assets, open Internet systems, and self-operated Internet products. Simulating external hackers, the red team tried to find bugs, scan the port, initiate attacks to get shells, escalate and maintain privileges of shells, proceed horizontal penetration, etc., while the blue team focused on the alarm of the security protection system. The confrontation between two teams tested the effectiveness of the security construction and checked weakness for improvement.

Multiple Measures for Cyber Security Protection

Case: SenseTime Participated in the "Panshi Action" - a Cyber Security Attack and Defense Drill

During the Reporting Period, SenseTime participated in the "Panshi Action" drill organized by Shanghai Communications Administration. This drill tested cyber security monitoring and warning, emergency response, coordination, traceability analysis and other capabilities, and pointed out the direction for improving network security protection.

As a unit participated in the Panshi Action for the first time, SenseTime's Information Security Management Committee formed a 25-person cross-department duty team, for 7*12 hours of protection and monitoring. By doing so, the team guarded 25,573 assets, blocked 700+ attack IPs, and defended against 130,000 + scanning probes from the attack team. Finally, the Group's targeting system was not compromised and no major security issues were found, demonstrating the successful completion of this drill.

We attach great importance to data security and privacy. The Group has formulated the *Personal Information Protection Policy*, and formulated specific policies to regulate services and products. Adhering to the principles of consistency of rights and responsibilities, clear purpose, choice for consent, minimum sufficiency, openness, and transparency, ensuring security and subject participation, we comprehensively protect personal privacy information.

Furthermore, multiple measures are taken, including confidential classification, access control, data encryption and masking, to fully protect data security. During the Reporting Period, SenseTime enhanced the confidentiality grade labeling of internal data, codes, files, documents and other materials, and continued to standardize the system privilege management of all departments and personnel. We have set up a server system with enhanced security performance protection to ensure that the data transmitted is encrypted throughout the link. Based on a self-established independent database, we share no personal information of our customers or end users with any other third parties; Audit records are traceable for sensitive operations of personal information, such as downloading, removing, and viewing to ensure the security of sensitive data. During the Reporting Period, SenseTime promoted the "special action for implementing mobile App privacy protection", by systematically sorting out relevant regulatory documents and forming a checklist and inspection plan. We also completed the testing, selection, and deployment of privacy tools, to further strengthen the user privacy protection of SenseTime mobile applications. During the Reporting Period, the Group received no complaints about privacy violations or data leakage.

Expansion of Innovation Boundaries

01 Broadening the Vision of Innovation

02 Bearing Product Responsibility

03 Providing High-Quality Services

04 Intensifying Sustainable Supply Chain

05 Promoting Coordinated Development of the Industry

06 Cultivating Industry Talents

SenseTime is dedicated to the mission - "to create a better AI-empowered future through innovation". As a leading AI enterprise, the Group continues to promote original research and innovation in science and technologies. In this way, SenseTime strives to provide customers with high-quality products and services and strengthen the comprehensive competitiveness in the industry. Additionally, through cooperation with universities, scientific research institutions, industry associations and other organizations, we continue to promote the development of AI talents, and the cutting-edge scientific research and application of AI technology, contributing our efforts to industrial prosperity.

4 QUALITY EDUCATION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

2.1 Broadening the Vision of Innovation

SenseTime has been investing in original technology research to enhance the industry-leading AI capabilities in universal multimodal and multi-task models. We embrace the new research paradigm brought by large models, improve the R&D system, and closely integrate basic research and business development, to contribute more valuable technical achievements to the industry.

Pursuing innovation-driven development, we have formulated sound internal policies such as the *SenseTime Group Product Release Process* and the *SenseTime Group Industry Solution Release Process* to regulate the product development and release, and facilitate the innovation of technologies. To continuously build the innovation culture, we encourage employees to actively participate in innovation activities by setting up an innovation business management mechanism and establishing the "SenseTime Originality Award". We have also created a cross-departmental innovation plan working group to innovate our business and established a flexible incentive mechanism for innovation to stimulate the creative potential of teams and individuals. For continuous innovation, the Group has also set a separate innovation budget pool, which has detailed rules regarding areas such as goal-setting, assessment management, and exit strategies to ensure the continuous and orderly development of innovation work.

Dedication
Full empowerment, greater incentives, and controled overall input

Closed-Loop Management
Diversified objectives, rapid trial and error correction, quick evaluation and adjustment, exit management mechanism, and improved innovation efficiency

Facilitation of Business Model Transformation
Adjust revenue structure and increase the share of sustainable revenue

SenseTime's Innovation Management Principles

Piloting Academic Research

Since the establishment, SenseTime has continued to deepen academic accumulation and produce world-leading innovative results. In Generative AI and large vision model, we have made valuable technological breakthroughs and research paradigm innovations based on "SenseCore" and "SenseNova". By the end of the Reporting Period, the number of research papers published by SenseTime at the international conferences on computer vision and the awards won by the research papers had been as follows:

Conferences	Number of research papers
Conference on Computer Vision and Pattern Recognition (CVPR)	54
International Conference on Computer Vision (ICCV)	49
Other international conferences	33
International journals	6

Honors and Awards

By the end of the Report Period, SenseTime together with the joint laboratories had published 806 research papers on deep learning and computer vision at the 3 top international computer vision conferences of CVPR, ICCV and ECCV, marking a continued world's leading academic research position in computer vision.

2023 Best Paper Award of CVPR: *Planning-Oriented Autonomous Driving*, the first best paper on automatic driving in the history of CVPR, is also the first best paper at the 3 top international computer vision conferences completed by Chinese scholars since China's reform and opening up.

2023 Best Paper Award Candidate of CVPR: *OmniObject3D: Large - Vocabulary 3D Object Dataset for Realistic Perception, Reconstruction and Generation*.

Besides, *Mining Multi-Center Heterogeneous Medical Data with Distributed Synthetic Learning*, the latest research result based on multi-center federated learning of Gen AI and medical image data, released by SenseTime, together with industry partners, has been published in the top international academic journal *Nature Communications*.

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Besides the active construction of academic ecosystem, SenseTime also continues to explore diversified channels for disseminating academic achievements. We initiate the WeChat official account "SenseTime Academy", covering open courses, paper interpretation, academic columns, open source tools, community organization, etc. In addition, we carry out open academic classes and sharing activities to build a bridge between the popularization and practice of academic achievements.

Case: SenseTime Academy Bridges Academic Research and Industrial Practice

During the Reporting Period, "SenseTime Academy" dived deeper into hot and frontier fields such as large models, content generation, AIGC, model toolchain, intelligent driving and decision intelligence. We also meticulously planned 26 SenseTime open academic courses with unique brand effect, which built a bridge between industry and academia.

In addition, together with CVPR, we created a grand academic sharing activity, bringing together over 60 elites of SenseTime and outstanding teachers and students from top universities offline. The activity covers 2 popular research fields of AGI and AIGC, attracting over 12,000 real-time viewers, and effectively spreading cutting-edge academic achievements and industrial practices. The multi-channel accumulation and promotion of high-quality results aroused wide attention and hot discussion.

Industry-Academia Collaboration Toward Mutual Growth

SenseTime has been committed to promoting the deep integration of enterprises, universities, and research institutes. By making joint efforts with famous universities and research institutes at home and abroad, we strive to promote cutting-edge technological breakthroughs. In doing so, we endeavor to build a world-class collaborative innovation ecosystem for original technologies, and build a global leading talent, academic and technological innovation highland. SenseTime has built over 10 joint laboratories with The Chinese University of Hong Kong, Peking University, Zhejiang University, Shanghai Jiao Tong University, Shenzhen Institutes of Advanced Technology of the Chinese Academy of Science, Rutgers, The State University of New Jersey, The University of Sydney, and other universities and institutes. By the end of the Reporting Period, the Group had established close partnerships with nearly 60 universities and research institutes at home and abroad, initiated nearly 40 new projects, managed nearly 70 projects and undertaken over 370 joint research projects throughout the year. This supported the Group's research accumulation in basic large models, computer vision, intelligent vehicles, intelligent health, chips, intelligent imaging, etc., and jointly promoted the application of AI technologies in different industries and fields.

Qing Yuan Research Institut

SenseTime co-established Qing Yuan Research Institute with Shanghai Jiao Tong University By the end of the Reporting Period, the Qingyuan Program had attracted more than 10 top talents from home and abroad as full-time teachers, and had carried out more than 40 collaborative research projects in total. In addition, the Qingyuan Program established a "full-time professional master's program in AI", to jointly develop professionals in AI technology application area.

Joint Lab with Nanyang Technological University (S-Lab)

SenseTime has established a "joint lab (S-Lab)" with Nanyang Technological University and the Singapore government. By the end of the Report Period, S-Lab had more than 100 talents from top universities at home and abroad, and had carried out 23 cooperation projects in total. Meanwhile, S-Lab has also supported the business and projects of various teams such fas SenseTime IBG, Large Device, Tetras. AI, IRDC, MagicLab, and DWG.

Case: SenseTime Conducted Academic Sharing Meetings Themed by "Shishuo Xinyu"

During the Reporting Period, 5 teachers from Nanyang Technological University, The Hong Kong University of Science and Technology, Peking University, Shanghai Jiao Tong University and other top universities and institutions at home and abroad were invited to SenseTime. We shared and discussed about computer system security, AI ethics, scene perception and understanding and other topics based on the latest research results, which revitalized academic and practice and innovative development of AI.

Case: Continuous Upgrading of "Intern General Large Model System" with Joint Efforts

SenseTime and Shanghai Artificial Intelligence Laboratory make joint efforts in the R&D of basic models with The Chinese University of Hong Kong, Fudan University, Shanghai Jiao Tong University and Tsinghua University. At the opening ceremony of the WAIC 2023 Conference & the plenary meeting of the scientific frontier of the first day, SenseTime, together with universities and the research institute mentioned above, launched the newly upgraded "Intern general large model system". This system includes three basic models of "Intern Multimodal", "InternLM" and "Intern-LandMark", as well as the first full-chain open-source system for the development and application of large models.

· "Intern Multimodal-Large Model", which has undergone 8 billion multi-modal sample training, achieves seamless integration of language, image, video and other modes, including 20 billion parameters.

· "InternLM" is the first officially released LLM with 100 billion parameters that supports 8K context length in China, and has been trained with a high-quality corpus containing 1.8 trillion tokens. During the Reporting Period, InternLM obtained excellent ranks on two authoritative large model evaluation lists in the industry, i.e., August evaluation ranking of FlagEval LLM platform and July ranking of the comprehensive Chinese LLM benchmark SuperCLUE.

· "InternLandMark" is the first city-level large-scale 3D neural radiance field (NeRF) worldwide with 100 billion parameters. It has realized 100 square kilometers of city-scale modeling with up to 4K resolution accuracy for the first time in the world while supporting a highly accurate rendering in real time, city-level editing and style transfer in full range.

On January 17, 2024, SenseTime and Shanghai Artificial Intelligence Laboratory launched InternLM2 with The Chinese University of Hong Kong and Fudan University. InternLM2 is committed to improving the language modeling ability by improving the quality of corpus and information density. In doing so, it will make great progress in mathematics, code, dialog, creation and other aspects, thus becoming a leading open-source model in comprehensive performance.
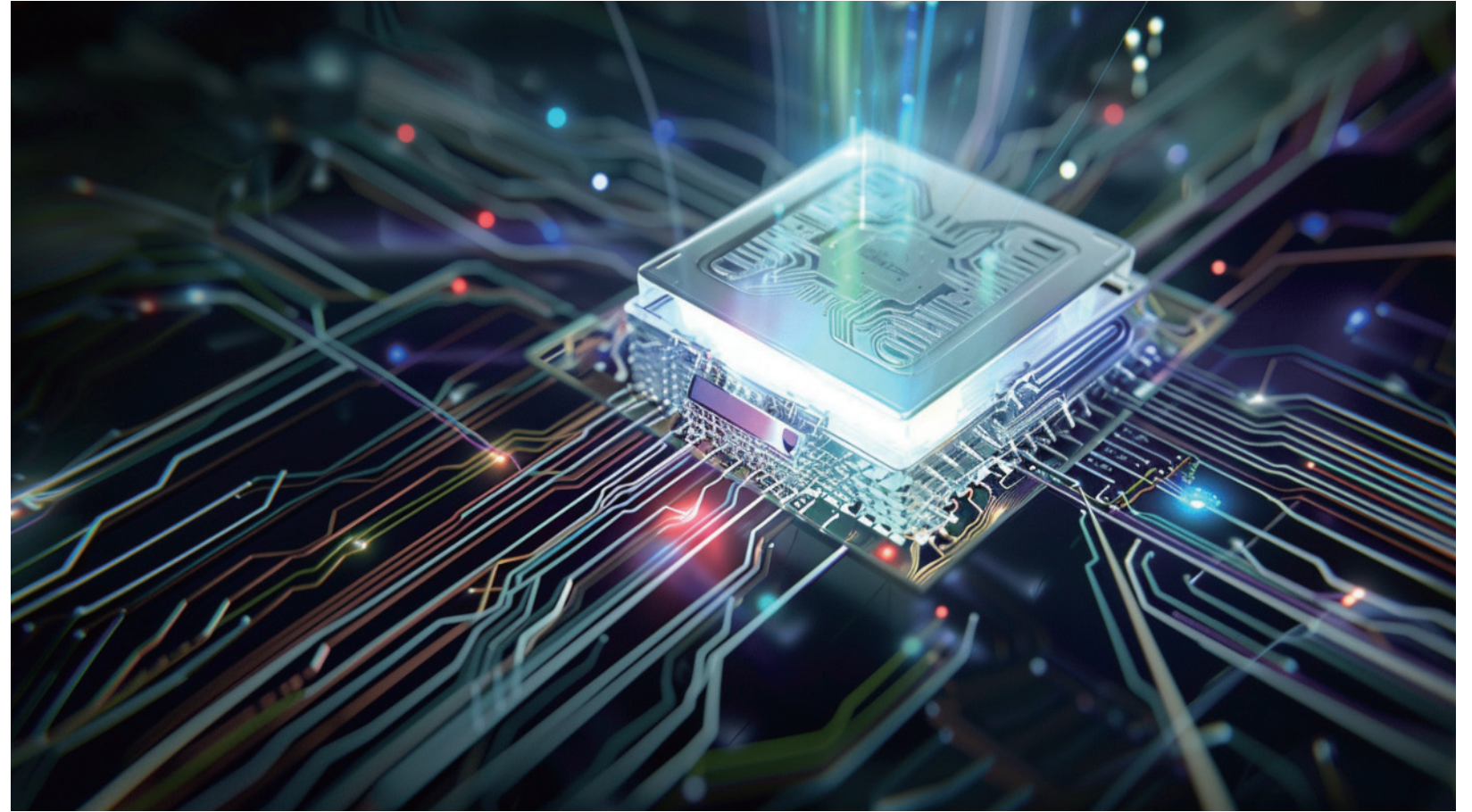
Intellectual Property Protection

SenseTime believes that high-quality patent assets and sound measures for intellectual property protection can fortify scientific and technological innovation. SenseTime strictly abides by the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other local law and regulations. We have also issued internal policies including the *Intellectual Property Management Policy of SenseTime Group*, the *Trademark Management Rules of SenseTime Group*, and the *Copyright Management Rules of SenseTime Group* to specify the management process of the Group's intellectual property such as patents, trademarks, copyrights, and domain names. Furthermore, we have set up a dedicated intellectual property team responsible for the operation, maintenance, intellectual property litigation, rights protection, and counterfeiting prevention of patents, trademarks, and other intellectual property for the Group and its subsidiaries.

