Plus Group Holdings Inc.

2023

Environmental, Social, and Governance (ESG) Report

Stock code：2486.HK

CONTENTS

Governance 01
Establishing a Solid Foundation for Compliance and Integrity

Partners 02
Collaborating for Sustainable Development

Clients 03
Delivering Intelligent Service Experience

Employees 04
Fostering a Happy and Growth-Centric Workplace

Environmental Protection 05
Embarking on the Green Path

About This Report

This report is the inaugural release of the Environmental, Social, and Governance ("ESG") Report by Plus Group Holdings Inc.. It comprehensively outlines the policies, initiatives, and actions undertaken by the Group throughout 2023 in environmental protection, social responsibility fulfillment, and corporate governance, along with the resulting outcomes achieved.

Scope of the Report

Unless specified otherwise, this report encompasses Plus Group Holdings Inc. and its subsidiaries (referred to as "Plus," "the Group," "we," "us" or "our"). It covers the period from 1 January 2023, to 31 December 2023 (referred to as the "Reporting Period"). As the Group's inaugural ESG report, this document aims to provide a detailed account while maintaining continuity of information. Therefore, certain sections touch upon previous years and look ahead to ensure a complete and interconnected picture.

Reporting Standards

This report has been prepared in accordance with Appendix 27 of the *Environmental, Social, and Governance (ESG) Reporting Guide (the "ESG Reporting Guide")* under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKEX"). Additionally, we have taken into consideration the Global Reporting Initiative's *GRI* Standards throughout the report's development.

Reporting Principles

This report has been prepared in accordance with Appendix 27 of the *ESG Reporting Guide* under the Listing Rules of the HKEX. The content presented in this report complies with the "comply or explain" provisions, as well as the principles of materiality, quantitativeness, balance, and consistency.

The materiality principle:

When preparing this ESG report, we incorporated stakeholder communication and materiality assessment processes, forming the basis for identifying material ESG issues.

The quantitativeness principle:

This report uses quantitative data to demonstrate the Group's performance in environmental and social aspects through key performance indicators (KPIs). These indicators are also explained to clarify their purpose and business impact.

The balance principle:

This ESG report adheres to the balance principle. The Group endeavors to realize the objectivity of information disclosure. The contents of the report come from the Group's internal management documents, statistical data, and publicly disclosed information to present our ESG performance impartially.
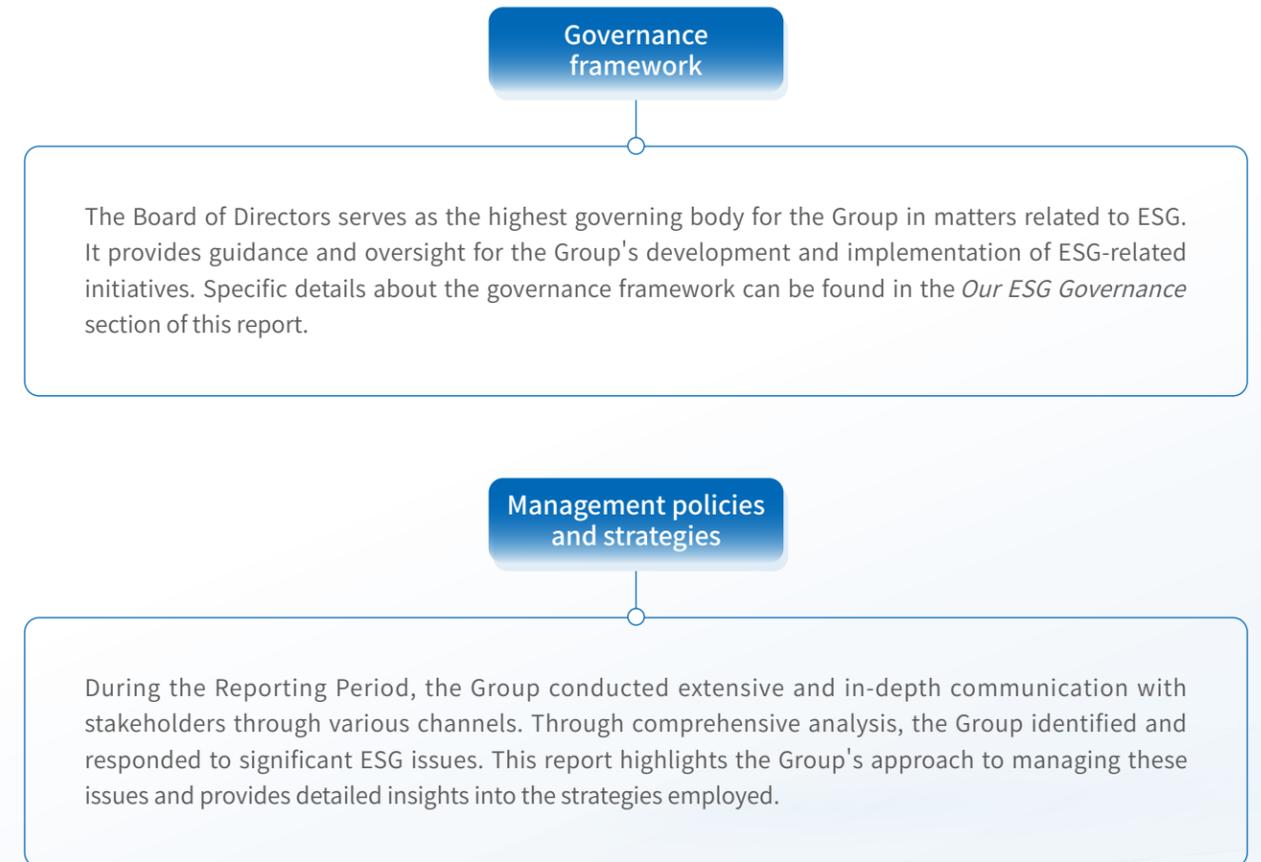
The consistency principle:

This report is the Group's inaugural ESG report. A consistent statistical method will be adopted for future reports to facilitate an effective comparison across different annual reports.

Report Format

This report is available in both English and Chinese. The electronic version can be accessed or downloaded from the HKEX website (http://www.hkexnews.hk) and the Group's website (http://www.plscn.com).

Board of Directors' Statement

The Board of Directors of the Group (the "Board") affirms that there are no false records, misleading statements, or material omissions in this ESG report. The following statement is provided regarding the Board's oversight and management of ESG matters:

Governance framework

The Board of Directors serves as the highest governing body for the Group in matters related to ESG. It provides guidance and oversight for the Group's development and implementation of ESG-related initiatives. Specific details about the governance framework can be found in the *Our ESG Governance* section of this report.

Management policies and strategies

During the Reporting Period, the Group conducted extensive and in-depth communication with stakeholders through various channels. Through comprehensive analysis, the Group identified and responded to significant ESG issues. This report highlights the Group's approach to managing these issues and provides detailed insights into the strategies employed.

Chairman's Address

On behalf of the Board of Directors, I am pleased to present the 2023 Environmental, Social, and Governance Report of Plus Group Holdings Inc.. This report highlights our dedication to fulfilling the Group's environmental and social responsibilities and to building a sustainable business and society.

2023 proved to be a year of change and challenge. Not only did the global economy experience a post-pandemic slowdown, but it also encountered increased uncertainty and volatility on a macro scale. On a positive note, Plus successfully went public on the stock exchange of Hong Kong, marking the commencement of strengthening our core strengths with the backing of the capital market.

Despite the overall economic challenges of weak demand and consumption in 2023, our focus remained on enhancing our sales and marketing capabilities to increase our market share. We explored the service potential of top brand clients and major channel clients, extending their service offerings. We deepened our presence in the service market for both brand clients and small-to-medium channel clients, thereby solidifying our market position. Additionally, we continued to optimize the structure of our existing business services, thus increasing our market share in client business services across all brands and channels. Plus adheres to the core values of innovation, ownership spirit, trust, honesty, integrity, openness, and fun. We are dedicated to enhancing our capabilities in sustainable development.

In 2023, we continued to refine our well-established corporate governance system. Plus adheres to rigorous standards of corporate governance to mitigate corporate risks. We have bolstered our compliance governance while fostering a corporate culture that prioritizes integrity and lawful practices in our operations. Additional investments have been made in information security, privacy protection, and intellectual property management to align with the diverse demands of our stakeholders. As a publicly listed company, we have fortified our commitment to compliance and transparency through comprehensive disclosure practices and effective management of investor relations. This commitment safeguards our shareholders' rights and interests. We remain steadfast in our mission to create enduring value with our shareholders.

In 2023, our focus was on building an open, trustworthy, and mutually beneficial business ecosystem. We believe that digitizing offline operations is a task for the entire industry, rather than being exclusive to any single company or brand. Therefore, we have overcome challenges in a depressed consumer environment by establishing a responsible supply chain system, relying on data-centric operations empowered by the Field Marketing Ecology System (FMES) platform, strong network effects and synergies, and leveraging our unique strengths such as a high-quality client base with growth potential and a large, diverse pool of marketing

personnel. By providing customized digital sales and marketing services together with a SaaS+ service model, we have significantly improved our clients' marketing efficiency while supporting their rapid and organized market expansion. Furthermore, we have enhanced our capability in creating offline digital service empowerment platforms to thrive alongside our ecosystem partners during business operations.

In 2023, we partnered with our employees to create a workplace that is dedicated to sustainable growth. We hold the belief that excellence in cultural creation has tremendous leadership value. Sharing, innovating, and building with our employees are the keys to fostering our core competitiveness. We have championed an open and inclusive workplace culture while focusing on establishing a robust talent cultivation and development system. We have continuously refined our comprehensive employee incentive system and diversified our welfare programs. We have also regularly organized vibrant team-building activities, which not only strengthens our employees' sense of belonging to the Group but also enhances their overall happiness. Furthermore, in 2023, the Group introduced and executed a share award scheme to establish a robust and high-value-added sharing mechanism. This initiative aimed to further energize the Group's growth and extend the benefits of success to our dedicated team members.

As the saying goes, where there is a will, there is a way. Embarking on a new historical chapter, Plus remains committed to the corporate mission of leading the digital transformation of offline businesses and continuously creating value to achieve mutual success with our clients. We will do our best to optimize and integrate the entire industrial chain while enhancing our business development tools and foundations. As our business landscape steadily expands and digital technologies rapidly advance, we continuously fortify the foundation for realizing the Group's development vision. Throughout this journey, we are committed to continuously improving our ESG management and performance to create enduring value and contribute to society. Finally, on behalf of the Board of Directors of Plus Group Holdings Inc., I would like to express sincere gratitude to all those who have been caring about and supporting the development of Plus.

Chairman, executive Director and chief executive officer of Plus Group Holdings Inc.
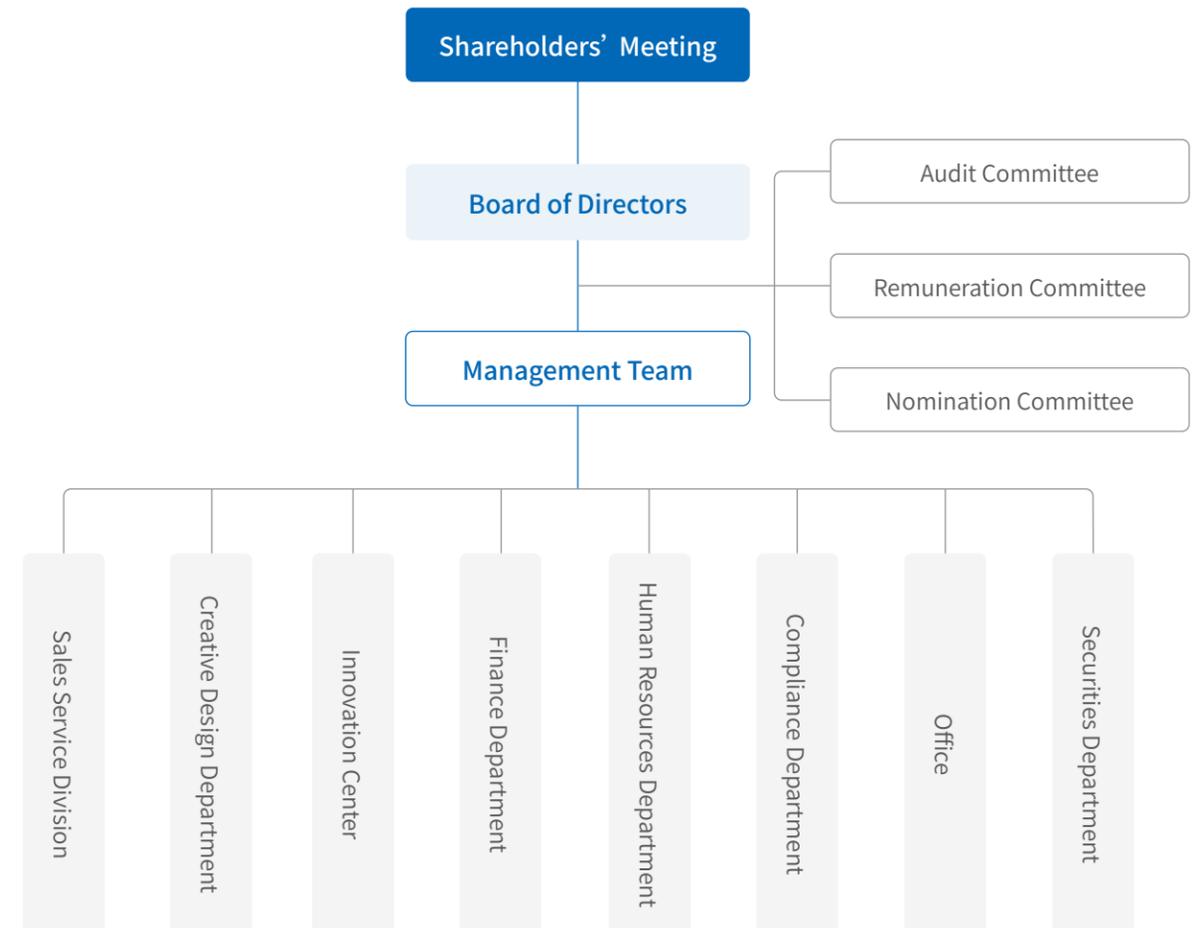
Signature: Sun Guangjun

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About Plus

Plus is an established sales and marketing service provider that specializes in delivering on-the-ground sales and marketing solutions to leading FMCG (fast-moving consumer goods) brands and distributors operating in major offline retail outlets, such as supermarkets, department stores, and outdoor promotions. We offer four types of services, including (i) customized marketing solution, (ii) task and marketers matching service, (iii) marketers assignement service, and (iv) SaaS+ subscription.

