

高陽科技(中國)有限公司* HI SUN TECHNOLOGY (CHINA) LIMITED

(於百慕達註冊成立之有限公司) (Incorporated in Bermuda with limited liability) (股份代號 Stock code: 00818)

Environmental, Social and Governance Report 環境、社會及管治報告



* For identification purpose only 僅供識別

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About This Report

Purpose and Objective

This is the ninth Environmental, Social and Governance ("ESG") Report (the "Report") for Hi Sun Technology (China) Limited ("Hi Sun Technology" or "the Company", together with its subsidiaries, collectively known as "the Group" or "We"). This Report aims to provide our key stakeholders with a disclosure and overview of the Group's sustainability management approach, strategy, measures and performance.

Reporting Period and Scope

Unless otherwise stated, the reporting scope of this Report covers the four core businesses operated by key subsidiaries of the Group situated in the People's Republic of China (the "PRC") from 1 January 2024 to 31 December 2024 (the "Reporting Period") which is the same period covered in the Group's Annual Report, accounting for approximately 85% of the total revenue for the Group, as listed below:

- (I) Payment and Digital Services 随行付支付有限公司 ("VBILL");
- (II) Fintech Services 南昌隨行付網絡小額貸款有限公司 (unofficial English translation being Nanchang VBill Internet Micro-Credit Co. Ltd.) ("Nanchang VBill") and 北京隨行付商業保理有限公司 (unofficial English translation being Beijing VBill Commercial Factoring Co. Ltd.) ("Commercial Factoring");
- (III) Platform Operation Solutions 湖南高陽通聯信息技術有限公司 (Hunan Hisun Mobile Pay IT Limited) ("Hunan Hisun"); and
- (IV) Financial Solutions 北京高陽金信信息技術有限公司 (Beijing Hi Sun Advanced Business Solutions Information Technology Limited) ("ABS"); and 深圳高陽寰 球科技有限公司 (Shenzhen Hi Sun Fintech Global Company Limited) ("Hi Sun Global").

The scope of this Report is determined based on the corresponding materiality of each operating business to our business and operation, as well as its sustainability impact. As the Group ceased its electronic power meters and solutions business following the disposal of its two subsidiaries, including Hangzhou PAX Electronic Technology Ltd. during the Reporting Period, this business is excluded from the reporting scope of this Report.

Reporting Standards

This Report is prepared in accordance with the requirements in Appendix C2 Environmental, Social and Governance Reporting Guide (the "ESG Guide", which has been renamed as the 'Environment, Social and Governance Reporting Code' since January 1, 2025) to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "HKEx"), and have referenced the framework recommended by the Task Force on Climate-related Financial Disclosures ("TCFD") to continuously enhance our climate-related disclosures. Please refer to the "Environment - Climate Change and Resilience" section for more information.

Reporting Principles

In the preparation of this Report, the Group has adhered to the four reporting principles set out in the ESG Guide, to ensure that the content of this Report is material, quantitative, balanced and consistent, with significant matters on sustainability being covered.

Reporting Principle	Description	The Group's Application
Materiality	The issues covered in this Report should reflect the Group's significant impact to the environment, society and governance. Materiality represents the threshold at which ESG topics determined by the board are sufficiently important to investors and other stakeholders that they should be reported.	The Group communicates with various stakeholders through different channels to understand their concerns and opinions. Materiality analysis and assessment are conducted on an annual basis to identify material sustainability topics relevant to the Group, investors and other stakeholders. The materiality of the topics is reviewed and confirmed by the Board of Directors of Hi Sun Technology (the "Board"), to ensure that relevant sustainability impact is disclosed in this Report. For details of the assessment process and results, please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment."

Quantitative	This Report should disclose measurable data in respect of the Group's historical key performance indicators ("KPIs"), calculate the relevant data in a quantitative manner and include comparable disclosures. The Group should set targets (which may be actual numerical figures or directional, forward- looking statement) to ensure that the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	We disclose quantitative environmental and social KPIs, and where applicable, include historical annual performance comparison in this Report, enabling stakeholders to have a better understanding of our sustainability performance and progress in reducing a particular impact. By formulating four priority pillars in our sustainability strategy, corresponding goals and targets in environmental and social areas are set out for evaluating our ESG performance in a more effective manner. Relevant standards, methodologies, assumptions, and conversion factors are disclosed when reporting the Group's emissions and energy consumption.
Balance	This Report should provide an unbiased picture of the performance of the Group and the challenges it faces, for the purpose of avoiding selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the reader.	We present our environmental and social-related impacts and performance in a balanced manner. This Report makes a comprehensive disclosure of achievements, challenges and areas for improvements disclosed with comprehensive data and KPIs.
Consistency	The Group should use consistent methodologies to compile this Report to facilitate meaningful comparison of ESG data.	Unless otherwise stated, we adopt consistent methodologies for the calculations of environmental and social KPIs to allow a meaningful comparison of our performance over time, and include historical annual performance comparison in this Report.

Data Collection Method

The information cited in this Report is extracted from the official documents and statistical data of the Group. The Board has reviewed and approved this Report in March 2025.

Access to This Report

This ESG Report is available in both Chinese and English versions on the websites of Hi Sun Technology and the HKEx. The Chinese version shall prevail in case of any discrepancies between the Chinese and English versions.

Feedback

We welcome feedback and suggestions on this Report and the Group 's sustainability performance and approach. Please share your feedback at <u>ir@hisun.com.hk</u>.

Sustainability Approach and Highlights

Sustianability At A Glance 2024



*Including patents, copyrights, trademarks and R&D achievements. For further details, please refer to the "Sustainability Management Approach and Strategy" section.



Our Sustainability Management Approach and Highlights

Sustainability Management Approach and Strategy

Sustainability has been the core of our business and will continue to be integrated into our business operations, reflecting our unwavering commitment to creating long-term value for stakeholders. In pursuit of this vision, we have formulated and updated our sustainability framework throughout the Reporting Period. Built upon four priority pillars - **Environment**, **Employees**, **Value Chain** and **Community** – our sustainability framework sets specific goals and targets for each priority pillar in sustainability. The Board has approved our sustainability framework, guiding each stride in our sustainability journey towards a more promising and resilient future.

Guided by our sustainability vision and framework, we supported and joined the universal call of the United Nations Sustainable Development Goals ("UNSDGs"), to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030, during the Reporting Period. There are 17 UNSDGs which form a comprehensive set of objectives and targets for implementing sustainability initiatives. We have identified 11 out of the 17 UNSDGs to align with and for our business to contribute to. Details of our contribution towards specific UNSDGs will be disclosed in the corresponding sections of this Report.



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Environment – Pursuing decarbonisation for a greener Future



Goal*:

To accelerate climate action and reduce our environmental footprint for building a climate-resilient eco-operation

FY2024 Key Actions and Achievements:



Unveiling Our 2030 Climate Targets

We recognize the importance of setting long-term, measurable sustainability goals. During the Reporting Period, following a comprehensive assessment of our greenhouse gas ("GHG") (Scopes 1 & 2) and energy consumption, we are **unveiling our "2030 Climate Targets"**. This initiative is part of our proactive response to both local and global climate challenges, with a commitment to reduce operational carbon emissions and **achieving these targets by 2030**.

"2030 Climate Targets"				
GHG Intensity Energy Intensity				
2030	Reduce 13% of our GHG emissions (Scopes 1 & 2) intensity (compared to our 2019 baseline year) by 2030	 Reduce 11% of our energy intensity (compared to our 2019 baseline year) by 2030 		
	On Track	On Track		

Community



First Calculation of Scope 3 GHG Emissions

In addition, to reinforce our commitment to **managing carbon emissions across our value chain**, we undertook a comprehensive inventory of Scope 3 emissions (i.e. indirect GHG emissions across the value chain) during the Reporting Period. Leveraging collaboration across business units and teams, we **disclosed data related to Scope 3 for the first time** in accordance with the **GHG Protocol**. This disclosure lays the foundation for the development of our further emission reduction strategies.



First scope 3 emissions screening and establishment of Scope 3 inventory, identified **7 major emission categories**



Continuously enhance climate-related disclosure with reference to the **TCFD Recommendations**

* Please refer to the section headed "Environment" for our green targets.



First establishment of 2030 Climate Targets



Actively **identify opportunities for energy-saving across business activities** and **implement measures** such as facility upgrades and equipment replacements



nurture the leaders of tomorrow

employees

	Management Approach About Hi Sun Environment and Strategy Technology	Employee	ees Value Chain Community	
	Value Chain — Elevating customer experience by putting cus	tomers f	first 8 Consideration and the first 12 Reference to the first of the f	
Goal:				
To lever	age innovation with quality and innovative products and services for custo	mers		
FY2024	Key Actions and Achievements:			
	Platform Operation Solutions obtained 8 software copyrights	Ż	Fintech Services launched a new business product, E-Finance (單 E 融), to <mark>cover more core enterprises</mark>	(信
	Financial Solutions obtained 8 software copyright certifications		Payment and Digital Services foreign card business h expanded to 20 provinces, municipalities and autonomo regions	
	Strengthened payment security by strictly monitoring payment activities	Ż	Addressed sustainable procurement among suppliers integrating ESG considerations into our procureme processes	-
Fil	Engaged in close communication with our customers, consumers and other stakeholders	*	Maintained 0 legal cases regarding corruption practices	

	Management Approach and Strategy About Hi Sun Environment Employees Value Chain Community
ŤŤŤ	Community – Enriching communities through care and nurture
Goal:	
To sprea	ad love to the community through shouldering corporate social responsibilities and engaging ourselves in community contributions
FY2024	Key Actions and Achievements:
~	Contributed a total of RMB 1,068,000 for charitable donations
ATAT	Encouraged employee participation in community service activities

Our Awards and Recognitions

In our continuous pursuit of sustainability, we are delighted to announce that our ongoing efforts have been widely recognised in the industry, earning us many awards and recognitions during the Reporting Period.



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Our Certificates and Accreditations

We have earned numerous certificates and accreditations in our business segments to integrate sustainability considerations in our product development practices and operations.