The prevention and control of intellectual property infringement and the risks of being infringed is carried out through comprehensive identification and management, to protect our own intellectual property rights and those of others. We have formulated the *Guidelines for the Risk Management of Patent Infringement of Products of SenseTime Group*, and further screened intellectual property risks in product release. The screening helps the business lines to identify and avoid potential intellectual property disputes in a timely manner, thereby reducing legal and compliance risks. In addition, the Group pays close attention to changes in local laws and regulations at home and abroad, to improve business rules with each business unit on time. Relevant risks are examined and settled to ensure compliance with applicable laws and regulations.

To further encourage employees to participate in intellectual property management, discovery and innovation, we have formulated the *Guidelines for Patent Application of SenseTime Group*, the *Management Rules for Patent Incentives and Remuneration of SenseTime Group* and other policies. The intellectual property infringement reporting reward system and the incentive mechanisms are specified in these policies, which has mobilized employees' enthusiasm for intellectual property protection and technological innovation. Due to our high-quality intellectual property management and sound protection measures, we were honored as the "National Intellectual Property Advantageous Enterprise" and won patent-related awards such as the "Third Prize of Beijing Invention Patent Award".

Beijing SenseTime Technology Development Co., Ltd. Won the Third Prize of Beijing Invention Patent Award

Shenzhen SenseTime Technology Co., Ltd. and Shanghai SenseTime Intelligent Technology Co. Were Honored as National Intellectual Property Advantageous Enterprises

By the end of the Reporting Period, the progress in intellectual property management made by SenseTime were as follows:

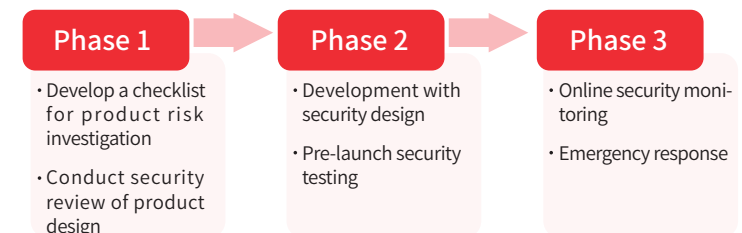| Type	Cumulative quantity (units) as of the end of Reporting Period	Number of units added during the Reporting Period
Global and Chinese patent applications	17,178	235
Authorized patents	3,529	639
Registered trademarks	4,065	242
Trademark applications	5,098	106
Software copyrights	729	58
Copyright of works	139	19

2.2 Bearing Product Responsibility

Quality and safety of products are of vital importance. We strictly follow the relevant laws and regulations such as the *Law of the People's Republic of China on Product Quality* and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and have formulated policies relating to product lifecycle management such as the *SenseTime Group Product Initiation Management Process*, the *SenseTime Group Product Release Process* and the *SenseTime Group Product Suspension and Sales Process Policy*. A closed-loop management mechanism, covering product initiation, release, and suspension and sales, has been established and improved to provide customers with reliable products.

Managing Product Lifecycle Safety

SenseTime has established a Safety Operations Center (SOC) platform, a Model Evaluation platform, a Content Safety platform, a Data Annotation platform, and so on. Their establishment has built comprehensive capabilities such as content security, algorithm model security, data security and personal information protection, and AI ethical audit. These capabilities help to resist the security risks caused by algorithm, model security and data leakage, and jointly safeguard the legitimate rights and interests of customers and personal information subjects. Additionally, we have established a closed-loop management mechanism covering product initiation, release, and suspension and sales. For example, we conduct strict audits on our products, related sales, marketing and advertising strategies, and materials, and provide a complete audit mechanism and online audit platform for product development in ethics, safety, and cultural compliance.

Phase 1	Phase 2	Phase 3
· Develop a checklist for product risk investigation · Conduct security review of product design	· Development with security design · Pre-launch security testing	· Online security monitoring · Emergency response

SOC Platform Operation Process

For hardware production management, we cooperate with suppliers to control product material safety, and carry out strict manufacturing and pre-delivery inspection. Meanwhile, we have established internal policies such as the *Product Marking and Packaging Standard* to standardize the application of hardware product markings and packaging. During the Reporting Period, there was no violation related to product and service information and identification, and no recall of products due to health and safety concerns.

Ensuring the Safety of AIGC

The cloud application of AIGC brings enormous information, while requiring the prevention of illegal, false, biased, and unethical content. Highlighting the AIGC safety, SenseTime has taken measures to regulate the provision of generated texts, images, audio and videos based on AIGC technology. During the Reporting Period, we continued to improve the safety management of AIGC from management structure, policy building and technological control. We have set up a dedicated working group to manage AIGC safety and issued 6 policies for AIGC such as the *Assessment Specifications for Generated and Synthetic Products of SenseTime Group* and the *Management Rules for Third-Party Cooperation on AI Generated Products of SenseTime Group*. In addition, we use mechanisms combining technical filtering, manual audit and other means, and conduct multiple security audits on AIGC to protect the clean and healthy content environment.

Technical filtering

Based on self-developed content review engine, sensitive word service and specific knowlegde base, a sound computer audit capability is built to effectively intercept risky content.

Manual audit

According to the features of AIGC, the input and output of generated products are manually audited mainly bu doing spot checks of model grading and classification.

Multiple Audits to Ensure AIGC Safety

Ensuring the Safety of Automotive Products

For the Smart Auto field, SenseTime obtained ISO 9001 Quality Management System Certification, ISO 26262 ASIL D Process System Certification, ISO 21448 SOTIF Expected Functional Safety Process Certification and ISO 26262 Intelligent Driving - Functional Safety ASIL B product Certification. With excellent and compliant quality management system, safe development system and development capabilities, we continue to provide stable, reliable and safe automotive-related products in the automotive industry under transformation. Beyond that, we actively participated in revising the *GB/T 34590 Road Vehicles - Functional Safety* (V2), contributing to the development of domestic vehicle functional safety.

Honors and Awards

During the Reporting Period, SenseAuto was listed on the "Top 100 Players of China's New Automotive Supply Chain" in the 15th Annual Global Auto Industry Summit hosted by Gasgoo. Besides, in the issuing of "LingXuan Awards" (an authoritative award in the auto parts industry), SenseAuto Cabin - Brain won the "Prospect - Gold Award in Automotive Software"；SenseAuto ADAS won the "Mass Production - Outstanding Award in Intelligent Driving Products"；UniAD, which integrates perception and decision-making, won the "Prospect - Outstanding Award in Automotive Software".

Creating Reliable Medical Products

SenseTime also highlights the safety and effectiveness of medical device-related products. For medical business, we obtained ISO 13485 Medical Devices - Quality Management Systems Certification and ISO 9001 Quality Management System Certification. Our medical products have also obtained a number of medical device registration certificates to provide customers with high-quality and compliant products.

2.3 Providing High-Quality Services

We are committed to providing high-value products and optimizing customer experience through excellent services. Based on our AI core technology capabilities, customer needs are fully met through various channels, such as collaborating with industry experts, implementing customized development, and innovating product design.

In the meantime, to better focus on diversified customer needs, we have established a professional and excellent service team to receive customer feedback in time, and constantly optimize customer services to ensure high standards of service quality. To quickly respond to customer complaints, and effectively address customer questions, we have formulated internal policies such as the *After-Sales Service Procedures of SenseTime Group*. Customer complaint-related mechanisms and customer service management system are improved to provide timely and effective after-sales service for software, hardware, and software-hardware-integrated products. We also collect and handle customers' complaints and questions in a timely and accurate manner through multiple channels like email, telephone, WeChat official account, and websites, to build an effective and unified after-sales service platform for various products.

Upon receiving customer complaints, we set up a *Customer Complaint Handling Worksheet* in the after-sales service system, determine and label the urgency or importance of the work order, and adopt corresponding processing procedures based on the level of the customer complaint. We also establish a dedicated team to promptly resolve and follow up the customer complaints. Monthly spot checks are carried out to follow up on the service quality of handling customer complaints, so as to identify weaknesses in time and organize relevant departments to improve. During the Reporting Period, the Group received 0 customer complaint.

For Smart Auto business, we have formulated internal policies such as the *0km Customer Complaint Handling Process* and the *After-Sales Quality Problem Solving Process*. A sound after-sales management system including an after-sales problem handling process, after-sales fault analysis process, no-fault process and after-sales claim process has also been established to effectively settle customer complaints.
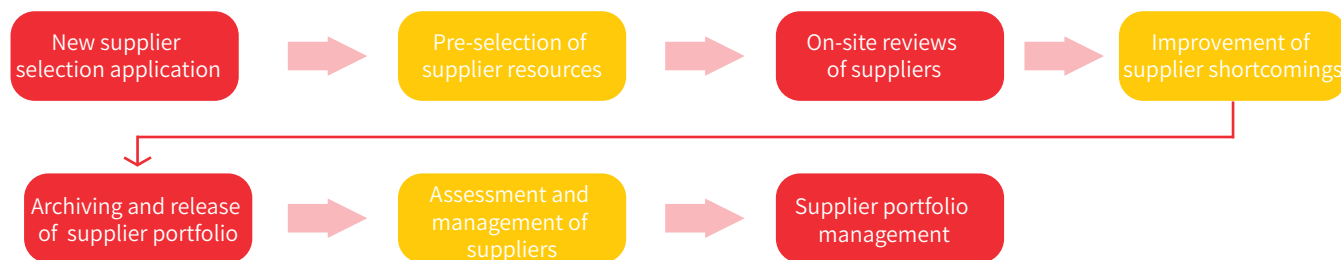
Immediately verify relevant information	Cooperate with relevant departments to identify problems, and analyze reasons	Propose and verify improvement measures	Provide clients with detailed 8D reports to trace and improve customer-side usability

After-Sales Quality Problem Solving Process

Customer satisfaction is a strong affirmation of service quality. Therefore, we conduct regular customer satisfaction surveys based on the characteristics of different customer groups across different product lines. Taking the Smart Auto segment as an example, we conduct monthly customer satisfaction surveys, inviting customers to make comprehensive evaluations of our smart autos from the dimensions of mass production quality and preliminary project cooperation, etc. We hope this could help us identify the room for improvement in service quality so that we can make targeted improvements to further enhance customer satisfaction. Furthermore, to effectively perfect the business process of our products, we have standardized customer services in the event of product discontinuation, so as to provide customers with continuous service guarantees.

2.4 Intensifying Sustainable Supply Chain

Optimizing Supply Chain Management

The advent of the large model era has changed the traditional ways of working and living, and the value of ecosystem integration will become even more important in the large model era. SenseTime is committed to joining hands with suppliers to build a more complete ecosystem, to jointly intensify the supply chain resilience. We have built a whole-process lifecycle management system for all suppliers to standardize the management of supplier selection applications, reviews, supplier portfolio maintenance, and other aspects to lay the foundation for intensifying supply chain management.

New supplier selection application → Pre-selection of supplier resources → On-site reviews of suppliers → Improvement of supplier shortcomings → Archiving and release of supplier portfolio → Assessment and management of suppliers → Supplier portfolio management

Whole-Process Supplier Lifecycle Management System

By the end of the Reporting Period, the number of suppliers of Sense Time by region is listed below:

Suppliers by Region	Quantity (Supplier)
China (including Hong Kong, Macao, and Taiwan)	353
Other countries and regions	24
Total	377

Quantity of Suppliers by Region

To continuously improve the supply chain management capabilities, SenseTime continuously optimizes the supplier introduction and performance evaluation processes, as well as the process and specific requirements for supplier classification management. During the introduction stage, we require suppliers to upload business licenses, account opening permits and other relevant basic documents through the system. We also set different introduction and review requirements for different categories of suppliers to ensure that they have valid qualifications, adequate service capabilities, etc. to ensure the identification and selection of high-quality suppliers.

Meanwhile, along with the business development of the Group, we continuously perfect the supplier hierarchy management and have established a more sound, scientific, fair and long-term supplier performance management system. Based on the performance evaluation results, we manage our suppliers in a graded manner. To be specific, we grade them into A/B/C/D levels and provide them with corresponding incentives, sanctions, and elimination measures. For example, for D-Level suppliers, we will hold internal discussion meetings to communicate with suppliers, requiring them to make rectifications to a qualified level. For suppliers who are ultimately unable to complete the rectification, we will directly eliminate them. By doing so, we constantly strengthen the overall structure and comprehensive capabilities of the suppliers, thereby laying the foundation for sound supply chain management.

During the Reporting Period, we formulated the *Supplier Performance Assessment Management Measures* and sorted out 12 rules for the 3 main categories of business group, engineering construction and integrated service. By the end of the Reporting Period, we had conducted performance evaluations of suppliers in 10 categories, covering 50 indirect suppliers and 30 inventory suppliers in total.

In addition, we have established diverse and effective supplier communication channels and organized multiple training and coaching sessions for suppliers, in an endeavor to continuously optimize the partnership and help them improve their management capabilities. During the Reporting Period, SenseTime held the second Partner Conference, where we shared and elaborated our expectations for our partners to jointly advance in the future in terms of business cooperation and supply chain ecosystem building.

Case: SenseTime's Second Partner Conference on Sustainability

On February 2, 2024, with the theme of "Flourishing in Ice and Snow", Sense-Time successfully held the second Partner Conference in Beijing, Shanghai and Shenzhen. At the conference, we shared our experience in the application of AI technology and our reflections on the future development in the field of large models. We hoped to promote the sustainable development of supply chain with our partners through supply chain finance, green supply chain, ESG international standard certification of suppliers, etc. Subsequently, the Group presented awards to 24 enterprises, including strategic suppliers, outstanding partners and high-growth partners, inspiring them to continue to join hands with SenseTime in building a more innovative and sustainable AI industry ecosystem.

The Second Partner Conference of SenseTime

Safeguarding Supply Chain Security

Supply chain security and stability is an important guarantee for an enterprise's sustainable development. The Group has actively implemented safety and reliable supply chain planning and established a supply chain security management mechanism with the participation of our Chief Operating Officer and the involvement of multiple departments. In 2022, we obtained ISO 28000 Supply Chain Security Management Systems certification. To implement the management requirements for supply chain personnel, warehousing and logistics, emergency response mechanisms and other related aspects, we conduct regular assessments and planning of supply chain security risks, implement and operate effective measures, inspect and correct actions, and conduct management reviews, to steadily promote the high-quality supply chain development.

For core suppliers, we adopted a "Second Source" measure to ensure that they can be replaced in a timely manner should they be affected by external factors to maintain business continuity. At the same time, we held annual fire safety inspections during the Reporting Period to familiarize ourselves with and rehearse the responses and processes in case of emergencies. Furthermore, we also simulated the case of item loss to strengthen the vulnerability management of supply chain security, hence ensuring the security and stability of the supply chain and preventing unexpected supply risks.