Since our establishment in 2004, we have remained dedicated to providing comprehensive sales and marketing services tailored to the specific needs of our clients. We serve clients of varying sizes across China to support their sales and marketing endeavors. Our services reach over 320 cities in 31 provinces and municipalities directly governed by the central government across China. Furthermore, by leveraging the data amassed through our services, we have built a data repository comprising information from over four million endpoints.

Plus Group Holdings Inc. has the following 10 subsidiaries in China

Plus (Shanghai) Digital Technologies Co., Ltd.	Shanghai Winning Idea Marketing Solution Co., Ltd.
Shanghai Mecool Marketing Services Co., Ltd.	Shanghai Harvest Marketing Solution Services Co., Ltd.
Shanghai Retail Winner Digital Technologies Co., Ltd.	Shanghai Mecool Business Consulting Co., Ltd.
Shanghai Chengzhi Information Technology Co., Ltd.	Shanghai Winning Idea Marketing Services Co., Ltd.
Beijing Plus Technology Co., Ltd.	Beijing Ruosheng Technology Co., Ltd.

Plus' organizational structure

Shareholders' Meeting

Board of Directors

Audit Committee

Remuneration Committee

Management Team

Nomination Committee

Sales Service Division

Creative Design Department

Innovation Center

Finance Department

Human Resources Department

Compliance Department

Office

Securities Department

Plus' Corporate Culture

Vision

To become an offline traffic portal by providing clients with extensive and evolving SaaS+ products.

Mission

To lead the digital transformation of offline businesses and continuously create value to achieve mutual success with our clients.

Core values

Innovation, ownership, trust, honesty, integrity, open, and fun

Performance indicators and honors

Revenue
726,032 thousand yuan

a YoY increase of
17 %

Total assets
690,282 thousand yuan

a YoY increase of
10 %

Expenditures in R&D
29,284 thousand yuan

a YoY increase of
17 %

EPS
0.1 yuan/share

Asset-liability ratio
26.42 %

Plus was recognized as one of the Top 10 Enterprises with Strong Comprehensive Strength in Malu Town, Jiading District, Shanghai in 2023.

Shanghai Winning Idea Marketing Solution Co., Ltd., a subsidiary of Plus, received acknowledgment as an outstanding contributor in Malu Town, Jiading District, Shanghai in 2023.

Our ESG Governance

ESG Governance Framework

We understand that environmental, social, and governance matters can impact an organization's shareholder value, reputation, supply chain, and other aspects affecting its sustainability. Furthermore, business sustainability is essential for the Group to establish long-term trust with the public. During the Reporting Period, a cross-departmental ESG working group maintained its focus on addressing environmental, social, and governance issues.

The Group's Board of Directors serves as the highest governing body for ESG matters. It is responsible for formulating and evaluating ESG management policies and strategies, as well as overseeing ESG matters. The Board holds complete authority over the Group's ESG strategy and reporting. Regular reviews of ESG issues, monitoring progress toward ESG goals, and approval of the annual ESG report are integral parts of the Board's responsibilities.

Each department within the Group plays its role by developing ESG management policies and specific goals aligned with its business activities. Assessing both risks and opportunities associated with ESG matters, departments implement relevant management policies and regularly report their progress to the Board through their respective department heads.

Stakeholder Communication

The Group attaches great importance to communication with all stakeholders. In our day-to-day operations, all key functional departments actively seek feedback and suggestions from internal stakeholders, such as employees and senior management, through various channels. Additionally, we consistently listen and respond to the expectations and feedback from external stakeholders, including regulatory bodies, clients, suppliers, and the media.

Stakeholders	Key Issues	Communication Channels and Performance
Shareholders and investors	Investment returns Information disclosure Risk management	Annual reports, financial statements, and announcements Shareholders' meeting Company website
Government and regulatory bodies	Compliant operations Adherence to tax laws and regulations	Direct communication Workshops and exchange meetings
Media	Promotion of industry development Commitment to business integrity Fulfillment of social responsibility	Social media Official websites
Employees	Protection of employee rights and interests Occupational health and safety Employee benefits Equal opportunities and diversity	Internal meetings HR emails Suggestion boxes A well-established compensation and benefits system A well-structured career development system Protection of employee health and safety

Stakeholders	Key Issues	Communication Channels and Performance
Clients	Ethical business operations Mutually beneficial collaboration	Communication meetings Commitment to business ethics Technological development and innovation
Consumers	Personal privacy protection Service quality assurance	Official websites Client service hotlines Social media
Suppliers	Fairness and justice Mutually beneficial collaboration	Management of environmental and social risks associated with suppliers Business communication and collaboration Transparent procurement
Community and public	Community engagement Environmental protection	Social media Green office initiatives

Materiality Assessment

In 2023, the Group conducted a comprehensive materiality assessment to identify the significance of various ESG issues for our business development and stakeholders. The assessment results served as a pivotal reference for formulating our ESG management strategy and developing the ESG report. The specific process is outlined below:

01 Identification of ESG issues

In accordance with the requirements specified in the ESG Reporting Guide and considering the specific characteristics of the Group's business and industry, we conducted a thorough analysis and identified 15 ESG issues of interest to our stakeholders. Furthermore, these issues were addressed by our ESG practices during the Reporting Period.
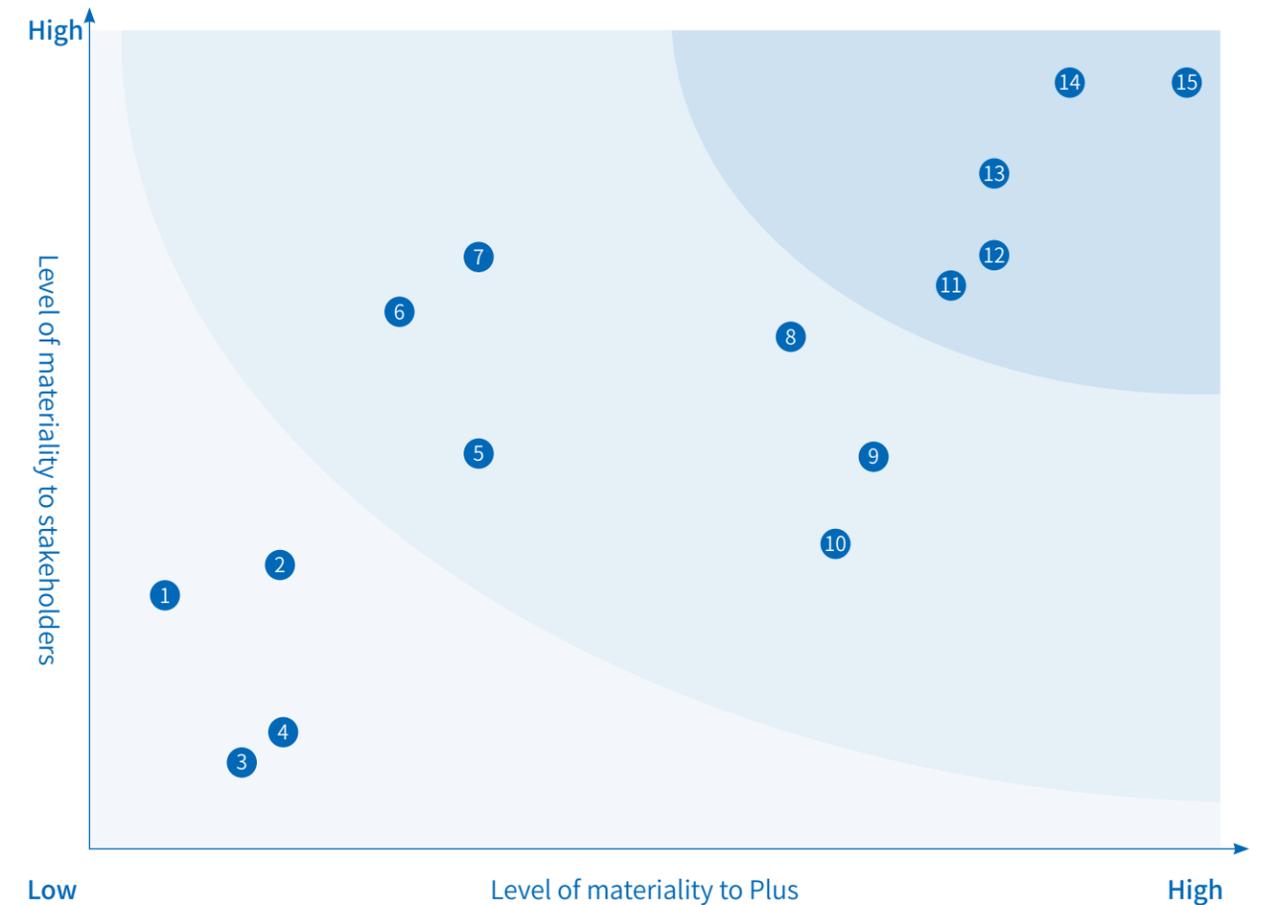
02 Assessment of issue materiality

Through internal interviews and discussions, as well as external expert consultation, we assessed each issue against their "level of materiality to Plus" and their "degree of impact on stakeholders". Subsequently, a materiality assessment matrix was generated to accurately reflect the research results.

03 Verification of assessment results

The Board of Directors reviewed and approved the materiality assessment results. Based on these findings, the Group identified 5 issues of utmost importance: data security and privacy protection, product quality and client service, employee development and training, technological innovation capability, and the protection of employee rights and benefits. We'll be addressing these key concerns in dedicated sections of our report to ensure that we meet the expectations of all stakeholders. Below is a matrix illustrating the material issues identified by the Group:

Plus' Material Issue Matrix

	06 Employee development and training	11 Data security and privacy protection
01 Addressing climate change	07 Employee health and safety	12 Technological innovation capability
02 Energy and resource management	08 Contribution to social and economic development	13 Intellectual property protection
03 Waste management	09 Corporate governance	14 Compliance risk management
04 Product quality and client service	10 Supply chain management	15 Business ethics and integrity
05 Protection of employee rights and benefits		

01

Governance

Establishing a Solid Foundation for Compliance and Integrity

Plus is dedicated to fostering a business environment that is trustworthy and equitable. We collaborate with our stakeholders to continually enhance our governance and capacity for value creation. We have implemented standardized internal control systems and risk management processes while upholding the high standards of business ethics. This commitment not only enables us to guard against potential risks but also drive the high-quality development of the Group.

- **Corporate Governance**

- **Compliance Risk Management**

- **Anti-Corruption and Business Ethics**

- **Information Security and Privacy Protection**

- **Intellectual Property Management**

Corporate Governance

The Group is committed to prudent business practices. We have strategically optimized our governance system to establish a robust authority and responsibility mechanism. In accordance with our commitment to transparency, we have consistently enhanced our information disclosure practices to facilitate more effective communication with investors. For the year ended 31 December 2023, the Group revised a total of 13 policies across finance, human resources, information technology, and procurement management. These revisions were implemented to adapt to industry changes and ensure continuous improvement in our corporate governance standards.

Management System

In 2023, the Group operated in compliance with the *Company Law of the People's Republic of China* and the Corporate Governance Code of the HKEX. Our sound operations were also safeguarded by internal systems, such as the *Memorandum and Articles of Association*. Furthermore, we fine-tuned our governance framework. Within this structure, the shareholders' meeting holds the highest authority, and the roles and responsibilities of the Board of Directors and management are well-defined and balanced. Our corporate governance capacity has consistently improved.

For the year ended 31 December 2023, we convened two shareholders' meetings, including an annual general meeting. These meetings served as important platforms for shareholders to fully exercise their rights and gain insights into the Group's operations and financial condition.