China Software Industry Association's "Software Enterprise Evaluation

Standards" **Certificate** (中國軟件行業協

會的《軟件企業評估標準》證書)

• Hunan Hisun



China Electronics and Information Technology Industry Association's "Information System Construction and Service Capability Assessment System Capability Requirements" Good Level

(CS3) certification (中國電子資訊行業聯會

的《資訊系統建設 和服務 能力評估體系能力

要求》良好級 (CS3) 認證)

- Hunan Hisun

Sustainability Governance and Board's Oversight

Sound sustainability governance is essential for our long-term business success. The Board has the overall responsibility for the Group's overall ESG strategy and reporting while overseeing all ESG issues with an emphasis on the Group's longterm development and positioning.

The ESG Working Group of the Group (the "ESG Working Group"), delegated by the Board and chaired by our Risk Management Committee, is responsible for overseeing the Group's ESG management approach and strategy. It also drives and manages the planning and implementation of ESG matters related to the Group. The ESG Working Group advises the Board on matters including but not limited to the below on a regular basis:

- Formulation and review of the Group's ESG management approach, strategy and policies;
- Identification, prioritisation and management of ESG-related risks and opportunities (including but not limited to climate-related risks and opportunities, and environmental and social risks along the supply chain) and formulation of mitigation measures;
- Evaluation and prioritisation of sustainability issues for identifying material issues to the Group, and establishment of long-term ESG strategic direction;
- Formulation of ESG-related goals and targets based on material sustainability issues related to the Group's business nature, as well as review of the progress on a regular basis;
- Formulation and monitoring of the implementation of the Group's sustainability-related initiatives;
- Coordination with employees of core businesses to implement ESGrelated matters in daily operations; and
- Compilation of the Group's annual ESG report for approval by the Board.



Environment

Employees

Community

For details of the corporate governance of the Group, please refer to the section headed "Corporate Governance Report" in the Annual Report 2024 of the Group.

Sustainability Risk Management

In response to the dynamic market environment and to advance our sustainability efforts, the Group has implemented a robust mechanism for managing sustainability risks. Our ESG Working Group, appointed by the Board, is responsible for monitoring the Group's sustainability risk management, while the Board retains ultimate responsibility for oversight of the Group's sustainability risk management. Our sustainability risk management process primarily consists of the following four steps:

Process



Step

1. Identification

We identify sustainability risks relevant to the Group's business based on the latest market and industry trends (including but not limited to climate-related risks and opportunities, as well as environmental and social risks along the supply chain).

In response to the increasing concerns of stakeholders, we have identified and disclosed climate-related risks and opportunities in this Report.



2. Evaluation

We evaluate the potential impact and likelihood of sustainability risks.

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3. Prioritisation

We prioritise significant sustainability risks by considering their risk levels in terms of potential impact and likelihood.



4. Management

Our ESG Working Group assists the Board in managing and monitoring identified sustainability risks, formulating corresponding control measures, and regularly submitting a risk assessment report to the Board for discussion. As part of its oversight responsibility, the Board regularly reviews the effectiveness of control measures and provides recommendations for improvement when necessary.

ESG Policy

The Group's ESG Policy reinforces our dedication to responsible operations, covering extensive environmental and social issues such as operational practices, environmental protection, community engagement and corporate governance. This commitment facilitates the integration of sustainability and climate-related considerations into our business operations and decision-making processes, ensuring long-term sustainable growth and meeting stakeholder expectations.

We regularly review and update the ESG Policy as appropriate to align with shifts in operational dynamics and community needs, and will enhance our performance and management across key areas, including climate change, use of resources, employee well-being and community investment.

Environment

- Climate Change
- Green Operations
- Green Procurement
- Use of Resources (including energy, water, etc.)
- Waste Management

Employees

- Equal Opportunity and Diversity
- Occupational Health
 and Safety
- Training and Development
- Employment Practices and Labour Standards
- Freedom of Association
- Cybersecurity

Value Chain

- Service and Product Quality
- Environmental and Social Risk Management in Supply Chain
- Business Ethics and Integrity

Community

Community
 Engagement and
 Investment

Stakeholder Engagement

The Group highly values the opinions of stakeholders and consistently addresses their concerns. We actively engage in open communication with both internal and external stakeholders through diverse channels, seeking their input in the decision-making and strategy formulation processes. Below are the significant stakeholders we identified during the Reporting Period.



Employees

- Social media platforms
- CEO mailbox and online message board
- Staff training
- Annual dinner and staff activities

Customers

- Company website and mobile application
- Customer service
 hotline
- Face-to-face customer support



Shareholders and Investors

- Shareholders'
 meetings and
 annual general
 meetings
- Investor relations website
- Investor conference and teleconference



Suppliers and Business Partners

- Site visits
- Regular review
- Suppliers' websites



Government and Regulatory Bodies

- Meetings and interviews
- Qualification
 assessment
- Disclosures and announcements



Community and General Public

- The Group's official website
- Internet and traditional media
- Charity activities

Materiality Assessment

We regularly review sustainability topics relevant to our business to ensure the integrity of our sustainability strategy and reporting. With the assistance of an independent third-party sustainability consultant, we conducted a materiality assessment during the Reporting Period to identify sustainability topics that significantly influence both stakeholders and the Group and to gain insights into stakeholder expectations. The materiality assessment process primarily involved the following three steps:

Step 1:	Identify relevant sustainability topics	
Q	• A total of 27 sustainability topics that relevant to the Group's business were identified based on the Listing Rules, prior results of stakeholder engagement, major industry trends and business nature	
Step 2:	Evaluate and prioritise material topics and stakeholder engagement	
ta i	 With the assistance of an independent third-party sustainability consultant, we invited diverse stakeholder groups to complete an online questionnaire, rating the materiality of the 27 sustainability topics and understanding the significance to the Group and our stakeholders We conducted materiality analysis and evaluation based on the results of the questionnaire and with reference to the opinions of the management, and presented the results in the form of a materiality matrix 	
Step 3:	 Review the results The Board reviewed and determined the results of the materiality matrix 	

The matrix below illustrates the relative materiality of 27 sustainability topics to stakeholders (y-axis) and the Group's business continuity and development (x-axis). A total of 16 topics in the first tier of the matrix have been prioritised as the most material for us to address and report on in this Report.



*Importance to stakeholders is determined by external stakeholders' rating of the material topics in terms of their importance to the society/environment and their relevance to us. Importance to business continuity and development is determined by internal stakeholders' rating of the likelihood and level of potential impact of the topics affecting the Group's business continuity and development.

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	Issues	Section	Page
Firs	t tier: most material topics		
4	Responsible and green procurement	Green Procurement	43
8	Research and innovation capability	Value Chain	56-81
11	Product and service quality	Value Chain	56-81
12	Product and service compliance	Value Chain	56-81
13	Customer experience and satisfaction	Value Chain	56-81
14	Intellectual property protection	Observing and Protecting Intellectual Property Rights	81
15	Responsible marketing	Value Chain	56-81
16	Privacy, cybersecurity and data security	Value Chain	56-81
17	Emergency response planning	Value Chain	56-81
19	Business ethics and integrity	Business Ethics and Compliance	58-59
20	Compliance with laws and regulations	Significant Laws and Regulations	96-99
22	Employment practices and labor standards	Workplace Diversity and Labor Rights	50
23	Occupational health and safety	Occupational Health and Safety	51
24	Employee training and development	Training Activities and Development	52-54
25	Employee well-being and engagement	Attracting and Retaining Talents	48-49
27	Financial inclusion and education	Community	83-85
Second tier: material topics			

7	Climate resilience and adaptation
9	Responsible supply chain management
10	Environmental and social risk management in the supply chain
18	Fair operations and fair competition
21	Diversity, equity, and inclusion

	Issues	Section	Page
Thi	rd tier: less material topics		
1	Energy efficiency and carbon emission management		
2	Water resource management	_	
3	Waste management		
5	Adoption of green and clean technologies	_	
6	Biodiversity		
26	Community engagement and investment	_	

Connecting with our Stakeholders

By fostering an open dialogue with our stakeholders, the Group not only values their feedback but also turn it into meaningful action. Below are some examples of the feedback we have received.

Stakeholder Feedback

Expect more training to be provided during operations.

Our Response

We are committed to improving the training system and formulating training plans to ensure that we provide employees with adequate and effective training. For detailed policies and measures, please refer to the "Training Activities and Development" section.

Stakeholder Feedback

To understand the Group's energy and carbon strategy.

Our Response

We established our 2030 Climate Targets and taken corresponding measures. For details, please refer to the "Environment" section.

About Hi Sun Technology

About Hi Sun Technology Business Overview

As a leading integrated solutions provider for payment, finance and telecommunications in the PRC, the Group is principally engaged in four core business segments:



Payment and Digital Services

Fintech Services



Platform

Operation

Solutions

0

Financial Solutions

Leveraging our strong business presence, we endeavour to always provide diverse range of customers with innovative, convenient and high-quality products and services.



Mid and small sized merchants



Banks



Financial institutions



Telecom operators



Payment industrial chains

Below shows the summary and latest development of our current four core business segments:

Payment and Digital Services

- Principally engaged in the provision of payment processing services and related digital products and solutions
- Launched our digital management "Diansansan", products, and deployed to sizable chain convenience stores and supermarkets, and use of four types of our products, including "Smart Supply Chain", "Smart Category "Smart In-store Management", Management" and "KPI Monitoring and Analysis", helping merchants to expand rapidly
- "Jiexingchejia" platform to provide one-stop digital solutions, including transaction, payment, management, and finance
- Cooperated with VISA, Mastercard and American Express during the Reporting Period to achieve direct connection with foreign cards and expand acceptance of foreign cards to 20 provinces, municipalities and autonomous regions

Fintech Services

- Principally engaged in the provision of micro-lending, supply chain financing, factoring business, credit assessment services and related products and solutions
- Launched a new business product, E-Finance (信單 E 融), during the Reporting Period, which supports multiple platforms and addresses the financing needs of multiple tiers suppliers in such core enterprises' upstream, to provide more financial support for financing enterprises through asset securitization

Platform Operation Solutions

- Principally engaged in the provision of telecommunication and mobile payment platform operation services and operation value-added services
- Continued to provide product development, business operation and system maintenance related technologies and business operation support services for China Mobile Financial Technology Co., Ltd. ("China Mobile Fintech")

Financial Solutions

- Principally engaged in the provision of information system consultancy, integration and operation services and sales of information technology products to financial institutions and banks
- Provided system services for domestic financial institutions during the Reporting Period, facilitating the industry's digital transformation
- Actively carried out market expansion and research and development of new products and new technologies, as well as improving overseas service capabilities

Environment

Environment

Pursuing decarbonisation for a greener future

Goal:

To accelerate climate action and reduce our environmental footprint for building a climate-resilient eco-operation Most Material topics covered in this chapter:

- Responsible and green procurement

UNSDGs addressed in this chapter:



Our Highlights of the Year:

Enhancing Climate Change Management and Climate Resilience

With reference to the **TCFD recommendations**, we are enhancing our climate resilience management through progressive climate-related risk and opportunity assessment and disclosures.