Supply Chain Security Management Essentials	Prevention-oriented, Technologically Leading, Continuously Improving, Secure and Trustworthy

ISO 28000 Supply Chain Security Management Systems Certificate

Sustainable Supply Chain

The Group is devoted to continuously developing a sustainable supply chain, and fully integrates and refines the ESG requirements in supply chain management. We have formulated and fully implemented the *Supplier Code of Conduct*, which specifies our norms and requirements for suppliers on environmental issues, human rights, data privacy, labor rights and others.

Environmental Requirements	Social Requirements
· Fully comply with applicable environmental laws; · Improve energy efficiency and minimize energy consumption and greenhouse gas emissions; · Strengthen the management of water, solid waste, and air pollutants; · Comply with requirements regarding package labeling, material content, recycling and disposal of products.	· Ensure that employees and the workplace are free from harassment, unlawful discrimination and retaliation; · Zero tolerance to forced labor, prison labor and human trafficking; · Provide fair compensation for all employees; · Comply with the requirements related to maximum working hours and holidays; · Provide a safe and healthy working environment for all employees; · Respect and protect intellectual property; · Comply with all local privacy and data protection laws and establish data security protection mechanisms.

Governance Requirements

· Improve management policies related to anti-bribery, anti-corruption, anti-money laundering and other business ethics.

We are committed to ensuring the transparency of the procurement process and that suppliers can fully fulfill their environmental and social responsibilities. We have required our partner suppliers to sign a series of documents such as the *Letter of Commitment for Confidentiality* and the *Statement of Integrity*. For suppliers of specific categories, we have required them to sign the *Letter of Commitment for Supply Security*, the *Letter of Commitment for Non-Use of Conflict Minerals*, etc. By the end of the Reporting Period, the number and percentage of suppliers who signed the various commitment letters are listed below:

Document Name	Number of Suppliers that Signed the Documents	Number of Suppliers that Should Sign the Documents	Percentage (%)
Letter of Commitment for Non-Use of Conflict Minerals	30	30	100%
Letter of Commitment for Supply Security	18	18	100%
Letter of Commitment for Confidentiality	215	215	100%
Supplier Statement	215	215	100%

In our supplier performance assessment, we set forth requirements for environmental management, hazardous substances management, labor rights, employee training, etc. Beyond that, we also ask suppliers of specific categories to provide the RoHS hazardous substance monitoring reports. In addition, when selecting suppliers, we prioritize the suppliers who have obtained ISO 14001 Environmental Management System certification and QC080000 Hazardous Substance Management System certification to strengthen supply chain resilience. Meanwhile, SenseTime is committed to promoting suppliers to prioritize green materials. For instance, we advise energy-consuming suppliers to use green power, give preference to environmentally friendly materials, and optimize the energy management of data centers to reduce carbon emissions and resource consumption. We also give priority to suppliers with easy transportation and closer proximity to reduce greenhouse gas emissions from transportation.

By the end of the Reporting Period, the number of suppliers who obtained various system certifications are listed below:

System Certification	Number of Certified Suppliers	Number of Suppliers to be Certified	Percentage (%)
ISO 9001 Quality Management System	43	43	100%
ISO45001 Occupational Health and Safety Management System	20	20	100%
ISO 14001 Environment Management System	40	40	100%
QC080000 Hazardous Substance Management System	20	20	100%

2.5 Promoting Coordinated Development of the Industry

The AI industry is rapidly evolving. Paying close attention to industry dynamics and cutting-edge technologies, SenseTime actively participates in industry standard-setting and strives to build sharing platforms. We attempt to join hands with all stakeholders to achieve the coordinated development of the AI ecosystem and create a win-win situation to build a competitive brand in the industry.

Launching Open Source Algorithm System

Open source has become a vital innovation channel for global digital technology innovation and scientific and technological advancement. SenseTime has long been committed to advancing the AI infrastructure and open-source ecosystem, and jointly building and promoting a thriving AI community with developers. By the end of the Reporting Period, the open source program of SenseTime had expanded to the fields of intelligent decision-making, large language model, extended reality, data platform, high-performance training, reasoning framework, and AI intelligence framework. This program provided all-round algorithm and platform support for scientific breakthroughs and applications of AI technology.

OpenMMLab Open Source Algorithm Platform	OpenDILab Open Source Decision-Making Intelligence Platform	OpenPPL High-Performance Deep-Learning Inference Platform
OpenMMLab is the most complete open-source algorithm system for computer vision in the deep learning era. Since its initial release in 2018, Open-MMLab has released 10+ algorithm libraries, covering various research areas such as classification, detection, segmentation and video understanding, has implemented 200+ algorithms implementation and contained 1,500+ pre-trained models.	OpenDILab is an important part of OpenXLab, an open-source platform system jointly released by SenseTime and Shanghai Artificial Intelligence Laboratory. OpenDILab is the first AI decision-making platform in the world that covers the most comprehensive algorithms both in academia and industry, with a complete set of AI decision-making training and deployment frameworks. It consists of the application ecological layer, algorithmic abstraction layer, asynchronous distributed management layer and the the bottom distributed execution layer.	OpenPPL is an open-resource deep-learning inference engine based on self-developed high-performance kernel libraries, providing multiple-backend deployment capabilities for AI models in cloud-native environments and supporting the deployment of deep-learning models such as OpenMMLab. OpenPPL enables AI applications to run efficiently and reliably on existing computing platforms such as CPU and GPU, delivering AI inference services in cloud scenarios.

Major Open-Source Programs of SenseTime

With the open-source culture prevailing, GitHub has become a crucial platform for developers to share and collaborate on code. On GitHub, the number of stars a project has is often seen as one of the indicators of its popularity. SenseTime launched its open source computer vision framework OpenMMLab back in 2018. During the Reporting Period, OpenMMLab's core architecture has undergone a brand new innovation, supporting PyTorch 2.0, and several kernel libraries have realized significant performance improvement, officially entering the 2.0 era, and continuing to cultivate in the field of computer vision. By the end of the Reporting Period, Open-MMLab has more than 100,000 stars on GitHub, more than 17 million downloads of the code warehouse, and users in more than 140 countries and regions, covering the world's top universities, research institutions and enterprises, and has become a thriving ecosystem.

Participating in Industry Standards Development

SenseTime gives full play to its brand influence and leadership to promote industry co-construction. We actively cooperate with industrial partners, renowned universities and standardization organizations at home and abroad to promote the development of industry standards and foster the large-scale deployment as well as standardized development of AI industrialization.

During the Reporting Period, the Group participated in developing various international standards and group standards, covering AI ethics, data security, computer vision, AI, AR, etc. For example, we took part in the preparation of international standards such as the ISO/IEC 23894:2023 *Information Technology - Artificial Intelligence - Guidance on risk management*, and group standards like the *Artificial Intelligence - Functional Requirements of Edge and Terminal Device Model Deployment Toolchain*, leading the process of optimizing standards for arithmetic services.

2.6 Cultivating Industry Talents

Adhering to the tenet of "Discovery, Innovation, Cooperation, Win-Win", SenseTime relying on its profound scientific strengths, has formed a coordinated nurturing mechanism with universities and research institutes to capitalize on complementary advantages. Meanwhile, we actively promote academic exchanges and contribute to the AI industry through diversified forms of cooperation.
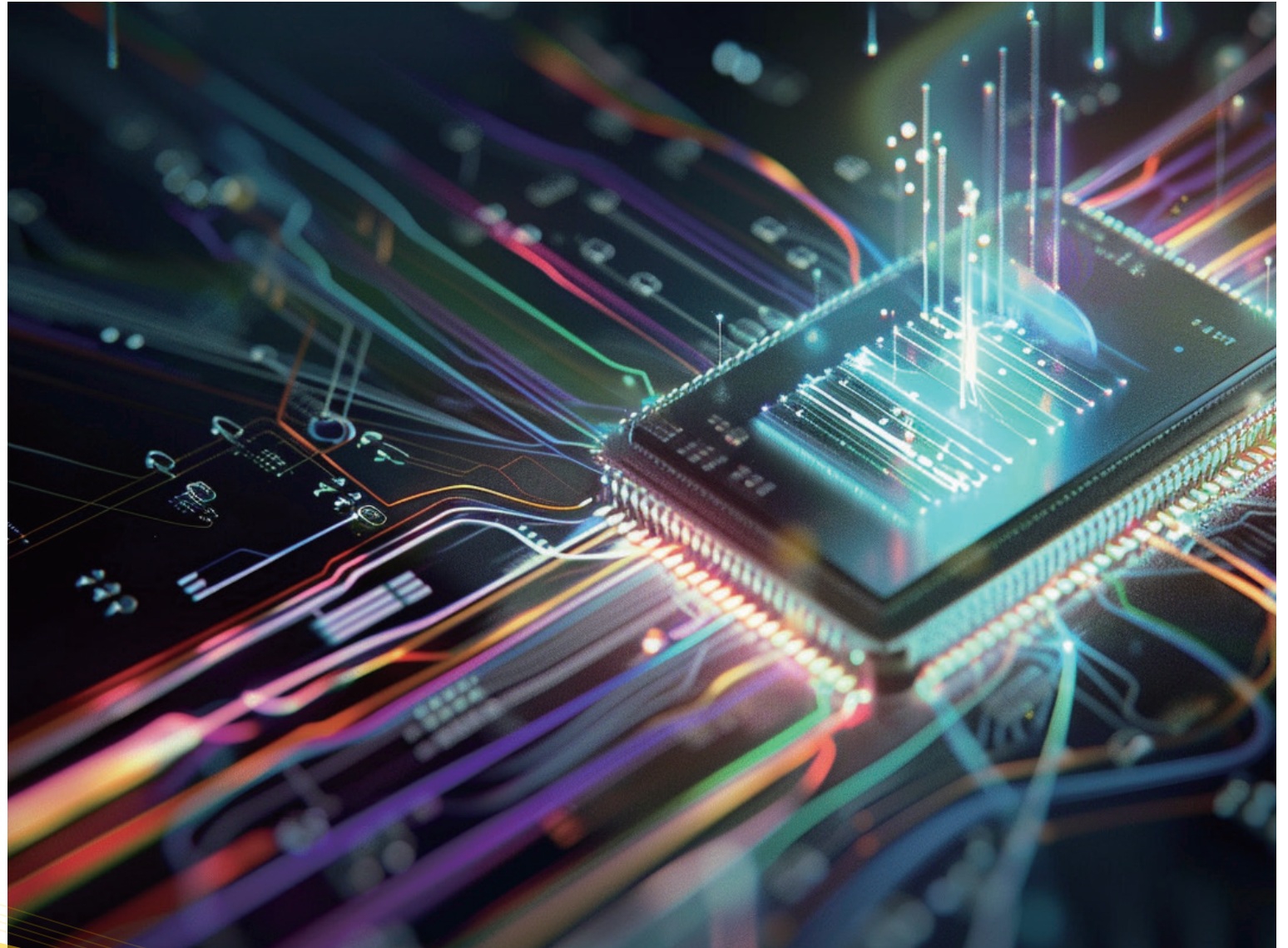
Nurturing Talents in Cooperation with Colleges and Universities

Selecting and cultivating excellent students in AI-related majors has always been the practical path of SenseTime to cultivate industry talents. Facing top talents of first-class universities in China, the "SenseTime Scholarship", a high-value scholarship funded by SenseTime, is set to enhance the core competitiveness of outstanding undergraduates in the field of AI, aiming to discover, encourage and develop the most potential undergraduates in the AI domain. By the end of the Reporting Period, the "SenseTime Scholarship" had sponsored 195 outstanding undergraduates from more than 20 top universities in China, such as Tsinghua University, Peking University, Shanghai Jiao Tong University, University of Science and Technology of China, Zhejiang University and Beihang University in 7 batches, to support talent cultivation.

Since 2016, SenseTime has built talent training practice bases and provided AI courses in cooperation with Tsinghua University, Shanghai Jiao Tong University, Beihang University, Zhejiang University and other top universities in China. By the end of the Reporting Period, we had jointly developed more than 350 undergraduate, postgraduate and doctoral students.

Cooperative universities and departments	Courses
Department of Electronic Engineering, Tsinghua University	*Advanced Computer Vision*
Student Innovation Center of Shanghai Jiao Tong University	*OpenMMLab Algorithm and Practice*
Institute of Artificial Intelligence, Beihang University	*Lectures on Selected Progress of Artificial Intelligence*

Cultivating Youth for Innovation

To discover young talents with a sense of science and creativity and practical ability, and cultivate young people's interest in AI technology, SenseTime has taken various measures to build a bridge for primary and middle school students from all over the country to explore AI technology. During the Reporting Period, as a technical unit, SenseTime was closely involved in and supported the launch of the Novelty Originality Creativity (NOC), which was created to help children establish AI thinking in practice. This event also earned us the title of "NOC-AI Junior Engineer Competition Equipment R&D Base".

SenseTime Participate in the National Finals of the NOC as a Technical Support Unit
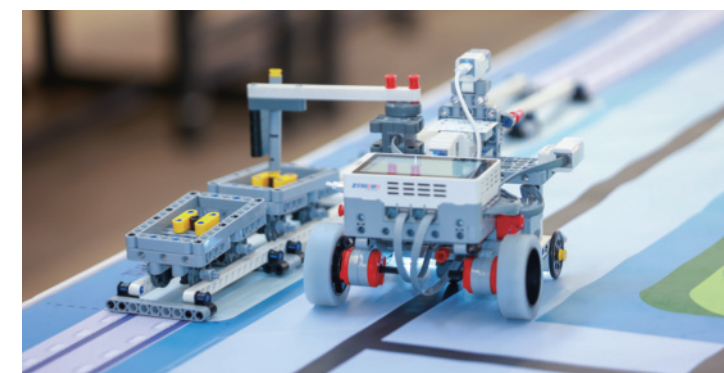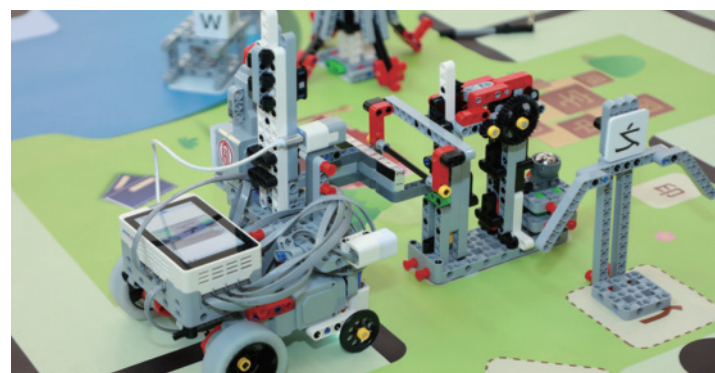
Outstanding Works in NOC Shanghai Selection Competition

At SenseTime, we create a "Magic Lab" for students based on our resources. During the Reporting period, the "Magic Lab" provided a study tour program for students from various cities and Hong Kong SAR, enabling a total of 6,000 children to deep dive into AI technology and experience the application of AI in various fields, so as to spark their interest and passion for AI; In addition to Shanghai, Beijing, Shenzhen, we have also expanded to Hong Kong, Singapore, the United Kingdom and other regions. Meanwhile, during the Reporting Period, in addition to the original "Shanghai (Youth) Scientific Innovation Education Base", Magic L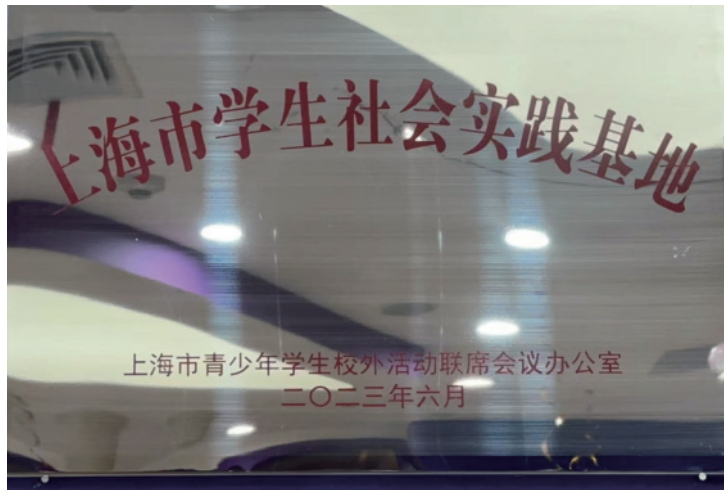ab also won the titles of "Shanghai Student Social Practice Base", "Outstanding Case of Study Tour", "Outstanding Scientific Innovation Education Base" and "Outstanding Venue Liaison Officer" issued by the Shanghai Scientific Innovation Education Steering Committee, 21Boya.cn and other organizations.

