SenseTime Group Inc.
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2024
Sustainability Report

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About This Report

Welcome to the 2024 Sustainability Report issued by SenseTime Group Inc. and its subsidiaries and Consolidated Affiliated Entities (hereinafter referred to as the "Group", "SenseTime", or "We") for all stakeholders, which discloses our sustainability-related initiatives and achievements in 2024. This Report focuses on our performance and effectiveness in integrating corporate environmental and social responsibility into corporate management and operations in 2024, contributing to balanced economic, social and environmental development, and enhancing the integrated value of the Company and stakeholders.

Reporting Scope

This Report covers the main business of the Group and the period from January 1, 2024, to December 31, 2024 (the "Reporting Period"), with some content dating back to previous years or extending to future years.

References

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

Reporting Principles

"Materiality":	This Report has incorporated the stakeholder communication and materiality assessment as the basis for determining material ESG issues.
"Quantitative":	This Report uses quantitative information to present key performance indicators ("KPIs") in environmental and social aspects, with explanations to illustrate their purposes and impacts.
"Balance":	This Report adheres to the principle of balance and provides an unbiased picture of our ESG performance.
"Consistency":	If not otherwise specified, this Report adopts methodologies for information disclosure and data statistics consistent with those used in the 2023 ESG Report to ensure comparability.

Board Statement

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

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

Report Language

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

Contact Information

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

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Message from the Chairman of the Group

Xu Li
Co-founder of SenseTime
Chairman and CEO

In 2024, AI technology surged like a mighty wave, ever-flowing, reshaping the world at a breathtaking pace. At the same time, against the backdrop of an era filled with opportunities and challenges, the whole society's attention to sustainable development reached an unprecedented height. This year marked the 10th anniversary of SenseTime, also the year of strategic transformation as we fully embrace the AI 2.0 era. In this extraordinary year, with our outstanding technical strength and profound industry accumulation, we have maintained the top position in the Chinese computer vision market for the eighth consecutive year. This not only affirms our past efforts but also spurs us on for future development. This year, we have defined a new strategy that seamlessly integrates digital infrastructure, AI models and applications to build a new layout of "one base and two wings", which is dedicated to promoting the strategic focus of resources, making breakthroughs in the field of multimodal large models, activating the market potential of eco-enterprises, and creating a new paradigm of AI that is in line with the development of the times.

SenseTime continuously optimizes and constructs computing power infrastructure, with the total computing power scale achieving a breakthrough growth to 23,000 PetaFLOPS. Meanwhile, we launched "SenseNova 5.5", comprehensively upgrading the large model system in multiple dimensions, realizing significant breakthroughs in deeper modal fusion, stronger reasoning thinking, and smoother streaming interaction, thus topping the SuperCLUE and OpenCompass rankings nationwide. In addition, we have also agilely grasped market opportunities, launching eco-layouts such as the intelligent car "SenseAuto", "SenseCare", the family robot "SenseRobot", and "SenseGalaxy", continuously expanding the application boundaries of AI technology and promoting the prosperous development of the industrial ecosystem.

As generative AI reshapes industrial logic, we consider environmental responsibility, social value, and governance efficiency to be strategic dimensions equally important as technological innovation. From promoting green and low-carbon transformation, fostering employee growth, implementing public welfare projects, to optimizing the ESG governance framework, SenseTime is deeply integrating ESG concepts into the corporate gene, continuously exploring new paths and samples for ESG development, and driving the Group's sustainable development.

In terms of the environment, we aim for high quality and actively explore the path of green development transformation. Following the global trend of addressing climate change and the national development strategy, with data as the driver and green as the foundation, we work together with all stakeholders to promote the low-carbon transformation and high-quality development of the economy and society. We strengthen environmental management, enhance risk control and emergency construction, and carry out publicity and training on environmental protection, as well as make endeavors to improve resource utilization efficiency, reduce wastewater and waste emissions, so as to achieve sustainable operations and development. We continue to focus on the strategic goals of "achieving carbon peak by 2025, striving for operation carbon neutrality by 2030, and achieving net-zero emissions by 2050," actively plan for "calculation and electricity integration collaboration," and promote the green goal of reducing electricity costs and increasing the coverage of clean energy, promoting the transformation and upgrading of the energy structure of the Group. During the Reporting Period, we released our first *Climate Information Disclosures Report*, comprehensively showcasing our management and achievements in addressing climate risks and opportunities.

In terms of the society, we take high quality as the nucleus and insist on promoting original technology to lead change. As a leading company in the AI industry, we have always been adhering to the original mission, actively undertaking the national mission, and playing an important role as the main force of innovation. We continue to break through technological bottlenecks and empower the development of various industries with innovative scientific and technological achievements. We also use our technological advantages to empower the construction of industry standards, and work with industry partners to promote the development of AI. In 2024, SenseTime, as a member of the first committee of MIIT AI Standardization Technical Committee, the first rotating chair of the AI Committee of the All-China Federation of Industry and Commerce, and the deputy chair of the National Standardization Working Group for AI Cloud Computing, works with industry peers to contribute to the development of artificial intelligence in China. For our employees, we are committed to building a diverse, equal and inclusive workplace, providing them with high-quality learning and growth opportunities, and helping them better explore their potential. In terms of social welfare, we actively take on the responsibility of social citizenship and contribute to the harmonious development of society. In 2024, we spontaneously organized and deeply participated in a number of community welfare activities, and promoted the intelligent transformation of small and medium-sized enterprises (SMEs) through scientific and technological inclusion, driving business for good through the power of artificial intelligence.

In terms of governance, we strive to advance responsible governance robustly with high standards. SenseTime continuously optimizes the governance framework and strategic guidance for ESG and sustainable development issues, ensuring the rigor of compliance operations, business ethics, and anti-corruption work. At the same time, we strengthen AI ethics governance, safeguard information security, and privacy protection. During the Reporting Period, the group standard T/CESA 1304.4-2024 *Artificial Intelligence – Trustworthy Specification – Part 4: Machine Learning Models* initiated by SenseTime was officially released, and SenseTime was also awarded the title of "2024 Outstanding Member" by the AIIA's S&T Ethics Working Group. In 2024, we conducted the dual materiality assessment of ESG issues for the first time, further guiding SenseTime's steady progress on the path of sustainable development.

Reviewing 2024, every achievement made by SenseTime is inseparable from the steadfast trust and strong support of our broad stakeholders. Standing at a new historical starting point, we clearly recognize that the AI industry is filled with unlimited opportunities, yet challenges are also following closely. To achieve sustainable development, we have a long way to go, and it requires our persistent and long-term efforts. Looking forward, based on the "SenseCore-Large Model-Application" trinity strategy, we will adhere to the original intentions of technological innovation and social responsibility, embrace the transformations brought by AI with professionalism, tenacity, and creativity. We strive to make AI a technology that leads innovation and has a profound impact, contributing to industrial development and the betterment of human society with SenseTime's wisdom and immense strength.

About SenseTime

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

Mission

· To create a better AI-empowered future through innovation.

Vision

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

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

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

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

Key Milestones

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

2014   2015

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

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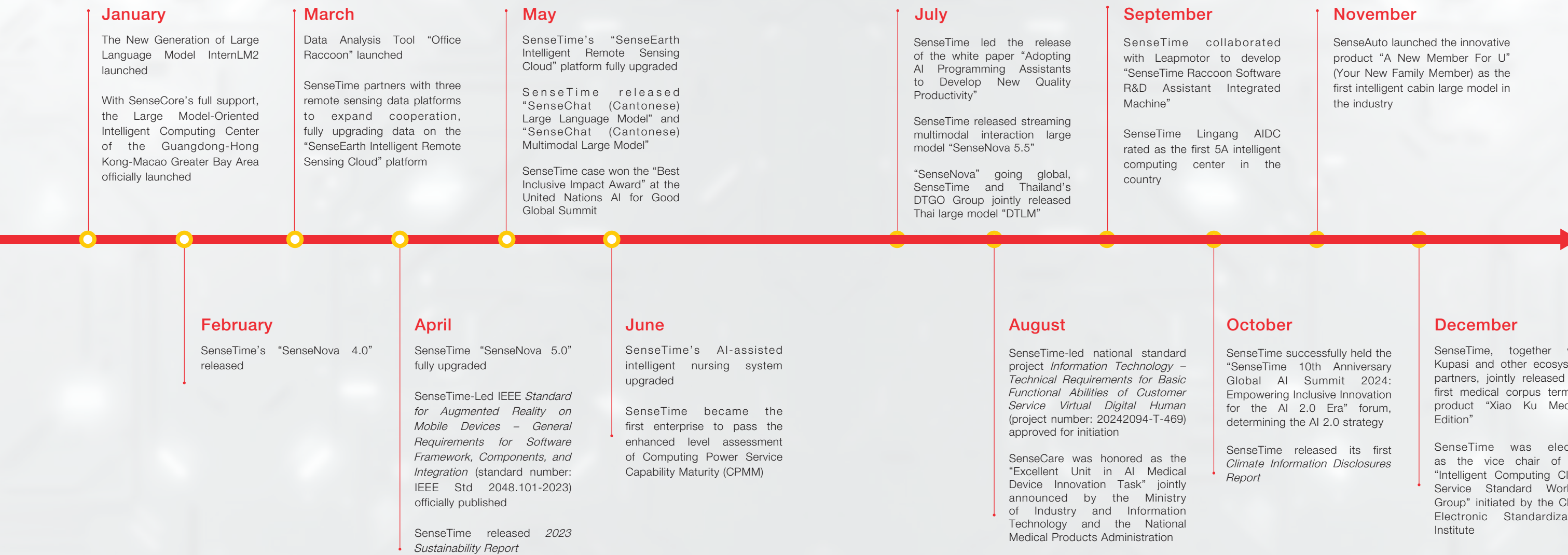- We won the first place in large scale video object detection in the ImageNet Large Scale Visual Recognition Challenge