During the Reporting Period, we partnered with various stakeholders to **establish our inaugural 2030 Climate Targets**. We also initiated a **Scope 3 emissions screening** assessment, identifying further **opportunities for carbon reduction** and enhancing our climate resilience management.

Strategy and Management

Our dedication to reducing environmental footprint is centred around our sustainability strategy as a pathway to operational excellence. Our ESG Policy guides our efforts in improving environmental performance, efficient use of natural resources and energy efficiency, emission and waste reduction and raising stakeholders' environmental awareness. We strictly adhere to environmental laws and regulations that have significant impact to the Group¹. During the Reporting Period, we were not aware of any non-compliance with environmental laws and regulations that have significant impact on the Group.

To foster a culture of green practices across all levels of our business and reduce the impact on environmental and natural resources, we have set specific green targets as detailed below. During the Reporting Period, we established our firstever "2030 Climate Targets". We will regularly review the progress made against these targets and implement corresponding measures² to achieve them.

Aspect	"2030 Climate Targets"" and Green Target	Progress
Emissions	 Actively reduce air emissions and GHG emission intensity arising from the daily operations Reduce 13% of our GHG emissions (Scopes 1 & 2) intensity (compared to our 2019 baseline year) by 2030 	On Track
Waste	Reduce the amount of hazardous and non-hazardous waste generated by strengthening waste management	Achieved*
Energy use efficiency	 Actively improve energy efficiency and reduce the energy consumption of our operations by implementing the Green Operation Measures Reduce 11% of our energy intensity (compared to our 2019 baseline year) by 2030 	On Track
Water use efficiency	Implement various water-saving measures to reduce the water consumption intensity of our offices	Achieved

*Calculated in absolute value.

¹ Please refer to the "Significant Laws and Regulations" section of the Report for the list of relevant environmental laws and regulations that are significant to the Group's business operations. ² Please refer to the "Air Emissions and Greenhouse Gas Emissions", "Waste" and "Water Resource Management" sections of this Report for detailed measures.

Climate Change and Resilience

As climate change intensifies, we are accelerating to address climate-related challenges to build a sustainable future and safeguard the safety of our employees. During the Reporting Period, the Group reviewed and updated its climate-related policies, encouraging stakeholders to implement emission reduction measures to enhance climate resilience.



 Implementing various environmental protection measures, actively achieving emission reduction targets and implementing low-carbon operations to achieve effective control and reduction of GHG emissions



We strengthened our climate-related disclosures through progressive climaterelated risk and opportunity assessment and disclosures with reference to the TCFD recommendations during the Reporting Period. Below details our management approach on climate change for the four core elements (Governance, Strategy, Risk Management, as well as Metrics and Targets).


Climate- related Risks	Potential Impacts	Our Response Actions
Physical Risks		
• Acute risks	• Extreme weather events such as typhoons and heavy rainfall could potentially affect business operations and supply chain continuity, causing damage to assets and/or equipment, and increase employee's health and safety risks, etc.	 Establish an emergency response mechanism, including emergency plans and drills, to ensure that employees are aware of crisis management measures Arrange flexible working hours
• Chronic risks	 Climate pattern changes, such as prolonged high temperatures, could potentially increase employees' health and safety risks 	 according to weather warning to prevent accidents Remind employees of safety issues and work arrangements related to extreme weather Maintain strong supplier relationships to manage delays caused by extreme weather Implement response measures to safeguard employees' health during extreme weather conditions
Transition Risk	S	
• Policy and Legal Risks	• More stringent climate-related policies could potentially impact the financial performance and reputation of the Group	 Continuously assess, monitor and manage climate transition risks Closely monitor changes in relevant laws and regulations, government's policy trends, technological developments and market trends
• Market Risks	• Failure to meet market demands for low-carbon products and services could potentially impact the Group's financial performance and reputation	Closely monitor market trends

	mate- lated Risks	Potential Impacts	Our Response Actions
Cli	mate-related	l Opportunities	
•	Products and Services	 Providing customers with low- carbon products and services that meet market demand could increase the Group's revenue 	• Prioritise local suppliers to reduce carbon footprint
•	Resource Efficiency	Improving resource efficiency in daily operations could reduce operating costs	 Encourage the use of electric vehicles for employee shuttle buses to reduce carbon emissions Adopt LED lighting whenever possible to enhance energy efficiency Reduce daytime lighting and maximise the use of natural light

Governance Strategy Risk Management 😥 Metrics and Targets

The Board acknowledges the overall responsibility for designing and implementing the risk management system. Supervised by the ESG Working Group, we have conducted sustainability risk assessments on climate-related risks and opportunities to identify, assess and manage the risks in terms of their potential impacts and likelihood. Mitigation measures will be formulated based on the assessment results for better resilience planning.

Governance

Strategy

Risk Management

Metrics and Targets

We disclose key climate-related metrics in our annual ESG Report, including Scope 1 and 2 GHG emissions and energy consumption, etc. During the Reporting Period, we established our "2030 Climate Targets". We report the progress of these metrics and targets to the Board annually to continuously monitor and enhance our environmental performance.

- Reduce 13% of our GHG emissions (Scopes 1 & 2) intensity (compared to our 2019 baseline year) by 2030
- Reduce 11% of our energy intensity (compared to our 2019 baseline year) by 2030

The "Environment – Air Emissions and Greenhouse Gas Emissions" section of this Report details the Group direct and indirect energy consumption as well as the corresponding GHG emissions. During the Reporting Period, we disclosed, for the first time, a screening of major Scope 3 GHG emissions related to our business. While the Group's impact on certain Scope 3 categories is relatively limited, we will continue monitoring and are committed to further improving disclosures and reducing carbon emissions across the entire value chain in the near future. For details, please refer to the "Carbon Emissions - Scope 3 Emissions Inventory and Reporting Methodology" section.

Air Emissions and Greenhouse Gas Emissions

The Group's air emissions and GHG emissions are primarily derived from the use of purchased electricity and the fuel consumption by company vehicles. To mitigate the environmental impact, we conduct regular air emission tests to ensure compliance with regulatory requirements, and we have also implemented a range of green operation measures.

Green Operation Measures

- Encourage employees to take public transport instead of private vehicles
- Adopt electric vehicles for employee shuttle buses to reduce emissions
- Adopt LED lighting whenever possible to enhance energy efficiency
- Reduce daytime lighting and maximising the use of natural light
- Actively use video conferences instead of business trips
- Require employees to switch off electrical appliances when leaving
- Set air-conditioning at office at designated temperature to reduce electricity consumption
- Promote green procurement and prioritising appliances with Grade 1 energy label
- Actively support the use of green energy sources
- Prioritise local suppliers to reduce carbon footprint

Waste

The non-hazardous waste we generate mainly includes general office refuse, waste papers and office supplies, we have engaged a third party to handle and dispose domestic waste. To reduce waste generation, we have implemented a series of waste management measures:

Waste Separation

- Separate food waste, paper, and other domestic waste
- Collect non-hazardous waste including general office refuse and wasted office supplies, which will be disposed by authorised organisations

Recycling and Reuse

- Adopt dual printing and reuse paper
- Place paper recycling boxes in office
- Use reusable bags instead of single-use plastic bags

Source Reduction

- Reduce the use of singleuse disposable items, such as plastic bags
- Adopt e-communications to replace paper where possible

Water Resource Management

To conserve water resources, the Group has implemented various water management measures to actively reduce water consumption of our operations.

Water Saving Measures

- Adopt dual and automatic flush system in toilets to conserve water
- Conduct regular maintenance of faucets, pipes and equipment such as valves and flush to improve water use efficiency
- Repair or replace damaged equipment in a timely manner to avoid water wastage
- Set up water conservation reminders in conspicuous locations and near equipment to raise employee awareness

During the Reporting Period, the Group did not encounter any issues in sourcing water.

Green Procurement

To promote environmentally preferable products and services when selecting suppliers and during the procurement process, the Group's green procurement policy outlines green procurement principles for employees, as well as encourages suppliers to adopt sustainable procurement practices, including:

- Prioritising the use of environmentally friendly paper, such as FSC® paper
- Prioritising the procurement of electrical appliances with energy labels
- Prioritising products with less packaging or using environmentally friendly packaging materials
- Prioritising suppliers in neighbouring operating areas to reduce the carbon footprint

To ensure effective implementation, we have designated personnel responsible for implementing and monitoring these practices, ensuring compliance with our green procurement commitments.

Natural Resources and Biodiversity

Despite the relatively minimal impact of our operations on the environment and natural resources, we recognise the vital role of corporate responsibility. As part of our commitment, we actively integrate environmental protection and sustainable resource use into our day-to-day operations. Through initiatives aimed at preserving natural ecosystems and biodiversity, we are dedicated to building a sustainable future that coexists harmoniously with nature.

Employees

Employees

Curating a decent and people-centric for our talents

Goal: To foster a workplace that embraces talent	Most Material topics covered in this chapter:	
development, diversity and inclusion as well as employee health and well-being	- Employment practices and labor standards	
	- Occupational health and safety	
	- Employee training and development	
	- Employee wel-lbeing and engagement	
UNSDGs addressed in this chapter:	I	
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Our Highlights of the Year:

Strengthening Safety Awareness through Training

During the Reporting Period, we conducted a variety of **fire safety training sessions and drills** to enhance our employees' awareness of safety.



Caring for Employee Well-being with Family-Friendly Arrangements

Our office is equipped with facilities such as a library, employee lounge, pool area, beverage and snack vending machines and a cafeteria. As part of our **family-friendly arrangements**, we offer amenities such as breastfeeding room, flexible working hours and parental leaves. During the Reporting Period, we organised events such as festival dinners, annual celebrations and Women's Day celebration to create a relaxed and enjoyable atmosphere for our employees.