Magic Lab Won the Title of "Shanghai Student Social Practice Base"

SenseTime continuously promotes AI into the campus to cultivate the students' innovative spirit. During the Reporting Period, SenseTime launched AI-related courses and activities in numerous primary and middle schools in Beijing, Shanghai, Shenzhen, etc. We participated in the AI robot animation competition at Shenzhen Nanshan District Science and Technology Festival, invested in more than 10 robots as well as components for the project, and provided students with various learning materials for preparation. We also took part in the Science Experience Exhibition at the Holistic Education Festival for Shanghai Putuo District's primary and secondary schools, and sent two on-site operational personnel with multiple robot exhibition equipment and textbooks. Furthermore, we provided tutoring for the AI machine learning course in Beijing No.20 High School to help students learn about AI technology, supporting the construction of an AI pilot school in the district.

On this basis, SenseTime is also committed to promoting the development of AI educational resources and advancing AI undertakings. During the Reporting Period, we provided offline AI popularization courses for primary and secondary school teachers at the Haidian Institute of Education Sciences, enabling teachers to utilize AI technology to deliver classes more interestingly and interactively. We also formulated the *Artificial Intelligence Curriculum Guidelines for Primary and Secondary Schools* with East China Normal University and Shanghai Artificial Intelligence Laboratory. By constructing a set of scientific and open curriculum guidelines for AI education in primary and middle schools, we aim to help schools and teachers adapt to future needs and help students develop logical thinking, creative thinking and problem-solving skills.

As of the end of the Reporting Period, SenseTime has covered more than 3,200 schools in more than 20 cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Hong Kong and Macao, and has taken artificial intelligence education products abroad and spread them to Singapore, Saudi Arabia and other countries and regions, covering a total of more than 220,000 people, and a total of more than 10,000 teachers participated in the training and use.

03

People-Oriented to Empower Employee Growth

01 Diversity, Equity and Inclusion

02 Talent Attraction and Retention

03 Competitive Incentive System

04 Healthy and Energetic Working Atmosphere

05 Human Resources Key Performance Index

As an original technology-driven artificial intelligence company, Sense-Time values top talents as the source of vitality for the Group's continued growth. During the Reporting Period, SenseTime built a Gen AI talent team with a global perspective and provided strong support for the talents. Thanks to our dual-wheel drive strategy of "original technology + talent magnet", we have attracted many high-performing talents. With an emphasis on talent training and development, we strive to create a healthy and vibrant work environment that allows employees to unleash their infinite creativity and talent based on our existing achievements.

These efforts have not only propelled SenseTime on a new journey of AGI, but also earned us 15 employer awards, including Best Employer of the Year and Most Digitally Responsible Employer of the Year for 2023 by Forbes China. These awards are a strong testament to SenseTime's efforts to develop and empower employees and to build an image as an excellent employer.

Forbes' Best Employer of the Year (2023)

Forbes' Most Digitally Responsible Employer of the Year (2023)

3.1 Diversity, Equity and Inclusion

Originality-Driven Culture

Dedicated to the mission of "to create a better AI-empowered future through innovation", SenseTime has been committed to leading the innovation and development of Chinese enterprises since its establishment. Our ultimate pursuit of original technologies has attracted a large number of high-tech talents with a dream of originality. Together, we are exploring the unknown areas of the industry from scratch and becoming an industry "definer" of the future.

Respecting and Embracing Diverse Employees

The Group is committed to creating an inclusive, diverse, and equitable working environment. We give equal opportunities and treatment to all employees regardless of age, gender, physical health, marital status, race, skin color, nationality, religion, sexual orientation or other identity characteristics. We have offices in many cities at home and abroad, such as Beijing, Shanghai, Shenzhen, Hong Kong, Abu Dhabi, Singapore, and Germany. We attract employees from different nationalities and cultures to promote cooperation among them and create a diversified and inclusive work environment. At SenseTime, we respect differences and encourage innovation, allowing each employee to fully unleash their potential. At the same time, SenseTime's flexible transfer mechanism and global job opportunities enable employees to grow and develop on a broad platform according to their development needs and the needs of the Group.

We regard our employees as valuable assets and are committed to protecting their rights and interests. SenseTime strictly complies with international conventions such as the *Universal Declaration of Human Rights* and the *International Labor Convention*, and laws and regulations in the countries and regions where we operate, such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and the *Provisions on the Prohibition of Using Child Labor*. We sign labor contracts with all our employees by law, and formulate internal documents such as the *Employee Handbook of SenseTime Group*, the *Probationary Period Policy*, the *Internal Transfer Polic*y, etc., to guarantee employees' due rights and interests. We have established trade unions in Shenzhen and Shanghai offices to strengthen employee communication, protect employees' rights and interests, and create an equal working environment.

SenseTime prohibits all forms of child labor and forced labor. During the recruitment process, we strictly review the candidates' identity information to ensure that the recruitment process complies with laws and regulations and to avoid employing child labor. In case of detecting and verifying child labor, SenseTime will immediately terminate the labor contract and return the employee to his/her original place of residence in his/her parents' or other legal guardians. Meanwhile, SenseTime implements leave management in accordance with national and regional policies, and clearly specifies the working hours and vacation in the labor contracts to ensure employees' legitimate rights and interests and reasonable and adequate rest time. During the Reporting Period, the Group had no illegal employment, such as child labor or forced labor.

SenseTime has formulated and implemented a series of internal management documents, such as the *Employee Code of Conduct of SenseTime Group - Discrimination and*

SWAN: She Power

Harassment Handling Policy and the *Guidance for Employee Code of Conduct of SenseTime Group*, to prohibit employees from engaging in any forms of discrimination and harassment against others. We also establish the corresponding complaint procedures and reporting channels to protect the complainant and commit to responding to and handling the complaints within 24 hours upon receipt.

We are concerned about the career development of our female employees and work to provide them with equal opportunities and platforms for growth. During the Reporting Period, we held a number of activities to support the development of female employees and established a female leadership organization "SWAN". The aim was to enhance the influence and leadership of our female employees and develop the organization into a platform to support women's growth and enable females to share their perspectives across the Group. By the end of the Reporting Period, the proportion of female managers in SenseTime's management was 26.8%.

Working Environment for Open Communication and Win-Win Collaboration

SenseTime fully recognizes, accepts, and values the uniqueness of all employees, and is fostering a corporate culture where everyone feels valued and has a sense of belonging and involvement. To respond promptly and effectively to employee needs, we insist on building a fair and transparent communication mechanism. Thanks to this mechanism, we are able to communicate with employees through various channels, so as to ensure that each employee's voice can be heard.

We organize all-staff meetings, executive luncheons, monthly and quarterly departmental meetings, and Town Hall Meetings to allow executives and employees to have in-depth communications and further their interaction and mutual understanding.

At the same time, we have established a cultural transmission platform with the characteristics of SenseTime - *The Way of SenseTime* - to convey the Group's core values to all employees. Besides, we have created WeChat groups for employees at all offices across the country to convey important information and allow employees to seek advice and make requests when needed. In this way, we have ensured the agility, efficiency, and immediacy of employee communication.

3.2 Talent Attraction and Retention

Fully aware of the importance of attracting and developing talents for sustainable development, SenseTime is actively fostering a corporate culture that encourages employees to face challenges and explore new areas, thus stimulating their passion for innovation. We also provide platforms for employees to showcase their talents and acquire and apply cutting-edge knowledge.

We are committed to offering quality learning and growth opportunities for our employees, helping them better tap into their potential. Beyond that, we also provide diverse learning resources through a digital system for employees at different stages of their professional and personal growth. SenseSchool has set up a Leadership Center and a Career Development Center and formulated special training programs for different groups, while continuously improving the talent training system by building up an internal instructor team.

Talent Attraction: Dual-Wheel Drive Strategy of "Original Technology + Talent Magnet"

SenseTime's founding team is made up of top AI scientists from around the world. Their innovative way of thinking and working has attracted a number of top AI talents with aspirations to develop original technologies. Meanwhile, we keep participating in campus recruitment to find outstanding graduates interested in artificial intelligence. We believe that the influx of new talents will bring a constant stream of innovative vitality and fresh perspectives to the organization.

In addition, SenseTime strives to build an innovative industry-academia-research ecosystem, collaborating with universities and research institutes to solve tough technical problems and develop industry talents. In this way, our dual-wheel drive strategy of "original technology + talent magnet" has helped attract AI elites from around the world. During the Reporting Period, we revised and released the *Social Recruitment Management Policy V2.0 of SenseTime Group*, aiming to further clarify the principles of talent recruitment, as well as the responsibilities, divisions of work, workflows and management requirements for each stage of the social recruitment process. We expect that this management policy will help us improve the recruitment and selection mechanism and ensure the quality of the talents recruited.

Case: SenseTime's First "AI Youth Forum" in Beijing: Join Hands with Talents in the Era of AI

On May 17, 2023, SenseTime's first "AI Youth Forum" was successfully held in Beijing, attracting more than 50 outstanding undergraduates, postgraduates and doctoral students from top universities. Business team leaders of SenseTime shared unique industry insights and discussed with the students about cutting-edge topics of AI based on their teams' large model-related technology research and application practices. At the forum, they demonstrated SenseTime's original aspiration for AI, passion for gathering young talents, as well as in-depth research and extreme pursuit of cutting-edge technologies.

The First "AI Youth Forum" of SenseTime in Beijing Office

Growth of Talents: A Platform for Excellence and Mutual Development

During the Reporting Period, amid the technological wave unleashed by AI technologies such as large models and AIGC, SenseTime endeavored to produce future-oriented, progressive, and high-performing AI talents and create a platform for them to learn, grow, and "define" the technologies and the industry from "0 to 1" and "1 to 100".

· For the long-term career development of employees, we consolidate foundations, refine systems, and provide specialized training for employees at different stages of development.

To actively support the development of our talents, we align talent training plans with employee career development schemes and provide customized training programs for new employees, the four expert groups, and the management group. During the Reporting Period, SenseTime established a new promotion and training system that integrated personnel promotion and training mechanisms to form a complete and innovative personnel training mode. Before employees are promoted, we arrange empowerment training for judges and provide the employees with executive messages, job competency models, micro-courses and guidelines for defending promotions. After employees have been promoted, we also have specific training plans to help them better prepare for new positions and demonstrate their competencies, so that they can adapt more quickly to their new roles.

· Keeping up with the times, we pursue breakthroughs and innovations, organize AIGC-related exchange meetings, and apply AIGC products in training.

In line with the AIGC trend, we have launched a series of live broadcasts on AI basics for novices under the "Qiyu Plan". Besides, we also share new AIGC technologies and best practices in the industry at "Confucius Forum" to keep employees abreast of industry trends, cutting-edge technologies, and applications of AIGC products. Furthermore, we apply AIGC technologies such as content generation, text-to-image, and digital humans to training to make employees directly experience the impact of the technology wave.

· Driven by strategic needs, we view leadership development as a long-term talent strategy, work to maintain the stability of our training systems, and constantly seek

As part of our long-term talent strategy, we have established four internal leadership development projects, namely the Breakthrough Plan, the Sword Sharpening Plan, the Flying Plan, and the online courses, which are designed to empower our leaders at different management levels and maturity stages. During the Reporting Period, having considered the need to update our business strategies and organizational structure and identified the needs of our management members, we innovated and optimized training programs by providing learning and growth opportunities beyond the training sessions.

For example, we have launched the Breakthrough Plan and the Sword Sharpening Plan as blended learning modes to meet the diverse learning needs of our management staff. We also organize an innovative experiential culture workshop for managers to help them better understand and implement our corporate culture in the new era. In addition, we offer performance-based online micro-courses on our platform to facilitate self-regulated learning for managers at all levels. Through these measures, our managers have enhanced their managerial skills and cultural competencies, and are able to lead their teams toward continuous improvement.

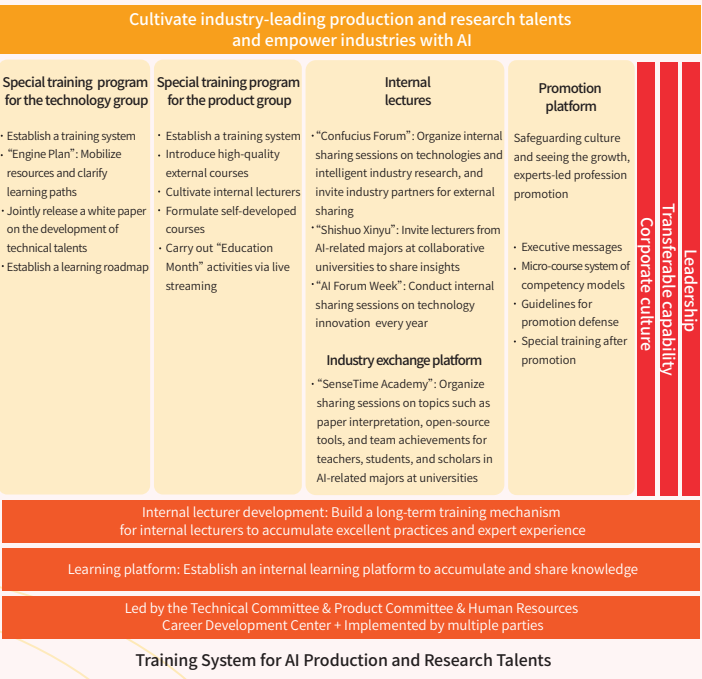· We seek innovative methods and tools for talent development and upgrade digital learning platforms.