2016   2017

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

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

2018

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

2019

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

2020   2021

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

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

2022   2023

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

- SenseTime has released the SenseEarth 3.0 intelligent remote sensing cloud platform, which introduces a DaaS innovation service model for the first time
- SenseTime has jointly released the billion-parameter large language model "InternLM" (Shusheng•Puyu), marking a significant advancement in natural language processing capabilities
- A joint team from SenseTime has received the Best Paper Award at the International Conference on Computer Vision and Pattern Recognition, and has introduced the first perception and decision-making integrated autonomous driving general large model
- SenseTime has released an upgraded version of the medical and health large language model "Da Yi" and has officially started providing services to the industry
- SenseTime has launched the SenseTrust governance platform to safeguard the trusted development of generative AI

2024 Milestones

January

The New Generation of Large Language Model InternLM2 launched

With SenseCore's full support, the Large Model-Oriented Intelligent Computing Center of the Guangdong-Hong Kong-Macao Greater Bay Area officially launched

March

Data Analysis Tool "Office Raccoon" launched

SenseTime partners with three remote sensing data platforms to expand cooperation, fully upgrading data on the "SenseEarth Intelligent Remote Sensing Cloud" platform

May

SenseTime's "SenseEarth Intelligent Remote Sensing Cloud" platform fully upgraded

SenseTime released "SenseChat (Cantonese) Large Language Model" and "SenseChat (Cantonese) Multimodal Large Model"

SenseTime case won the "Best Inclusive Impact Award" at the United Nations AI for Good Global Summit

July

SenseTime led the release of the white paper "Adopting AI Programming Assistants to Develop New Quality Productivity"

SenseTime released streaming multimodal interaction large model "SenseNova 5.5"

"SenseNova" going global, SenseTime and Thailand's DTGO Group jointly released Thai large model "DTLM"

September

SenseTime collaborated with Leapmotor to develop "SenseTime Raccoon Software R&D Assistant Integrated Machine"

SenseTime Lingang AIDC rated as the first 5A intelligent computing center in the country

November

SenseAuto launched the innovative product "A New Member For U" (Your New Family Member) as the first intelligent cabin large model in the industry

February

SenseTime's "SenseNova 4.0" released

April

SenseTime "SenseNova 5.0" fully upgraded

SenseTime-Led IEEE *Standard for Augmented Reality on Mobile Devices – General Requirements for Software Framework, Components, and Integration* (standard number: IEEE Std 2048.101-2023) officially published

SenseTime released *2023 Sustainability Report*

June

SenseTime's AI-assisted intelligent nursing system upgraded

SenseTime became the first enterprise to pass the enhanced level assessment of Computing Power Service Capability Maturity (CPMM)

August

SenseTime-led national standard project *Information Technology – Technical Requirements for Basic Functional Abilities of Customer Service Virtual Digital Human* (project number: 20242094-T-469) approved for initiation

SenseCare was honored as the "Excellent Unit in AI Medical Device Innovation Task" jointly announced by the Ministry of Industry and Information Technology and the National Medical Products Administration

October

SenseTime successfully held the "SenseTime 10th Anniversary Global AI Summit 2024: Empowering Inclusive Innovation for the AI 2.0 Era" forum, determining the AI 2.0 strategy

SenseTime released its first *Climate Information Disclosures Report*

December

SenseTime, together with Kupasi and other ecosystem partners, jointly released the first medical corpus terminal product "Xiao Ku Medical Edition"

SenseTime was elected as the vice chair of the "Intelligent Computing Cloud Service Standard Working Group" initiated by the China Electronic Standardization Institute

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

Industry Alliance
· Artificial Intelligence Industry Technology Innovation Strategic Alliance · China OSS Promotion Union · China Augmented Reality Core Technology Industry Alliance · Virtual Reality and Metaverse Industry Alliance, China Academy of Information and Communications · Metaverse Standards Forum · The Alliance for Asian Technology to Promote Sustainable Development Goals · The Alliance for the Development of Artificial Intelligence Industry in China (AIIA) · ......

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

Sensetime Sustainability Performance

SenseTime has always been committed to using AI technology to create a happy life for humanity, integrating the concept of sustainable development into every aspect of corporate operations. During the Reporting Period, we collaborated with stakeholders to jointly advance sustainable development practices, committed to the sustainable progress of society as a whole.

Key Performance in 2024 at a Glance

Environment

The Goals

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

The Initiatives

By optimizing the data center cooling control strategy and continuously improving energy efficiency, Shanghai Lingang AIDC successfully controlled the annual PUE within **1.285**, achieving energy efficiency performance beyond the industry average

The Group has adopted a series of management measures to effectively regulate the operation of building equipment and avoid unnecessary energy waste

Society

Fostering Employee Growth Together

The percentage of trained employees reached **89.1**%

By the end of the Reporting Period, have been provided training for more than **3,348** employees, with an average teaching time of over **12.3** hours per person

180 new courses were added to SenseTime's digital learning platform, and course completion rate reached **89%**

Won more than **20** talent employer related awards and honors

Expansion of Innovation Boundaries

Released the large-scale model system "SenseNova 5.5"

The scale of operations for SenseTime's large-scale infrastructure has grown to **23,000** PetaFLOPS

Giving Back to Social Benefit

During the Reporting Period, SenseTime donated RMB**2.53** million in donations or equivalent goods

Governance

Co-creating AI Ethical Governance

By the end of the Reporting Period, SenseTime had participated in the formulation of **34** AI ethics-related standards

Bearing Information Security

SenseTime has obtained ISO 27001 Information Security Management System certification, ISO 29151 Personal Identity Information Protection Management System certification, ISO 27701 Privacy Information Management System certification and BS 10012 Personal Information Management System certification in 2022

SenseAuto was awarded the first domestic ISO/SAE 21434 Road vehicles – Cybersecurity engineering certification and the Trusted Information Security Assessment TISAX AL3 certification in 2023

No complaints related to privacy violation or data leakage

Response to UN SDGs

Title of sections	UN SDGs	Response to UN SDGs
Topic: Intelligent New Journey, Leading to Compose a New Chapter	3 GOOD HEALTH AND WELL-BEING / 4 QUALITY EDUCATION / 8 DECENT WORK AND ECONOMIC GROWTH / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE / 11 SUSTAINABLE CITIES AND COMMUNITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 17 PARTNERSHIPS FOR THE GOALS	Continue to promote the landing of AI in all industries and daily life, and help shape a smart future of sustainable and high-quality development.
Steady Responsible Governance Built on AI	12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 16 PEACE, JUSTICE AND STRONG INSTITUTIONS / 17 PARTNERSHIPS FOR THE GOALS	Build trust with responsible governance, create artificial intelligence products that are "sustainability, human-centric approach and controllable technology", and promote the credible development of the AI industry.
Transformation Led by Original Technology	4 QUALITY EDUCATION / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE / 11 SUSTAINABLE CITIES AND COMMUNITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 17 PARTNERSHIPS FOR THE GOALS	With the mission of "to create a better AI-empowered future through innovation", we continue to lead the frontier research of artificial intelligence and create credible products, and promote the credible development of the AI industry.
Talent-Oriented to Create Value Together	3 GOOD HEALTH AND WELL-BEING / 5 GENDER EQUALITY / 10 REDUCED INEQUALITIES	Create an equal, inclusive and diverse workplace, and continuously improve the welfare system, incentive and training mechanism, so that employees can achieve personal and professional development goals within the company.
Intelligent Welfare to Benefit the Community	1 NO POVERTY / 3 GOOD HEALTH AND WELL-BEING / 10 REDUCED INEQUALITIES	Continue to pay attention to the fields of public welfare education, care for vulnerable groups and community, and practice the original intention of technology inclusion.
Green Operation Empowered by AI Technology	12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 13 CLIMATE ACTION	Adhere to the concept of green development, support the low-carbon transition of society with concrete actions, and jointly build a green and low-carbon future.

Sustainable Development Honor

Best ESG Company Award
Zhitongcaijing

Annual Technology Innovation Model
for Listed Companies
Hexun

2024 China AI Basic Large Model
Innovation Enterprise
JAZZYEAR

Artificial Intelligence
Leadership Enterprise of the year
QBitAI

Excellent AI Leader Award
in the AI Industry
Ofweek

2024 Outstanding Green
Development Case
Zero-Carbon Research Institute
of the Beijing News

AIGC Innovation Product Case
CYZONE

Case of New Quality Productivity
Southern Metropolis Daily

Annual Technical Progress Award
Capital Week

Corporate Social Responsibility
Ronghua Award
Beijing Business Today

2024 Most Socially Responsible
Listed Company
National Business Daily

2024 Southern Public Welfare
Communication Award –
Innovation Award
Nanfang Daily

2024 Most Socially Responsible
Enterprise in China's Data
Intelligence Industry
Datayuan & Shanghai
Big Data Alliance

Social Responsibility (S)
Pioneer Enterprise Award
Cailian Press

ESG Pioneer Award
Cailian Press

2024 Best Digital Intelligence
Employer in China
Forbes China

2024 DEI Employer Award in China
Employer Branding Institute

Best Inclusivity Impact Award
United Nations AI for
Good Global Summit

Outstanding ESG Reporting Award
CCXGFI

2024 Outstanding Brand Case of
Chinese Listed Company
National Business Daily

2024 Outstanding Innovation Product
Award in the AI Industry
Ofweek

Outstanding General Large Model
Large Model Benchmark Evaluation
Expert Committee

Outstanding Frontier Technology
Company
Finance World

Sustainable Development Model
Company
China Business Journal

Intelligent New Journey

Leading to Compose a New Chapter

Contribution to the UN SDGs

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

Topic:

In the wave of the current global technological revolution, AI is becoming a core force driving social progress and economic development. SenseTime adheres to the mission of "Persisting in originality, letting AI lead human progress", and through the "SenseCore-Large Model-Application" trinity strategy, has achieved extensive application implementations in multiple fields, providing new momentum and direction for the intelligent transformation of society, helping various industries lead in the AI 2.0 era, and opening a new era of intelligence.

Strategic Innovation, Fully Embracing Inclusive Innovation for the AI 2.0 Era

In this era filled with uncertainties, we are experiencing the largest technological wave in history. It is certain that the ultimate outcome of AI will have an incredibly profound impact on human society. SenseTime is committed to making AI a technology that leads innovation and has a far-reaching influence.