Strategy and Management

Employee well-being and safety are paramount to the success of our business. The Group continuously refines our compensation and benefits system, providing competitive benefits and work conditions to build an outstanding team. We adhere strictly to local laws and regulations relating to employment, health and safety and labour standards³. Our policies and commitments on topics such as compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, as well as development and training, are detailed in our Employee Handbook, Human Resources Policies and other policies related to human resources. During the Reporting Period, we were not aware of any violations of laws and regulations that have significant impact on the Group relating to employment, labour standards, and related to providing a safe working environment and protecting employees from occupational hazards.

³ Please refer to the "Significant Laws and Regulations" section of this Report for the list of relevant laws and regulations significant to the Group's business operations.

Attracting and Retaining Talents

We are committed to attracting and retaining exceptional talent. We have developed a comprehensive talent recruitment and development programme that utilise various channels such as internal transfers, internal referrals, recruitment fairs, and online recruitment to recruit, attract, and retain diverse talents. We offer competitive compensation and benefits to our employees, and regularly review and adjust based on research reports, industry trends, etc., to ensure fair and preferential treatment for our employees in terms of salary and benefits. The following outlines the benefits we provide for our employees:

Holiday Management	Additional Allowance	
Annual leave, marriage leave, bereavement leave, maternity leave, paternity leave, parental leave	Meal allowance, transportation allowance, telephone allowance, offsite allowance, shift allowance, computer allowance, additional meal allowance	
Recognition Award Attendance award, excellent staff award, excellent supervisor award, excellent team award	Caring Benefits Provide festive gift cards, birthday gift cards, marriage and childbirth red packets, festive gifts, fruits, subsidies for high temperature, snacks and overtime meals, hand cream and warming packs, transportation services, etc.	

Furthermore, we organise a variety of employee activities to demonstrate our care for our staff and promote their physical and mental well-being, including annual dinners, birthday parties, holiday celebrations, and team-building activities, etc.



Caring for Employee Well-being and Mental Health

We are dedicated to creating a sustainable office environment. For instance, our VBILL office is equipped with facilities such as a library, employee lounge, pool table, beverage and snack vending machines and a cafeteria, providing employees with spaces to relax within the workplace.



To support female employees in taking care of their children, we offer flexible working arrangements during the breastfeeding period and provide lactation rooms in the office, ensuring a comfortable and private space for childcare.

To promote an open feedback culture to assist the continuous improvement of our management policies within the Group, we have established various communication channels to facilitate interaction between employees and the management. These channels include:

Communication channels

- Emails
- Bulletin boards
- Intranet message board
- Employee publications
- "CEO's Mailbox"

Workplace Diversity and Labour Rights

Creating a diverse, caring and inclusive workplace is a priority for us. To ensure the well-being of our employees, we have implemented a series of measures, including but not limited to:

- In our pursuit of recruiting diverse talent and promoting workplace diversity, we make decisions regarding recruitment, promotions and compensation based on the competencies, performance and experience of candidates and employees
 - We treat each employee equally and respect their rights. We have established a code of conduct that emphasises mutual respect and prohibits any form of discrimination based on gender, sexual orientation, age, marital status, family and pregnancy status, disability, race, nationality and religious beliefs
 - We provide diversity-related training and guidance for new employees

To eliminate child labour and illegal labour practices, our Human Resources Department will conduct detailed verification of the age, employment records and identification documents of candidates. In cases where the employment of child labour is identified, we will promptly terminate the employee and escort them from the workplace. We will also initiate an investigation and report the incident to law enforcement authorities. Our human resources-related policies provide detailed guidelines on labour arrangements such as working hours, rest periods, overtime arrangements, holidays and dismissals to ensure that employees enjoy sufficient rest days to prevent instances of excessive or forced labour. Our Human Resources Department regularly reviews the effectiveness of the human resources management system and employment practices. During the Reporting Period, the Group was not aware of any instances of child labour or forced labour.

Occupational Health and Safety

To ensure a safe and healthy work environment and protect employees from occupational hazards, we have established a comprehensive Occupational Health and Safety Management System, while ensuring strict compliance with all relevant laws and regulations⁴.

Additionally, we have established emergency plans in our business segments for fire incidents, enabling employees to analyse the degree of incidents and hazards according to relevant procedures, execute emergency procedures, and conduct investigations in the event of an accident. The Group has implemented a series of occupational health and safety measures in our business segments and has assigned delegated staff to monitor the implementation of these measures to reduce the risk of occupational injuries and safeguard the health of our employees:

Safeguarding Employees' Health

- Arrange regular health check for employees to monitor their wellbeing
- Purchase additional medical insurance for employees that covers employees' family and children
- Cooperate with a gymnasium and subsidise employees to allow employees' access to designated gym rooms for fitness equipment to improve their physical and mental health



• Conduct fire drills regularly and conduct safety inspections to ensure that all firefighting equipment is well-maintained

We have recorded no work-related fatalities in each of the past three years (including the Reporting Period).

⁴ Please refer to the "Significant Laws and Regulations" section of the Report for the list of relevant laws and regulations relating to health and safety that are significant to the Group's business operations.

Training Activities and Development

The Group has introduced a series of training initiatives to ensure employees acquire essential knowledge and skills, offering ample opportunities for their development and advancement. Our training framework involves formulating training plans and conducting regular assessments of their effectiveness to guarantee the delivery of sufficient and effective training for our workforce.



- Provide orientation training, on-the-job training, specialised training, internal and external training, etc., to improve staff's knowledge and skills for discharging duties at work
- Business departments formulate annual training plans, including training objectives, course plans and processes, to enable staff from different positions and duties to fulfil their job requirements and career development
- Collect satisfaction scores and feedback from employees after the training, and provide training summary and recommendations to the management to assist them to improve the effectiveness of training courses
- Regularly summarise and review the annual training plan and provide recommendations, as well as incorporate improvement plans into the future training plan

During the Reporting Period, our business departments initiated and provided a variety of training activities and programmes to assist employees in realising their potential. The following are the training categories covered during the Reporting Period:

Training Categories

- Data Security
- Occupational Health and Safety
- Business Knowledge
- Anti-Corruption



Empowering Students Through Internship

We aspire to enrich students' professional growth by sharing our experiences and knowledge. For instance, VBILL's internship programme provided with first-hand experience of our day-to-day operations to foster their career development and growth.

Fostering Self-learning Culture

To promote a culture of self-learning, we have created online learning platforms for employees, featuring the establishment of "CoGoLinks Academy". This platform provides diverse learning content and assessments, showcasing employees' performance and rankings for an engaging and interactive learning experience.



Our Mentorship Programmes For New Hires

We have implemented mentorship programmes for new employees to assist them in adapting their roles and the work environment. For example, at VBILL, every new hire is assigned a mentor who provides guidance and support throughout their onboarding process.

We conduct performance appraisals for employees every year on their work performance, achievements, skills, knowledge, management capability, communication skills, work attitude, interpersonal skills, discipline, etc., to determine their promotion opportunities and remuneration packages.

Value Chain

Value Chain

Elevating customer experience by putting customers first

Goal:

To leverage innovation with quality and innovative products and services for customers

UNSDG addressed in this chapter



Most Material topics covered in this chapter:

- Research and innovation capability
- Product and service quality
- Product and service compliance
- Customer experience and satisfaction
- Intellectual property protection
- Responsible marketing
- Privacy, cybersecurity and data security
- Emergency response planning
- Business ethics and integrity
- Compliance with laws and regulations

Our Highlights of the Year:

Featured at Huawei Intelligent Finance Summit 2024

During the Reporting Period, Hi Sun Global attended Huawei Intelligent Finance Summit 2024, showcasing its leading banking core systems and mainframe downshifting processes to help achieve intelligent and efficient development.



Became the first batch of acquiring partners of Mastercard in China

During the Reporting Period, VBILL has secured its position as the **first batch of acquiring partners of Mastercard in China**, recognising the success of our efforts in driving **digital transformation**.



Driving Sustainability in the Supply Chain

During the Reporting Period, we conducted **an assessment of ESG risks in our supply chain** to ensure our alignment with sustainability approach.

Advancing Collaborative Efforts in the Payment Industry to Anti-money Laundering

During the Reporting Period, VBILL hosted the Beijing Payment Institutions' Anti-Money Laundering Industry Cooperation Workshop (北京市支付機構反洗



錢同業合作研討會), helping to foster a secure, robust

and transparent financial ecosystem while promoting the overall enhancement of the anti-money laundering practices within the payment industry.

Enhancing Public Awareness on Anti-money Laundering

During the Reporting Period, VBILL, in collaboration with other payment institutions in Beijing, launched joint **antimoney laundering awareness campaigns**. This initiative aimed to enhance the public's ability to identify and prevent money laundering activities.



Strategy and Management

Ensuring exceptional value chain management is of paramount importance to the long-term strategy of the Group. Our dedication is centred on delivering customers high-quality, comprehensive and trustworthy payment, financial as well as communication solutions and services. We guarantee that our operations align with ethical and sustainability standards. The Group adheres to product responsibility and anti-corruption related laws and regulations ⁵, ensuring compliance and product quality.

During the Reporting Period, the Group was not aware of any non-compliance of applicable laws and regulations that have significant impact relating to health and safety, advertising, labelling, privacy matters of its products and services, as well as laws and regulations relating to bribery, extortion, fraud and money laundering.

⁵ Please refer to the "Significant Laws and Regulations" section of this Report for the list of relevant laws and regulations relating to product responsibility and anti-corruption that are significant to the Group's business operations.

Business Ethics and Compliance

Anti-corruption

We have established a series of anti-corruption policies and systems in our business segments. We mandate employees and suppliers to adhere to the highest standards of business ethics when conducting business, prohibiting all forms of corruption, such as bribery and fraud. To mitigate the risk of money laundering in payment transactions, VBILL has set up an anti-money laundering working group and relevant internal control systems. These preventive measures ensure the effective implementation of procedures related to anti-money laundering, including the review of customer information, regular investigation of suspicious transactions and reporting of any violations.

To ensure that our employees have a comprehensive understanding of the Group's ethical standards and to enhance their awareness of anti-corruption measures, our orientation training covers content on anti-corruption and business ethics. We conducted anti-corruption training sessions for directors and employees during the Reporting Period, which covered topics such as business ethics, anti-corruption, fraud prevention and anti- money laundering.

During the Reporting Period, the Group was not aware of any concluded corruption lawsuits brought against the Group and its employees (2023: Nil).