We work to provide employees with better and more convenient learning experiences and resources. During the Reporting Period, we creatively applied SenseTime's AIGC large model products such as "SenseChat", "SenseMirage", "SenseAvatar" and other digital human technologies in training scenarios, realizing the in-depth integration of frontier technologies and talent training. At the same time, 278 new courses were added to SenseTime's digital learning platform, which was used more than 110,000 times throughout the year. During the Reporting Period, 99% of SenseTime's employees received training.

Our goal is to cultivate future-oriented, high-performing AI talents who are eager to learn, dare to challenge and innovate, able to create high customer value and assume social responsibility, while building a learning organization that is capable of self-improvement and self-direction. To meet the talent development needs at SenseTime, we continue to strengthen our internal instructor team and develop high-quality training courses. By the end of the Reporting Period, more than 220 SenseTime instructors from 16 departments had developed 209 courses and provided training for more than 20,000 employees, with an average training time of over 2.5 hours per person. Through these efforts, we have effectively shared our experience and integrated our resources, helping employees to grow rapidly.

Case: Training Program for Expert Groups - AI Production and Research Talent Training System

Fully aware of the importance of the long-term growth of production and research talents, SenseTime has worked with over 50 senior experts to build an AI production and research talent training system. In line with the Group's production and research talent strategy, we adopt efficient talent training approaches to help them improve their performances. We also implement a long-cycle management mechanism to support the growth, development, and promotion of talents.

We focus on "Five-Capability Building" in supporting the promotion of production and research talents, including professional capability, leadership, transferable capability, cultural capability, and promotion capability. Also, we are continuously improving and actively promoting the implementation of the training system for these talents. During the Reporting Period, our training program for expert groups won two industry awards, the "OneFLAG Awards - Best HR Program of the Year" and the "X Awards - Best Practice in Digital Talent Development", which demonstrated that we are highly praised and recognized by the industry.

Cultivate industry-leading production and research talents and empower industries with AI

Special training program for the technology group	Special training program for the product group	Internal lectures	Promotion platform
· Establish a training system · "Engine Plan": Mobilize resources and clarify learning paths · Jointly release a white paper on the development of technical talents · Establish a learning roadmap	· Establish a training system · Introduce high-quality external courses · Cultivate internal lecturers · Formulate self-developed courses · Carry out "Education Month" activities via live streaming	· "Confucius Forum": Organize internal sharing sessions on technologies and intelligent industry research, and invite industry partners for external sharing · "Shishuo Xinyu": Invite lecturers from AI-related majors at collaborative universities to share insights · "AI Forum Week": Conduct internal sharing sessions on technology innovation every year **Industry exchange platform** · "SenseTime Academy": Organize sharing sessions on topics such as paper interpretation, open-source tools, and team achievements for teachers, students, and scholars in AI-related majors at universities	Safeguarding culture and seeing the growth, experts-led profession promotion · Executive messages · Micro-course system of competency models · Guidelines for promotion defense · Special training after promotion

Corporate culture · Transferable capability · Leadership

Internal lecturer development: Build a long-term training mechanism for internal lecturers to accumulate excellent practices and expert experience

Learning platform: Establish an internal learning platform to accumulate and share knowledge

Led by the Technical Committee & Product Committee & Human Resources Career Development Center + Implemented by multiple parties

Training System for AI Production and Research Talents

Case: AI Navigator Training Program

During the Reporting Period, we enhanced the training of new employees engaged through campus recruitment in all respects. For instance, we provided tailor-made learning programs for new employees at different stages after their onboarding and established a long-term training system for fresh graduates.

The new hires are given tips on how to adapt to their roles within 180 days and provided with training in the necessary knowledge and skills, so that they can get a quick overview of the Group. Within the first 6 months of their employment, we arrange for mentors to provide one-on-one coaching to help them better prepare for their career development. In October, as part of the "AI Navigator Launch Plan", we conducted an offline training camp to help new employees hired through campus recruitment gain a deeper understanding of our corporate culture and business. Newly hired technical and product employees will also receive a 3-month professional skills training that consists of more than 50 proprietary courses, which is expected to consolidate their professional foundation. Campus-recruited employees who have been employed for about 1 year can join our Dynamic Sheep Club to enhance their overall professionalism.

During the Reporting Period, we held 7 offline training sessions, with an overall satisfaction score of 4.8 (out of 5) from the participants. In the future, we will arrange more training programs and learning resources for employees to meet their needs at different stages of their careers, ensuring that new hires are well on their way at SenseTime from the moment they are recruited on campus.

AI Navigator Training Program for Campus-Recruited Employees

Case: Training Program for the Management Group - "Sword Sharpening Plan"

During the Reporting Period, we initiated the "Sword Sharpening Plan", a leadership development program for the Group's key management staff to consolidate their basic knowledge and skills. To reinforce the customer-centric culture, we provided three phases of training that were accessible both online and offline, namely Basic Training, Core Training, and Ongoing Training. At the end of the program, SenseSchool conducted an evaluation through questionnaires, interviews and feedbacks, and examinations, and achieved an overall evaluation score of 4.97 out of 5. Through this program, we have successfully enhanced the leadership of our managers, strengthened the consistency of corporate culture, and laid a solid foundation for the long-term development of the Company.

Talent Assessment:
A Fair and Transparent Performance Appraisal Mechanism

Guided by clear objectives, SenseTime continues to pursue innovation and breakthroughs in AI technology. We firmly believe that an efficient, fair, and transparent performance appraisal mechanism is the key to unlocking employees' potential and driving the continuous development of the Company. At SenseTime, we value the consistency of team objectives and ensure that every member's efforts are aligned with the Company's core mission and vision. We encourage employees to actively pursue challenging goals, with a focus on fostering collaboration and improving efficiency.

To adapt to the rapidly changing external environment, we have developed more efficient and differentiated incentive policies for different business sectors and departments. We have also strengthened the correlation between targets and performance, and achieved effective convergence between organizational performance and individual performance. This improvement ensures the consistency of the employees' development targets with the Company's long-term strategic and business objectives, and further enhances employees' job satisfaction and sense of belonging. We conduct performance appraisals of employees twice a year to comprehensively assess their work outputs, cultural values, etc. As such, we strive to ensure that each employee's efforts and contributions are appreciated and rewarded. In the future, we will continue to uphold this philosophy and optimize our performance appraisal system to boost the long-term sustainable development of the Company.

Talent Development:
A Wide-Ranging and Flexible Career Development System

With the rapid development of Gen AI technology, we have been standing at the forefront of leading employee career development. During the Reporting Period, we updated job competency requirements, and reshaped and upgraded our career development system. Our aim is to create more development opportunities and infinite possibilities for AI talents in emerging fields, and lead the advancement of Gen AI. Leveraging competency models, ongoing training after promotion, and abundant opportunities and practices, we have built a more flexible, innovative, and wide-ranging talent development system to serve as a platform for the continuous growth and development of our talents.

3.3 Competitive Incentive System

To recognize the employees for their outstanding contributions and long service to SenseTime, we provide them with a wealth of material and spiritual incentives. In terms of material incentives, we have formulated a "performance-oriented" compensation policy to provide each employee with fair and equal remuneration that is commensurate with their position, ability, performance, and contribution. For employees who have made significant contributions, we provide equity incentive plans to promote the common growth of employees and SenseTime.

In terms of spiritual incentives, we have established a comprehensive honor and commendation system. We host awards ceremonies every year to present awards such as the Originality Award, SenseTime Award, SenseTime Black Sheep Award, and SenseTime Team Award to outstanding teams and individuals from the past year. In addition, we utilize documentaries, written reports, and other artistic forms to spread the stories and spirit of the awardees. This is done to enhance employees' sense of belonging and honor, and enable them to deeply appreciate the value of their efforts, thereby stimulating their enthusiasm for innovation.

For teams and individuals who demonstrate outstanding performance in their daily work, such as sales personnel, the Company will give them immediate incentives. For example, we will publish a letter of commendation from the CEO to demonstrate the Company's recognition of their work. In this way, we can instantly and effectively share the performance and spirit of the award-winning teams, who will become role models to influence and inspire more teams and individuals.

SenseTime Annual Awards Ceremony 2023

3.4 Healthy and Energetic Working Atmosphere

To better enhance work efficiency, creativity and satisfaction of employees, SenseTime is committed to fostering a happy workplace environment for every employee. We offer a comprehensive welfare system and highly value the physical and mental health of our employees. Therefore, we have organized a variety of cultural activities to encourage employees to balance work and life and enhance their sense of happiness, belonging, and achievement.

Welfare Plan Across the Employee Lifecycle

With our "Sheep is Happy" welfare plan, we consistently prioritize the well-being of our employees by offering a caring welfare system that covers all aspects of their needs. This plan covers various welfare programs such as risk guarantee, health management, employee care, allowance and subsidies, wonderful holidays, convenient living, cultural activities, growth incentives, and festival benefits. In a nutshell, it spans the entire employee lifecycle and can ensure our people work happily and live a worry-free life.

Panorama of the SenseTime Welfare Plan

SenseTime cares about employees' family lives and actively supports and encourages them to balance life and work. In accordance with the *Population and Family Planning Law of the People's Republic of China*, we have set parental leave for employees who comply with the national family planning policy. Before their children reach the age of 3, they are entitled to a total of 5-10 days of parental leave per year according to the specific local policy. We also organize family open days to enhance interaction and communication between employees and their families, ensure that employees receive adequate care and support during childbirth and child-rearing, and enable employees to better balance work and family responsibilities, thereby enhancing their job satisfaction and sense of happiness.

Dynamic and Collaborative Cultural Activities

SenseTime is committed to creating a positive, healthy and pleasant workplace for employees. To this end, we hold various activities such as Mid-Autumn Festival, Lantern Festival, International Women's Day, Father's Day, Dragon Boat Festival, National Day and company anniversary celebrations, such as the YHD Cup Sports League and Anniversary Week Event. The Town Hall Meeting provides employees with a platform for open and equal communication with the co-founders and senior management. During the meeting, employees can freely discuss the development and management of the Company, thereby enhancing their sense of participation and commitment.

To create a joyful and warm festive atmosphere, we provide our employees with tea breaks, fruits, and beverages from time to time, intending to enhance their sense of belonging and let them feel the care and warmth from SenseTime. Based on the culture of "collaboration", we invite employees to participate in the Company's theme song creation and the annual original uniform design competition. Through these activities, employees may integrate their cultural insights into their works and express their love for the Company.

In addition, we encourage employees to develop interests and hobbies, and have formulated the *Cultural and Sports Club Management Measures of SenseTime Group* to standardize the management and operation rules of the clubs at each operating site. Through a combination of online and offline, we organize a variety of club activities and competitions, including but not limited to yoga, swimming, board games, photography, badminton, table tennis, basketball, and football, to provide a platform for employees to show and share their interests and hobbies, and enjoy the happy time after work.

YHD Anniversary Event

Works from the Uniform Design Competition (Partial)

Prioritizing the Physical and Mental Health of Employees in the Workplace

The Group strictly complies with the laws and regulations in the countries and regions where we operate, such as the *Labor Law of the People's Republic of China*, the *Fire Protection Law of The People's Republic of China*. We have obtained the ISO 45001 Occupational Health and Safety Management System Certification and continued to improve the Group's employee health and safety management system. Besides, we have formulated the internal documents, including the *Daily Management Standards for the Office Environmental Standards of SenseTime Group*, the *Fire Safety Management Manual of SenseTime Group*, the *Physical Safety Management Manual of SenseTime Group*, and the *Working Guidelines for Hazard Identification, Risk Assessment and Risk Control of SenseTime Group*. By establishing daily work environment management practices, we endeavor to identify and eliminate potential safety hazards promptly to ensure the safety and health of our employees.

For emergencies such as fires, we regularly organize fire drills for all employees to improve their fire emergency awareness and response capabilities. The Group had no fatality related to work from 2021 to 2023. During the Reporting Period, the number of working days lost due to work injury was 265.

Case: SenseTime Fire Drills for Employees in 2023

To further strengthen the fire safety education of all SenseTime employees and improve their ability to prevent and control fires and respond to emergencies, during the Reporting Period, we organized fire drills for all employees at our operating sites in Shanghai, Beijing, Shenzhen, Hangzhou, Chengdu, Qingdao, Singapore and Hong Kong.

On November 23, 2023, SenseTime Shanghai Office and property service personnel co-organized an on-site simulated fire drill. To ensure the smooth progress of the drill, we arranged targeted fire safety training beforehand, covering fire evacuation drills, practical skills drills and fire safety knowledge, which laid a proper foundation for the conduct of the drill. From alarm raising, alarm receiving, deployment, evacuation, on-site firefighting, and fire hose experience, to aftermath cleanup and commentary, the drill procedures were well-organized and in good order. To ensure the quality and effectiveness of the drill, we also invited professionals from Caohejing Fire and Rescue Station in Xuhui District to the site for comments and guidance, and planned to carry out a second training on the shortcomings of this activity. Through fire knowledge training and on-site drills for new employees and employees of all departments and positions, we have once again strengthened the fire safety awareness of all employees, and further verified the operability of emergency response plans and processes for fires and other emergencies.

Fire Drills in SenseTime Shanghai Office

SenseTime strives to ensure a healthy and comfortable working environment for employees. We strictly enforce relevant standards for indoor air quality, drinking water quality, illumination, and noise in accordance with the relevant national laws and regulations in the places where we operate. We have established a regular inspection mechanism for the Group's indoor office environment and drinking water quality to ensure that the office environment and drinking water meet health standards.

We are concerned about the physical and mental health of our employees, providing them with gyms of different sizes and introducing medical resources for their use. Sense-Time Shanghai Office also provides on-site coaching for employees with four group classes offered every week. Beyond that, weight reduction camps or fitness camps are organized from time to time every year according to the needs of employees, so as to better help employees alleviate work pressure and ensure physical health.

During the Reporting Period, SenseTime Shanghai Office opened a midday clinic in cooperation with a community hospital, where medical staff from Traditional Chinese Medicine, General Practice, Physiotherapy and other departments provided medical consultation and dispensing services to provide convenient medical services for employees. Shanghai Office has also cooperated with a number of health consulting institutions to organize various activities such as a Traditional Chinese Medicine (TCM) Winter Wellness Week and psychological counseling services to improve the health and well-being of employees. Also, SenseTime Shenzhen Office purchases ergonomic chairs for its staff, including lumbar support pillows and headrests. These chairs can provide better support and comfort for employees, reducing the adverse effects of sedentary behaviors, thereby protecting their spinal health and improving their comfort and efficiency at work. In addition, to prevent emergencies, SenseTime has equipped all offices at home and abroad with emergency rescue equipment such as automatic external defibrillators (AEDs) and first-aid kits, so as to ensure that employees can effectively respond to emergencies to the greatest extent.