The Group's Board of Directors is elected at and is accountable to the shareholders' meeting. As of 31 December 2023, the Group had 7 directors, with one female director, constituting approximately 14% of the Board. Three of these directors are independent, making up approximately 43%. Diversifying the Board is a significant focus for us. Each director brings extensive professional experience or academic expertise to the table, fostering not only professional but also well-balanced decision-making. Additionally, we place a strong emphasis on the independence of our independent non-executive directors, ensuring their effective contribution. The independent non-executive directors strictly adhere to relevant rules, regulations, and the Articles of Association of the Group. Their role involves overseeing the Group's activities, participating in significant decisions, and reviewing regular and financial reports. They play a vital role in ensuring the smooth operation of the Group, thereby safeguarding the legitimate rights and interests of small and medium shareholders.

Moreover, we have established three committees under the Board of Directors: the audit committee, which oversees the financial audits; the remuneration committee, focusing on matters related to Board and executive remuneration; and the nomination committee, which is responsible for appointments of the Board of directors and executives. For the year ended 31 December 2023, we held 13 Board meetings, 3 audit committee meetings, 2 remuneration committee meetings, and 1 nomination committee meeting, resulting in 41 announcements, reports, circulars or documents being published.

Board Member Data				
Data Indicators		2021	2022	2023
Number of Board members		1	7	7
Disclosure by gender	Male director	1	6	6
	Female director	0	1	1
Disclosure by type	Independent director	0	3	3
	Non-independent director	1	4	4

*Note: Statistics are based on data as of 31 December of each year ended.

Investor Relations

The Group highly values the management of investor relations. In addition to our internally established *Shareholder Communication Policy* and *Information Disclosure Management System*, the Group discloses information and manages investor relations in compliance with the *Working Guidelines for the Relationship Between Listed Companies and Investors*, as well as the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*.

Investor Communication Channels for the Group

Shareholders' Meetings

These meetings include the Annual General Meeting and any other Shareholders' Meetings that may be convened.

Investor Events

The Group regularly organizes various activities to engage with investors, such as presentations for investors and analysts, hosting or participation in industry forums, media interviews, and investor outreach events.

Group Website

Company publications posted on our official website and corporate communications are included.

Financial Reports

These reports encompass the Group's mid-year and annual reports.

Materials Disclosed to the HKEX

All materials disclosed to the HKEX.

Compliance Risk Management

To strengthen our internal controls, identify operational risks, and proactively prevent, manage, and address them, the Group has developed regulatory documents, including the *Compliance Management System*, the *Internal Control Management System*, and the *Legal Affairs Management System*, in accordance with relevant regulations. We have continuously refined our mechanisms to identify and assess risks, ensuring the smooth operation of internal controls and risk management throughout the Group. The Group has established a compliance management system with the Board of Directors as the highest decision-making body. Led by the Compliance Department, this system routinely oversees and assesses the compliance of day-to-day activities across all subsidiaries, business teams, and supporting departments.

The Group's compliance management organizational structure

Board of Directors
The highest decision-making body overseeing the Group's compliance management. It ensures the compliance of senior management with laws, regulations, and the Group's Articles of Association.

Audit Committee
Led by designated individuals, this committee oversees the Group's financial reporting system, risk management, and internal control systems, reporting to the Board of Directors.

Compliance Department
Led by internal control officers, this department supervises the daily compliance performance of each subsidiary, business team, and support department in line with the Group's Articles of Association and various compliance regulations.

Moreover, the Group adheres to a holistic, practical, and effective compliance approach that is also independent, scientifically innovative, and applicable to all employees. We have structured and implemented a comprehensive internal control system, which covers five key aspects including the control environment, risk assessment, control activities, information and communication, and monitoring. Having established a three-tiered risk control system, the Group has set up an effective, long-term mechanism to navigate compliance risks. We have consistently strengthened our risk awareness and risk management to ensure that our business operations are conducted in compliance with applicable regulations and efficiently within acceptable risk limits. This ongoing effort safeguards the collective interests of the Group and our shareholders.

The Group's internal control system

Environmental Control

The Group has established a structured internal control system in strict accordance with legal requirements such as the *Company Law*, the B*asic Standard for Enterprise Internal Control*, and the *Corporate Governance Code*. We have also developed supporting systems, such as the *Internal Risk Management System*, the *Anti-Corruption and Anti-Commercial Bribery Regulations,* and the *Emergency Response Rules*. Additionally, we have set up a clear and open reporting and complaint process, creating a robust internal control environment.

Risk Assessment

We have set up a comprehensive risk assessment system that considers our annual development strategy, business goals, and the unique aspects of our industry and operations. This system helps us identify and analyze various risks in our business activities. We have also put in place an emergency response mechanism and, considering our risk tolerance, have established reasonable strategies to address identified risks.

Control Activities

The Compliance Department learns about the operations of our business teams through research, inquiries, and engagement. We use key control points, such as incompatible job responsibilities, multi-level review, effective authorization, to create a Compliance Control Risk Matrix. This tool aids in fulfilling the responsibility for addressing compliance issues and their closed-loop improvement. It also offers practical risk management guidance to our business managers.

Information and Communication

We have instituted a set of information security policies and utilized modern information systems such as OA, ORACLE, and Q-eHR to ensure timely communication and traceability of internal management information. Additionally, division meetings and quarterly business analysis meetings are held regularly to discuss and analyze our operational management. Externally, we prioritize information communication with industry associations and relevant regulatory authorities to ensure that the Group operates soundly and in compliance with the law.

Oversight

The Group carries out preventive and supervisory work on internal control based on our compliance management organizational structure. The Compliance Department has dedicated personnel who review and evaluate the day-to-day implementation of internal control within the Group. We actively communicate and cooperate with external audits to ensure the security of our assets and the accuracy and completeness of our financial information.

The Group's three-tiered risk control system

| Tier 1 Risk Control | Tier 2 Risk Control | Tier 3 Risk Control |

Core Business Team
This team takes charge of front-end risk control in daily business operations, such as assessing client qualifications and creditworthiness. They are also responsible for ensuring that our suppliers adhere to set standards and maintain excellent service quality.

Functional Support Team
In collaboration with the business team, this support team facilitates project execution to achieve predetermined profits. Their responsibilities include ensuring legal hiring, reasonable budgeting, and spending in line with actual needs.

Compliance Oversight Team
By conducting necessary spot checks, the team verifies the effectiveness of the first two tiers of risk control, and ensures that the risk management process is fully completed.

In 2023, we engaged external legal advisers to conduct diverse compliance training sessions within the Group. These sessions encompassed specialized training for the HR Department on compliance management, main board listing rules training for the members of the Board, and training for all employees on compliance throughout the Group's digital transformation. We also regularly organize online compliance training for all employees on the external learning platform LCOUNCIL. LCOUNCIL's course center offers diverse programs, including supply chain compliance, advertising compliance, and live streaming compliance. It allows our employees to learn independently and flexibly, thereby enhancing their ability to handle day-to-day business tasks. Furthermore, compliance training is mandatory for all employees of the Group upon new hiring, promotion, and job transfers.

Case   **Training on the Listing Rules for Directors to Fulfill Their Compliance Responsibilities**

During the Reporting Period, we organized training sessions for all directors to enhance their understanding of their duties. Experts from a third-party law firm were engaged to provide comprehensive training on the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and the *Corporate Governance Code*. This training introduced the responsibilities and rules that directors, as part of the management, need to adhere to. It specifically clarified the definition of transactions and related-party transactions that must be disclosed by the Board. Additionally, it provided detailed explanations on topics such as equity issuance, share repurchases, equity disclosures, and directors' participation in securities trading.

A total of 11 individuals, including all directors of the Board, participated in this training, which lasted approximately an hour. This training played a crucial role in ensuring that directors fulfill their compliance responsibilities, thereby promoting the stable development of the Group.

Compliance Training Data

Data Indicators	2021	2022	2023
Number of employees participating in compliance training	23	89	50
Average hours of compliance training per employee	2.5	4	6

*Note: Statistics are based on data for each of the year ended 31 December.

Anti-Corruption and Business Ethics

The Group strongly opposes any improper business dealings, such as bribery, money laundering, or unfair competition. We are committed to upholding business ethics in accordance with the relevant laws and regulations of the People's Republic of China, including strict adherence to the *Anti-Unfair Competition Law* and compliance with the *Interim Provisions on Prohibiting Commercial Bribery*. To maintain strict adherence to ethical standards, we have established the *Anti-Corruption and Anti-Commercial Bribery Regulations* to ensure that everyone in the Group, from employees to partners such as clients, suppliers, and contractors, complies with these rules. We have cultivated a workplace culture where corruption, fraud, and other unethical behaviors are unequivocally unacceptable. In 2023, we successfully avoided any legal entanglements related to corruption, unfair competition, monopolization, or other unethical business practices.

The Group prohibits any form of commercial bribery. Employees are expected to willingly cooperate with the department overseeing anti-commercial bribery efforts. In key areas and among essential personnel, we have implemented a commitment system to prevent bribery. Specifically, individuals in pivotal roles must sign a *Letter of Commitment to Integrity and Self-Discipline*, granting them authorization to represent the Group in signing external contracts and agreements. Furthermore, all parties involved in business transactions with the Group, including clients, suppliers, service providers, and contractors, are required to sign an *Anti-Commercial Bribery Agreement* and adhere to the Group's other policies against bribery and corruption.

The Group's anti-corruption system

Regulatory Department

The Audit Department serves as the regulatory body within the Group to prevent commercial bribery.

Institutional Safeguards

Guided by the *Anti-Corruption and Anti-Commercial Bribery Regulations*, various stakeholders sign the *Letter of Commitment to Integrity and Self-Discipline* and the *Anti-Commercial Bribery Agreement*.

Inspection Mechanism

The Group's regulatory department conducts open or secret inspections of other departments. They also actively pursue and implement measures to prevent commercial bribery, thereby reducing the risk of such occurrences. Any identified violations are promptly addressed, and relevant departments are kept advised.

Reporting Mechanism

Reporting channel: To report concerns, the Group provides a dedicated anti-commercial bribery reporting email address (wbjb@plscn.com).
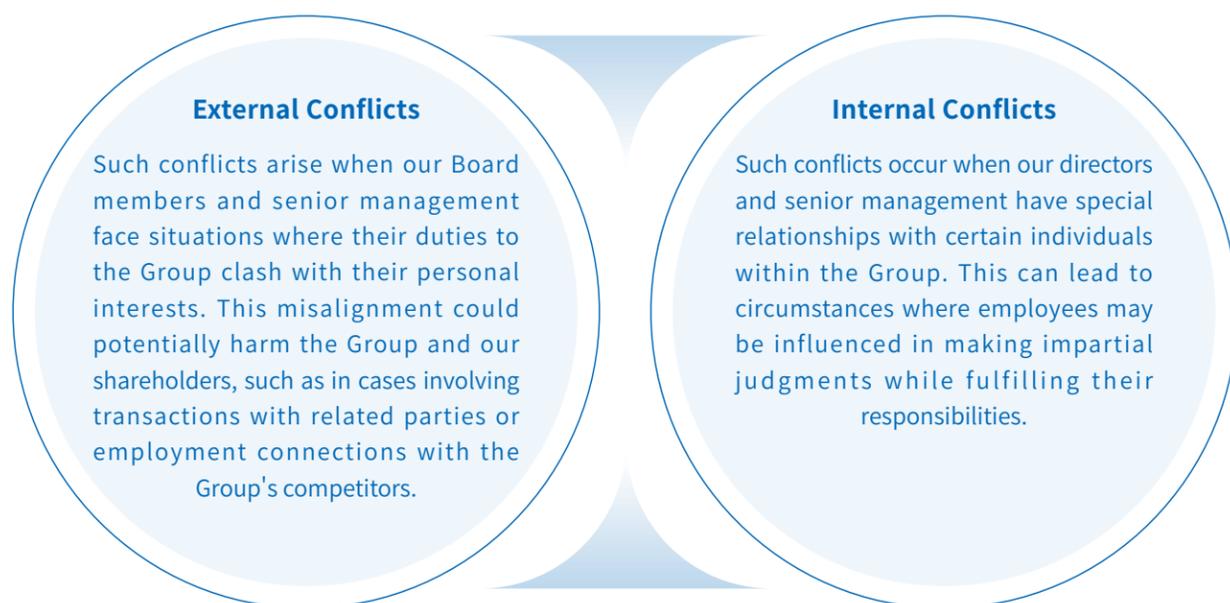
Whistleblower protection mechanism: The Group has explicit rules to protect the personal information of employees who report violations. At every step, from receiving the report to conducting the investigation, confidentiality is strictly maintained. We prohibit any disclosure of the whistleblower's personal details like name, department, or company name. Sharing report information with the accused individual or department is strictly prohibited. During the investigation, no original or copy of the case materials shall be presented, and the whistleblower's identity remains confidential. Furthermore, the case materials must not be shared with external parties without authorization, ensuring a secure and confidential process.

Consequences for Violations

Upon confirmation of a bribery case, individuals involved in bribery will be subject to confiscation of their illegal gains and a fine of the same amount. Those found guilty of serious offenses or displaying a particularly negative attitude towards the violation will be dismissed or referred to national judicial authorities for further action. For companies and individuals engaging in financial transactions with the Group found to be in breach of the *Anti-Commercial Bribery Agreement*, their status as suppliers or service providers will be promptly revoked. If the offense is deemed a commercial bribery crime, it will be referred to judicial authorities for criminal proceedings.