Whistleblower Mechanism

Our business segments have established a comprehensive whistle-blowing system to encourage employees and suppliers to report any suspected incidents of corruption or other violations:

Reporting

 We encourage employees and suppliers to report to the management or directly to the Audit Committee

We actively follow-

Follow-up

- up and investigate reported cases
- We strictly maintain the confidentiality of the whistleblower's identity to prevent any form of retaliation or harassment

Action

- Warnings or dismissals for non-compliant employees or business partners will be conducted based on the severity of the incident, and take legal action as necessary
- We conduct compliance audits to monitor and assess the effectiveness of preventive measures and systems

Fostering Public Awareness in Anti-money Laundering Efforts with Training

During the Reporting Period, VBILL hosted the Beijing Payment Institutions' Anti-Money Laundering Industry Cooperation Workshop (北京市支付機構反洗錢同業合作

研 討 會), bringing together payment institutions to promote industry-wide knowledge sharing and collaboration. The workshop focused on strengthening anti-money laundering practices across the payment sector, driving collective progress through discussions and experience-sharing.

In addition, VBILL partnered with other organizations to run an anti-money laundering awareness campaign aimed at educating the public, enhancing their ability to recognize and prevent illegal activities.





Building a Sustainable Supply Chain

Building a sustainable supply chain plays a crucial role in implementing the Group's sustainability approach and strategy. Our procurement policies and the ESG Policy include policies related to responsible supply chain management. We also adhere to a series of supplier engagement practices, and continuously monitoring the implementation and effectiveness:

1. Supplier selection	 Prior to including suppliers and outsourced suppliers into the qualified supplier list, we conduct rigorous assessments and on-site inspections (where applicable). The evaluation includes, but is not limited to, the following criteria: Company background, qualifications, and credit records Service capabilities Cooperation history Operational status Reputation
2. Ensuring suppliers' sustainability performance	 Suppliers collaborating with us are required to establish quality agreements and ethical standards and business conduct agreements and fulfil ethical and business conduct requirements, including but not limited to the following requirements: Provide products that meet environmental and safety standards Implement robust quality management measures Adhere to principles of openness, fairness and integrity, prohibiting all forms of corruption Comply with local laws and regulations as well as guidelines set by the Group Comply with local labour requirements, prohibit the illegal use of child labour and forced labour, and provide fair compensation, benefits and welfare for employees

3	. Continually monitoring suppliers' performance	 To ensure that existing suppliers and outsourced suppliers meet the Group's standards, we conduct regular assessments and on-site inspections of existing suppliers to ensure continual compliance with the Group's requirements, covering aspects such as company
		background and qualifications, service attitude and quality, and occupational health management
		• We conduct regular environmental and social risk assessments on suppliers to monitor the performance of suppliers, identify environmental and social risks along the supply chain

During the Reporting Period, the Group engaged 99 suppliers and applied the aforementioned supplier engagement practices to all major suppliers.

Excellent Customer Experience

We consistently adhere to the philosophy of satisfying our customers. Through four core business segments, we persistently bring long-term benefits to our customers and create shared value.



During the Reporting Period, the Group did not receive any material complaints ⁶about products and services (2023: 0).

⁶ Material complaints are defined as those that would result in long-term significant impact on our customers, or a failure to deliver agreed-upon service requirements.

Payment and Digital Services

VBILL, a subsidiary of the Group responsible for the Payment and Digital Services business, is an offline smart payment platform in the PRC, providing small and micro enterprises with reliable payment and financial services, including offline acquiring, mobile payment, internet payment, cross-border payment, QR code payment, etc.



Business Highlights

- Holds the National Bank Card Acquiring License, Internet Payment License, Mobile Phone Payment License and RMB Cross-border Payment License
- The technology of VBILL has received the Payment Card Industry Data Security Standard ("PCI DSS") certification
- Continuously building upon four core capabilities: large-scale transaction handling and operation capabilities, data-driven intelligent application capabilities, comprehensive construction capabilities in offline scenarios and efficient channel sinking capabilities
- Cooperated with VISA, Mastercard and American Express during the Reporting Period to establish direct connection, expanding the foreign card business to 20 provinces, municipalities and autonomous regions, including Beijing, Jiangsu, Guangdong, Hunan and Hubei

Innovation and Development

To maintain a leading position in the payment industry in the PRC, the Group actively promotes innovation and development by continuously offering necessary support and resources to the research and development ("R&D") team. The Fintech Services segment has an experienced R&D team dedicated to developing products and services that satisfy market demands. Our team is continually committed to enhancing data security and payment safety, ensuring the interests of all customers.

R&D Team			
	<u>h.</u>	-` <u>`</u>) E
Demand Analysts	Data Analysts	Developers	Test Analyst
Robust Team of Over 50 Professionals			include individuals master's degrees

Payment Security

As a payment and digital services provider, safeguarding payment security and protecting consumers' benefits are our top priorities. To enhance the security of payment information, we continue to improve our products through innovation and development. Employees of VBILL are provided with internal systems related to risk management, emergency response and internet security management to enable them identify risks such as suspicious transactions, fraudulent transactions, bank errors, and warnings form external institutions, as well as implementing remedial measures and mechanisms in the event of an accident. We also regularly provide employees with data security evaluations and assessments to equip all employees with relevant response abilities. New Merchant Assessment

- Strict scrutiny of the operation, licensing status, and qualifications of new merchants
- Qualified merchants are required to sign service agreements, privacy policies, etc., ensuring their operations comply with payment security standards

Merchant Training

Merchant

Inspection

- Conduct business training after signing contracts with merchants, and carry out regular continual training based on the operational characteristics of special merchants, covering areas such as bank card acceptance, risk prevention, and abnormal transactions handling
- Conduct regular on-site inspections to assess merchants' transactional and operational status, identifying any potential risks associated with abnormal transactions
- Classify merchants based on risk levels and conduct more frequent inspections for high-risk merchants, including merchants dealing in easily realisable products like jewellery, watches, computers, etc., merchants who have had suspicious transactions, suspected of fraudulent transactions or suspected of assisting card holders to cash out funds through transactions, etc.
- Upon discovering significant risks such as abnormal transactions, money laundering, or illegal business activities, relevant risk coordination procedures and actions will be initiated, including terminating the payment transaction function of accounts with capital loss or material risks, freezing the accounts of merchants, suspending transactions, withholding payments, deferring settlements and adjusting transaction limit, etc.

Consumer Data Protection and Internet Security

To safeguard the interests of customers and consumers, VBILL has obtained the PRC's Information System Security Protection Level 3 certification (中國信息系統 等級保護三級認證). We implement a series of data and internet security measures throughout our operations and payment processes:

Protection and Storage of Customer and User Information

- General information and confidential information from customers would be stored separately. Confidential information would be encrypted to prevent leakage, and we employ technologies such as dedicated line transmission, encrypted transmission, secret key encryption and data medium isolation during data transmission
- In terms of the server room in operation locations, we only grant access rights to Internet Protocol Address ("IP Address") verified by our internal office network and block all external internet visitors
- In case of any catastrophic event that results in business disruption, we would synchronise the core data in the major server room to the core database in the disaster recovery centre in real time to back up the data and prevent the loss of important data
- A variety of data security devices and systems, including bank-level backoffice support system, external network firewall, external network Distributed Denial of Service ("DDoS") device, Intrusion Prevention System ("IPS") device, Web Application Firewall ("WAF") device, database firewall, bank access zone firewall and other data security equipment have been set up
- We provide users with a privacy policy that outlines the collection, storage, and usage methods of information

Online Payment Network Security

We have developed a set of "Capital Monitoring System" covering the functions of "prior warning notification", "verification in-between the event" and "post-notification", and equipped with the payment information interception and UnionPay abnormality call-back warning technology, which acts as a major barrier to hacking activities such as network attacks and payment information pampering. The main functions of the "Capital Monitoring System" include:

- Check for consistency of payment information on receipts and settlement bills;
- Cross-checking the information subsequent to a successful payment;
- Retrieval and cross-checking of the payment reconciliation documents from UnionPay every hour; and
- Establish payment limits and conduct aggregation and monitoring of transaction amounts.

Merchant-oriented

As one of the most trusted financial and payment platforms for merchants, we have served more than 3 million merchants over the years. We devote efforts to build trusted and long-term relationships with customers, by communicating with and collecting feedback from them, through a variety of channels such as applications, websites and surveys.



Upon receipt of the comments and feedback from customers, we would handle them by referring to the procedures and standards in the Customer Complaint Management System, and make improvements based on customer feedback to ensure customer satisfaction. We adopt both reactive and proactive customer service approaches to ensure the satisfaction of all customer needs.



To safeguard the rights of financial consumers, VBILL has established the Regulations on the Protection of Financial Consumer Rights and Interests and has formed the Financial Consumer Protection Committee and the Personal Financial Information Protection Working Group. The committee and working group is established to ensure strict compliance with legal requirements in the collection, storage, and utilisation of personal financial information. Effective measures are also implemented to strengthen the protection of personal financial information.

Fintech Services

The Group's "Fintech Services" segment primarily provides supply chain financial technology, micro-lending and factoring services to large banks, core corporate suppliers, corporate financial platforms and bill-holding enterprises, covering micro-lending, supply chain finance, factoring business, credit assessment services, etc.

Business Highlights

- Suixin Cloud Chain FinTech Service Platform continued to develop its two major business systems, namely corporate credit and data credit, enhancing its comprehensive service capabilities and product innovation
- During the Reporting Period, a new business product, E-Finance (信單 E 融), was launched to support multiple platforms and address the financing needs of multiple tiers suppliers in the upstream of core enterprises, thereby providing additional financial support for financing enterprises through asset securitization

Product and Service Management

To ensure compliance and enhance product and service standards, we have established a committee comprising multiple departments to review and manage risks within our operations. We have also implemented a series of business and risk management Policies and procedures, including the Credit Business Management Policy and the Supply Chain Financial Business Risk Review Policy to assist in identifying and addressing risks in our operations.

Listening to Customers

Customer feedback is crucial for enhancing the quality of our fintech services. We collect customer feedback through customer service hotlines, emails, online groups and customer satisfaction surveys, etc. Upon receipt of customer complaints, we would take the initiative to contact the customer, and we will also conduct a thorough investigation and take remedies and rectifications to enhance customer satisfaction.