3.5 Human Resources Key Performance Index

Indicators[1] 2023

Employee number and turnover rate		Numbert	Turnover rate[2]
By category	Full-time	4,531	/
	Part-time	58	/
By gender	Male	3,367	10.8%
	Female	1,164	11.8%
By age	Under 30 years old	1,229	15.0%
	30 to 50 years old	3,260	9.6%
	Over 50 years old	42	2.3%
By region	Chinese Mainland	4,240	10.2%
	Hong Kong, Macao, and Taiwan	70	18.6%
	Other countries and regions	221	23.0%

Talent training		Percentage of trained employees[3]	Average training hours per employee[4]
Average training hours per employee		/	12.6
By gender	Male	75.0%	12.8
	Female	25.0%	12.3
By employment type	Management	8.7%	17.3
	Non-management	91.3%	12.2

Notes:

1.The employees under the "By category" include both full-time and part-time employees. All other indicators are applicable only to full-time employees.

2.Employee turnover rate = Number of annual departing employees during the Reporting Year / (Number of employees at the end of the Reporting Year + Number of annual departing employees during the Reporting Year). The number of departing employees only includes those who resigned voluntarily.

3.Percentage of trained employees = Number of employees trained during the Reporting Period in each category / Total number of trained employees * 100%.

4.Average training hours per employee = Training hours for employees in each category during the Reporting Period / Total number of employees in each category. Due to the replacement of the training platform and change in the logic of system data recording during the Reporting Period, the data caliber differed from those in 2022.
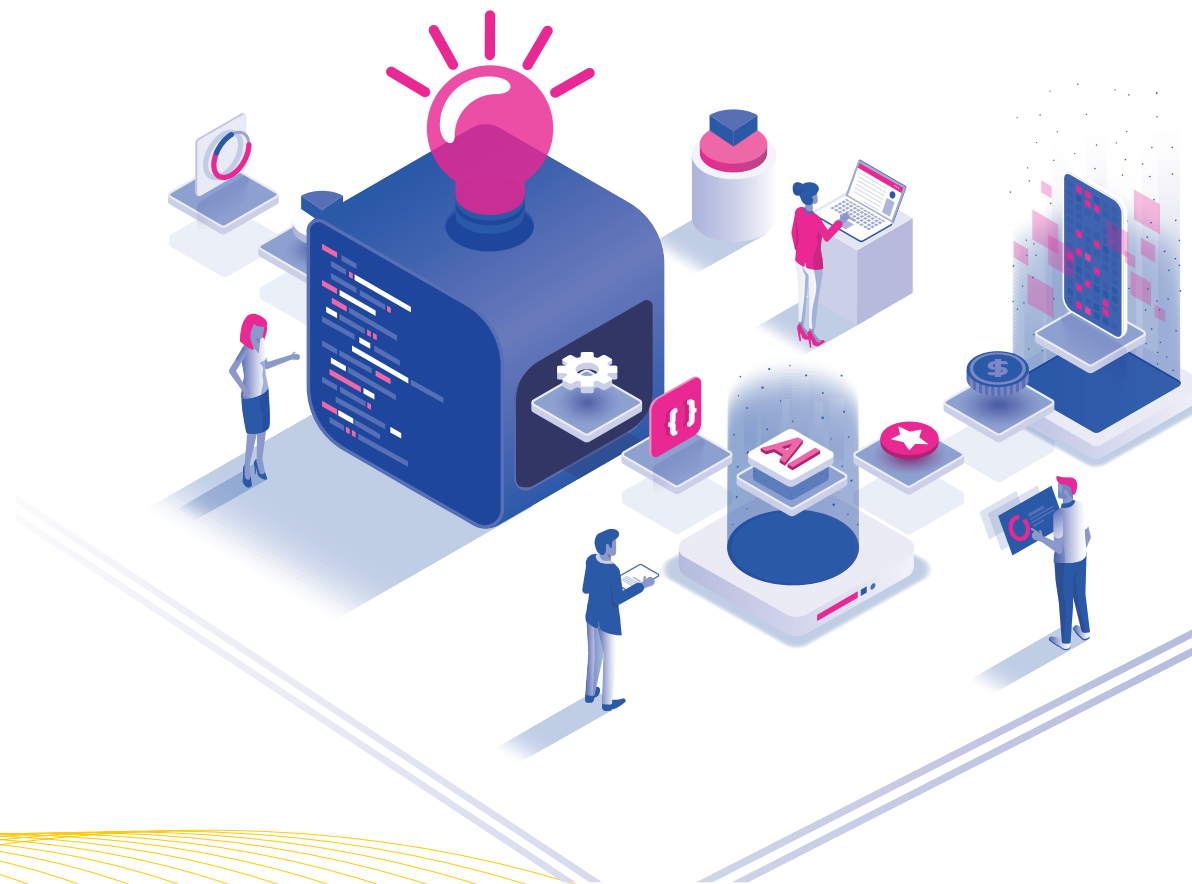
04

Inclusive Technology for Social Benefit

The efforts of SenseTime for public interest are not only a commitment to social responsibility, but also a commitment to love. We have formulated the *Management Policy for Corporate Social Responsibility Projects of SenseTime Group (Trial)* and continued to focus on the areas of public welfare education, care for vulnerable groups and community care. Supported by our experience and strengths in the field of AI, we commit to actively contributing to society and people's livelihood with science and technology inclusiveness. During the Reporting Period, we conducted an employee survey in the field of SenseTime's public welfare. By seeking suggestions from our employees, we aimed to gather diverse ideas and actively engage in public welfare activities that align with SenseTime's unique corporate characteristics. In the future, we will integrate the experiences and research findings in public welfare, as we continue to advance public undertakings upon our original aspiration. During the Reporting Period, we spent 109 days in charitable and public welfare activities, and donated RMB 0.9 million in donations or equivalent goods.

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

10 REDUCED INEQUALITIES

4.1 Devoting to Public Welfare Education

Well-equipped youths lead to a powerful country. Since establishing the SenseTime Scholarship Program in 2017, we have visited many counties and villages in the past seven years, sponsoring more than 600 disadvantaged high school students to complete their studies and realize their dreams of higher education. At the same time, SenseTime has also made full use of its advantages to carry out a number of AI public welfare courses to stimulate students' interest in technology and brighten their way forward.

Case: Supported by Technology, SenseTime Invests in Public Welfare Education and Builds Dreams through AI

SenseTime is well aware of the significance of proper educational resources for students. Therefore, we provide students with better learning opportunities and conditions by offering funds and resources. In March 2023, SenseTime organized a number of employees to go to Datong County, Xining City, Qinghai Province to carry out public welfare education activities. We visited the families of students in need and donated RMB 300 thousand to the local education bureau to encourage 138 high school students in Datong County to hold fast to their dreams and realize the value of life. In addition, SenseTime employees also carried out a public welfare class on "The Meaning of Learning Artificial Intelligence", introducing the latest development of AI technology and vivid application cases to the students in detail, which broadened their horizons and enabled them to feel the changes brought by science and technology to the world.

On December 28, 2023, SenseTime launched the donation program again, providing a total of RMB 384 thousand to 64 students from Huangyuan County Senior High School in Xining City, Qinghai Province. In the future, in addition to the basic living allowance, we will also provide students with assistance in career planning and other aspects, enabling education and technology to become a support for students to realize their dreams.

Public Welfare Class in Datong County, Xining City, Qinghai Province

Huangyuan County Senior High School, Xining City, Qinghai Province

Case: SenseTime Builds a "New Great Wall" of Public Education Through AI

In July 2023, with the support of the China Foundation for Rural Development (CFRD), SenseTime visited the No. 1 Middle School of Jialing in Nanchong City, Sichuan Province, and launched the "New Great Wall Self-Improvement Class" program. The program aimed to provide ongoing academic support for students of the "New Great Wall Self-Improvement Class" of the No. 1 Middle School of Jialing in Nanchong City, and assist students with career planning and other aspects.

We organized a number of public welfare classes for students, covering topics such as "What is AI, The Three Elements of AI, The Past and Present of AI, The Application and Future Research of AI". We donated scholarships totaling RMB 330 thousand to 50 students in the "New Great Wall Self-Improvement Class", which was jointly raised by SenseTime employees and the Group. In addition, we paid home visits for the sponsored students, communicating face-to-face with the students and their parents to understand their difficulties in life, students' academic situation and their future planning. We encouraged the students to study whole heartedly, to pursue their ideals, to work diligently, to realize their life values bravely, and to make a positive contribution to the development of society.

The Opening Ceremony of the "New Great Wall Self-Improvement Class" of No. 1 Middle School of Jialing in Nanchong City, Sichuan Province

SenseTime also received many letters of appreciation from students for such good deeds. During the Reporting Period, we received a total of 66 letters from students. Whenever we receive such letters sent by the students, read their records of youthful school life, and their thoughts about life and the future, we are very inspired. The vitality in these letters touches all SenseTime staff and makes us realize that this is a journey of mutual warmth and a story of growth written by SenseTime and the students together.

4.2 Caring for Vulnerable Groups

Showing concern for vulnerable groups is the foundation for building an inclusive and equal society. Adhering to the principle of human-centric, SenseTime makes use of its AI technology and resources to continuously focus on the needs and rights of vulnerable groups. During the Reporting Period, we continued to iterate the intelligent nursing system for amyotrophic lateral sclerosis (ALS) patients, bringing tangible improvements and assistance to the lives of ALS patients and their families.

Case: Care for ALS Patients and Warm People's Heart

Amyotrophic Lateral Sclerosis, or ALS, is a disease in which patients will gradually lose their ability to speak and move, requiring round-the-clock care from family members or healthcare professionals. Since the launch of the SenseTime AI Nursing Project in 2021, we have paid continuous attention to the needs of ALS groups and kept upgrading the AI intelligent nursing system.

During the Reporting Period, we created an intelligent assisted care system with integrated software and hardware. It mainly includes hardware structures such as near-infrared cameras and thermal sensors, and integrates nursing software functions such as audio and video real-time nursing, non-contact physiological indicator detection, abnormal alarms and blink-triggered calls. This system alleviates, to a certain extent, the problems of difficult monitoring, difficult communication, difficult care, and difficult call for help of most long-term disabled bedridden people like ALS patients, as well as the social problem of "disability impacts a family".

On the occasion of the 24th "World ALS Day", SenseTime donated the "AI Care Assistant" to Shaanxi ALS Association and Zhu Changqing Care Fund for ALS and Rare Disease of Shanghai Charity Foundation. By the end of the Reporting Period, more than a hundred people had applied to experience the project, and we had supported more than 60 users through our public welfare program, covering more than 20 cities in 17 provinces or municipalities in China. During the Reporting Period, SenseTime's "AI Nursing System for ALS Patients" project was selected for the "World Internet Conference AI for Social Good Action Plan" at the World Internet Conference and was awarded 4 recognitions and prizes from organizations of various sectors of society.

Certificate of "CCF 2022 Tech for Good Annual Case Collection" issued by China Computer Federation (CCF)

4.3 Delivering Love and Care to Community

SenseTime is actively involved in community public welfare and cares about the needs of people in the communities around where we operate. Apart from providing assistance and support to community residents to improve their quality of life, we also encourage employees to take part in community public welfare activities. Through practical actions, we are committed to delivering love and care, enhancing the overall development of the community, and making positive contributions to the harmonious development of society.

Case: Employees at SenseTime Hong Kong Participated in Community Care Activities

From December 2023 to January 2024, the SenseTime Hong Kong Office successfully held a month-long community care activity. The main purpose of this activity is to visit the "Food Angel", a community welfare organization, to provide food and warmth to those in need in the community, and to implement the concept of reducing food waste. To enable the young people to participate in the food handling and distribution activities, this volunteer activity mainly consists of three parts, including meal preparation, food handling and meal distribution. The number of applicants for this activity far exceeded expectations, and the employees enthusiastically participated in the whole process. All the cash gifts from the activity would be donated to the "Food Angel" and "Deaf Cafeteria". This activity not only provided 238 meals for the needy, but also offered employment training opportunities for those with hearing impairment.

SenseTime Employees Handling Food

SenseTime Employees Distributing Meals

SenseTime Employee Volunteer Activity

SenseTime Employees Preparing Meals

Case: Warm Companionship from AI

During the Reporting Period, we actively participated in the 29th "Greatest Love under the Blue Sky" charity program in Xuhui District, Shanghai. We donated 40 AI chess robots to elderly care institutions and juvenile protection stations in Xuhui District, enriching the spare time life of the "old and young" groups and adding fun and companionship to their lives. SenseTime will continue to practice social responsibility with practical actions and bring more well-being and positive contributions to society.
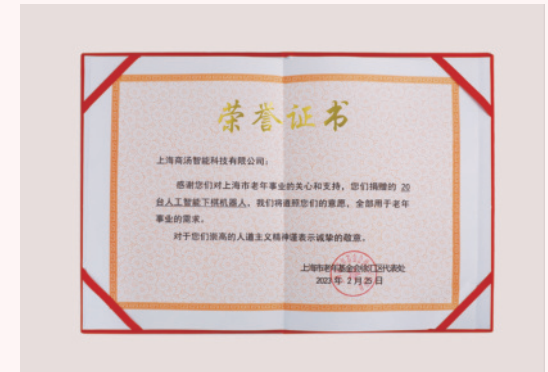
An Honorary Certificate of Donation Awarded by Xuhui District Representative Office of Shanghai Senior Citizens Foundation in 2023

A Certificate of Appreciation from Shanghai Xuhui District Education Bureau in 2023

Low-Carbon Development for a Green Home

01	Moving towards Net Zero
02	Responding to Climate Change
03	Optimizing Resource Use
04	Advocating Green Office
05	Environmental Key Performance Index

Under the global climate action agenda, SenseTime set its own carbon peak and carbon neutrality goals and net-zero emission targets in 2021. We actively practice low-carbon development by making continuous energy-saving improvements to our AIDCs and office buildings. In addition, we monitor and manage the wastewater and waste generated by our production and operations, striving to minimize the environmental impact of our operations. We also carry out environmental education activities to protect the green planet together with our employees. At the same time, we are well aware of the significance of AI technology in promoting the low-carbon and intelligent transformation of human society. Through advanced digital solutions, we help carbon-intensive enterprises in energy, industry, and transportation sectors to realize green transformation, and jointly create a green and low-carbon future.

05

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

5.1 Moving Towards Net Zero

Climate change has become one of the greatest challenges facing humanity. To address this challenge, the Group has set the strategic goal of "planning to achieve carbon peak emissions by 2025, striving to achieve operational carbon neutrality by 2030, and achieving net zero emissions by 2050" and planned the carbon neutrality and reduction pathways. At the same time, we have established a Carbon Neutrality Development Research Center within the Group responsible for the specific implementation of the dual-carbon goals.

Before 2025
Effectively control the growth rate of energy consumption throughout the Group, actively promote the PUE reduction of Lingang AIDC, steadily reduce office energy consumption through means such as energy management and energy-saving technological transformation, accelerate the formulation and implementation of the Group's energy consumption optimization management system, and accelerate the research and promotion of the dual carbon management methods of the supply chain.