Under the wave of generative AI development, to better address the opportunities and challenges brought by the AI 2.0 era, SenseTime has completed a strategic restructuring, adopting a more adaptable and resilient strategic direction and positioning to achieve rapid transformation and high-quality development. This strategic restructuring has initiated a new "1+X" architecture. While focusing on core businesses, we also expand a diversified ecosystem enterprise matrix, to achieve the dual goals of technological innovation and market expansion. We will seamlessly integrate computing power, models, and applications in the AI 2.0 era through the new strategic architecture, laying a solid foundation for the exploration of artificial general intelligence (AGI).

New Strategy:

We will seamlessly integrate digital infrastructure, AI models and applications, to be the most model-understanding computing power service provider, and the most computing power-understanding model service provider.

"1": Core Business Focus

"1" represents SenseTime's core business, which is to build a leading AI cloud in the industry, achieving seamless integration of SenseCore, base models, and AI applications. In the field of computer vision (CV), SenseTime will deeply cultivate general visual models, covering more application scenarios.

"X": Ecosystem Enterprise Matrix

"X" represents the ecosystem enterprise matrix restructured and spun off by SenseTime, including SenseAuto, family robots SenseRobot, SenseCare, SenseGalaxy, and other fields. These ecosystem enterprises will appoint independent CEOs, obtain more flexible incentive mechanisms and financing channels, and be able to more agilely seize market opportunities in their respective fields.

Generative AI Capabilities Soar, Opening a New Era of Intelligence

SenseTime has built a smart infrastructure through SenseCore, providing a solid foundation for the deep integration and application of AI technology. SenseTime also empowers industrial upgrading through the multimodal capability combination of the "SenseNova" large model, achieving the adoption of AI products in multiple industries.

SenseCore AI Infrastructure Supporting Intelligent Development

In the era of large language models, SenseTime is forward-looking to building a new efficient, low-cost and scalable AI infrastructure to grasp the development opportunities brought by research paradigm innovations. SenseTime builds the industry-leading infrastructure for the AGI Era - "SenseCore AI Infrastructure". During the Reporting Period, SenseTime continued to optimize and build computing infrastructure, and the operation scale of SenseCore AI Infrastructure has grown significantly to 23,000 PetaFLOPS, achieving an upgrade in AI production capacity with higher efficiency and lower costs. Supported by infrastructure's capabilities, SenseTime has trained foundation models in computer vision, natural language processing, AI content generation, multimodality, decision intelligence and other fields, and continuously evolved its models' capabilities to support various applications.

SenseTime's smart computing service market share accounts for **13.3%**, firmly ranking in the **TOP3** of the GenAI IaaS market

Note: Data is from IDC's *China Smart Computing Service Market (First Half of 2024) Tracking* report

As an integral physical carrier of "SenseCore" at the computing infrastructure layer, AIDC will serve as an innovation foundation for SenseTime AI Infrastructure after being put into operation to drive AI productivity with higher efficiency and lower cost by virtue of ultra-large-scale elastic arithmetic, low computing cost, high security, low network delay and other leading advantages.

"SenseNova" Foundation Model Set

Based on our leading AI Infrastructure "SenseCore", we have created the foundation model set and named it "SenseNova", implying "constant renewal, daily renewal, and further renewal". We hope to continuously update the models' iteration speed and their problem-solving capabilities, thereby unlocking more possibilities for AGI. During the Reporting Period, SenseTime held the "AI+: Catalyzing Next-Gen Transformations" AI Forum at WAIC 2024, releasing the first domestically developed large model with native streaming multimodal interaction capabilities "SenseNova 5.5". "SenseNova 5.5" has a comprehensive performance improvement of 30% over "SenseNova 5.0", achieving benchmarking with GPT-4o in interaction effects and multiple core indicators.

During the Reporting Period, "SenseNova 5.5" has achieved remarkable achievements in the field of large models: winning the gold medal in authoritative evaluations of multimodal large models, ranking first in the dimension of mathematical logic, consecutive first place in industry research capability evaluations, becoming the best AI assistant for industry research, and maintaining the first position in the Chinese computer vision market share for eight consecutive years. All of these have consolidated our leading position in the AI field.

Case: SenseNova 5.5

SenseNova 5.5 boasts industry-leading memory capabilities. It can accurately record every round of conversation with users, support ultra-long multimodal interaction memory of not less than 5 minutes, and have efficient and accurate real-time multimodal interaction capabilities, which enable it to respond to users' various voice commands or action indications in a timely and accurate manner, and allow users to interrupt the interaction at any time, providing smooth experience similar to a real conversation. SenseNova 5.5 also provides powerful personalized settings, supporting personalized settings for communication style and usage habits based on user preferences, allowing free adjustments from character to tone. Currently, SenseNova 5.5 has been successfully applied in multiple intelligent device fields, such as embodied robots, AI glasses, and smartphones, promoting intelligent devices to a higher level with innovative human-machine interaction experiences and accelerating the arrival of the AI 2.0 era.

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

AI applications based on "SenseNova"

Ecosystem Innovation, Redefining Infinite Possibilities with AI Empowerment

Large AI models are becoming a key driver for innovation and development in various industries. With its deep technology accumulation and innovative capabilities in the AI field, SenseTime actively deploys and promotes the application of large model technology in multiple fields, and are committed to empowering the development of all industries through intelligent solutions.

Smart Business

From productivity tools, SenseGalaxy to financial services, SenseTime's large model technologies help different industries transform towards intelligence, helping enterprises improve efficiency and create new value growth points.

Case: **Production Tools – Raccoon Series**

The Raccoon Series are AI Native productivity tool series based on a large language model, covering products such as Code Raccoon and Office Raccoon, and spanning multiple scenarios including software development, data analysis, and programming education, providing users with comprehensive AI productivity solutions. Since its launch, the Raccoon Series have received high recognition from the industry, obtaining more than 30 industry awards, including the 2024 "Most Popular Agent" "Most Globally Development-Potent Agent" and "Most Practical Agent". Code Raccoon stands out in the AI code generation market, winning the highest 4+ rating in the "Trusted AI Code Large Model Evaluation" by the China Academy of Information and Communications Technology (CAICT), ranking first in the overall market competitiveness. Currently, the Raccoon Series have served over 300 enterprises and millions of individual users, becoming one of the fastest-growing Copilot products in China.

SenseTime continues to promote the innovation and development of the Raccoon Series. During the Reporting Period, Office Raccoon was upgraded to version 2.0, evolving into an "AI Native one-stop creative space". It integrates functions such as information retrieval, solution output, document creation, intelligent planning, content creation, and knowledge base asset management, becoming an AI office assistant with "all-round functions". The Raccoon Series will continue to adhere to the philosophy of innovation, efficiency, and intelligence, continuously improving product performance and service quality, and providing high-quality AI productivity tools for more enterprises and individuals.

The Raccoon Series

Case: **3D Scene and Object Reconstruction – "SenseSpace" and "SenseThings"**

SenseTime continues to focus on 3D reconstruction, launching "SenseSpace", a high-precision real-world 3D reconstruction platform based on the Neural Radiance Fields technology, and "SenseThings", a high-quality content generation platform based on 3D reconstruction and GenAI.

SenseSpace empowers various industries such as government and hydropower stations, achieving high-precision 3D reconstruction of complex environments and large-scale infrastructure through advanced technologies. It provides strong technical support for urban planning, infrastructure management, and emergency response. During the Reporting Period, through continuous optimization, SenseSpace improved its spatial reconstruction efficiency by 20%, rendering performance by 50%, and the mapping time for a scene of 100 square kilometers was reduced to only 38 hours with the support of 1,200 TFLOPS/second computing power.

SenseThings focuses on the precise 3D reconstruction of objects, capable of restoring the complex geometric structures, textures, materials, and luster details of objects with millimeter-level precision, achieving highly realistic effects. The platform has been specially optimized for gold and jewelry, not only improving the reconstruction effect in this category but also generating 3D manuals and brand promotion videos for e-commerce and marketing products based on 3D digital assets, providing a new marketing and display method for the jewelry industry. In addition, SenseThings also features AI-powered jewelry wearable applications functions, bringing consumers a more immersive shopping experience.

Case: **Financial R&D Assistant – "e-Hai Yandao" Large Model**

Faced with the complex work content and highly intensive transaction data of the financial industry, as well as the needs for internal development efficiency improvement, security protection, and code data confidentiality, SenseTime and Haitong Securities have collaborated to launch an intelligent R&D assistant based on SenseTime's Code Raccoon within the enterprise – the "e-Hai Yandao". This has achieved multiple technological breakthroughs in the software R&D process, including functions such as code dialogue, completion, translation, refactoring, and unit test generation, avoiding substantial amounts of repetitive development work and significantly enhancing the efficiency and quality of R&D. Ultimately, it has helped Haitong Securities achieve a 40% increase in development efficiency, effectively assisting the company in crossing the "efficiency gap".

Case: **SenseMart – Empowering Vending Machines for "Frictionless Shopping"**

With its solid AI practical capabilities, SenseTime has successfully upgraded the unit model of traditional unattended retail points. SenseMart provides solutions that deeply integrate AI technology with smart cabinets, not only optimizing the "frictionless shopping" experience but also further enhancing the operational efficiency of retail smart cabinets and maximizing the monetization of sales points, thereby addressing the pain points of operators. SenseMart provides standardized commodity recognition AI algorithms and highly differentiated algorithms for unattended retail supply chain optimization such as new product launches and replenishment strategies, strongly supporting operators' refined operations. The solutions have won multiple benchmark customers both domestically and internationally, and provide core AI algorithms for several leading smart cabinet solution providers and large beverage brand companies. Currently, the daily active algorithm orders have reached the million level, marking SenseTime's significant achievements in the smart retail applications.

Smart Life

In today's digital age, the concept of smart life is gradually integrating into our daily lives, becoming an important driving force for improving the quality and convenience of life. SenseTime is dedicated to turning the vision of smart life into reality, bringing unprecedented changes to people's lives in the fields such as art, healthcare, and education through a series of innovative applications.

Case: **AI Art Creation – "SenseMirage" Generative AI Product**

SenseTime's "SenseMirage" generative AI product has made significant progress and been applied in the art field. In 2024, SenseTime collaborated with the China Academy of Art to launch the "Pass the Brush" project, unlocking more possibilities for artistic creation through technological means. This project utilizes the powerful generative capabilities of "SenseMirage" to provide artists and students with new creative tools, greatly enriching the forms and content of artistic creation.