To prevent conflicts of interest among our directors, senior managers, and the Group, as well as to protect shareholder interests, we have established the *Conflict of Interest Management System*. The Audit Committee is responsible for addressing conflicts of interest, while the Compliance Department coordinates and manages day-to-day operations. Our directors and senior managers commit to transparency by signing a *Declaration on Conflict of Interest* and submitting a *Conflict of Interest Disclosure Form*. This process clarifies situations that might pose a conflict of interest and outlines the rules they shall follow. This ensures that everyone understands the rules and helps reduce the risk of favoritism and corruption, contributing to a culture of integrity throughout the Group.

The Group's conflict of interest management scope

External Conflicts

Such conflicts arise when our Board members and senior management face situations where their duties to the Group clash with their personal interests. This misalignment could potentially harm the Group and our shareholders, such as in cases involving transactions with related parties or employment connections with the Group's competitors.

Internal Conflicts

Such conflicts occur when our directors and senior management have special relationships with certain individuals within the Group. This can lead to circumstances where employees may be influenced in making impartial judgments while fulfilling their responsibilities.

Anti-Corruption Data	
Data Indicators	2023
Number of corruption litigation cases brought against the issuer or its employees by regulatory authorities which have already been concluded	0
Number of reported incidents related to corruption and bribery activities	0
Average hours of anti-corruption and anti-bribery training per employee	3
Number of employees who received anti-corruption and anti-bribery training	50

*Note: Statistics are based on data for each of the year ended 31 December.

Information Security and Privacy Protection

The Group strictly complies with the laws and regulations of the People's Republic of China, including the *Cybersecurity Law, the Data Security Law*, and the *Personal Information Protection Law*. We have established a set of protocols, such as the *Information Security Risk Management Procedure*, the *Data Security Protection Management Procedure*, and the Data Classification and Categorization Management Procedure, to guide and regulate activities related to data security, privacy protection, cybersecurity, and contingency handling. We are committed to providing our partners with business services that are both secure and reliable. Notably, in 2023, the Group encountered no incidents of information leakage.

Management Assurance

To fulfill our responsibilities for information security management at all levels and establish a comprehensive information security management mechanism, the Group has implemented a management architecture led by the Information Security Team. This architecture employs risk assessment and business continuity management procedures to proactively anticipate and prevent internal information security issues. It also involves investigating and addressing issues as they arise, followed by reflective assessments. Moreover, each department has an assigned information security officer who is responsible for daily supervision and inspection of internal information security practices. Any identified issues will be promptly reported to the department head for resolution.

The Group's information security management architecture

**Information Security Management Team**
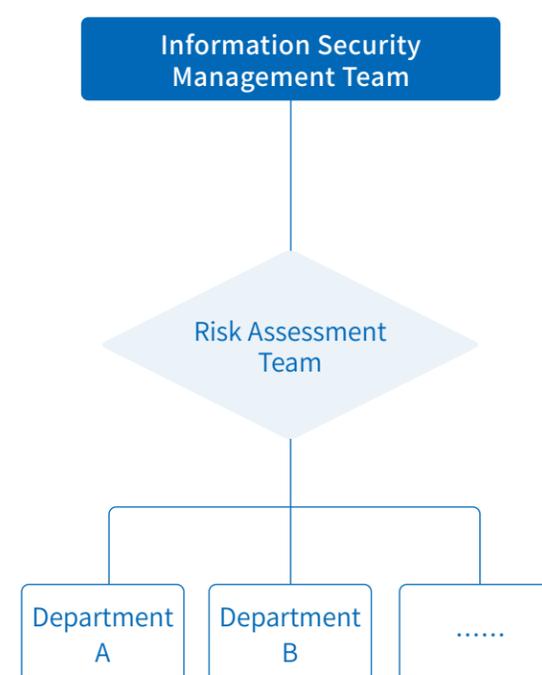
The team is in charge of handling the Group's information security management tasks. They work with different departments to identify events that could be risky for the Group's information security and to analyze potential losses related to those events. They also take the lead in forming a Risk Assessment Team and are responsible for reviewing the team's reports.

Risk Assessment Team

The team is responsible for creating the Information *Security Risk Assessment Plan* and sending it to all departments. They confirm the assessment results and produce the *Information Security Risk Assessment Report*, which is then presented to the Information Security Management Team. The team includes members from departments with key responsibilities for information security.

Department A / Department B / ......

They are responsible for identifying the assets used or managed by their department and assessing the risks to which those assets may be exposed. They also handle the specific security controls for assets used or managed by their department.

Furthermore, the Group has integrated information security requirements into the *Human Resources Management Procedure*. We have also implemented a reward and penalty system which clearly outlines incentives for discovering information security incidents and consequences for violations. This approach aims to enhance the overall awareness of information security among all employees. During the hiring process, relevant business departments are required to complete the *List of Critical Positions for Information Security*, which clarifies the job requirements for key roles in each department. This ensures that employees recruited for critical positions maintain confidentiality, possess technical proficiency, and adhere to ethical standards. Additionally, all new employees are required to sign a *Non-Disclosure Agreement* and undergo training on how to use information securely to mitigate information security risks within the Group. Currently, we hold the international ISO/IEC 27001:2013 Information Security Management System certification, as well as the highest-level information security protection certification in China for non-banking institutions—Level 3 Certification of the Classified Protection of Information System Security. Moreover, we conduct annual audits for ISO/IEC 27001:2013 and the classified protection of information system security to ensure the continuous effectiveness of the Group's information security management system.
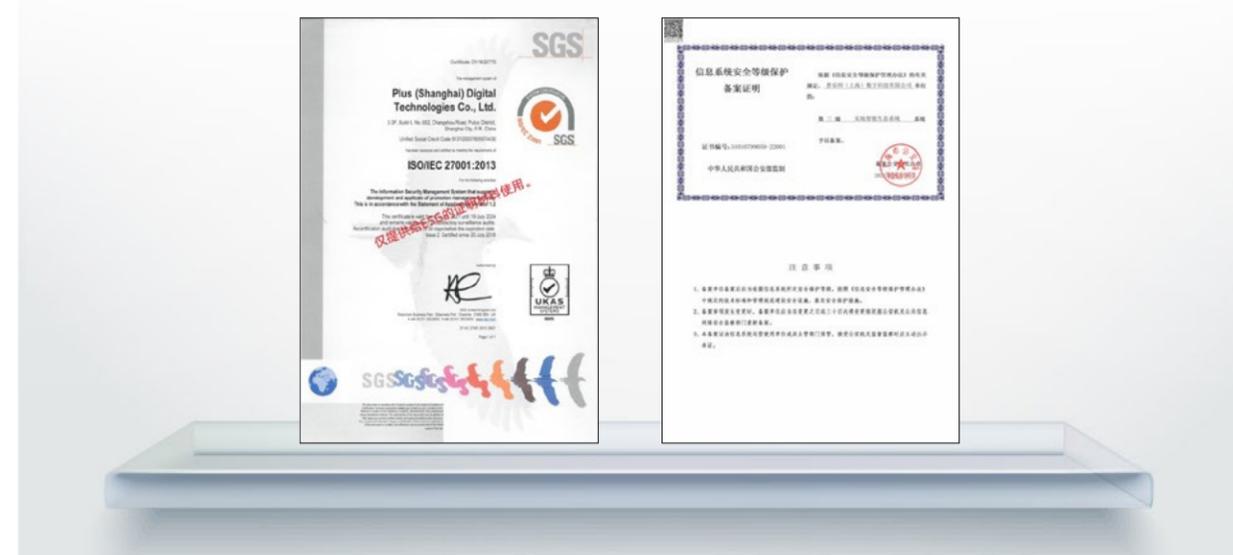
The Group's ISO/IEC 27001:2013 Certification and Level 3 Certification for the Classified Protection of Information System Security

Information Security Audit Data			
Data Indicators	2021	2022	2023
Number of information security audits	4	4	4
Percentage of business scope covered by information security management system certification (%)	100	100	100

*Note: Statistics are based on data for each of the year ended 31 December.

Cybersecurity

The Group has implemented the *Network Equipment Security Configuration Management Procedure*, a detailed guide covering cybersecurity aspects such as network access permissions, internet usage guidelines, and firewall configurations. This document is designed to ensure that our employees can connect devices and conduct online activities safely. Managing all key network devices within the organization falls under the responsibility of the Innovation Center. Additionally, we routinely back up the configurations for all of the Group's network devices, ensuring they are promptly updated after any modifications. This enables us to swiftly recover our business operations using the configuration backups in the event of network device malfunctions.

Moreover, to enhance the overall team competence to handle network information security incidents, the Group has established the *Network Information Security Emergency Response Management Procedure* and formed an Emergency Command Leadership Team. This team is on call for emergency handling, providing technical support, and coordinating response efforts. In terms of proactive measures, all departments are required to regularly inspect equipment, such as power supplies, networks, and servers. We also monitor network operations through software and other tools. Information system maintenance personnel are tasked with closely monitoring the operation of various databases. In the event of an information security incident, we will activate our emergency response procedure and determine the response process based on the severity of the incident. As a general guideline, our goal is to resolve an incident within 24 hours. Following the resolution of an information security incident, we will promptly arrange for the relevant personnel to restore the network information system and conduct a comprehensive review of the emergency response to the incident. Through these measures, we can establish a complete response cycle, covering preparation, active response, and post-incident assessment, all aimed at minimizing the impact of the incident.

Data Security

To strengthen data security and confidentiality, we have developed the *Data Security Protection Management Procedure*. This procedure establishes clear guidelines for the collection, modification, querying, storage, and utilization of data. Additionally, we have implemented segregation of duties, which means that different tasks are handled by distinct individuals during the data management process. For instance, we allocate management authority and operational rights to different individuals to minimize the risk of unauthorized changes or information misuse. In situations where segregation of duties is challenging, we will intensify efforts in auditing, tracking, supervision, and overall management.

When collaborating with external partners such as contractors and service providers, the Group requires them to sign the *Data Protection Compliance Commitment Letter*. This document outlines the purpose, scope, and permissions for data usage. Additionally, we will sign the document *Code of Practice on Data Sharing and Protection* with our stakeholders to ensure mutual data security. The data recipient is required to follow the principle of minimized information usage and is prohibited from transferring data to any third party. When identifying any data security risks with the recipient, the provider will immediately request the recipient to take corrective actions to prevent data leakage and other security incidents.

Privacy and Security

The Group adheres to the Personal Information *Protection Law of the People's Republic of China*, upholding key principles such as explicit purposes, openness, transparency, security support, informed consent, and accountable practices. We collect and use users' personal information in accordance with the law and ensure that different levels of information are protected accordingly. Specifically for sensitive personal information, we implement advanced permission controls to minimize the risks of privacy breaches and leakage, prioritizing the protection of our partners' and consumers' privacy and security.

Within the Group, the Innovation Center takes the lead in managing the protection of user information. We regularly conduct specialized risk assessments and audits for information security to identify potential threats and vulnerabilities to user information security. To address unforeseen incidents such as leakage, loss, damage, alteration, and improper use that may occur during the processing of user personal information, we have developed emergency response plans.

The Group has established the *User Personal Information Protection Management Procedure* to standardize the management of user information usage. We strictly adhere to the principle of ensuring that users are well-informed and provide explicit consent before the collection of their personal information, especially when dealing with sensitive data such as user identity and biometrics. In such cases, we implement explicit consent methods, including user-completed checkboxes. Users will be clearly informed of the purpose, method, and scope of the use of their personal information. During the utilization of user information, we thoroughly identify and verify accounts having access to sensitive user information. Following the principle of aligning authority and responsibilities, we ensure that system accounts having access to sensitive user information are registered under a real name and have a specific account holder. These accounts are strictly prohibited from engaging in unauthorized queries, downloads, copies, or storage of user information. Furthermore, in the event of a user personal information leakage incident, the Group will report the details and initial handling opinions to the management within 3 working days from the date of the incident. We will hold those responsible accountable and promptly refer cases involving suspected criminal activities to judicial authorities for proper handling.

To enhance our employees' practical skills in protecting user information, the Group employs personalized training methods that focus on different priorities for various roles to ensure training effectiveness. For new hires and individuals handling user personal information, we will conduct training and exams prior to their onboarding, with a focus on the proper collection, use, and confidentiality of such information. We will also outline the specific confidentiality obligations they are expected to fulfill. The goal is to ensure that employees not only comprehend but also conscientiously adhere to relevant legal policies. This includes a full awareness of the legal consequences associated with the illegal disclosure and misuse of user personal information, ultimately enhancing their understanding of risk prevention. For employees dealing with sensitive information, we enforce more stringent information security and confidentiality responsibilities. Continuous efforts are made to enhance daily compliance education and training, strengthening the sense of responsibility among our technical personnel in information protection.

Intellectual Property Management

The Group places significant importance on the protection of intellectual property rights. In accordance with pertinent Chinese laws such as the *Patent Law*, the *Trademark Law*, the *Copyright Law*, and the *Anti-Unfair Competition Law*, we have established the *Intellectual Property Management Procedure*. This document encompasses patents, trademarks, computer software copyrights, and trade secrets. It is outlined in a clear flowchart that details the process of applying for intellectual property rights, retrieving relevant information, transferring licenses, and resolving disputes. Recognizing the unique aspects of our business, we have crafted the *Software Development Management Procedure* to standardize the development of in-house software and the management of outsourced software. Through consistent efforts, we have created a robust system to protect the Group's intellectual property.