Protecting Customer Personal Information and Data

Our fintech activities involve the collection of a substantial volume of customer data, such as personal information, identity card number, financial information, credit rating and other sensitive information. To protect customers' privacy and rights, our Fintech Services segment formulated personal information protection policies and privacy policies, etc. The policies clearly explain the purpose of personal data and collection details to customers. Meanwhile, we have established a data protection system and implemented data security measures that meet industry standards, including but not limited to:

- Conducting regular data reviews to monitor abnormalities of data
- Establishing an access authority mechanism to ensure that only authorised persons have access to customer information
- Using encryption technology to keep data confidential and store sensitive customer information in an encrypted way

Additionally, to prevent network security risks such as cyberattacks, our Fintech Services segment has formulated the Cybersecurity Emergency Response Plan to provide guidance for employees on the response procedures. We also regularly arrange training courses regarding security and customer privacy protection to enhance employees' awareness of data security.
Platform Operation Solutions

Hunan Hisun is a leading payment platform and telecommunications solutions provider in the PRC, principally engaged in providing professional services to support activities including business operation, product development, and system maintenance in areas ranging from third-party payment, mobile internet, internet finance, information security, risk control and beyond.



Business Highlights

- The PRC's High and New Technology Enterprise ("HNTE"), Software Enterprise of Hunan Province Economic and Information Technology Committee (湖南省 經濟和信息化委員會), ISO 9001 Quality Management System certification, Capability Maturity Model Integration ("CMMI") Level 5 Optimising Certification, First-Level Capability Requirement certification of Communication Network Security Service Capability Assessment Certificate (通 信網絡安全服務能力評定證書一級能力要求認證) issued by the China Association of Communications Enterprise and the Information Technology Service Operation and Maintenance Standard Compliance Certificate (信息技術服務運 行維護標準符合性證書), etc.
- Remain in cooperation with China Mobile Fintech in building and operating integrated mobile platform and continue to provide support services for the Interactive Voice Response IVR Base of China Mobile and the Animation Base of China Mobile, such as product development, business operation and system maintenance

Project Quality

We have consistently improved the quality of our payment platform and telecommunications solutions through R&D and quality monitoring. Hunan Hisun obtained 12 new software copyrights during the Reporting Period, with a total of 88 software copyrights. We have developed a series of policies and project control procedures to ensure strict monitoring of all stages from product R&D to production.

R&D Procedure	 Ensure strict assessment and procedures during demand analysis, design and development stages Perform unit testing, System Integration Testing ("SIT") and User Acceptance Testing ("UAT") to ensure that only projects that have met the standards can be put into production
Assessment Procedure	 Established procedures and requirements for reviewing the source code, testing samples, detailed plan of the project, etc., during all stages of product development
Quality Assurance Procedure	• Established a quality assurance procedure, incorporating processes such as reviews, inspections, issue resolution, etc.

In addition to ensuring product quality throughout the product development process, we address technical issues encountered during daily operations, such as system failure, abnormalities in voice payment and cash shortage. We follow the Daily Application and Maintenance Operation Manual in handling these issues. During the collaboration with China Mobile, we maintain close communication with our customers to meet their requirements in our joint operations and product development. We also conduct regular internal quality assessment under China Mobile's supervision, rating the platform stability, successful rate of transactions, handling of system failure, server room management, data security and system maintenance. During the Reporting Period, the review of the integrated mobile platform application software optimisation and improvement project of China Mobile reached an average score of 99.51, while the performance of the system maintenance service gained an average score of 100.

Data Security

To protect customer information, Hunan Hisun's Information Security Management System has obtained the ISO 27001 certification to ensure that data security risks in the development, operation and maintenance of software are effectively addressed. We have implemented a range of data security measures under our Information Security Management System, including:

- Routine network equipment inspection (including routers, firewalls, switches, etc.)
- Data back-up
- Access restriction of server room
- Scan on network security vulnerabilities
- Two-way authentication
- Three-level key management system and cryptographic device

Financial Solutions

ABS is a subsidiary of the Group mainly engaged in solutions, products and services in the financial industry, focusing on the development of Innovative Banking Suite ("IBS"). ABS provides all-rounded financial solutions such as financial industry advisory services, solution design and implementation for its major customers (including large state-owned banks, commercial banks in the PRC, etc.).

Business Highlights

- Boasting professional financial business experts, technical experts, and an R&D team equipped with professional techniques and innovative ideas
- Closely monitoring the emerging developments of the financial market and launching diversified business systems, including but not limited to: Fast Payment System ("FPS"), Open Application Programming Interface ("Open API") management platform, anti-money Laundering, regulatory statements and Virtual Bank Core Systems ("VBANK")
- Provided system services for domestic financial institutions during the Reporting Period, facilitating the industry's digital transformation

As one of the Group's major subsidiaries, Hi Sun Global focuses on financial technology and system implementation to deliver turn-key solutions and digital transformation services for the financial services industry, including providing core banking, e-banking, customer management, lending, payments, banking engines and other systems and solutions to retail banks, corporate banks, private banks, virtual banks, lending institutions, and payment providers and merchants.

Business Highlights

- We have enjoyed many successful cases in the PRC and has developed over 30 overseas projects. Our remarkable achievements and long-term position as an industry leader have resulted in our consistent ranking amongst the top 100 leading IT solution providers in the PRC
- Actively engaged in market expansion and the R&D of new products and technologies, while enhancing overseas service capabilities
- We will focus on the business opportunity of overseas IBM mainframe migration, and carry out further technological research and development

During the Reporting Period, the Financial Solutions business segment obtained 8 new software copyrights, with a total of more than 136 software copyrights and innovation achievements.

Product Quality Assurance and Safety

During the Reporting Period, ABS obtained Level 5 certification of CMMI. Furthermore, the Financial Solutions segment has established the Quality Manual based on the requirements of the international standard ISO 9001, specifying the stringent procedures including product requirement evaluation, design, development, and control of disqualified products. We have also formulated annual quality targets, including targets on customer satisfaction, etc.

Set Quality Standards	• Define the requirements of business functions, technical indicators, project engineering evaluation, project testing, technical documents, etc.
Product Testing and Assessment	 Conducted product reviews to ensure compliance with relevant requirements. Conduct technical tests such as safety tests, stress tests and system anomalies
Rectification	• Rectify the problem in accordance with the Quality Improvement Management Procedures and conduct investigation to determine the cause of the problem
Product Recall	• If the products are found to be below par after being provided to customers, we would recall and suspend the products, make corrections to the unqualified products and verify whether the products meet the quality standard

Data Security

Hi Sun Global has established our Information Security Management System in accordance with the international ISO 27001 standard. To prevent data leakage and loss of customer information in our systems, we have formulated information security policies and implemented preventive measures, including but not limited to:

- Establishing an information network security team;
- Installing anti-virus software and firewalls on computer devices and servers;
- Setting access rights to servers and websites;
- Reviewing website data with senior management;
- Storing and backing up data on our internal servers;
- Providing cybersecurity training to employees; and
- Conducting regular Internet information security training and assessments for relevant personnel.

Response to Clients' Opinions

We have formulated a series of customer satisfaction-related policies for our business segments to understand and respond to customer feedback. At ABS, we collect customer feedback through the Project Stage Acceptance Report and the Client Service Record Form. Clients from development projects and maintenance projects are also regularly invited to fill in the Customer Satisfaction Survey to evaluate their satisfaction with the work attitude of project personnel, technical level, project status, fault handling, etc. At the same time, we also collect customer feedback through face-to-face visits, telephone hotlines, emails, letters or websites. In response to customer complaints, our employees are instructed to follow up with the complaints in a professional and timely manner. Employees are required to report to the relevant departments and develop improvement plans in accordance with the Client Complaint Management Procedures. They are also required to report the progress and remedial measures adopted to the customer. Once the complaints are resolved, we will continue to follow up with the customers to ensure satisfaction.

Protecting Customer Privacy

We have established privacy policies and procedures to ensure that all employees prudently handle sensitive information with care. Employees are forbidden to disclose any customer information to third parties without prior consent. We also require our business partners, outsourced suppliers and merchants to protect the privacy of client information and sign the Confidential Agreement to prevent data breaches.

Observing and Protecting Intellectual Property Rights

The Group respects intellectual property rights and strives to safeguard our innovative R&D achievements. To prevent infringement of intellectual property rights, we strictly abide by the relevant laws and regulations⁷, and also apply and register for patents and software copyrights for our R&D achievements to protect the interests of the Group.

Advertising

The Group ensures the authenticity and accuracy of advertising, promotional content to safeguard our reputation. In this regard, we strictly comply with relevant laws and regulations⁸ and conduct rigorous reviews of our advertising content according to internal assessment processes. We ensure that the content does not contain any false information and statements to protect the rights and interests of consumers and enable consumers to make appropriate decisions.

⁷ Please refer to the "Significant Laws and Regulations" section of this Report for the list of relevant laws and regulations relating to product responsibility that are significant to the Group's business operations.

⁸ Please refer to the "Significant Laws and Regulations" section of this Report for the list of relevant laws and regulations relating to product responsibility that are significant to the Group's business operations.

Community

Goal:

Enriching communities through care and nurture

To spread love to the community through shouldering corporate social responsibilities and engaging ourselves in community contributions

UNSDGs addressed in this chapter:



Our Highlights of the Year:

Caring for the Community

During the Reporting Period, we focused on areas such as **promoting cultural exchange**, **poverty alleviation**, and **raising public awareness of anti-corruption and anti-fraud** in community contributions.

Most Material topics covered in this chapter:

- Financial inclusion and education

Strategy and Management

Fulfilling social responsibility is an integral part of our sustainability strategy. In our ESG Policy, we encourage employees to participate in community activities. We consistently support the community through donations to assist those in need. During the Reporting Period, our community initiatives focused on promoting cultural exchange, poverty alleviation and raising public awareness of anti-corruption and anti-fraud. With a total of RMB 1,068,000 donated for charitable purposes.

Promoting Cultural Exchange

During the Reporting Period, the Group contributed RMB 1 million to the China International Cultural Exchange Foundation (中國國際文化交流基金會) to support initiatives that facilitate in-depth collaboration across cultural and multidisciplinary fields. This contribution aims to advance exchange in areas such cultural arts, education and technology, academic research, healthcare and trade, furthering the development of interdisciplinary partnerships.