In addition, SenseTime has collaborated with the Shanghai Library to launch an interactive experience project based on this model, inviting the public to experience the extraordinary moment of "science fiction from books leaping into reality". Through AI technology, science fiction scenes in literary works are transformed into vivid images, bringing viewers a new visual experience.

Case: **Smart Care – "SenseChat-Medical" Healthcare Intelligent Dispatch System**

SenseTime's innovative applications in the healthcare field demonstrate its profound strength and broad potential in AI technology. During the Reporting Period, SenseTime launched the "SenseChat-Medical" Healthcare Intelligent Dispatch System, a dedicated model covering various data modalities such as medical text, radiographic images, and pathological images, which can assist doctors in completing complex diagnostic reasoning across departments and modalities. This system has established demonstration models for smart hospital construction in hospitals such as the Ruijin Hospital Affiliated with Shanghai Jiao Tong University School of Medicine and the West China Hospital of Sichuan University.

Additionally, SenseTime has also collaborated with the Shanghai Artificial Intelligence Laboratory to officially launch a knowledge Q&A assistant for Amyotrophic Lateral Sclerosis (ALS), innovatively applying large model technology to the field of rare disease care, providing a warm experience for ALS patients and their families. At the same time, SenseTime has joined hands with leading foreign pharmaceutical and medical device companies to create the "Intelligent Q&A Solution for Medical Diagnostic Equipment" and "Solution for Information Extraction of Adverse Drug Reactions in Drug Warnings", setting industry benchmarks in the field of innovative application solutions for smart care large models.

Case: **Digital Human AI – "SenseAvatar" Digital Human Generation Platform**

SenseTime's "SenseAvatar" Digital Human Generation Platform has officially launched on Microsoft's global cloud market, Microsoft Azure Marketplace, providing global customers with high-quality digital human content creation services. SenseTime's "SenseAvatar" platform has passed the "Trusted Virtual Life Generation Content Management System" assessment by the CAICT and been awarded the "L3 Excellent" certificate. During the Reporting Period, the "SenseAvatar" digital human AI Bingbing made its debut on CCTV with a highly anthropomorphic image that amazed the audience. This presentation not only reflects SenseTime's advanced technology in digital human generation but also demonstrates its application potential in the media and entertainment fields. Through this highly realistic digital human image, SenseTime brings a new visual and interactive experience to the audience.

Case: **Smart Sports – InnoMotion AI Event Broadcasting Upgrade Solution**

SenseTime's InnoMotion AI Event Broadcasting Upgrade Solution provided advanced AI event broadcasting services for table tennis and archery at the 2024 Paris Olympics. SenseTime's InnoMotion solution covers multi-person, large-area, and multi-dimension sports scenes through 3D motion capture technology, capturing real-time spatial motion data without wearing any equipment. This technology can accurately track and analyze fast-moving small targets, such as table tennis balls and arrows, allowing the audience to clearly see the rotation direction and landing point of the ball and the complex flight trajectory of the arrow through augmented reality technology, bringing a richer and more vivid viewing experience to the audience.

Case: **Smart Education – SenseRobot**

SenseTime's SenseRobot is a pioneer in home go-playing robots. Equipped with SenseTime's leading AI vision technology and decision intelligence, it creates a home-grade robotic arm capable of millimeter-level control precision, which enables it to effortlessly perform tasks such as picking up go pieces, human-machine go games, human-human go games, and recording and reviewing go moves. SenseRobot adheres to the design principles of "innovation, eye protection, intellectual development, and companionship," aiming to safeguard children's health, learning, and joyful growth with AI technology.

In 2024, SenseRobot participated in or organized a total of 80 events, including 21 major go competitions, 9 science popularization activities in various science and technology museums and children's centers, and 45 exhibitions and other offline events. By creating an excellent product experience and offline promotion channels, we have built a robust engagement bridge with users, allowing go-learning children and go enthusiasts to gain exposure to AI-powered products while receiving scientific inspiration, promoting go culture exchange, and effectively advancing go culture advocacy.

SenseRobot Go

Smart City

The construction of smart cities is becoming an important engine for driving social progress and improving the quality of residents' lives. SenseTime actively participates in and promotes the construction and development of smart cities. Through a series of innovative applications, such as the SenseFoundry-VL, e-Corridor, AI Traffic Police, and smart agriculture solutions, SenseTime has enhanced the urban intelligent services, providing efficient solutions for urban management, traffic optimization, and agricultural development, and conveying convenient and efficient living experiences for residents, thereby laying a solid foundation for the sustainable development of smart cities.

Case: **Urban Services – "SenseFoundry-VL Multimodal New Intelligence Platform"**

The Multimodal New Intelligence Platform (SenseFoundry-VL) is a "large model + urban service" solution newly upgraded and launched by SenseTime based on the capabilities of the "SenseNova 5.5" large model system, building upon the original SenseFoundry – City Open Platform. This platform is dedicated to addressing issues such as the inability to understand generalized scenarios in traditional visual businesses, high false alarm rates in complex scenarios, single-mode interaction, and the difficulty of deploying large models.

The Multimodal New Intelligence Platform has been actually implemented in urban services. For example, under emergency event handling scenarios in first-tier cities, this platform supports the rapid definition and annotation optimization of various emergency scenario algorithms, and enables efficient collaboration among staff members and information access through AI agents, thereby shortening the closed-loop handling time for single events by 50%, and promoting the paradigm shift of urban management from "reactive patrol" to "proactive handling" and from "shift work" to "AI intelligent patrol – collaboration – handling." In the scenario of 12345 public service hotlines in first-tier cities, the platform helps to increase the speed of work order classification and distribution by 10 times, unify classification standards, and thus completes over 300,000 distributions of requests within a month, with an accuracy rate of over 90% after secondary review. The Multimodal New Intelligence Platform has won the "2024 Top10 China Outstanding AI Urban Renewal Cases". With the extensive application of this platform, it will fully activate the new quality productivity of urban services and promote the construction of more convenient, green, and efficient future cities.

2024 Top10 China Outstanding AI Urban Renewal Cases

Case: **Quick Customs Clearance Inspection – "e-Corridor" Solution**

During the Reporting Period, SenseTime successfully launched the national first "e-Corridor" solution at Sha Tau Kok Chung Ying Street Check Point in Hong Kong. This solution aims to enhance the efficiency of customs clearance, ensuring the accuracy of identity verification and the convenience of the travelers' experience through the introduction of "e-Corridor" technology, providing an efficient and smooth customs clearance service for people traveling to and from Chung Ying Street.

In the past, customs clearance inspections were mainly conducted manually. Now, registered travelers can use the "e-Corridor" to cross borders without stopping, and only simply walk through, thus swiftly completing the process. This project has helped enhance the customs clearance speed at the Chung Ying Street Check Point and provided new ideas for convenient passage at Hong Kong SAR Port.

Completion of Construction of the "e-Corridor" Check Point at Hong Kong Sha Tau Kok Chung Ying Street

Case: **Urban Digital Transformation – Participation in Shanghai's E-Government Cloud PaaS Service Project**

To ensure the stable operation of major applications such as "One-Stop Online Government Services" and "An Integrated Network for Urban Operations," the Shanghai Big Data Center has systematically constructed the E-Government Cloud PaaS Service Project. SenseTime, as a technical vendor, provided text recognition and facial identity verification services in this project. As an important part of the PaaS, these services are widely used in government and judicial sectors. In terms of text recognition, it covers various documents and business documents such as ID cards, household registration books, and invoices, supporting both Chinese and English text recognition; facial identity verification includes face recognition, ID card and face verification, and liveness detection, providing capability support for hundreds of administrative self-service terminals across Shanghai.

Case: **Smart Agriculture – JiRui Crop Decision-Making Large Model**

During the Reporting Period, SenseTime released the JiRui Crop Decision-Making Large Model and the JiRui Large Model Smart Farm Solution based on it, aiming to promote the intelligent upgrading throughout the entire agricultural planting process. This solution covers processes such as land reclamation, precision irrigation, fertilization, pesticide application, and harvesting, providing comprehensive intelligent support for large-scale farms through the four core capabilities of intelligent perception, planning, decision-making, and interaction.

JiRui Crop Decision-Making Large Model is built on the foundation of SenseTime's SenseNova Large Model. By integrating over 1 billion tokens of agricultural professional data and corpus, as well as over 100 million remote sensing and image annotation samples, it is trained specifically in the four major fields of remote sensing, language, growth mechanism, and meteorology. It also possesses three major advantages in real-time decision-making, cross-domain integration, and precise professionalism. With its multimodal data intelligent analysis capabilities, it can comprehensively analyze multi-source data, helping farms accurately grasp the status and process of crop planting, providing strong support for the digital transformation of agriculture. It can generate real-time farming suggestions, integrate multidisciplinary knowledge, provide comprehensive decision-making support, promote the precision of agricultural inputs such as water, fertilizer, pesticides, and machinery, achieving environmental protection and resource conservation.

Intelligent Driving Enjoyment, Leading the AI Era of Automotive Intelligence

To improve road safety and driving experience, SenseTime's intelligent automotive business is committed to "becoming a strategic partner for intelligent vehicles to enter the AGI era". Adhering to a three-in-one strategic layout of "driving-cabin-cloud", it drives the intelligent transformation of the automotive industry and creates an independent brand "SenseAuto". In terms of intelligent driving, our one-piece perception and decision-making end-to-end autonomous driving solution makes the driving experience more comfortable and secure; in terms of intelligent cabin, SenseAuto provides market-leading cabin products such as DMS, OMS, and health products, enhancing the safety and comfort of drivers and passengers; roadside and cloud products have built an intelligent traffic system, improving the overall safety and efficiency of social traffic. As of the end of the Reporting Period, SenseAuto has cumulatively delivered 3.5 million smart cars, covering more than 130 models.