To streamline the execution of various intellectual property management procedures, the HR Administration Department is dedicated to managing intellectual property rights. All other departments coordinate with the HR Administration Department to collect and report on their respective intellectual property information. All departments must collaborate to ensure the seamless and effective execution of each step in intellectual property management. Moreover, we continually enhance our internal management and control to safeguard our intellectual property rights while avoiding infringement on the intellectual property rights of others.

Intellectual Property Management Data			
Data Indicators	2021	2022	2023
Number of trademark and text registrations held	26	26	23
Number of domain names held	31	44	44
Number of software copyrights held	32	27	10

*Note: Statistics are based on data as of 31 December of each year ended.

02

Partners
Collaborating for Sustainable Development

A reliable and sustainable supply chain is the bedrock of Plus in delivering top-notch products and services to our clients. We aim to collaborate with suppliers who share our commitment to high business ethics and actively fulfill environmental and social responsibilities. This collaboration is geared towards consistently improving our supply chain management and strengthening the connections with our suppliers. We will work with our partners to forge a sustainable development path for the value chain and jointly build a sustainable ecosystem.

A Responsible Supply Chain

Industry Collaboration

A Responsible Supply Chain

We continually refine our supplier quality management system to ensure a stable and high-quality relationship between supply and demand. This effort aims to minimize procurement risks and costs and construct a more efficient and responsible supply chain. Our focus is on enhancing the core competitiveness of the Group.

Supplier Management

Guided by the principles of fairness and equity, the Group carefully selects suppliers through a rigorous selection and audit process. The *Supplier Management System* is formulated to act as our guide for effectively overseeing and managing our suppliers. When selecting suppliers, we consider various factors, including the quality of their services and products, timely delivery, contract fulfillment capabilities, and pricing. We choose the best based on these criteria. Additionally, we conduct regular evaluations of our suppliers, keeping qualified ones in our supplier directory and removing those who do not meet our standards to ensure a high-quality supplier pool. Every year, we prepare a comprehensive supplier evaluation report, which is reviewed by the procurement leadership to keep supplier information up-to-date and transparent.

The Group's supplier management mechanism

Supplier Admission	Collaboration	Supplier Assessment
Credit check	**Dual evaluation**	**Individual evaluation**
After gathering initial supplier information, we conduct a thorough credit check through government websites and other reliable third-party sources. This check aims to identify any potential collaboration risks, such as suppliers being defaulters and facing legal issues. In some cases, on-site inspections are carried out to ensure the accuracy and completeness of supplier information.	In specific projects, both the requesting department and the Procurement Department assess the resources offered by suppliers. Evaluation criteria encompass the supplier's unit price, past performance, industry reputation, professional expertise, and dispute resolution capabilities.	The requesting department independently rates suppliers based on the quality of provided products or services, collaboration level, and response to emergencies. The Procurement Department archives these results for future reference.
Documentation	**Final selection**	**Annual review**
Once suppliers provide updated details, the Procurement Department uploads relevant documents, including the *Supplier Credit Check Form*, the *Framework Agreement/Contract*, and the *Non-Disclosure Agreement*. Approval from the procurement leadership is required before the supplier information is officially documented.	If needed, the Procurement Department may also arrange for support departments, such as Finance and Internal Audit, to assess and score the supplier's real-time financial status and the fairness of the procurement evaluation process, respectively. The supplier with the highest score is chosen for collaboration.	Using individual evaluations as the basis, and considering statistics provided by the Finance Department, such as account information and reconciliation cooperation level, we retain qualified suppliers in the supplier directory. Information is regularly updated, and suppliers failing to meet standards are removed from the directory.

We actively engage with our suppliers through periodic online meetings to discuss business matters and collaboratively address unforeseen challenges. Additionally, we hold in-person meetings with suppliers to review the work accomplished and learn from past experience, fostering open communication for future collaborations. For the year ended 31 December 2023, the Group had established partnerships with 2,098 suppliers.

Supplier Management Data			
Data Indicators	2021	2022	2023
Total number of suppliers	1,433	1,661	2,098
Number of suppliers by region — The Chinese mainland	1,429	1,648	2,050
Number of suppliers by region — Hong Kong, Macao, Taiwan, and overseas countries	4	13	48
Total number of new suppliers	477	228	437

*Note: Statistics are based on data for each of the year ended 31 December.

Management of Social and Environmental Risks in the Supply Chain

The Group consistently monitors social and environmental risks in our supply chain, giving full consideration to these factors in supplier selection and collaboration. In the assessment of new suppliers and the annual evaluation of existing ones, social responsibility and environmental protection are key scoring criteria. Specific indicators include awareness of social responsibility, fulfillment of social responsibility, awareness of environmental protection, environmental measures, and environmental pollution. Priority is given to suppliers who are environmentally friendly and aware of social responsibility.

We conduct unannounced onsite inspections of our suppliers to ensure their compliance with legal requirements in staff hiring. We also assess the fairness of their working hours and their commitment to employee health and safety. Additionally, we verify their adherence to environmental standards in the factory environment. At the end of the inspection, we complete an evaluation form, which is instrumental in shaping our decisions regarding potential future collaborations.

Field investigation of suppliers' social and environmental indicators

Child Labor Policy	Employment Practices	Working Hours and Compensation
• Does the factory set a minimum hiring age of 16 or older? • Is there a robust system in place to verify workers' ages? •	• Does the factory refrain from using forced or bonded labor? • Are workers protected from physical punishment, assault, as well as verbal or psychological harassment, intimidation, and humiliation? •	• Are regular working days and hours clearly defined at the factory? • Does the factory's overtime pay meet local legal requirements? • ......

• Are chemicals properly labeled in the factory? • Are workers trained in the safe handling of hazardous substances? • Are first aid kits and medications easily accessible in workshops and dormitories? •	• Does the factory conduct regular inspections of firefighting equipment? • Are designated smoking areas established within the factory? • Does the factory carry out regular fire drills? •	• Does the factory operate in accordance with local environmental regulations? • Are there reports on inspections and environmental assessments? • Is the factory appropriately managing the collection, storage, and disposal of hazardous waste? • ......
Health and Safety Standards	Fire Safety Measures	Environmental Compliance

The Group is committed to mitigating social risks associated with our suppliers and building a transparent supply chain. To ensure fair procurement, we have established the *General Rules for Procurement Management* and the *Material Procurement and Payment Management System of Plus*. We have also implemented a mechanism that includes the separation of duties across five distinct roles. Furthermore, we have established a robust system to monitor and inspect our procurement activities. This system clearly delineates the responsibilities and authority of

our inspection personnel, who undergo regular examinations conducted by the Internal Control Department. In our procurement contracts, we go the extra mile by having suppliers sign the *Integrity Agreement Against Commercial Bribery* to guarantee ethical and disciplined business conduct by both parties. Additionally, the Procurement Department proactively sends out anti-corruption campaign emails to suppliers before major holiday to raise their awareness of corruption prevention.

We are dedicated to minimizing environmental risks within our supply chain. We require our suppliers to endorse the *Environmental Protection Agreement* to ensure that the products and services they provide comply with relevant environmental laws and regulations at the national, provincial, and municipal levels. Suppliers are also expected to establish a regular system for assessing and controlling environmental impact, driving continuous improvement in their environmental management practices. Moreover, we conduct periodic, unannounced inspections of suppliers' environmental efforts every year. Suppliers must promptly address any non-compliance issues until they meet the required standards. Failure to do so may result in the termination of the partnership at the discretion of the Group.

Case **Hosting Anti-Corruption Workshops for Suppliers to Raise Their Awareness of Complying with High Business Ethics Standards**

During the Reporting Period, we engaged external experts to conduct two anti-corruption workshops for our suppliers. These sessions, employing a blend of online and offline approaches, educated our suppliers on potential corruption risks in their daily operations and shed light on commonly overlooked non-compliant practices. The workshops extensively covered strategies to prevent corrupt activities, providing valuable insights for suppliers to enhance their understanding of legal and ethical standards.

Anti-corruption workshop for suppliers

Data on Management of Suppliers' Social and Environmental Risks			
Data Indicators	2021	2022	2023
Number of suppliers with identified and potential serious negative social impacts*	1	0	0
Number of suppliers with identified and potential serious negative environmental impacts	0	0	0
Percentage of procurement officers internally trained in sustainable procurement (%)	100	100	100

*Note 1: Statistics are based on data for each of the year ended 31 December.

*Note 2: In 2021, one supplier underwent an economic audit. The Group responded promptly by suspending collaboration with that supplier.

Industry Collaboration

The Group is committed to sharing values and actively participates in or hosts industry forums and research projects. In doing so, we not only drive our own development but also contribute to the industry's progress by sharing our experience and achievements.

Since 2022, we have collaborated for two consecutive years with leadleo.com to publish the *China Offline Digital Marketing White Paper*. Using methods such as surveys, interviews, expert discussions, and literature research, we have analyzed the current state and trends of offline digital marketing in China. This helps us understand the industry's opportunities and challenges, unveiling its future development trends. During this Reporting Period, we established the AI Digital Marketing Joint Lab in collaboration with the Dalian University of Technology, aiming to promote industry digitalization through effective industry-university-research collaboration.

Case Fostering Digital Marketing Development through Academia-Business Collaboration

On 12 December 2023, the Group and the Dalian University of Technology (DUT) officially launched the AI Digital Marketing Joint Lab with a signing ceremony held at the DUT School of Economics and Management.

This lab capitalizes on the Group's extensive experience in real-world offline marketing scenarios and the technical prowess and resource advantages of our traffic platforms. Teaming up with the research expertise of the DUT School of Economics and Management, particularly in big data management, decision-making, and applications, the lab aims to create a closed-loop system for data, algorithms, and tool services, establishing a comprehensive digital ecosystem for offline marketing. This partnership provides a platform for students, the Group, and the university to engage in mutual exchange and collaboration. It also propels the advancement of research and practical applications in digital marketing through synergies in functional and resource strengths among the Group, the university, and the research community.

The Unveiling and Signing Ceremony of AI Digital Marketing Joint Lab

Case Hosting a Digital Empowerment Forum to Build an Industry Exchange Community

In October 2021, the Group teamed up with Baidu AI Cloud to host the "Illuminating the Path with Digital Technology" summit in Shanghai, focusing on digitizing retail for enhanced capabilities. The event brought together executives from leading consumer brands, industry experts, digital specialists, management professionals, and channel experts in China and other countries. They shared insights on innovative practices and delved into the effective application of digital technologies in empowering retail channels and unlocking the potential for business growth. We also extended invitations to various suppliers, including China Resources and Baidu. Notably, a strategic cooperation agreement was signed with Baidu during the event. This forum played a pivotal role in fostering industry-wide knowledge exchange, contributing to the seamless integration of traditional businesses with the digital economy.

The Digital Empowerment Forum

03

Clients
Delivering Intelligent Service Experience

At Plus, we prioritize our client experience by consistently enhancing the expertise of our marketing team and ensuring a compliant and seamless service process. Moreover, we leverage our digital resources and technology to boost the quality and efficiency of client services, collaborating closely with our clients for shared success.

Safeguarding Client Rights and Interests

Embracing Smart Technology for Collaborative Success

Safeguarding Client Rights and Interests

To uphold client satisfaction, the Group has refined our client service system and implemented the Continuous Improvement Control Procedure. This document addresses issues that could impact client satisfaction or lead to complaints. The system management team leader oversees the coordination of relevant departments in formulating corrective plans and ensures their implementation and validation. In 2023, the Group did not receive any customer complaints regarding products or services.

To continually enhance our service quality, we provide diverse training for the marketing staff employed by our business operations team. This aims to strengthen their ability to serve our clients effectively. We conduct regular business-sharing sessions every week, where top-performing employees from successful projects share their client service experience, to raise our team's overall service standards. Moreover, we emphasize honesty and reliability among project marketing personnel. It is crucial for them to provide accurate product information to consumers, safeguarding consumer rights to information and ensuring confidence in our clients' products and overall purchase experience.

In anticipation of potential transitions among our marketing personnel between projects, we have identified challenges in maintaining consistent services for our clients. These challenges could lead to possible delays in service fee disbursements and impact tax compliance. Recognizing the need for proactive measures to mitigate employment risks for our corporate clients arising from policy changes, we have developed an aggregated gig work mechanism during five years of providing gig work services. This mechanism integrates 6 stable and 11 alternative tax jurisdictions, guaranteeing that service payments will not be disrupted by policy adjustments and that tax declarations will be filed on time.