Poverty Alleviation

During the Reporting Period, the Group provided financial support to Luhai Village in Sanhe Town of Haiyuan district, as part of efforts to promote rural economic development and improve the livelihoods of local communities. The funds were used to purchase equipment for a local soy product processing project and to help expand market access, enabling local residents to increase their earnings and improve their living standards.

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——十六氏共和国刑法》第191余中规定的 洗线罪的上游犯罪包括哪些?

· 毒品犯罪、黑社会性质组织犯罪 · 恐怖活动犯罪、走私犯罪、贪污贿赂犯罪 · 破坏金融管理秩序犯罪、金融诈骗犯罪

Raising Public Awareness of Anti-corruption and Anti-fraud

As a responsible payment service provider, we are committed to leveraging our expertise to safeguard the interests of the public and consumers. Through our social media platforms, we share educational content, such as case studies, short videos and comics, covering topics such as preventing telecommunications fraud, safeguarding personal information and combating antimoney laundering, to raise awareness of payment security.

During the Reporting Period, VBILL played an active role in various awareness campaigns, such as "Financial Literacy





Beijing Payment Institutions' Anti-money Laundering Industry Cooperation Workshop (北京市支付機構反洗錢同業合作研討會), and the joint offline campaign at Fengtai Station, "Guarding the 'Money Bag' and Building a Solid Line of defence against Money Laundering Risks (守住'錢袋子', 築牢洗錢風險防線)". These initiatives aim to

promote anti-money laundering awareness and enhance public vigilance regarding security threats.







Looking Forward

The Group acknowledges the significance of sustainability for the long-term business operations. Aligned with our sustainability strategy and management approach, we are dedicated to empowering employees, enhancing customer well-being, advocating for low-carbon operations, increasing climate resilience, and embracing social responsibility. We remain committed to advancing sustainability, creating enduring value to the environment, employees, value chain and the community.

Performance Data Summary^{9 10 11}

Environment¹²

	Unit	FY 2024	FY 2023
Emissions			
Nitrogen oxides (NO _x)	kg	11.55	19.04
Sulphur oxides (SO _x)	kg	0.26	0.47
Particulate matter (PM)	kg	0.85	1.40
Total GHG emissions (Scopes 1 and 2) ¹³	tCO ₂ e	725.21	1,155.98
Total GHG emissions (Scopes 1, 2, and 3)	tCO2e	4,645.28	N/A
– Scope 1: Direct emissions	tCO2e	51.46	84.15
– Scope 2: Energy indirect emissions	tCO2e	673.75	1,072.29
– Scope 3: Other indirect emissions	tCO ₂ e	3,920.07	N/A
Emissions reductions from tree planting (Scope 1)	tCO ₂ e	-	0.46
Total GHG emissions (Scopes 1 and 2) intensity	kgCO2e/m ²	55.82	45.45
Total GHG emissions (Scopes 1, 2, and 3) intensity	kgCO ₂ e/m ²	357.54	N/A

⁹ The scope of environmental and social performance data does not cover Nanchang VBill in 2024.

¹⁰ Totals may not be the sum of the figures shown in this section due to rounding.

¹¹ Due to adjustments in the reporting scope, the data for the FY 2024 and FY 2023 cannot be directly compared.

¹² Unless otherwise specified, the intensity metrics in this chapter are calculated based on the gross floor area of the business operations within the reporting scope in the respective reporting year.

¹³ According to the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) issued by World Business Council for Sustainable Development and World Resources Institute, scope 1 direct emissions cover GHG emissions directly produced by businesses owned or controlled by the Group, while scope 2 indirect emissions cover GHG emissions of "indirect energy" resulted from electricity (purchased or acquired), thermal energy, refrigeration and steam internally consumed by the Group.

	Unit	FY 2024	FY 2023
Energy			
Total energy consumption	MWh	1,341.60	2,045.65
– Purchased Electricity (indirect energy consumption)	MWh	1,181.40	1,757.57
– Unleaded Petrol (direct energy consumption)	MWh	160.20	288.08
Total energy consumption intensity	kWh/m²	103.26	80.43
Waste			
Total non-hazardous waste generated	tonnes	85.29	92.38
– Total waste disposed of	tonnes	83.14	92.35
– Total waste recycled	tonnes	2.15	0.03
Total non-hazardous waste intensity	kg/m²	8.71	4.16 ¹⁴
Water ¹⁵			
Total water consumption	m ³	1,759.80	7,665.36
Total water consumption intensity	m³/m²	0.30	0.43 ¹⁴

¹⁴ The figure has been adjusted to reflect the actual situation.

¹⁵ As certain property management companies were not able to provide water consumption records of individual users, the total water consumption does not cover the headquarter of VBILL, the offices of 北京銀企融合技術開發有限公司, Commercial Factoring and ABS in Beijing, and the office of ABS in Shanghai.

Community

Carbon Emissions - Scope 3 Emissions Inventory and Reporting Methodology¹⁶

Scope 3 Categories	Applicability	Methodology/Justification of Exclusion	FY2024 (tCO2e)
1 Purchased goods and services	Yes	Spend-based The primary spend data related to purchased goods and services are multiplied by the corresponding Scope 3 GHG emission factors ("emission factors").	328.45
2 Capital goods	Yes	Spend-based The primary spend data related to fixed assets are multiplied by the corresponding emission factors.	2,253.24
3 Fuel- and energy related activities (not included in scope 1 or scope 2)	No	Fuel- and energy related activities are identified as Scope 1 and Scope 2 emissions.	N/A
4 Upstream transportation and distribution	Yes	Spend-based The spend data related to transportation and distribution of purchased goods are multiplied by the corresponding Scope 3 GHG emission factors.	9.28

¹⁶ Calculation standard and methodology for Scope 3 carbon emissions: GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the WBCSD and the World Resources Institute are used for calculation and disclosure with available data.

Management Approach and Strategy About Hi Sun Technology Environment

Scope 3 Categories	Applicability	Methodology/Justification of Exclusion	FY2024 (tCO ₂ e)
5 Waste generated in operations	Yes	 Waste-type-specific (i) The spend data related to waste management services are multiplied by the corresponding emission factors associated with general waste treatment services. (ii) The weight of waste multiplied by the corresponding emission factors. 	14.69
6 Business travel	Yes	Spend-based Emissions in this category are derived from the amount Hi Sun Technology's spend on "airplane", "train", "automobile", "accommodation", "food and beverages" are multiplied by the corresponding emission factors.	922.76
7 Employee commuting	Yes	Average-data Emissions in this category derived from Hi Sun Technology's number of employees multiplied by the corresponding emission factors.	391.50
8 Upstream leased assets	No	The emissions of leased offices are identified as Scope 2 emissions.	N/A
9 Downstream transportation and distribution	No	Hi Sun Technology's main business is to provide integrated solutions for payment, finance and telecommunications. There are no manufactured products and hence no emissions to report in this category.	N/A

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Community

Scope 3 Categories FY2024 Applicability Methodology/Justification of Exclusion (tCO₂e) 10 Processing of sold Hi Sun Technology's main business is to provide integrated solutions for payment, N/A No finance and telecommunications. There are no manufactured products and hence no products emissions to report in this category. N/A 11 Use of sold Hi Sun Technology's main business is to provide integrated solutions for payment, No finance and telecommunications. There are no manufactured products and hence no products emissions to report in this category. 12 End-of-life Hi Sun Technology's main business is to provide integrated solutions for payment, No N/A finance and telecommunications. There are no manufactured products and hence no treatment of sold emissions to report in this category. products Hi Sun Technology does not have any leased assets and hence no emissions to report N/A 13 Downstream No leased assets in this category. Hi Sun Technology's main business is to provide integrated solutions for payment, N/A 14 Franchises No finance and telecommunications. We do not own any franchises business and hence there are no emissions to report in this category. Investment-specific 15 Investments Yes 0.14 Emission in this category is derived from the investee company scope 2 emission and adjusted based on equity share.

Social

	Unit	FY 2024	FY 2023
Employee Overview ¹⁷			•
By Gender			
Male	Person	1,572	1,649
Female	Person	839	989
By Age Group			
Below 30	Person	906	1,020
31-40	Person	1,150	1,181
41-50	Person	277	335
51 or above	Person	78	102
By Employee Category			<u>.</u>
Senior Management	Person	103	160
Middle Management	Person	248	214
General and Technical Staff	Person	2,060	2,264

¹⁷ Employee distribution covers the total number of employees of the Group.

	Unit	FY 2024	FY 2023
By Employment Type			
Full-time	Person	2,409	2,631
Part-time	Person	2	7
By Geographical Region			
The PRC	Person	2,370	2,598
Hong Kong	Person	40	38
Others	Person	1	2
Turnover rate ¹⁸			
By Gender			
Male	%	31	44
Female	%	29	46
By Age Group			
Below 30	%	44	65
31-40	%	20	33
41-50	%	20	11
51 or above	%	11	11

¹⁸ The employee turnover rate covers relevant data of the Group's major business segments in the PRC.

	Unit	FY 2024	FY 2023
By Geographical Region	By Geographical Region		
The PRC	%	29	45
Hong Kong	%	200	0
Others	%	83	0
Occupational Health and	Safety		
Lost days due to work injury	days	0	0
Work-related fatalities	Case	0	0
Development and Trainin	Development and Training ^{19,20}		
Percentage of Employees Trained			
By Gender			
Male	%	55	66
Female	%	45	34

¹⁹ The calculation of the number and percentage of employees trained by gender and employee category only included the number of employees trained in the Group's major business segments in the PRC (including the data on those who left during the Reporting Period), to present an accurate reflection of the percentage of employees trained by gender and employee category.

²⁰ The calculation of the average training hours by gender and employee category included the average training hours in the Group's major business segments in the PRC (including the data on those staff who left during the Reporting Period), to present an accurate reflection of the training resources invested by the Group.