Vehicle-End Intelligent Driving Solution

- **Intelligent Driving Assistance System:** SenseAuto offers a variety of intelligent driving assistance solutions including Driver Monitoring System (DMS), Occupant Monitoring System (OMS), and Advanced Driver Assistance System (ADAS). These systems can monitor the status of drivers and passengers in real time, as well as the traffic environment around the vehicle, thereby enhancing driving safety and comfort.
- **Autonomous Driving Technology:** Through cooperation with several internationally renowned automotive manufacturers and Tier 1 suppliers, SenseAuto's autonomous driving solutions have achieved mass production and delivery on multiple vehicle models.

Road-End Intelligent Perception System

- **Intelligent Roadside Unit:** SenseAuto's roadside intelligent perception system, through the deployment of intelligent devices on both sides of the road, enables real-time monitoring and analysis of traffic flow and road conditions. It works in coordination with the vehicle-end system to provide more comprehensive traffic information support.

Cloud-Based Intelligent Computing Platform

- **Integrated Decision-Making Control of Vehicle, Road and Cloud:** The cloud-based intelligent computing platform (V2X-M) of SenseAuto can aggregate and calculate data from vehicle and road ends, and construct an integrated intelligent transportation system of "vehicle-road-cloud".

SenseAuto Product System

Case: "New Member" Intelligent AI System

New Member, as an intelligent AI system tailored for users' vehicles, possesses strong data processing and analysis capabilities. It continuously collects and deeply analyzes data related to users, vehicles, the surrounding environment, and items in the vehicle. It maintains a standby state, actively providing users with exclusive services, truly becoming a "new family member" who understands users' thoughts, resonates with them, and is indispensable in life.

Case: SenseAuto Helping Chinese Brands Go Global, Achieving the Highest Score in ENCAP

As an innovative leader in the industry, SenseAuto has launched an innovative product solution that integrates direct and indirect monitoring, significantly enhancing the robustness of the Driver Monitoring System (DMS), enabling it to respond stably and timely under various complex environment. This solution has helped customers' vehicle models achieve the highest historical score in ENCAP, topping the list of DMS scores among tested vehicle models.

Case: Deployment of a Native Multimodal Large Model at the Vehicle End

In 2024, during the World Artificial Intelligence Conference (WAIC), SenseAuto showcased the latest advancements in intelligent vehicles. For the first time in the industry, SenseAuto has deployed a native multimodal large model at the vehicle end, supporting full-stack deployment across cloud, edge, and endpoints. The 8B multimodal model at the vehicle end reduces first-pack latency to within 300 milliseconds, with an inference speed of 40 tokens per second. In addition, SenseAuto has released the industry's first generative interactive interface product, FlexInterface, and in-car AI agents like AgentFlow, further enriching the supply of intelligent automotive products and promoting the deep integration of multimodal large models with intelligent vehicles.

Sharing Achievements at the World Artificial Intelligence Conference

Steady Responsible

Governance Built on AI

Contribution to the UN SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

01

Amidst the global wave of digital transformation, enterprises are confronted with unprecedented opportunities and challenges. As a pioneer in the field of AI, SenseTime is committed to driving social progress and economic development through technological innovation. We always maintain high standards and strict requirements as the cornerstone for stable operation, and continuously strengthen corporate governance, ESG management, management and business ethics, AI ethics governance, information security and privacy protection. We are committed to building and continuously improving the governance system to ensure that SenseTime adheres to the legal and ethics bottom line in the process of rapid development, and promotes the high-quality development of the Group and the industry through responsible practices and management.

1.1 Corporate Governance

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

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              ┌─────────────────────┐
              │  Board of Directors │
              └─────────────────────┘
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| Audit Committee | Remuneration Committee | Nomination Committee | Corporate Governance Committee |

Corporate Governance Structure of SenseTime
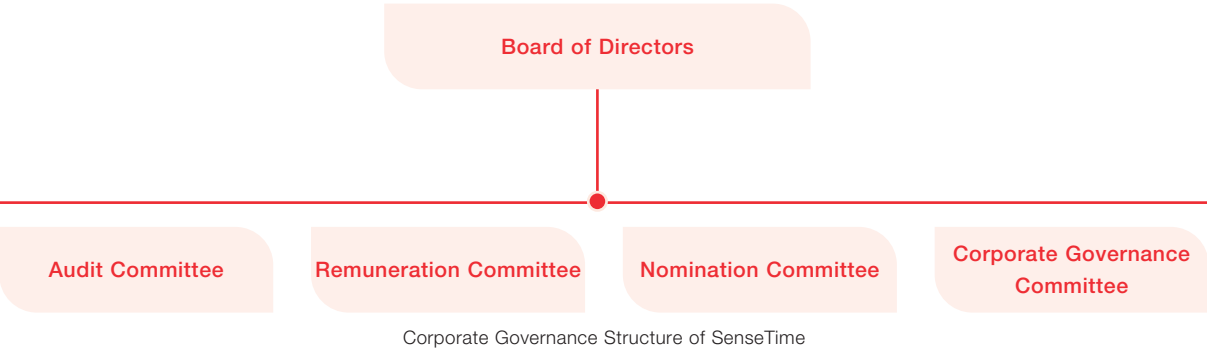
Composition and Diversity of the Board of Directors

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

The diversity of the Board of Directors can bring more diverse perspectives and a broader range of viewpoints to governance decision-making, so as to better respond to the constantly changing business environment. SenseTime has established the Board Diversity Policy, which aims to maintain diversity of the Board in accordance with the Group's circumstances, following the principle of meritocracy. In addition, we attach great importance to the independent viewpoints and impartial opinions from independent directors and the Nomination Committee conducts an annual evaluation to confirm the independence of the directors. By the end of the Reporting Period, the number of the Board of Directors of the Group was 8, including 1 female director and 3 independent directors.
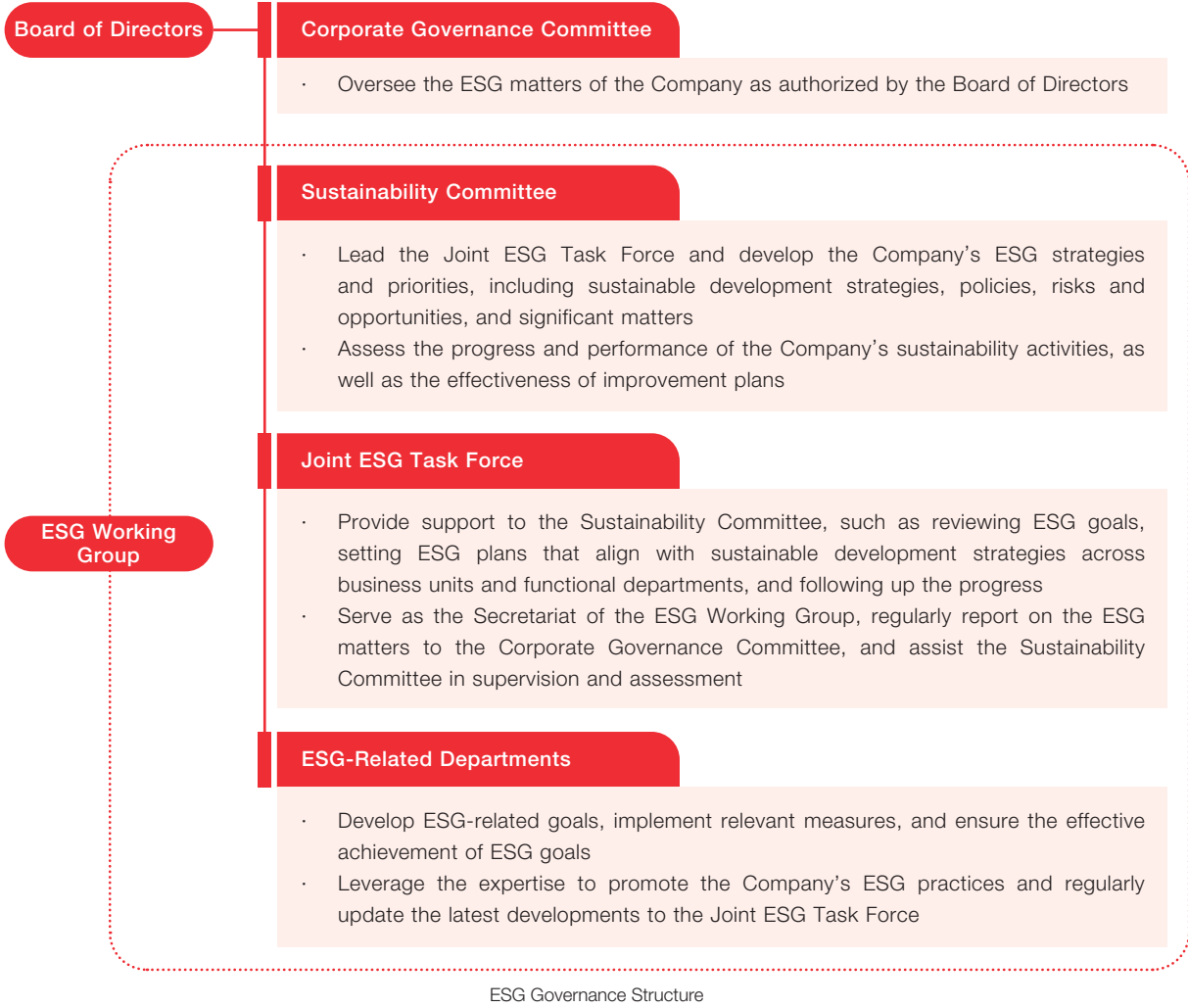
Transparent Communication

SenseTime is committed to enhancing information transparency. It has established an information disclosure mechanism and diversified communication channels to effectively and timely carry out information disclosure. It also regularly engages in effective communication with shareholders and investors. We mainly provide shareholders and investors with true, accurate, complete, and timely information through financial statements, general meetings of shareholders, the website of stock exchanges, newsletters published on the Group's website as well as other publications, so as to adequately safeguard shareholders' rights and interests.

1.2 ESG Governance

Integrating the ESG concept into corporate strategy and operation is not only an inevitable choice to respond to global challenges but also an important way to create long-term value and enhance corporate competitiveness. SenseTime is committed to building a comprehensive and efficient ESG management system. Through scientific environmental management, active social participation, and sound corporate governance, SenseTime thrives to promote sustainable development of society and the environment while promoting technological innovation and business expansion.