The Group's aggregated gig work mechanism

Services

FMES — Task · Contract · Fund · Taxation · API

Aggregated Gig Work Mechanism

6 stable tax sources

11 alternative tax sources

Tools

MI.JOB SQUARE　　Touchkit　　Remotes

Case Conducting Sales Promoter Training to Elevate Client Service Standards

During the Reporting Period, we organized promoter training sessions for several prominent clients' food promotion projects. The training focused on in-depth instruction and explanation of sales promotion themes, strategies for featured products, secondary displays, and details about complimentary items. Additionally, we provided tailored training on the target audience, flavor profiles, eating scenarios, and distinctive selling points and characteristics of the products. This comprehensive training aided promoters in acquiring a better grasp of promotional techniques and ensuring the standardization and customer-centric approach in the promotion process. It aimed at enhancing the overall service proficiency of our team members.
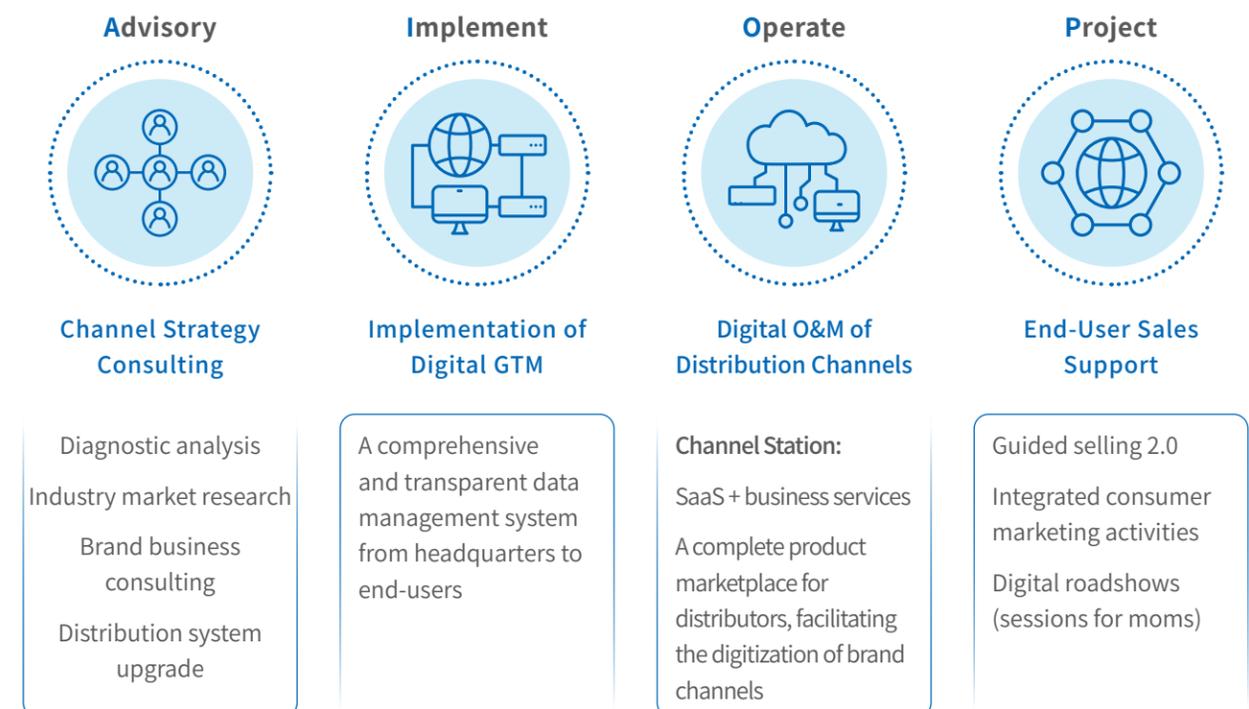
Embracing Smart Technology for Collaborative Success

Throughout the years, we have been consistently upgrading our digital tools and introducing innovative digital marketing solutions. This endeavor caters to the increasingly diverse needs of our clients by broadening the scope and applicability of our service offerings.

In 2019, the Group launched a service that matches tasks with marketing personnel. Utilizing the Touchkit digital tool, we assign marketing tasks while analyzing the historical performance, strengths, and characteristics of our marketing team. This ensures an enhanced precise match with project requirements, helping clients achieve sustained, long-term revenue. Following this, in 2020, we introduced the SaaS+ subscription, providing tailored access to pre-built digital tools on a subscription basis. This simplifies our clients' sales and marketing processes, manages their offline retail networks, and aids in making informed, data-driven decisions.

In addition to consistently pushing forward with product upgrades, the Group continuously raises the bar in our own technological R&D efforts. We are committed to delivering top-tier digital services to our clients. One standout technical achievement is our use of AI algorithms, combined with real-world insights from offline marketing scenarios. We have introduced a technology that normalizes data for retail stores, using AI to address issues of consistency and accuracy in the standard library data of retail stores. This not only reduces the manual steps needed for organizing incoming data but also enhances collaboration between data and business teams. The ultimate goal is to empower our clients by reducing costs and boosting overall efficiency.

Plus' service areas

Advisory	Implement	Operate	Project
Channel Strategy Consulting	**Implementation of Digital GTM**	**Digital O&M of Distribution Channels**	**End-User Sales Support**
Diagnostic analysis	A comprehensive and transparent data management system from headquarters to end-users	Channel Station: SaaS + business services A complete product marketplace for distributors, facilitating the digitization of brand channels	Guided selling 2.0 Integrated consumer marketing activities Digital roadshows (sessions for moms)
Industry market research			
Brand business consulting			
Distribution system upgrade			

04

Employees

Fostering a Happy and Growth-Centric Workplace

Plus adheres to a people-centric approach, with a strong focus on fostering employee development and growth opportunities. We are committed to creating a diverse, multi-channeled, and comprehensive environment for employee development. By continuously refining our organizational structure and adopting open management practices, we expect to fortify team unity and cultivate a stronger sense of belonging within the Group, thereby enhancing overall employee engagement. This approach ensures a mutually beneficial relationship between individual employee development and overall corporate growth.

Employment of Staff

Training and Development

Safety and Health

A Secure Working Environment

Employment of Staff

The Group strictly complies with the laws and regulations of the People's Republic of China, including the *Labor Law* and the *Labor Contract Law*. We have implemented various recruitment management measures, such as the *Human Resources Management Procedure*, the *Third-Party Personnel Recruitment System*, and the *Project Personnel Management System*. These measures have effectively promoted the establishment of a compliant, fair, and inclusive employment system, free from any form of discrimination or forced labor. We are committed to implementing the non-discrimination principle, showing care for individuals with disabilities, and ensuring fair competition and labor selection as required by job positions. For the year ended 31 December 2023, the Group had employed 21 individuals with disabilities.

Recruitment and Hiring

The Group has a robust system for managing human resources and is dedicated to offering fair and equitable employment opportunities to all candidates. We are committed to ensuring that our employees face no discrimination in their employment journey based on factors such as gender, race, marital status, physical attributes, surname, place of birth, or religious beliefs. To uphold this commitment, we have established the Anti-Discrimination Policy, prohibiting any explicit or implicit discriminatory conditions in our hiring criteria. Our aim is to provide equal employment opportunities and fair treatment for all workers. Women shall not be denied employment based on their gender, except in cases where specific job roles are deemed unsuitable for them according to state regulations. Additionally, no higher hiring standards shall be imposed on women solely because of their gender. We implement equal pay for equal work, ensuring that women enjoy the same rights as men in terms of compensation and benefits.

For our day-to-day recruitment processes, we have developed the Human Resources Management Procedure and the Employee Handbook, providing standardized guidelines for our hiring practices. During the Reporting Period, we introduced the Project Personnel Management System, which clearly outlines the hiring procedures, contributions to the social insurance premiums, and other management aspects for project contractors, suppliers, and other relevant stakeholders. This system safeguards the work-related rights and interests of project business personnel. As of 31 December 2023, the Group had employed a total of 8,137 individuals, comprising 7,905 marketing professionals and 232 staff members (unless stated otherwise, all figures below are based on the numbers of staff within the Group).

The Group's internal employee structure data (as of 31 December 2023)
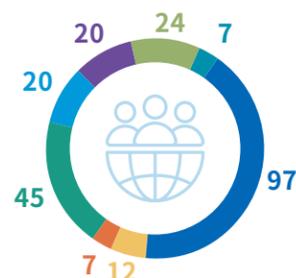
Gender Distribution (Group-wide workforce data)

85 / 147 — Female / Male
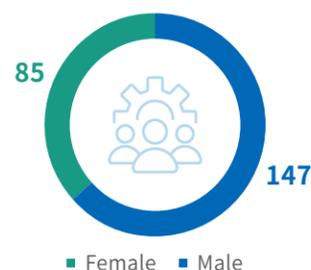
Age Distribution (Group-wide workforce data)
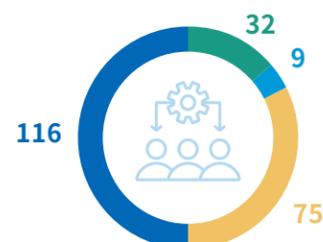
32 / 9 / 116 / 75 — 51 and above / 41 to 50 / 31 to 40 / 30 and below

Distribution of Employee Categories (Group-wide workforce data)

20 / 24 / 7 / 20 / 97 / 45 / 7 / 12

- Headquarters and management
- Business and development
- On-site management
- Creative design
- R&D
- Finance
- Human resources
- Administration and other work

Distribution of Employees by Region (Group-wide workforce data)

4 / 228
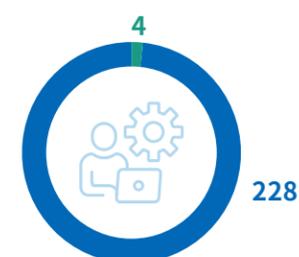
- Employees based in the Chinese mainland
- Employees based in Hong Kong, Macao, and Taiwan

Distribution of Education Levels (Group-wide workforce data)

36 / 9 / 82 / 105
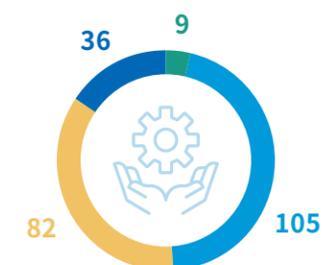
- Master's degree holders
- Bachelor's degree holders
- Junior college degree holders
- Employees with a degree lower than junior college degree

Number of employees under labor contracts with the Group 232   **Percentage 100%**

Employee Structure Data (Group-wide workforce data)			
Data Indicators	2021	2022	2023
Employment contract signing ratio (%)	100	100	100
Total number of employees	286	243	232
By Gender			
Number of male employees	99	89	85
Number of female employees	187	154	147
By Employment Type			
Number of employees under labor contracts with the Group	286	243	232
Number of other types of employees who have not signed labor contracts directly with the Group, such as dispatched and outsourced staff	0	0	0
By Age			
Number of employees aged 51 and above	4	4	9
Number of employees aged 41 to 50	54	62	75
Number of employees aged 31 to 40	143	135	116
Number of employees aged 30 and below	85	42	32

Employee Structure Data (Group-wide workforce data)			
Data Indicators	2021	2022	2023
By Region			
Number of employees based in the Chinese mainland	286	243	228
Number of employees based in Hong Kong, Macao, and Taiwan	0	0	4
By Education Level			
Number of master's degree holders	10	9	9
Number of bachelor's degree holders	100	108	105
Number of junior college degree holders	89	97	82
Number of employees with a degree lower than a junior college degree	87	29	36
By Employee Rank			
Total number of frontline staff	218	178	168
Total number of middle management staff	62	59	58
- Number of female staff	34	31	29
Total number of senior management staff	6	6	6
- Number of female staff	1	1	1
By Employee Category			
Number of employees at headquarters and management level	9	7	7
Number of employees in business and development	133	108	97
Number of employees in on-site management	20	14	12
Number of employees in creative design	10	7	7
Number of employees in R&D	51	50	45
Number of employees in finance	25	22	20
Number of employees in human resources	21	19	20
Number of employees in administration and other work	17	16	24

*Note: Statistics are based on data as of 31 December of each year ended.

Employee Turnover Data (Group-wide workforce data)			
Data Indicators	2021	2022	2023
Total number of departed employees	98	89	39
Employee turnover rate (%)	33.28%	33.78%	16.46%
By Gender			
Number of male employees departed	26	25	16
Number of female employees departed	72	64	23
By Age			
Number of employees aged 51 and above	0	2	0
Number of employees aged 41 to 50	14	9	6
Number of employees aged 31 to 40	43	39	19
Number of employees aged 30 and below	41	39	14
By Region			
Number of employee departures in the Chinese mainland	98	89	39
Number of employee departures in Hong Kong, Macao, and Taiwan	0	0	0

*Note: Statistics are based on data for each of the year ended 31 December.

Working Hours and Leave Policy

The Group has implemented the *Attendance Management System* in strict accordance with the *Labor Law of the People's Republic of China*. Fingerprint recognition and employee ID card swiping are used to keep track of staff attendance and maintain standardized working hours. We prevent any form of forced labor and adhere to a standard 8-hour workday. We encourage our employees to strike a balance between work and personal life while ensuring progress and quality of their work. In cases where overtime is necessary due to work demands, we provide compensatory time off and reimburse employees for overtime transportation expenses in accordance with relevant regulations.

Furthermore, our *Attendance Management System* outlines specific regulations for various types of leave, ensuring that employees are entitled to statutory holidays, annual leave, marriage and maternity leave, sick leave, personal affairs leave, and bereavement leave. We also specify that employees who have completed 5 years of service are eligible for annual leave with the duration increasing each year based on their total years of service. In addition to these policies, we schedule a welfare family day before the Spring Festival holiday, providing an extra day off to facilitate travel and family reunions.