	Unit	FY 2024	FY 2023	
By Employee Category	By Employee Category			
General and Technical Staff	%	86	73	
Middle Management	%	13	22	
Senior Management	%	1	5	
Average Training Hours	Completed per Employee			
By Gender				
Male	Hours	5.91	4.54	
Female	Hours	3.77	3.80	
By Employee Category	By Employee Category			
General and Technical Staff	Hours	4.34	3.32	
Middle Management	Hours	8.83	13.42	
Senior Management	Hours	12.32	9.80	
Number of Suppliers by Geographical Locations				
The PRC	Suppliers	97	265	
Hong Kong and Taiwan	Suppliers	2	0	

	Unit	FY 2024	FY 2023
Product Responsibility			
Material complaints about products and services	Case	0	0
Products sold or shipped subjected to recalls for safety and health reasons	%	0	0
Anti-corruption			
Concluded corruption lawsuits	Case	0	0
Community Investment			
Charitable donations	RMB	1,068,000	60,000

Significant Laws and Regulations

Aspect	Significant Laws and Regulations
Aspect A: Environmental	 Environmental Protection Law of PRC《中華人民共和國環境保護法》
	 The Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste《中華人 民共和國固體廢物污染環境防治法》
	 The Law of the PRC on the Prevention and Control of Water Pollution《中華人民共和國水污 染防治法》
	 The Law of the PRC on the Prevention and Control of Atmospheric Pollution《中華人民共 和國大氣污染防治法》
	 The Law of the PRC on the Prevention and Control of Pollution from Environmental Noise 《中華人民共和國環境噪聲污染防治法》

Aspect	Significant Laws and Regulations
Aspect B1: Employment	• Labour Law of the PRC《中華人民共和國勞動法》
Aspect B4: Labour Standards	 Labour Contract Law of the PRC《中華人民共和國 勞動合同法》
	• Social Insurance Law of the PRC《中華人民共和國 社會保險法》
	 Regulations on Prohibition of Child Labour《禁止 使用童工規定》
	 Regulation on the Administration of Housing Accumulation Funds 國務院《住房公積金管理條 例》
Aspect B2: Health and Safety	 Law of the PRC on Occupational Disease Prevention and Control (《中華人民共和國職業病防 治法》

Aspect	Significant Laws and Regulations
Aspect B6: Product Responsibility	• Civil Code of the PRC《中華人民共和國民法典》
	• Advertising Law of the PRC《中華人民共和國廣告法》
	• Patent Law of the PRC《中華人民共和國專利法》
	 Copyright Law of the PRC《中華人民共和國著作權 法》
	 Law of the PRC on the People's Bank of China《中華 人民共和國中國人民銀行法》
	 Regulation on the Supervision and Administration of Non-Banking Payment Institutions《非銀行支付機構 監督管理條例》
	 Measures for the Administration of Bank Card Business《銀行卡業務管理辦法》
	 UnionPay Card Merchant Risk Management Rules 《銀聯卡收單機構商戶風險管理規則》
	• Law of the PRC on the Protection of Customer Rights and Interests《中華人民共和國消費者權益保護法》
	 Personal Information Protection Law of the PRC《中 華人民共和國個人信息保護法》
	 Data Security Law of the PRC《中華人民共和國數據安 全法》
	 Regulation on Network Data Security Management 《網絡數據安全管理條例》
	• Metrology Law of the PRC《中華人民共和國計量法》

Aspect	Significant Laws and Regulations
Aspect B7: Anti- corruption	 Anti-Unfair Competition Law of PRC《中華人民共和國 反不正當競爭法》
	• Criminal Laws of the PRC《中華人民共和國刑法》
	 Interim Provisions on Prohibition of Commercial Bribery《關於禁止商業賄賂行為的暫行規定》
	 Anti-money Laundering Law of the PRC《中華人民共和國反洗錢法》
	 Regulation on the Supervision and Administration of Non-Banking Payment Institutions《非銀行支付機構 監督管理條例》
	 Administrative Measures for Anti-money Laundering and Anti-terrorist Financing of Payment Institutions 《支付機構反洗錢和反恐怖融資管理辦法》

HKEX ESG Reporting Guide Content Index

Indicator		Chapter/Discl osure	Pages
A. Environ	mental		
Aspect A1	: Emissions		
General D	isclosure Information on:	Environment	P. 34-44
(a) the p	policies; and	Significant	P. 96
	pliance with relevant laws and regulations a significant impact on the issuer	Laws and Regulations	
relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Wastewater is not a material topic to Hi Sun Technology	
Note: Air emissions include nitrogen oxides, sulfur oxides and other pollutants regulated by national laws and regulations.		since our main business is to provide integrated	
Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.		solutions for payment, finance and	
Hazardous waste are to those defined by national regulations.		telecommunica tions.	
KPI A1.1	The types of emissions and respective emissions data.	Performance Data Summary- Environment	P.86
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary- Environment	P.86

Employees

Value Chain

	Chanter	Deves	
	Chapter/Disci osure	Pages	
Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e. g. per unit of production volume, per facility).	Not a material topic to Hi Sun Technology since our main business is to provide integrated solutions for payment, finance and telecommunica tions.	N/A	
Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e. g. per unit of production volume, per facility).	Performance Data Summary –Environment	P.87	
Description of emissions target(s) set and steps taken to achieve them.	Environment Air Emissions and Greenhouse Gas Emissions	P.35 P.41	
Description of how hazardous and non- hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environment Waste	P.35 P.42	
Aspect A2: Use of Resources			
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources can be used in production, storage, transportation, buildings, electronic equipment, etc.		P.41 P.43	
	and, where appropriate, intensity (e. g. per unit of production volume, per facility). Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e. g. per unit of production volume, per facility). Description of emissions target(s) set and steps taken to achieve them. Description of how hazardous and non- hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. Use of Resources sclosure in the efficient use of resources, including ater and other raw materials.	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e. g. per unit of production volume, per facility).Not a material topic to Hi Sun Technology since our main business is to provide integrated solutionsTotal non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e. g. per unit of production volume, per facility).Performance Data Summary -EnvironmentDescription of emissions target(s) set and steps taken to achieve them.Environment Air Emissions and Greenhouse Gas EmissionsDescription of not hazardous and non- hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.Environment WasteUse of ResourcesAir Emissions and Greenhouse Gas EmissionsAir Emissions and Greenhouse Gas EmissionsUse of ResourcesAir Emissions and Greenhouse Gas EmissionsAir Emissions and Greenhouse Gas EmissionsUse of ResourcesWasteWasteSolosure an the efficient use of resources, including atter and other raw materials.Air Emissions and Greenhouse Gas EmissionsWater ResourceWater Resource	

Employees

Value Chain

Indicator		Chapter/Discl osure	Pages
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).	Performance Data Summary –Environment	P.87
KPI A2.2	Water consumption in total and intensity. (e.g. per unit of production volume, per facility).	Performance Data Summary –Environment	P.87
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment Air Emissions and Greenhouse Gas Emissions	P.35 P.41
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.	Environment Water Resource Management	P.35 P.43
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not a material topic to Hi Sun Technology since our main business is to provide integrated solutions for payment, finance and telecommunica tions.	N/A
Aspect A3:	The Environment and Natural Resources	1	
	sclosure minimizing the issuer's significant impact on nment and natural resources.	Natural Resources and Biodiversity	P.44
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Natural Resources and Biodiversity	P.44

Employees

Value Chain

Indicator		Chapter/Discl osure	Pages
Aspect A4: Clin	nate Change		
General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Climate Change and Resilience	P.36-40
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.	Climate Change and Resilience	P.36-40
B. Social		1	
Employment a	nd Labour Practices		
Aspect B1: Emp	ployment		
General Disclo	sure Information on:	Employees	P.46-54
 (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 		Significant Laws and Regulations	P.97
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Data Summary – Social	P.91-92

Indicator		Chapter/Discl osure	Pages
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary – Social	P.92-93
Aspect B2: Hea	alth and Safety	·	
(a) the polic		Occupational Health and Safety	P.51
that have a sig	(b) compliance with relevant laws and regulations that have a significant impact on the issuer. relating to providing a safe working environment and protecting employees from occupational hazards.		P.97
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety	P.51
		Performance Data Summary – Social	P.93
KPI B2.2	Lost days due to work injury.	Performance Data Summary – Social	P.93
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety	P.51

Value Chain

Indicator	Indicator		Pages
Aspect B3: Dev	elopment and Training		
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Training Activities and Development	P.52-54
	g refers to vocational training. It may nal and external courses paid by the		
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary – Social	P.93-94
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary –Social	P.94
Aspect B4: Lab	our Standards	1	
General Disclo (a) the polici	sure Information on: ies; and	Workplace Diversity and Labour Rights	P.50
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Significant Laws and Regulations	P.97
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Workplace Diversity and Labour Rights	P.50
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Workplace Diversity and Labour Rights	P.50

Employees

Value Chain

Indicator		Chapter/Discl osure	Pages
Operating Pra	ctices		
Aspect B5: Sup	ply Chain Management		
	naging environmental and social risks of	Green Procurement	P.43
the supply cha	in.	Building a Sustainable Supply Chain	P.60-61
KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary – Social	P.94
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.	Building a Sustainable Supply Chain	P.60-61
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are	Sustainability Risk Management	P.20
	implemented and monitored.	Building a Sustainable Supply Chain	P.60-61
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Green Procurement	P.43

Employees

Value Chain

Indicator		Chapter/Discl osure	Pages
Aspect B6: Pro	duct Responsibility		
General Disclo	sure Information on:	Value Chain	P.56-81
	es; and ce with relevant laws and regulations nificant impact on the issuer	Significant Laws and Regulations	P.98
privacy matte	alth and safety, advertising, labelling and ers relating to products and services nethods of redress.		
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to the nature of our business, product recalls for safety and health reasons are not applicable to the Group.	N/A
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Value Chain Performance Data Summary- social	P.62 P.95
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Observing and Protecting Intellectual Property Rights	P.81
KPI B6.4	Description of quality assurance process and recall procedures.	Value Chain	P.79
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protecting Customer Privacy	P.68, 72, 81

Indicator		Chapter/Discl osure	Pages
Aspect B7: Ant	i-corruption		
General Disclosure Information on: (a) the policies; and		Business Ethics and Compliance	P.58-59
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Significant Laws and Regulations	P.99
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.	Business Ethics and Compliance Performance Data Summary – Social	P.58-59 P.95
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics and Compliance	P.59
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics and Compliance	P.58

Value Chain

Indicator		Chapter/Discl osure	Pages
Community			
Aspect B8: Community Investment			
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Community	P.83-85
KPI B8.1	Focus areas of contribution. (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Performance Data Summary – Social	P.83-85 P.95
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Performance Data Summary – Social	P.83-85 P.95

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