Governance Structure

As a pioneer in the AI industry, SenseTime strives to create more value for all stakeholders through its sustainable practices. During the Reporting Period, SenseTime made important adjustments to its governance structure to further strengthen the management and supervision of ESG matters. On January 27, 2024, the Board of Directors of SenseTime approved the establishment of a Sustainability Committee under the Corporate Governance Committee. The Sustainability Committee is responsible for identifying and monitoring ESG-related risks and opportunities that have a significant impact on the Group's business, and guiding the effective implementation of the Group's work on environmental protection, social responsibility, and compliant governance.

Board of Directors

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

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

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

ESG Working Group

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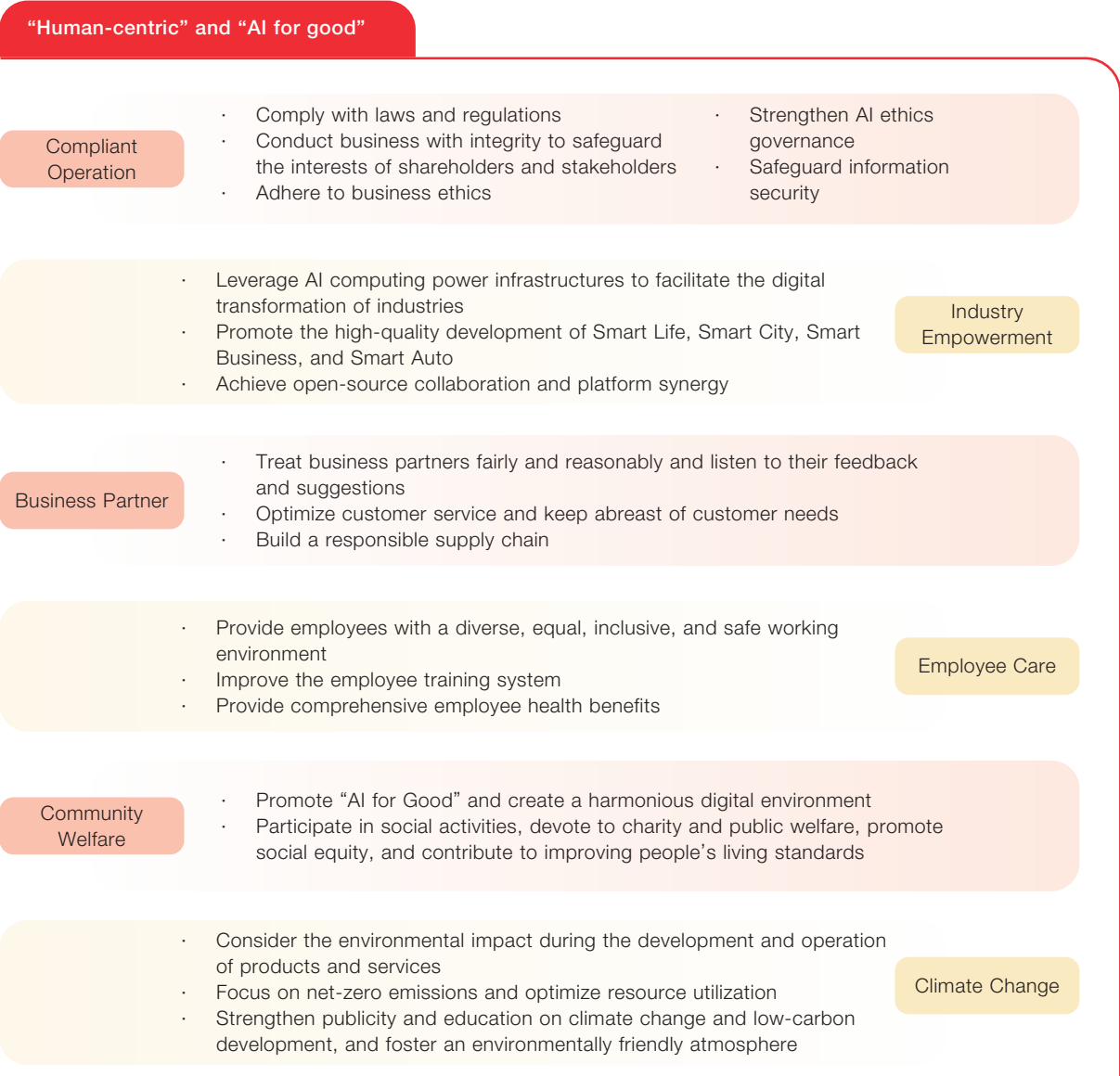
ESG Governance Structure

In terms of supervision by the Board of Directors, the Group issued the *Charter of the Sustainability Committee of SenseTime*. The Board of Directors is the highest responsible body for ESG management and is responsible for overseeing the Group's environmental, social, and governance matters. The Board receives written reports from the Sustainability Committee on ESG-related motions and voting results not less than twice a year. The Board is also responsible for reviewing the Group's assessment, prioritization, and management of ESG matters, as well as the annual sustainability report. The Board regularly reviews the progress of the ESG strategy and related targets to achieve top-down oversight of ESG work.

During the Reporting Period, SenseTime continuously enhanced the Board of Directors' knowledge and management capabilities in ESG disclosure and management. The Group conducted specialized ESG training for all directors, introducing disclosure requirements, trends, and implications related to global climate change.

ESG Strategy

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

"Human-centric" and "AI for good"

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

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

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

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

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

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

SenseTime ESG Strategy

Dual Materiality Assessment

The implementation of regular materiality issue management is the foundation and core of SenseTime's ESG strategic planning, risk and opportunity management, and information disclosure. We continue to focus on the hot topics in the field of ESG development and maintain communication with stakeholders to continuously enrich and update the content and connotation of SenseTime's material ESG issues. In preparing this year's ESG report, SenseTime referenced assessment methods such as the *European Sustainability Reporting Standards (ESRS)* and conducted its first dual materiality assessment of ESG issues, which included the following steps:

Step1: Identification of ESG Issues

Combining the characteristics of the AI industry and the development plans of the Group, and referring to both domestic and international ESG disclosure standards and the focus of the capital market, we have updated and iterated the ESG issue library. We have identified the 22 ESG issues most relevant to our business activities and of greatest concern to stakeholders, as well as a list of their related impacts, risks and opportunities.

Step2: Dual Materiality Assessment of ESG Issues

Through forms such as internal and external stakeholder surveys, we have conducted assessments of impact importance and financial importance for the 22 ESG issues to determine the priority ranking of the issues.

The dual materiality assessment matrix was drawn based on the assessment results. This assessment was based on 70 survey questionnaires, covering nine categories of internal and external stakeholders.

Step3: Validation of Materiality Assessment Results

To ensure the accuracy, effectiveness, and relevance of the assessment results, the Board of Directors and the Sustainability Committee of the Group reviewed and examined the dual materiality assessment results. The final assessment results are presented in the dual materiality issue matrix.

SenseTime Dual Materiality Matrix

Communication with Stakeholders

SenseTime places high importance on the expectations and requirements of stakeholders and has established a comprehensive stakeholder communication mechanism and diversified communication channels. Our main stakeholders include shareholders and investors, governments and regulatory authorities, media and non-governmental organizations, suppliers, partners, users, employees, and communities and the public. We regularly communicate with various stakeholders and incorporate their suggestions as an important reference for the Group's ESG work.

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

1.3 Compliance and Business Ethics

To maintain a competitive edge in the fierce market, SenseTime places high importance on compliance and business ethics management. We have established a scientific, rational, and effective system and management system that is orderly in operation and strong in execution. We adopt a "zero tolerance" attitude towards fraudulent, bribery, and conflict of interest behaviors that violate business ethics. We are committed to building a transparent, fair, and clean business environment and promoting the progress of the enterprise and society.

Compliance Operations

Compliance operation is the red line and bottom line for enterprise development. SenseTime has built and continuously improved its compliance management system. Relying on the Group's internal legal department and extensive external legal advisor resources, we closely monitor changes in laws and regulations in the judicial jurisdictions where SenseTime operates in China and abroad. When changes in external laws and regulations affect SenseTime's operations, the Group's legal department will work with business departments to adjust and improve business rules, identify and deal with related compliance risks to ensure that the Group's business practices comply with applicable laws and regulations. During the Reporting Period, the Group was not penalized for any violations of laws and regulations.

Anti-Monopoly and Trade Compliance

SenseTime places great emphasis on the control of anti-monopoly and trade compliance. SenseTime firmly supports fair competition and opposes monopolistic practices. We actively respond to the anti-monopoly guidelines issued by the State Administration for Market Regulation and are committed to maintaining a healthy and orderly market environment.

The Group strictly implements trade-related laws and regulations (including but not limited to export control, customs, and taxation) applicable both domestically and internationally. We have built a scientific, rational, orderly, and effective compliance system to ensure that all applicable trade laws and regulations are fully, accurately, and strictly implemented in SenseTime. At the same time, we conduct trade compliance training covering all employees and provide targeted trade compliance training to relevant business units as needed based on business unit requirements and actual conditions. During the Reporting Period, the Group did not receive any antitrust-related legal litigation.

Anti-Fraud Management Mechanism

The Group complies with laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Anti-Money Laundering Law of the People's Republic of China*. We always adhere to the basic code of conduct and core concept of abiding by the law and operating with integrity. We regard law-abiding and integrity as the basic behavioral norms and core concepts of the enterprise to safeguard sustainable development and build a clean business ecosystem with partners. We adopt a "zero tolerance" attitude towards unfair competition and other behaviors. We have established a series of institutional documents such as the *Anti-Fraud Management System* and the *Anti-Commercial Bribery Policy and Guidelines*, and set up the Anti-Fraud Committee as the highest decision-making body for anti-fraud management. The chairman of the committee is appointed by the Group's CEO, and the members are appointed by the Human Resources Department, the Legal Department, the Internal Control Department, the Internal Audit Department, and the Compliance Supervision Department, who are responsible for specific work such as system construction, case investigation, and education and training.