2025-2030
Study and fully implement the carbon neutrality solutions for the Group's new projects, accelerate the neutralization of the Group's existing carbon emissions through the combination of self-built and market strategies comprehensively promote artificial intelligence technology to empower dual-carbon technology, and assist the whole society to accelerate the exploration of the dua -carbon path based on AI algorithm.

2030-2050
Fully implement the carbon neutrality requirements of supply chain and procurement, accelerate the realization of with neutralization closed-loop management for employees' travel, commuting and other behaviors and activities, and with implement carbon neutrality and recyclability for logistics transportation and the use of consumables, so as to truly achieve closed-loop zero carbon with the goal of fully exploiting our own potential and closed-loop zero waste with the goal of fully implementing the logistics circulation.

SenseTime's Strategic Goals on Carbon Neutrality

SenseTime's Carbon Neutrality and Reduction Path

Key Areas	Buildings	New Infrastructure	Production/Product	Supply Chain	Daily Operation
Carbon Reduction Stage	Structure optimization for energy use	Adjustment and recycling for energy structure	Low-carbon design	Carbon reduction of upstream and downstream cooperation partners	Remote work
	Energy efficiency improvement for the system	High-efficiency energy-saving equipment system	Technology improvement	Carbon reduction in the transportation process	Green travel methods
	Innovative technology integration	AI-powered best control practice	Increasing the utilization rate of resources	Localization and regionalization	Green consumption
	Operation strategy upgrade	Operation management strategy optimization	Waste resource utilization	Low-carbon packaging	Training and guidance for employees
Neutralization Stage	Purchase CCER (China Certified Emission Reduction) Purchase GEC (Green Electricity Certificate) Over-the-counter direct investment in green energy projects and carbon sink				
Capability Building	Policy management system				
Industry Empowering	Energy, transportation, industry, architecture, scientific research, education, cultural tourism				

As an artificial intelligence software company, the greenhouse gas emissions of SenseTime are mainly from energy consumption, especially the electricity required for the AIDCs. To mitigate climate change and achieve the above-mentioned carbon peak and carbon emission reduction targets, the Group abides by the *Energy Conservation Law of the People's Republic of China* and other applicable laws and regulations in the places where we operate, and follows internal policies such as the *Regulations on Energy Management of Resources*. We actively practice carbon neutrality and emission reduction, strive to improve AIDCs' utilization rate, and continuously optimize the energy efficiency of office buildings, to effectively control the Group's energy consumption and greenhouse gas emissions.

Building Green Data Center

We are well aware that large-scale models and AIGC cannot be developed without the consumption of electricity and water. With the continuous development of the Group's business and AI technology, the scale and number of SenseTime AIDCs have also expanded. To make every effort to reduce the impact of AI development on the environment, we have adopted full-process management from design to operation and continue to build green data centers. For new projects, we consider the energy efficiency of the data center as early as the design stage of AIDC, and work to build a green data center. Specific initiatives include: adopting channel closure and proximal cooling to exchange heat with the computing power server more efficiently; increasing the cold storage tanks on the premise of ensuring the emergency cooling requirements of the system, to reduce the low-load operation time of the cooling source system and lower energy consumption; prioritizing the use of more energy-efficient equipment; and setting fewer or no outdoor windows to reduce energy consumption of the enclosure structure.

Data centers consume electricity to keep servers, cooling systems, and other infrastructure running, and are therefore a key part of energy conservation for new infrastructure. SenseTime is committed to building green computing power infrastructure and contributing to develop an open, green, and inclusive computing industry. During the Reporting Period, Lingang AIDC successfully controlled the average annual PUE within 1.3 by optimizing the cooling control strategy of the data center, continuously improving energy efficiency, and achieving energy efficiency performance beyond the industry average.

Energy Efficiency Improvement

·Adjusting the control strategy of the cooling system and the operating parameters of the equipment to effectively improve the energy efficiency by 3%~5%.

·Piloting backplane liquid cooling technology, with a measured PUE range of 1.15~1.20 in the pilot area.

·Testing the energy conservation option (ECO) mode of uninterruptible power supply(UPS) to achieve a 3%~5% improvement in energy efficiency, and planning to fully upgrade the UPS software to ECO mode in 2024 to further improve energy efficiency.

Planning and Expansion of the Photovoltaic Project

·Lingang AIDC is actively planning for green energy supply of the park. Specifically, Lingang AIDC plans to increase the installed photovoltaic capacity to 300~500kW in the future, with an expected annual generating capacity of 250~400MWh, making positive contributions to the green energy supply in the AIDC Park.

Energy-Saving and Carbon Reduction Measures of Lingang AIDC

Conducting Energy-Saving Renovation for Buildings

Shanghai Xinzhou Tower is one of the main office buildings of SenseTime. Since its establishment, the Group has been continuously monitoring the energy consumption performance of Xinzhou Tower and implementing ongoing improvement measures. The tower was awarded the LEED Gold certification issued by the U.S. Green Building Council in 2020, which is currently a widely recognized and highly practicable green building certification rating standard in the world. In 2021, the tower was awarded the WELL Gold certification issued by the International WELL Building Institute, which focuses on the health and well-being of building occupants.

LEED Certificate of Xinzhou Tower

At the same time, the Group has adopted a series of management measures to effectively regulate the operation of building equipment and avoid unnecessary energy waste. During the Reporting Period, the annual electricity consumption of Xinzhou Tower decreased by 16.48% year-on-year.

Energy Consumption Monitoring of Building

· Realized accurate monitoring and control of the energy use of equipment such as freezers, cooling water pumps, air-conditioning terminals and fresh draught fans through the building automation system; carried out monthly analyses to explore the space for improvement in the daily use of energy and take timely countermeasures.

· Upgraded the building automation system to support remote monitoring and control of equipment operation via computers and cell phones.

Energy-Saving Retrofit of Equipment

· Completed installing the inverter of the cooling water pump in the building, the retrofit of the freezer and the air-conditioning terminal, resulting in significant improvement of power-saving efficiency.

Standard Management of Power-Consuming Facilities

·Drafted the turn-on and operation cycle schedule of the equipment in Xinzhou Tower to standardize the turn-on, turn-off and daily use of key energy-consuming equipment such as lighting, elevators, air-conditioning systems in the machine room, signal screens, fan coils and fresh draught fans, so as to avoid energy waste due to human negligence and promote the rational use of energy.

· Developed targeted management measures for the coil and VAV air conditioning systems respectively, such as adjusting the turn-on time, strengthening night inspections, and controlling the number of air-conditioning panels according to the outdoor temperature, so as to reduce the energy consumption of air-conditioning.

· Clarified the operation process of air-conditioning for employees, set the air-conditioning temperature in the office to 26 degrees, and required the windows to be closed when the air-conditioning is turned on to prevent the loss of cold air, which improves the efficiency of office air-conditioning.

Energy Conservation and Carbon Reduction Measures of Xinzhou Tower

In addition, we strengthened our management of Scope 3 carbon emissions during the Reporting Period by tracking and calculating carbon emissions from employee air travel, as well as a portion of goods transportation and distribution. These efforts laid the groundwork for our comprehensive carbon reduction initiatives. During the Reporting Period, the total carbon emissions generated from employee air travel and a portion of goods transportation and distribution amounted to 1,881.2 tons of CO_2 equivalent.

5.2 Responding to Climate Change

Climate change has become an important issue of great concern to the international community. As an enterprise that highly values sustainable development, the Group is actively exploring the application of AI technology in promoting the low-carbon transition of society. We use advanced digital technology to foster the green transformation of the power, transportation and other sectors, and support the development of new energy and other clean technology industries, so as to contribute to mitigating global climate change. At the same time, SenseTime actively responds to the possible impacts of climate change and takes forward-looking and preventive measures to continuously improve our risk resistance and climate resilience.

Seizing Transition Opportunities

SenseTime is committed to combining the development of AI technology with the macro trend of low-carbon transition of the economy and society, exploring multi-dimensional and feasible ways for AI and technology to reduce carbon emissions. While seizing the opportunities of climate change transformation, we try to help carbon-intensive enterprises such as energy, industry, and transportation to realize green and low-carbon transition, promoting the development of clean technology industries such as new energy. For details of our support and empowerment cases for enterprises in transportation, power, lithium battery and other industries, please refer to the section "AI Empowering to Enable Industrial Innovation".

Preventing and Controlling Physical Risks

The *Global Risks Report 2023*, published by the World Economic Forum, lists "natural disasters and extreme weather events" as the second-most severe risk facing the world in the next two years. In response to extreme weather events, the Group has established targeted emergency plans. In the event of relevant risks, we will take immediate measures in accordance with our emergency plans to protect employees' lives and property and minimize disaster losses. In addition, during the site selection and design stage of the AIDC project, we took into account the impact of extreme weather. Therefore, we selected appropriate equipment based on local extreme events in the past 20 years and placed the equipment indoors or in containers wherever possible.

During the Reporting Period, the Group carried out special optimizations to the documents such as the *Special Emergency Plan for Lightning Protection* and the *Emergency Plan for Thunderstorms* of Shanghai Lingang AIDC. Based on the placement of assets such as machine rooms, plants, motors and transformers, we carried out targeted risk identification work. At the same time, we further clarified the possible accidents and their corresponding consequences, as well as the responsibilities of

the person in charge of each task. All these actions helped strengthen Lingang AIDC's ability to respond to extreme weather. In addition, we carried out emergency drills during thunderstorms, tested the drainage system, and conducted drills for scenarios such as making and transporting sandbags, shutting off broken water pipe valves, and blocking rainwater during summer rainstorms. Through these drills, SenseTime's ability to safeguard employees' lives and property in the event of extreme weather events has been effectively improved.

Testing Drainage System

Making Flood Control Sandbags

Transporting Flood Control Sandbags

Shutting off Water Pipe Valves

During the Reporting Period, for AIDC, we established an emergency plan for power supply and distribution system and cooling source failures to prevent related failures due to extreme weather or other reasons. We have formulated the *Emergency Plan for Power Supply and Distribution System*, which categorizes and summarizes possible failures and operational procedures to ensure recovery and business continuity after power supply system failures. At the same time, this plan clarifies the operation process, location, executor and estimated time consumed for all types of faults, and requires the recording of key information such as the start and completion time, the person in command, and the actual time consumed, so as to standardize the process of dealing with faults in the supply and distribution system as well as the assignment of responsibilities. The established *Emergency Plan for the Activation of Cooling Tower Bypass Pipes with Dual Cooling Source Faults* clarifies the response steps when the cooling source fails, ensures that the water system failure is resolved promptly, and minimizes the impact of the cooling source failure on operations.

5.3 Optimizing Resource Use

The Group strictly abides by the *Environmental Protection Law of the People's Republic of China* and other applicable laws and regulations in the places where we operate. At the same time, we continue to implement a series of initiatives to improve resource efficiency and reduce wastewater and waste discharge. Several subsidiaries of the SenseTime Group, such as Shanghai SenseTime Intelligent Technology Co., Ltd. and Beijing SenseTime Technology Development Co., Ltd., have passed the ISO 14001 Environment Management System Certification.

Managing Water Resource and Discharge

The water resources used by SenseTime are mainly for the operation of workplaces and AIDCs, and the wastewater generated is mainly domestic sewage, which is discharged into municipal pipelines for treatment. The Group strictly abides by the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations on water consumption and discharge. On this basis, the Group has implemented a series of measures to avoid unnecessary water consumption and reduce wastewater discharge while improving water efficiency.

In the operation of data centers, the Group has adopted sponge city and rainwater recycling systems in more than 90% of the AIDC parks (including Lingang AIDC) to collect rainwater for landscape irrigation, effectively reducing the consumption of water resources. During the Reporting Period, we also piloted the air-handling unit cooling system in some parks to make full use of the outdoor cold air to cool down the machine room, thereby reducing water consumption. In the operation of offices in different cities, for the equipment and facilities with large water consumption, we conduct regular inspections and maintenance to ensure that the equipment runs efficiently and that there is no leakage of water. For public water use areas, we have installed water-saving sanitary ware and other facilities to uniformly reduce water consumption and prevent water wastage without affecting normal use. We also post tips at the water use area to encourage employees to develop good habits of water conservation and raise their awareness of protecting water resources.
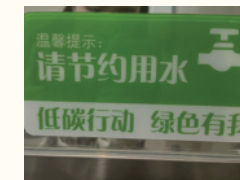
Water-Saving Tips in Xi'an Office

Water-Saving Tips in Qingdao Office

Managing Packaging and Waste

During the Reporting Period, the Group mainly consumed cartons as packaging materials and almost did not use any plastic packaging materials in our operations. In the future, we will continuously improve the design, printing and production processes of packaging, and consider using more environmentally friendly materials such as recycled paper, recycled plastics, so as to promote the green development of SenseTime.

The main waste generated in our operation process includes household waste and kitchen waste. To minimize waste to a greater extent, SenseTime encourages employees to cherish resources by implementing a paperless office strategy and on-demand food ordering to avoid paper and food waste. In response to the unavoidable use of paper, we actively promote the recycling of paper by setting up wastepaper collection counters in the printing rooms of our Hangzhou Office, South China Administrative Service Center and Overseas Administrative Service Center. We encourage employees to use wastepaper that does not contain confidential information for repeated printing to reduce paper waste.

For waste generated, we follow the local waste separation requirements for proper disposal and transport it to designated waste transfer stations for disposal by the municipal sanitation department. To reduce the pollution of used batteries to the environment, we have set up used battery recycling boxes at the front desk of each floor of the Shenzhen Office, and cooperated with the building property to ensure that the collected used batteries are disposed of in a uniform and safe manner every month. During the Reporting Period, the Shenzhen Office recycled a total of approximately 350 used batteries to reduce the impact on the environment.

5.4 Advocating Green Office

The Group continues to practice the concept of green development, and in every aspect of operations, we make joint efforts with all employees to create a greener working environment. We launched energy conservation initiatives at Chengdu, Qingdao, Xi'an, Singapore and Hong Kong Offices, and put-up posters in meeting rooms and office areas to remind employees to turn off electrical appliances and equipment after use, such as lights and TV screens. In addition, we have strengthened energy control of the Company's showroom, ensuring that no lights in the showroom are turned on without appointments, to reduce unnecessary energy consumption.

Chengdu Office and Qingdao Office:
Energy-Saving Stickers over Switches
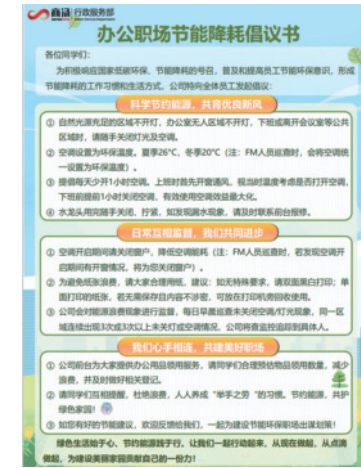
Xi'an Office:
Energy Conservation Initiative
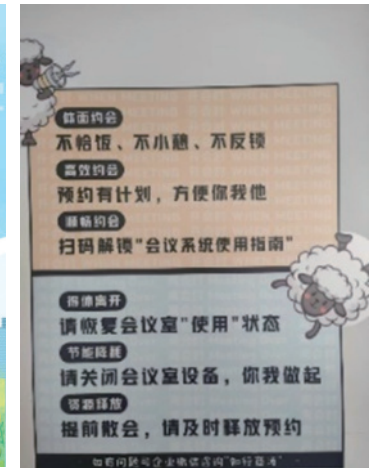
Xi'an Office:
Energy-Saving Reminders in the Meeting Room

During the Reporting Period, the Group organized a Carbon Neutrality and Energy Conservation Publicity Week to strengthen employees' environmental awareness and publicize the concept of green development of SenseTime. By portraying a better picture of low-carbon life, the publicity week encourages employees to contribute to environmental protection in their daily lives.