Compensation and Benefits

We continuously improve our incentive-driven compensation structure and have established a *Compensation Management System* and a *Performance Appraisal System* to reasonably and fairly determine employee compensation. Employee salaries are tied to company performance, individual achievements, capabilities, and other relevant factors. Their compensation package includes a basic salary, a position allowance, an allowance for maintaining confidentiality, performance pay, equity incentives, and other benefits. The aim is to maximize the incentive of compensation and foster employee growth.

To enhance our employees' sense of belonging to the Group, we have specified various benefits in our *Employee Handbook*. In compliance with national and local laws, we contribute to social insurance premiums and housing provident fund for our employees. We also provide additional commercial medical insurance for some employees based on their job roles. Beyond mandatory benefits, we offer diverse corporate benefits, such as wedding and funeral support, holiday gifts, regular health check-ups, and birthday benefits.

Training and Development

The Group offers employees a competitive incentive system and continually enhances a tailored training system, ensuring the optimal deployment of talent and the formation of a highly skilled workforce ready for real-world challenges.

Employee Incentives

To effectively guide and regulate employee behavior, Plus has established a *Reward and Penalty System* that upholds principles of fairness, equity, and transparency. This system clearly defines commendable actions deserving rewards and addresses undesirable actions with appropriate penalties. It operates on a 6-tier mechanism, with the HR Department responsible for its detailed management. The department is responsible for monitoring the implementation of rewards and penalties and handling related appeals.

The Group's 6-tier reward and penalty mechanism

Reward	Praise	→	Commendation	→	Recognition
Penalty	Warning	→	Demerit recording	→	Discipline
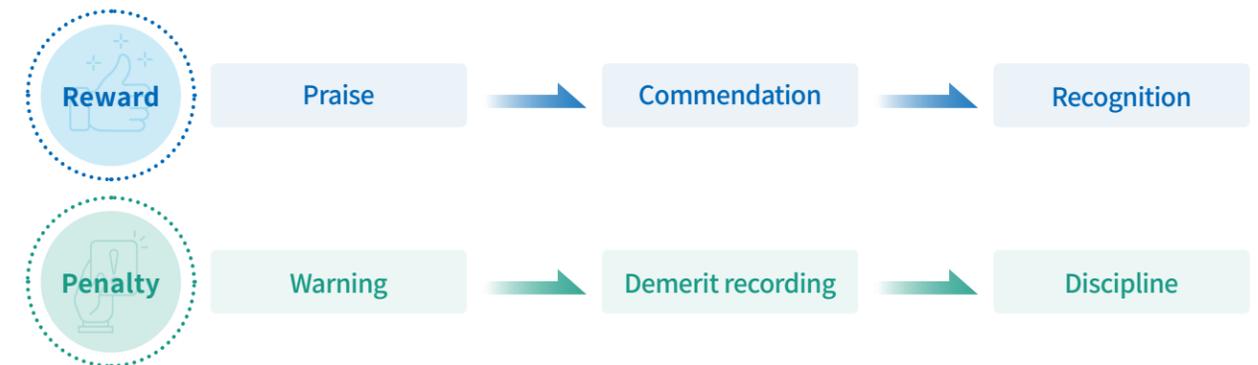
Furthermore, as part of our everyday operations, we provide both tangible and intangible encouragement to our staff. In terms of tangible incentives, we conduct an annual review at the end of each year, assessing our employees' goal achievements and project completions. Achievement of goals and completion of projects are rewarded with corresponding bonuses. Additionally, special rewards are offered for accomplishments such as securing new subscription projects, increasing business from existing subscription clients, and acquiring new clients. On the intangible side, the Group annually acknowledges outstanding employees and teams through a selection process. Those honored receive thank-you letters, and their exemplary work is showcased on roll-up banners in office areas to inspire other employees to learn from and emulate these successful experience.

In 2023, the Group introduced a stock incentive plan, allowing employees, directors, and senior management the opportunity to have a stake in the Group. This initiative rewarded their contributions to the Group, while also serving as a strategic approach to attract, motivate, and retain skilled and experienced individuals who are committed to the Group's future development.

Case Acknowledging Exceptional Employees to Stimulate Their Growth Potential

During the Reporting Period, we selected several outstanding employees based on their professional qualities, work achievements and peer review. Among them was an employee transferred to the new position who achieved significant growth and demonstrated personal charisma. We granted this employee the Outstanding Employee Award to acknowledge the contributions this employee made at the new position. Alongside the award, we extended a personalized thank-you letter to the employee and their family, expressing gratitude for their dedication and the family's support. Furthermore, we interviewed the outstanding employee and encouraged the employee to share insights and experiences. This interview aimed to inspire colleagues to progress and grow together.

A heartfelt thank-you letter to our outstanding employee

Career Development

The Group provides a clear path for career development. The HR Department is responsible for the promotion and internal mobility of employees. Additionally, they guide employees on how to develop a career plan that suits them personally. The criteria, standards, and procedures for these job movements are explicitly outlined in the *Human Resources Management Procedure* and the *Employee Handbook* to ensure a fair distribution of talent resources.

To identify individuals for promotions and support career development, we conduct 4 employee performance review meetings every year. Senior management attends debriefing sessions for employees seeking a manager or higher position. Employees seeking a senior supervisor position and below are only required to attend a debriefing within their department. Before the review, department heads provide a list of people invited for assessment and observation. In accordance with the principle of avoiding conflicts of interest, individuals who might lead to biased assessments are not allowed to become involved. This ensures fairness, reasonableness, and credibility in evaluations. Using a scoring system, reviewers determine final assessment results based on various indicators. Within one week, the HR Department will provide feedback on the final assessment results to employees and department heads.

The Group's employee promotion mechanism

Management

Director
- Assistant Director
- Director

Manager
- Assistant Manager
- Manager
- Senior Manager

Supervisor
- Assistant Supervisor
- Supervisor
- Senior Supervisor

Assistant

Employee Training

The Group has established a tailored and diverse training system for our employees. Each department creates an *Annual Employee Training Plan* based on job requirements, performance, and business needs. Once the plan is approved by the HR Department, each department will organize and implement their training programs. Training participants will be determined based on the content of the courses. To make training more effective, employees are required to undergo post-training assessments, with the results contributing to the evaluation of their job competency.

The Group provides internal and external training programs. Internal training involves courses conducted by either external experts or by our internal lecturers. External training includes open or phased courses, such as seminars and lectures, held outside the organization in line with training plans and employees' development needs. For both internal and external training, we have designed 4 types of courses to comprehensively enhance our employees' professional qualities, such as job skills, awareness, and management capabilities.

The Group's training system

Employee training
(covering awareness enhancement and professional ethics training)

Training in information systems expertise and occupational skills

Internal Training

External Training

Certification training for specific job roles

Training for managerial staff
(encompassing management skills and awareness development)

For new hires, we have crafted an *Employee Onboarding Training Checklist*, which outlines essential information about each department's main business, information systems, and work processes. It specifies the relevant training courses for new employees in different positions, along with the learning format and time, facilitating a quicker integration into the team and business for those joining the Group.

Case　**Implementing the Youth Excellence Program to Cultivate Digital Business Talents**

The Group initiated the Youth Excellence Program for high-potential employees. By incorporating mentorship and hands-on case studies, the program aimed to enhance participants' ability to interpret business data. The training was held from September 2022 to July 2023 and five employees received certificates of completion.

To develop a suitable training plan, we conducted a detailed analysis of participant characteristics, identifying a profile marked by strong execution and extensive experience but a lack of quantitative analysis skills and a business logic framework. To ensure optimal training outcomes, 6 learning modules were developed, covering aspects such as industry research, data analysis techniques, and practical case studies. The training utilized a mix of classroom lectures, group discussions, post-class projects, mentorship, and follow-ups to guide participants in blending theoretical knowledge with practical applications, ultimately boosting their business skills in digital marketing.

结业证书

Training completion certificate

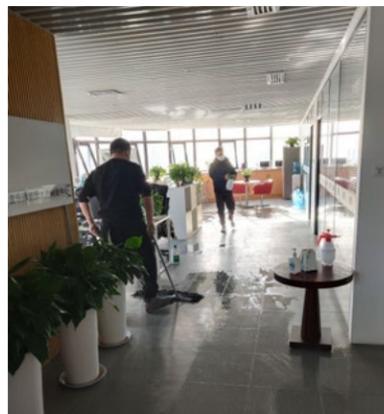| Employee Training Data (Group-wide workforce data)	
Data Indicators	2023
Total number of employees trained	100
By Gender	
Number of male employees trained	26
Number of female employees trained	74
By Employee Rank	
Number of frontline employees trained	60
Number of mid-level management employees trained	35
Number of senior management employees trained	5
By Employee Category	
Number of headquarters and management staff trained	3
Number of business and development staff trained	47
Number of on-site management staff trained	4
Number of creative design staff trained	5
Number of R&D staff trained	11
Number of finance staff trained	11
Number of HR staff trained	18
Number of administrative and other staff trained	1

Employee Training Data (Group-wide workforce data)	
Data Indicators	2023
Employee Training Duration	
Total training hours for all employees	300
Average training hours per employee	3
By Gender	
Total training hours for male employees	78
Total training hours for female employees	222
By Employee Rank	
Total training hours for frontline employees	180
Total training hours for middle management employees	105
Total training hours for senior management employees	15
By Employee Category	
Total training hours for headquarters and management staff	9
Total training hours for business and development staff	141
Total training hours for on-site management staff	12
Total training hours for creative design staff	15
Total training hours for R&D staff	33
Total training hours for finance staff	33
Total training hours for HR staff	54
Total training hours for administrators and other staff members	3

*Note: Statistics are based on data for each of the year ended 31 December.

Safety and Health

The Group incorporates occupational safety and health into all aspects of our operations. We strictly adhere to safety laws and regulations, such as the *Labor Law of the People's Republic of China* and the *Fire Control Law of the People's Republic of China*. We strive for comprehensive and all-encompassing risk management for occupational safety and health throughout our entire operational process.

We prioritize the personal safety and health of our employees. In work areas, we provide adequate fire protection equipment and first aid kits. Emergency response plans are available and emergency contact information is publicly displayed for immediate use in case of emergencies. We also conduct specialized hazardous substance tests in the office environment regularly, along with routine pest control, rodent extermination, and disinfection measures to ensure a clean and hygienic workspace for our employees. Additionally, we organize or participate in regular fire drills and training exercises every year. Every new employee undergoes safety education training, which guides them in identifying, reducing, or eliminating risks and enhances their ability to respond to unforeseen circumstances.

Office disinfection   Fire drills

Employee Health and Safety Data (Group-wide workforce data)			
Data Indicators	2021	2022	2023
Number of workdays lost due to work-related injuries Note: Number of days absent from work due to work-related injuries	0	0	0
Number of employees fatally injured due to work-related incidents	0	0	0
Number of employees in high-risk positions for occupational diseases	0	0	0
Number of employees affected by occupational diseases	0	0	0

*Note: Statistics are based on data for each of the year ended 31 December.
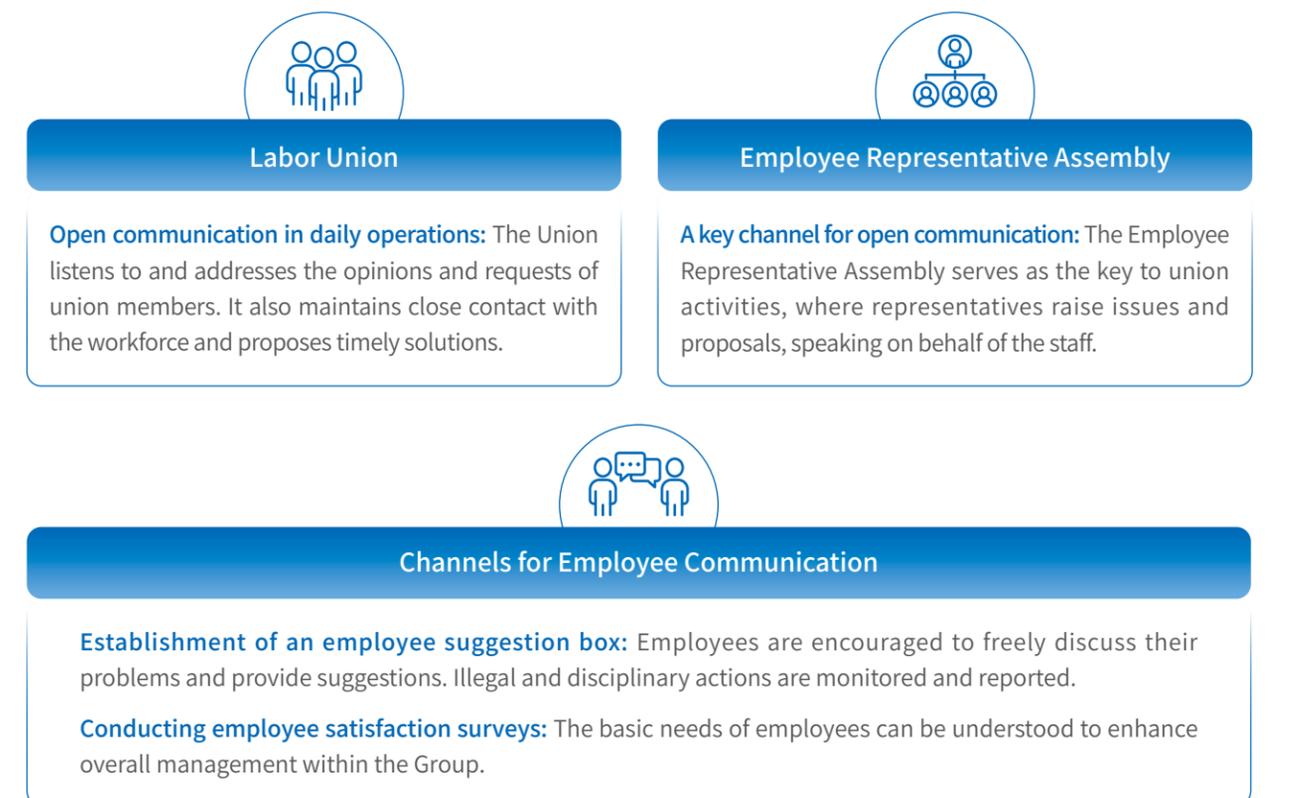
A Secure Working Environment

Adhering to a people-centric approach, we have established an open and transparent communication mechanism and continuously diversified our employee care measures. We conduct a wide range of recreational activities to promote work-life balance. All of our efforts are aimed at creating a workplace where our employees not only feel happier but also a stronger sense of belonging.