Anti-Commercial Bribery

SenseTime also takes a "zero-tolerance" approach to corruption and therefore does not accept employment or promotion of individuals who are responsible for incidents of corruption. We have established the *Management System for Gifts Received by SenseTime Employees* to regulates the registration, submission, and disposal of the gifts that cannot be refused or returned, so as to promote compliance and integrity of employees. During the Reporting Period, there was 1 lawsuit related to corruption that had been filed against the Group and our employees.

We also require our suppliers to follow anti-commercial bribery requirements and continue to promote and deepen the signing of the *Letter of Commitment to Anti-bribery* with suppliers. We require all suppliers to sign the Letter of Commitment to Anti-bribery. For a small number of suppliers who are unable to sign due to special circumstances such as involving overseas laws and regulations, the Group will require the addition of anti-commercial bribery clauses to the cooperation contracts to ensure that the Group's anti-commercial bribery requirements cover all cooperative suppliers. By the end of the Reporting Period, 100% of the Group's suppliers had signed the *Letter of Commitment to Anti-bribery* or specified anti-commercial bribery clauses in their cooperation contracts.

Conflict of Interest Management

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

By the end of the Reporting Period The coverage of employees who had signed the *Letter of Commitment to Conflict of Interest* reached

100%

Pre-Employment Review

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

On-Boarding Signing

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

In-Service Declaration

· We carry out annual declarations on conflicts of interest and require each employee to make a declaration in accordance with the actual situation.
· If the employee who has conflicts of interest during in-service periods, such as serving as an honorary professor and a visiting lecturer, or associating with key project partners, he/she needs to take the initiative to make a declaration, which must be reviewed and approved by the administrative office system.

Full-Process Management for Conflicts of Interest

Compliance Audits and Reporting Channels

The Group continuously carries out compliance audit work. During the Reporting Period, SenseTime conducted compliance audits for certain business groups. Through these audits, the audited departments have made targeted improvements and enhancements in terms of institutional processes, employee compliance awareness, and standards for daily and travel expense reimbursements.

We encourage supervision of the Group's business practices from both internal and external parties. We have clearly marked public reporting channels on the "Business Compliance" section of our official website and in the "Integrity and Anti-Fraud Initiative" to enhance the accessibility of these channels. Once a report is received, the Group's Anti-Fraud Committee will complete the verification and investigation within the stipulated time frame and report to the CEO's Office as appropriate. At the same time, all personnel of the Group who may have access to the whistleblower's information will strictly keep confidential the reported information and are prohibited from disclosing the whistleblower's information such as name, workplace, department, and content of the report, so as to jointly maintain the open and clean anti-fraud environment at SenseTime.

Email:
jiancha@sensetime.com

Hotline:
+86 01083471000 #81315

Business Ethics Training

In order to build an honest and upright corporate culture, we continue to communicate integrity requirements to our directors and employees through a variety of internal publicity and training. During the Reporting Period, we organized a training session for all directors themed "Compliance Obligations under the Listing Rules of Hong Kong-listed Companies". Besides, we conducted anti-fraud training covering all employees, sharing and promoting anti-fraud systems and requirements, and cases of violations, to enhance employees' awareness of honesty and compliance.

Coverage of Anti-Fraud Training During the Reporting Period

100%

Full-time Employees

100%

Part-time and Dispatched Employees
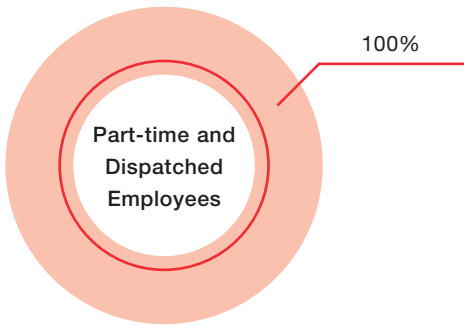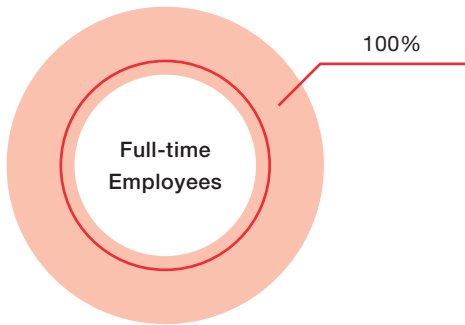
1.4 Upholding the Bottom Line of AI Ethics

As the most cutting-edge and popular discipline, AI is embracing ever-evolving development, continuously driving significant innovation and breakthroughs in society. As a leading company in the AI industry, SenseTime always adheres to the AI ethical view of "balanced development" and is committed to creating artificial intelligence products that are "sustainable, human-centric, and controllable". Since the establishment of the AI Ethics and Governance Committee in 2020, the Group positively strengthens collaboration and shares advanced practical experience with all parties to jointly promote the development of AI technology ethics governance. During the Reporting Period, SenseTime revised the *AI Ethics Governance System of SenseTime* and the *Charter of AI Ethics and Governance Committee of SenseTime*, further improving the AI ethics and governance system. SenseTime strives to achieve a multi-dimensional closed-loop from theory to practice, from organization to mechanism, and from R&D to product life cycle, so as to effectively govern AI ethics.

AI Ethics

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

Principle of AI Ethics

· Human-centric: Advocates respecting, accommodating, and balancing differences in historical, cultural, social, and economic development among different countries and regions, and pursuing consensus among different cultures. Meanwhile, we should also ensure the protection of human rights and privacy and deploy technology without prejudice.
· Controllable technology: Advocates that AI is developed by and for humans and therefore, should be controlled by humans. Correspondingly, its controllers, i.e., humans, should be responsible for its actions.
· Sustainability: Advocates the sustainable development of society, economy, culture, and the environment, and promotes openness and inclusive innovation.

Product Ethics Governance

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

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

Product Ethics Risk Review, Prevention and Control Process

To ensure the effective implementation of the Company's ethics governance process, we have systematically reviewed the Company's ethics business based on an audit project by an external third-party during the Reporting Period. The audit covers the Company's ethics governance system, ethics risk review platform, ethics review projects, and ethics review standards. Based on the review results, we will reasonably optimize the ethics governance process in combination with guidance.

AIGC Ethics Governance

With the rapid development of AI technology, the wide application of AIGC has brought numerous ethics and social challenges. SenseTime attaches great importance to AI ethics issues, actively participates in global AI governance initiatives, supports and responds to the *Shanghai Declaration on Global AI Governance* and is committed to promoting the responsible development of AI. In addition, SenseTime actively participates in international cooperation and has released the trustworthy AI infrastructure SenseTrust and research reports such as the *SenseTime Large Model Ethics Principles and Practices Whitepaper*, providing solutions for the ethical governance of AIGC.

Cooperation on the Governance over Ethics in Science and Technology

SenseTime actively participates in the formulation of industry standards and the practice of ethics governance, and works together with all parties to build a more transparent, fair, and sustainable technology ecosystem. SenseTime carries out extensive cooperation with international organizations, industry partners, academic institutions, and all sectors of society. By doing so, SenseTime has not only made breakthroughs in technology but also set an industry benchmark in ethics governance, laying a solid foundation for the healthy development of AI technology. By the end of the Reporting Period, we had contributed to the formulation of 34 AI ethics-related standards, including 13 international standards and 21 Chinese standards. During the Reporting Period, the Group standard T/CESA 1304.4-2024 *Artificial Intelligence – Trustworthiness Specification – Part 4: Machine Learning Models*, initiated by SenseTime, has been officially released. At the same time, SenseTime has been awarded the 2024 Outstanding Member by the AIIA's Science and Technology Ethics Working Group and the Financial Large Model for the first batch of global outstanding cases title by the International Telecommunication Union (ITU) at the AI for Good Summit.

SenseTime has been awarded the 2024 Outstanding Member by AIIA

By the end of the Reporting Period

SenseTime had contributed to the formulation of **34** AI ethics-related standards, including **13** international standards and **21** Chinese standards

Case: **AI for Good Summit Held by ITU**

In May 2024, SenseTime was invited to participate in the AI for Good Summit held by ITU in Geneva. This summit brought together experts, scholars, and industry leaders in the global AI field to discuss the role of AI technology in promoting social progress and sustainable development. SenseTime shared its practical experience in AI ethics governance at the summit, emphasized the balance between technological development and ethics morality, and provided a reference for global AI governance.

Case: **AI Ethics Governance Roundtable Forum**

In October 2024, SenseTime organized the Roundtable Forum in AI Ethics Governance in its 10th anniversary celebration, inviting several international experts to participate in the discussion. The forum delved into the ethics challenges, governance mechanisms, and future development directions of AI technology. Through this forum, SenseTime further consolidated its leading position in AI ethics governance and promoted cooperation and exchange within the industry.

Roundtable Forum on AI Ethics Governance

Case: **Beijing AI Ethics Science Popularization Survey**

In November 2024, SenseTime participated in the Beijing AI Ethics Popularization Survey and was deeply involved in the preparation of science popularization reports and materials. This research was aimed to enhance the public's awareness and understanding of AI ethics issues and promote the healthy development of AI technology. By participating in this research, SenseTime not only contributed its professional knowledge in AI ethics governance but also provided the public with rich science popularization resources, thereby promoting the popularization of AI ethics knowledge. Currently, SenseTime continues to participate in the preparation of the *Annual Report on Beijing Science Popularization Development* (2024) as a member of the editorial team.