Case: Cross-Border Promotion of Low-Carbon Education through AI Painting

To carry out low-carbon education for employees, SenseTime makes full use of the self-developed AIGC large-scale model "SenseMirage" to combine the theme of energy conservation and emission reduction with AIGC technology. In this low-carbon-themed activity, employees were encouraged to imagine and draw a low-carbon life picture through their creativity. Participating employees simply need to provide keywords and select different styles of models to generate specific styles of paintings, depicting a green and low-carbon future.

In addition, the painting series *1.5 ° C to Change the World* drawn by "SenseMirage" on the theme of climate disaster demonstrated the impact of climate change on human society. We hope this painting can enhance employees' awareness of environmental protection and advocate a green low-carbon life.

Images Generated by "SenseMirage"

5.5 Environmental Key Performance Index

Indicators	2023	2022	2021
Energy Consumption			
Total Energy Consumption (MWh)	130,242.2	54,265.7	13,980.1
Energy Consumption (MWh)	1,114.3	831.2	1,679.8
Including: Gasoline (MWh)	36.1	35.3	28.5
Natural gas (MWh)	1,030.2	765.8	1,651.3
Diesel (MWh)	48.0	30.1	-
Total indirect energy consumption (MWh)	129,127.9	53,434.5	12,300.3
Including: Purchased electricity (MWh)	129,127.9	53,434.5	12,300.3
Intensity of energy consumption (MWh/person)	28.74	10.64	2.29
Greenhouse Gas Emissions			
Total GHG emissions (Scope 1 and Scope 2) (tCO$_2$ e)	72,066.6	29,862.6	7,142.8
Direct GHG emissions (Scope 1) (tCO$_2$ e)	227.3	169.6	337.1
Including: Fossil fuel combustion (tCO$_2$ e)	227.3	169.6	337.1
Indirect GHG emissions (Scope 2) (tCO$_2$ e)	71,839.2	29,693.0	6,805.7
Including: Purchased electricity (tCO$_2$ e)	71,839.2	29,693.0	6,805.7
GHG emission intensity (tonnes/person)	15.91	5.86	1.17
Water Consumption			
Total water consumption (tonnes)	187,205.9	110,571.3	39,129.9
Water consumption intensity (tonnes/person)	41.32	21.69	6.40
Packaging Material Consumption			
Total packaging material consumption (tonnes)	142.0	67.0	2.8
Packaging material consumption intensity (kg/hundred million revenue RMB)	41.69	17.59	0.60
Wastewater Discharge			
Total wastewater discharge (tonnes)	168,485.3	99,514.2	35,216.9
Intensity of wastewater discharge (tonnes/person)	37.19	19.52	5.76
Waste Discharge			
Total non-hazardous waste (tonnes)	477.6	267.3	984.2
Non-hazardous waste intensity (tonnes/person)	0.11	0.05	0.16

Notes:

1.Total energy consumption is calculated based on the electricity consumption, fuel consumption and the default values of fossil fuel-related parameters in Appendix 2 of the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises in Other Industries* issued by the National Development and Reform Commission.

2.Based on the characteristics of our operations, our greenhouse gas emissions mainly come from direct greenhouse gas emissions (Scope 1) caused by gasoline consumption of the Group's business and freight vehicles, and indirect greenhouse gas emissions (Scope 2) caused by purchased electricity.

3.The greenhouse gas emissions in Scope 1 and Scope 2 for the Reporting Period of the Group were calculated based on the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises in Other Industries* issued by the National Development and Reform Commission, as well as the latest national average carbon dioxide emission factors for electricity published in the *Announcement by the Ministry of Ecology and Environment and the National Bureau of Statistics for the Year 2021*. Additionally, we have recalculated the data for 2021 and 2022 based on the latest national average carbon dioxide emission factors for electricity. The greenhouse gases generated by electricity purchased from abroad are calculated based on the electricity emission factors published by the International Energy Agency (IEA) in 2023.

4.During the Reporting Period, the Group's purchased electricity increased significantly due to the operation of Shanghai Lingang AIDC, contributing to a large increase in purchased electricity, diesel consumption, water consumption and wastewater discharge, contribute to the increase in total volume and density data for the above indicators during the Reporting Period as compared to 2022.

5.The Group's natural gas consumption is mainly from Shanghai Xinzhou Tower. During the Reporting Period, the consumption of natural gas in Shanghai Xinzhou Tower increased as compared to 2022 due to its resumption of regular operation.

6.The water we use is from municipal tap water supply.

7.During the Reporting Period, our consumption of packaging materials increased as compared to 2022 due to increased sales of our SenseRobot series of products.

8.The emissions generated during our operation are mainly a small amount of domestic sewage, which is discharged into municipal pipelines for treatment. Total wastewater discharge is estimated based on water consumption.

9.We do not produce any hazardous waste in our daily operations, and a small amount of waste such as dry batteries and light tubes from offices are disposed of by qualified institutions. Therefore, KPI A1.3 (total hazardous waste produced and intensity) has no material impact on the Group and is not disclosed in this report.

10.For most workplaces, generated waste is collected and disposed by the property management company collectively, and is thus hard to calculate total weight or included in the statistical coverage. In addition, during the Reporting Period, we continued to improve the scope of environmental data collection and included the non-hazardous waste generated by Shanghai Lingang AIDC in the 2023 data, which contributed to the increase in the indicator of non-hazardous waste emissions during the Reporting Period as compared to 2022 (2022 and 2021 data only include Shanghai Xinzhou Tower).

11.There are no other significant impacts on the environment and natural resources arising from the Group's daily operations. Accordingly, A3.1 (the significant impacts of activities on the environment and natural resources and the actions taken to manage them) is not disclosed in this Report.

Index of GRI Standards Index of GRI Standards

Statement of use	SenseTime has reported the information cited in this GRI content index for the period 2023/1/1 – 2023/12/31 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021		
2-1	Organizational details	About SenseTime
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	5.5 Environmental Key Performance Index
2-6	Activities, value chain and other business relationships	About SenseTime
2-7	Employees	3.5 Human Resources Key Performance Index
2-9	Governance structure and composition	1.1 Corporate Governance
2-10	Nomination and selection of the highest Governance body	1.1 Corporate Governance
2-12	Role of the highest Governance body in overseeing the management of impacts	About This Report, 1.2 ESG Governance
2-13	Delegation of responsibility for managing impacts	1.2 ESG Governance
2-14	Role of the highest Governance body in sustainability reporting	1.2 ESG Governance
2-16	Communication of critical concerns	1.2 ESG Governance
2-17	Collective knowledge of the highest governance body	1.2 ESG Governance
2-22	Statement on sustainable development strategy	1.2 ESG Governance
2-24	Embedding policy commitments	1.3 Compliant Operation and Business Ethics
2-25	Processes to remediate negative impacts	1.3 Compliant Operation and Business Ethics
2-26	Mechanisms for seeking advice and raising concerns	
2-27	Compliance with laws and regulations	1.3 Compliant Operation and Business Ethics
2-28	Membership associations	About SenseTime
2-29	Approach to stakeholder engagement	1.2 ESG Governance
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	1.2 ESG Governance
3-2	List of material topics	1.2 ESG Governance
3-3	Management of material topics	1.2 ESG Governance

GRI STANDARD	DISCLOSURE	LOCATION
Economic		
GRI201：Economic Performance 2016		
201-2	Financial implications and other risks and opportunities due to climate change	5.2 Responding to Climate Change
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Topic: A Smart Future Built on Innovation
203-2	Significant indirect economic impacts	Topic: A Smart Future Built on Innovation
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	1.3 Compliant Operation and Business Ethics
205-3	Confirmed incidents of corruption and actions taken	1.3 Compliant Operation and Business Ethics
Environmental		
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	5.5 Environmental Key Performance Index
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	5.5 Environmental Key Performance Index
302-3	Energy intensity	5.5 Environmental Key Performance Index
302-4	Reduction of energy consumption	5.1 Moving Towards Net Zero
302-5	Reductions in energy requirements of products and services	5.1 Moving Towards Net Zero
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	5.3 Optimizing Resource Use
303-2	Management of water discharge-related impacts	5.3 Optimizing Resource Use
303-3	Water withdrawal	5.5 Environmental Key Performance Index
303-4	Water discharge	5.5 Environmental Key Performance Index
303-5	Water consumption	5.5 Environmental Key Performance Index
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	5.5 Environmental Key Performance Index
305-2	Energy indirect (Scope 2) GHG emissions	5.5 Environmental Key Performance Index

GRI STANDARD	DISCLOSURE	LOCATION
305-3	Other indirect (Scope 3) GHG emissions	5.1 Moving Towards Net Zero
305-4	GHG emissions intensity	5.5 Environmental Key Performance Index
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	5.3 Optimizing Resource Use
306-2	Management of significant waste-related impacts	5.3 Optimizing Resource Use
306-3	Waste generated	5.5 Environmental Key Performance Index
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	2.4 Intensifying Sustainable Supply Chain
Social		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	3.5 Human Resources Key Performance Index
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.4 Healthy and Energetic Working Atmosphere
401-3	Parental leavef	3.4 Healthy and Energetic Working Atmosphere
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	3.4 Healthy and Energetic Working Atmosphere
403-2	Occupational health services	3.4 Healthy and Energetic Working Atmosphere
403-3	Worker training on occupational health and safety	3.4 Healthy and Energetic Working Atmosphere
403-5	Worker training on occupational health and safety	3.4 Healthy and Energetic Working Atmosphere
403-6	Promotion of worker health	3.4 Healthy and Energetic Working Atmosphere
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.4 Healthy and Energetic Working Atmosphere
403-8	Workers covered by an occupational health and safety management system	3.4 Healthy and Energetic Working Atmosphere
403-9	Work-related injuries	3.4 Healthy and Energetic Working Atmosphere
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	3.5 Human Resources Key Performance Index
404-2	Programs for upgrading employee skills and transition assistance programs	3.2 Talent Attraction and Retention
404-3	Percentage of employees receiving regular performance and career development reviews	3.2 Talent Attraction and Retention

GRI STANDARD	DISCLOSURE	LOCATION
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of Governance bodies and employees	1.1 Corporate Governance 3.5 Human Resources Key Performance Index
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	3.1 Diversity, Equity and Inclusion
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	4.3 Delivering Love and Care to Community
GRI 414: Supplier Social Assessment 2016		
414-1	Operations with local community engagement, impact assessments, and development programs	2.4 Intensifying Sustainable Supply Chain
GRI 416: Customer Health and Safety 2016		
416-1	New suppliers that were screened using social criteria	2.2 Bearing Product Responsibility
416-2	Incidents of non-compliance concerning product and service information and labeling	2.2 Bearing Product Responsibility
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	2.2 Bearing Product Responsibility
417-2	Incidents of non-compliance concerning product and service information and labeling	2.2 Bearing Product Responsibility
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.5 Ensuring Information Security

Index of HKEX ESG Reporting Guide

Aspect	Index No.	Indicators	Location
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	5.1 Moving Towards Net Zero
	A1.1	The types of emissions and respective emissions data	5.3 Optimizing Resource Use
	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).	5.5 Environmental Key Performance Index
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	5.5 Environmental Key Performance Index
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	5.5 Environmental Key Performance Index
	A1.5	Description of emission target(s) set and steps taken to achieve them.	5.5 Environmental Key Performance Index
	A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.1 Moving Towards Net Zero
Aspect A2-Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	5.3 Optimizing Resource Use
	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)	5.1 Moving Towards Net Zero
	A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility)	5.3 Optimizing Resource Use
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	5.5 Environmental Key Performance Index
	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 Environmental Key Performance Index
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	5.1 Moving Towards Net Zero
Aspect A3-The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	5.3 Optimizing Resource Use
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	5.5 Environmental Key Performance Index
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	5.1 Moving Towards Net Zero
	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	5.3 Optimizing Resource Use

Aspect	Index No.	Indicators	Location
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	3.1 Diversity, Equity and Inclusion 3.2 Talent Attraction and Retention 3.3 Competitive Incentive System 3.4 Healthy and Energetic Working Atmosphere
	B1.1	Total workforce by gender, employment type, age group and geographical region	3.5 Human Resources Key Performance Index
	B1.2	Employee turnover rate by gender, age group and geographical region	3.5 Human Resources Key Performance Index
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	3.4 Healthy and Energetic Working Atmosphere
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	3.4 Healthy and Energetic Working Atmosphere
	B2.2	Lost days due to work injury	3.4 Healthy and Energetic Working Atmosphere
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	3.4 Healthy and Energetic Working Atmosphere
Aspect B3-Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	3.2 Talent Attraction and Retention
	B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management)	3.5 Human Resources Key Performance Index
	B3.2	The average training hours completed per employee by gender and employee category	3.5 Human Resources Key Performance Index
Aspect B4-Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	3.1 Promoting Diversity, Equity and Inclusion
	B4.1	Description of measures to review employment practices to avoid child and forced labor	3.1 Diversity, Equity and Inclusion
	B4.2	Description of steps taken to eliminate such practices when discovered	3.1 Diversity, Equity and Inclusion
Aspect B5-Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	2.4 Intensifying Sustainable Supply Chain
	B5.1	Number of suppliers by geographical region	2.4 Intensifying Sustainable Supply Chain
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	2.4 Intensifying Sustainable Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	2.4 Intensifying Sustainable Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	2.4 Intensifying Sustainable Supply Chain

Aspect	Index No.	Indicators	Location
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	2.2 Bearing Product Responsibility
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	2.2 Bearing Product Responsibility
	B6.2	Number of products and service related complaints received and how they are dealt with	2.3 Providing High-Quality Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights	2.1 Broadening the Vision of Innovation
	B6.4	Description of quality assurance process and recall procedures	2.2 Bearing Product Responsibility
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	1.5 Ensuring Information Security
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	1.3 Compliant Operation and Business Ethics
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	1.3 Compliant Operation and Business Ethics
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	1.3 Compliant Operation and Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff	1.3 Compliant Operation and Business Ethics
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	4. Inclusive Technology for Social Benefit
	B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport)	4.1 Devoting to Public Welfare Education 4.2 Caring for Vulnerable Groups 4.3 Delivering Love and Care to Community
	B4.2	Resources contributed (e.g., money or time) to the focus area	4. Inclusive Technology for Social Benefit

SenseTime Group Inc.

商汤集团股份有限公司