Open Communication

The Group has a labor union that actively represents employees and coordinates relevant activities. The union is committed to protecting employees' legitimate rights and interests and expressing their needs and concerns. Employees have the right to apply for union membership and the freedom to withdraw at their discretion. The union operates on a democratic-centralized model. Any significant issues related to its objectives and daily operations are openly discussed at committee meetings convened at a timely manner. Decisions are made based on the outcome of the discussions.

Additionally, we have established the EXE Email (exe@plscn.com) channel for all employees in the Group to receive their suggestions and feedback. In response to employee feedback, the HR and Compliance Departments will promptly address these concerns and follow up on their resolutions. This ensures a smooth, timely, and effective communication within the Group.

The Group's approach to managing open communication

Labor Union

Open communication in daily operations: The Union listens to and addresses the opinions and requests of union members. It also maintains close contact with the workforce and proposes timely solutions.

Employee Representative Assembly

A key channel for open communication: The Employee Representative Assembly serves as the key to union activities, where representatives raise issues and proposals, speaking on behalf of the staff.

Channels for Employee Communication

Establishment of an employee suggestion box: Employees are encouraged to freely discuss their problems and provide suggestions. Illegal and disciplinary actions are monitored and reported.

Conducting employee satisfaction surveys: The basic needs of employees can be understood to enhance overall management within the Group.

Employee Care

The Group is committed to enhancing employee care initiatives, addressing both work-related and personal challenges they may encounter. During the Reporting Period, we organized several Face-to-Face with Boss events in a casual dining setting, fostering a better understanding between our management and employees. These events allowed management to express genuine care for employees' personal and professional growth, as well as to address any uncertainties in their career paths. In addition to managing routine legal matters, our Legal Department also offers legal consultations and assistance to our employees, helping them navigate legal issues in their work and personal lives. Moreover, we celebrate the birthdays of all our employees. During the Reporting Period, we celebrated every employee's birthday with gifts and blessings in the form of dinner parties and small office ceremonies.

Our commitment extends to supporting employees facing difficulties. If an employee is caught in a difficult situation such as a serious illness, we will closely monitor their situation and provide assistance to help them through it. During the Reporting Period, we organized a company-wide donation drive through our communication channels to help employees dealing with unexpected health challenges. This initiative aimed to provide support and comfort to our team during tough times.

We take a proactive approach to women's experience in the workplace. The union has a dedicated women's committee to support and oversee the implementation of policies and regulations aimed at safeguarding our female employees, thereby ensuring a robust system for their protection. When pregnancy prevents female employees from performing their original duties, we facilitate a smooth transition to alternative roles which must not jeopardize their physical and mental health. Additionally, on International Women's Day, we express gratitude to our female employees for their contributions with greeting cards and festive gifts, enhancing their overall job satisfaction.

Gifts presented to female employees on International Women's Day

Employee Activities

To help our team manage work stress and enjoy a more fulfilling personal life, we organize employee activities to celebrate festivals such as the Mid-Autumn Festival and New Year. A diverse range of engaging activities are carried out to provide employees with fun, gifts, and bonuses.

Additionally, we encourage all employees to participate in sports. On 20 May 2023, we held an Sports Day for All event to boost everyone's energy. We have also set up a Fun Running Club, where employees and their families can join freely for fitness activities during their spare time. Embracing the concept of Running for Nothing But Fun, the club regularly hosts activities like road runs and cross-country runs, making it the most vibrant club in the Group. As of 31 December 2023, 52 employees had participated in hiking, marathons, night runs, and other sports, creating a positive and uplifting atmosphere within the Group.

Diverse and vibrant sports activities

05

Environmental Protection

Embarking on the Green Path

Plus is committed to low-carbon development and green operations to minimize the environmental impact of our business activities. Through consistent efforts, we contribute to environmental protection and play our part in preserving our shared home, Earth.

Embracing Green Office Practices

Green Initiatives in Action

Embracing Green Office Practices

We are always mindful of incorporating green management and practices into our daily operations. Our Employee Handbook clearly outlines eco-friendly norms, encouraging employees to power down computers and other devices when leaving the office. The last employee to leave the office must ensure that all computers, lights, air conditioners, fans, and power supplies are turned off. They must lock the door before leaving. Our aim is to maintain a clean environmental record with no pollution incidents. Moreover, in specific environmental performance, we have set annual targets for consumption, for example, of water, electricity, and fuel, which do not exceed the consumption of the previous fiscal year, thereby promoting the orderly development of green operations. In 2023, we successfully met our annual targets for water, paper, and fuel consumption.

Our water resources primarily come from municipal water supply, eliminating any risks associated with securing a suitable water source. Moreover, we continuously improve our daily water management. We promote water-saving habits among our employees by posting water conservation reminders and enhancing the management and maintenance of water equipment, thereby increasing the efficiency of our water utilization.

In waste management, our involvement revolves around handling non-hazardous waste generated during our operations, primarily materials used in promotional events and office paper. After sales and marketing activities conclude, we dispose of or handle these materials according to customer instructions to minimize the environmental impact of waste disposal. Additionally, we have made efforts to reduce unnecessary material usage, such as shifting from paper coupons to electronic discount vouchers. We also recycle and reuse materials used in our activities whenever possible to minimize waste of resources. We prioritize eco-friendly materials and encourage our suppliers to reduce packaging, fostering a collaborative and sustainable ecosystem. In our office processes, we default to double-sided printing, actively promote electronic contract signing, encourage paperless operations, and integrate resource-saving principles into our daily office routines.

Regarding emissions management, since our business does not directly emit significant air pollutants, our daily operational focus primarily lies in reducing indirect greenhouse gas emissions from electricity consumption. We have transitioned from using central air conditioning to independent office air conditioning, maintaining indoor temperatures at 25 °C. Regular maintenance of the air conditioning cooling feature and optimal time control every six months helps us minimize power consumption. We have also designated employees to check and turn off idle appliances every day to prevent energy waste. Additionally, we are progressively increasing the use of clean energy, replacing the Group's gasoline-powered vehicles with electric ones to reduce direct greenhouse gas emissions from fuel consumption.

Environmental Data			
Data Indicators	2021	2022	2023
Total electricity consumption (kWh)*	181,731	178,003	198,267
Electricity consumption density (kWh/RMB million earnings)	437	288	273.1
Total water consumption (m^3)	2,551	2,173	2,135
Water consumption density (m^3/RMB million earnings)	6.13	3.52	2.94
Total fuel consumption (liters)	6,707	4,351	3,801
Fuel consumption density (L/RMB million earnings)	16.11	7.04	5.24
A4 paper usage (sheets)	231,500	218,000	187,500

*Note 1: Statistics are based on data for each of the year ended 31 December.

*Note 2: During the Reporting Period, the Group bought a new set of servers and an electric vehicle, leading to an increase in total electricity consumption in 2023.

Green Initiatives in Action

The Group attaches great importance to fostering an energy-saving culture and environmental awareness. We advocate environmental protection through announcements from our HR Administration Department, email reminders, and eye-catching posters, calling on all employees to pay attention to the environment and actively participate in eco-friendly practices.

On 5 June 2023, in celebration of the 52nd World Environment Day, we took a practical step by introducing the One-Hour Lights Out campaign in our offices. During lunchtime, we turned off the lights, sending a message to our employees about the importance of taking small, meaningful steps towards environmental sustainability. The idea was to inspire everyone to make eco-friendly choices in their daily lives. Additionally, on 12 July 2023, recognized as National Low Carbon Day in China, we encouraged our employees to opt for greener transportation options like subways, buses, or bicycles. To cap off the day, we organized an evening run, promoting a lifestyle that is not only low in carbon emissions but also contributes to overall well-being.

Posters showcasing the Group's environmental protection initiatives

ESG reporting guide index

KPIs	Sections		Notes
	Environmental		
	Aspect A1 Emissions		
General disclosure	the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer	Environmental Protection: Embarking on the Green Path	
KPI A1.1	The types of emissions and respective emissions data.	--	The Group does not produce any products and emits no exhaust gases during its operations. Domestic wastewater is discharged into the municipal drainage system, and as such, the Group is unable to quantify the discharge volume. Therefore, this indicator is not disclosed.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	--	The Group does not engage in product manufacturing, resulting in minimal emission of greenhouse gases. Therefore, this indicator will not be disclosed for the current year.
KPI A1.3	Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	--	The Group's operations do not involve the emission of hazardous waste. Therefore, this indicator is not disclosed.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Embracing Green Office Practices	

KPIs	Sections	Notes
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Embracing Green Office Practices	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Embracing Green Office Practices	
Aspect A2 Use of resources		
General disclosure	**Policies on efficient use of resources including energy, water and other raw materials.**	Environmental Protection: Embarking on the Green Path	
KPI A2.1	Direct and--or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kwh in '000s) and intensity (e.g. per unit of production volume, per facility).	Embracing Green Office Practices	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Embracing Green Office Practices	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Embracing Green Office Practices	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Embracing Green Office Practices	
KPI A2.5	Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced.	--	The Group's operations do not involve the use of packaging materials. Therefore, this indicator is not disclosed.
Aspect A3 The environment and natural resources		

KPIs	Sections	Notes
General disclosure	**Policies on minimising the operation's significant impact on the environment and natural resources.**	--	**The Group's operations have no significant impact on the environment or natural resources. Therefore, this indicator is not disclosed.**
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	--	The Group's operations have no significant impact on the environment or natural resources. Therefore, this indicator is not disclosed.
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.**	--	**The indicator has no substantial impact on the Group's operations. Therefore, it is not disclosed.**
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	--	The indicator has no substantial impact on the Group's operations. Therefore, it is not disclosed.
Social		
Employment and Labour Practices		
Aspect B1 Employment		
General disclosure	**the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer**	**Employees: Fostering a Happy and Growth-Centric Workplace**	
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Employment of Staff	

KPIs	Sections		Notes
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment of Staff	
Aspect B2 Health and safety			
General disclosure	**the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer**	Employees: Fostering a Happy and Growth-Centric Workplace	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safety and Health	
KPI B2.2	Lost days due to work injury.	Safety and Health	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safety and Health	
Aspect B3 Development and training			
General disclosure	**Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.**	Employees: Fostering a Happy and Growth-Centric Workplace	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Training and Development	
KPI B3.2	The average training hours completed per employee by gender and employee category.	Training and Development	
Aspect B4 Labour standards			
General disclosure	**the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer**	Employees: Fostering a Happy and Growth-Centric Workplace	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment of Staff	

KPIs	Sections		Notes
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment of Staff	
Operating Practices			
Aspect B5 Supply chain management			
General disclosure	Policies on managing environmental and social risks of supply chain.	Partners: Collaborating for Sustainable Development	
KPI B5.1	Number of suppliers by geographical region.	A Responsible Supply Chain	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	A Responsible Supply Chain	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	A Responsible Supply Chain	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	A Responsible Supply Chain	
Aspect B6 Product responsibility			
General disclosure	**the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer**	Clients: Delivering Intelligent Service Experience Governance: Establishing a Solid Foundation for Compliance and Integrity	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	--	The Group's operations do not involve product transportation and recycling. Therefore, this indicator is not disclosed.

KPIs	Sections	Notes
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Safeguarding Client Rights and Interests
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Management
KPI B6.4	Description of quality assurance process and recall procedures.	--	The Group's operations do not involve product quality assurance process and recall procedures. Therefore, this indicator is not disclosed.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Privacy Protection
Aspect B7 Anti-corruption		
General disclosure	**the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer**	Governance: Establishing a Solid Foundation for Compliance and Integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption and Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption and Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption and Business Ethics

KPIs	Sections	Notes
Community		
Aspect B8 Community investment		
General disclosure	**Policies on community engagement to understand the needs of communities where the issuer operates and to ensure its activities take into consideration the communities' interests.**	Environmental Protection: Embarking on the Green Path
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Embracing Green Office Practices
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Green Initiatives in Action

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