Case: **Joining in the Human-Centered AI Development and Governance Initiative**

On November 9, 2024, the Human-Centered AI Development and Governance Initiative was officially launched at the 15th Caixin Summit ESG Session and the China ESG30 Forum, with SenseTime joining as one of the first 25 members. The initiative is jointly launched by Caixin Insight, ESG30, Lenovo Group, the AI Institute of Shanghai Jiaotong University, Tencent Research Institute, and the United Nations Industrial Development Organization. The initiative aims to call on industry stakeholders to jointly build an AI development ecosystem with concepts of "people-oriented" and "AI for good", so that technological advancements can truly contribute to global development and empower a better life for humanity. In the future, SenseTime will actively collaborate with initiative partners to build a joint action network, knowledge co-construction platform, and cross-border communication mechanism. By promoting effective dialogue among policymakers, theorists, and practitioners, it will stimulate the value co-creation of technology, business, capital, and society, explore and implement the "human-centered AI" sustainable innovation solutions with benchmark influence.
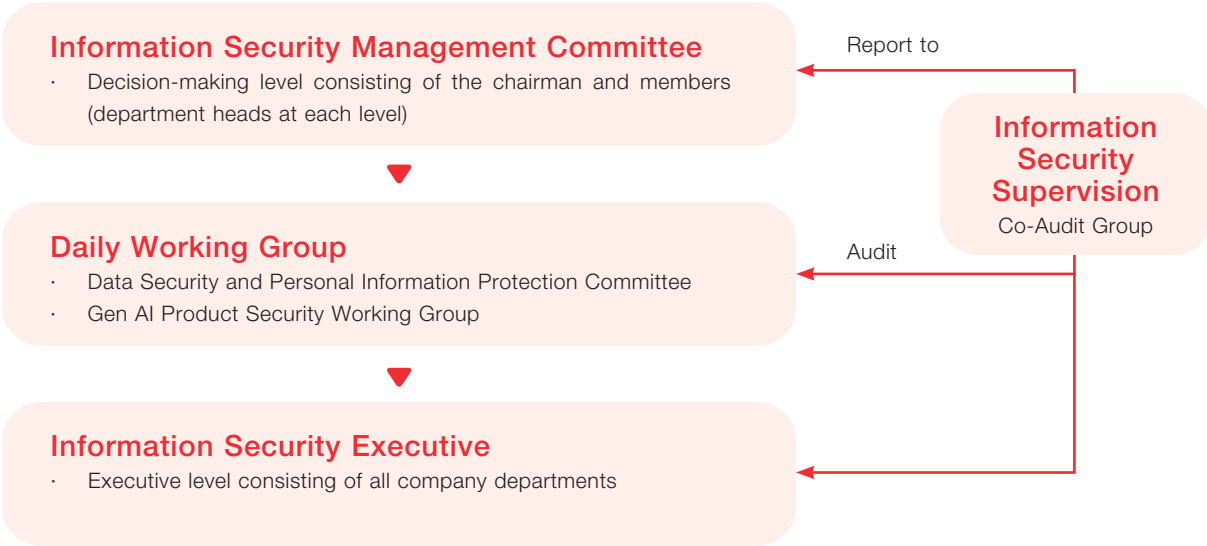
1.5 Information Security and Privacy Protection

Data has become a key resource driving social and economic development, and the importance of data security and privacy protection is increasingly prominent. SenseTime is well aware of the importance of information security and privacy protection in maintaining user trust, ensuring business continuity, and complying with laws and regulations. We strictly adhere to relevant information security laws and regulations in the countries and regions where we operate, such as the *Cyber Security Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Provisions on Protecting the Personal Information of Telecommunications and Internet Users*. We have built an information security management system based on ISO 27001:2022 to provide users with a secure and reliable digital environment.

Organization and Policies of Information Security Management

SenseTime's information security policy is "business-driven security, comprehensive risk control, compliance in the use of personal information and privacy information, and effective data protection." We have constructed an information security risk management system based on the best practices of the ISO 27001:2022 information security management system, covering all areas of information security. SenseTime has established and strictly enforces 15 management regulations, including the *SenseTime Group Product Data Security Management Standards*, the *SenseTime Group Data Security Management Regulations*, the *SenseTime Group Information Security Risk Management Regulations*, the *SenseTime Group Information Security Organization Management Regulations*, the *SenseTime Group Security Training Management Regulations*, and the *SenseTime Group Personal Information Management Standards*. These regulations cover product data security, data security, information security risk management, information security organization management, security training, and personal information management to ensure the effective operation of the information security management system.

The Information Security Committee serves as the highest decision-making body for information security management at SenseTime. We have established a top-down information security management structure and set up an information security supervision layer to audit and inspect the Group's information security work, promoting and guiding the improvement of the information security management system.

Information Security Management Committee
· Decision-making level consisting of the chairman and members (department heads at each level)

Report to

Daily Working Group
· Data Security and Personal Information Protection Committee
· Gen AI Product Security Working Group

Audit

Information Security Executive
· Executive level consisting of all company departments

Information Security Supervision
Co-Audit Group

Organizational Structure of Information Security Management Committee

Information Security Management System

SenseTime obtained ISO 27001 Information Security Management System Certification, ISO 29151 Personal Identity Information Protection Management System Certification, ISO 27701 Privacy Information Management System Certification, and BS 10012 Personal Information Management System Certification. SenseTime's SenseCore AI Infrastructure has obtained the ISO 27001:2022 Information Security Management System Certification, ISO 27701 Privacy Information Management System Certification, ISO 27017 Public Cloud Information Security Management System Certification, ISO 27018 Public Cloud Privacy Information Security Management Certification, and the cloud data protection certification of the trustworthy cloud series. To enhance the development in the smart automotive sector, we have extended the scope of the BS 10012 Personal Information Management System Certification to cover this area. This move fully supports the overseas expansion of our smart automotive business and its clients. SenseAuto obtained the ISO/SAE 21434 Automotive Cybersecurity Engineering Certification in December 2022, and received the first domestic ISO/SAE 21434 Cybersecurity Product Certification and the Trusted Information Security Assessment TISAX AL3 Certification in 2023. These achievements demonstrate our capability to provide robust information security assurance for more international automotive companies.

ISO 27001 Information Security
Management System Certification

ISO 29151 Personal Identity Information
Protection Management System Certification

ISO 27701 Privacy Information
Management System Certification

BS 10012 Personal Information
Management System Certification

Information Security Management Measures

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

Information Security Management Measures

Information Security Audit: Conduct information security audits to comprehensively inspect the Company's information security status, identify potential risks, and propose improvement suggestions.

Information Security Detection: Carry out information security detection covering various aspects such as cybersecurity, system security, and application security to discover and fix potential security vulnerabilities.

Red and Blue Counterattack and Defense Drills: Regularly organize "Red" vs "Blue" counterattack and defense drills to simulate real cyber-attacks, test and enhance cybersecurity defense capabilities.

Information Security Training: Continuously carry out information security training to enhance employee awareness of security and prevent safety accidents caused by negligence. During the Reporting Period, the Group completed the *SenseTime Cloud Data Security Awareness Training* and the corresponding exams.

Information Security Incident Management: Establish a sound information security incident management process to ensure prompt response and resolution of various information security incidents.

Compliance Assessment: Conduct regular compliance assessments to ensure that information security management meets the requirements of national laws, regulations, and industry standards.

Customer Privacy Protection

We place great emphasis on privacy protection. To ensure that our products and services effectively safeguard user privacy when processing personal information and comply with relevant laws, regulations, and industry standards. SenseTime has established the Data Security and Personal Information Protection Committee, which is responsible for supervising and advancing the Company's privacy protection efforts to ensure the effective implementation of privacy protection policies and measures. We strictly comply with the requirements of the *Personal Information Security Management Specification of SenseTime Group* and the *Regulations on the Impact Assessment of Product Personal Information and Privacy Data of SenseTime Group* and other policies. We have also specified the processing rules for personal information and sensitive personal information, including collection, storage, use, processing, transmission, and destruction, to ensure compliance and safety at each step. At the product development stage, we have set personal information protection checkpoints at each step from design, coding, testing, to delivery, to ensure effective implementation of privacy protection measures. At the same time, we ensure that users are well aware of how their data is collected and used, and provide sufficient options for users to have a certain degree of control over their data. We have formulated the *Regulations on Emergency Management of Personal Information and Privacy Data Leakage Incidents of SenseTime Group* and established a rapid response mechanism. By doing so, we can quickly take measures and mitigate losses in the event of a personal information leakage. we also regularly conduct privacy protection and information security training for our employees to enhance their awareness and capabilities in privacy protection. During the Reporting Period, the Group received no complaints about privacy violations or data leakage.

Transformation Led
by Original Technology

Contribution to the UN SDGs

02

Dedicated to the mission – "to create a better AI-empowered future through innovation", SenseTime has been committed to continuously promoting technological innovation in the field of AI. We constantly promote customer-oriented technology development, break through technological bottlenecks, and serve various industries and sectors of society with rich innovative achievements. We also actively construct a responsible supply chain, and collaborate with universities, scientific research institutions, and other partners, to jointly promote the high-quality development of the AI industry and contribute to industrial prosperity and the advancement of human society.

2.1 Deepening Technological Innovation

With a keen sense of perception and insight into cutting-edge technologies, SenseTime gives full play to its advantages in technologies, products and content to empower corporate development. We promote innovation through technological means, and pursue the rapid development of innovative technologies, while attaching great importance to innovation compliance and intellectual property rights.

Innovation System

As a leading AI enterprise driven by original technology, SenseTime adheres to a strategy of balancing standardization and innovation, and is committed to building a comprehensive and systematic innovation system to drive continuous innovation and efficient development. We have formulated sound internal policies such as the *SenseTime Group Product Release Process* and the *SenseTime Group Industry Solution Release Process* to provide institutional guarantees for the orderly transformation of innovative results and lay a solid foundation for the continuous and in-depth innovation and development.

To further enhance innovation efficiency and quality, SenseTime has established a cross-departmental innovation plan working group. SenseTime strengthens cooperation and resource sharing to continuously explore the cutting edge of new technologies and applications, promote the integration and innovation of cross-disciplinary knowledge, and drive the overall improvement of innovation capabilities. Furthermore, we have established a flexible incentive mechanism for innovation with detailed rules regarding areas such as goal-setting, assessment management, and exit strategies, and a separate innovation budget pool to ensure the orderly development and efficient management of innovation work.

To continuously build the innovation culture, we have formulated innovation management principles and established the "SenseTime Originality Award" to encourage employees to actively participate in innovation activities and stimulate the creative potential of teams and individuals, thus providing new energy for the innovative development of the Group.

Dedication	Closed-Loop Management	Facilitation of Business Model Transformation
Full empowerment, greater incentives, and controlled overall input	Diversified objectives, rapid trial and error correction, quick evaluation and adjustment, exit management mechanism, and improved innovation efficiency	Adjust revenue structure and increase the share of sustainable revenue

SenseTime's Innovation Management Principles

Innovation Achievements

SenseTime continues to increase investment in self-developed technology, deepen academic accumulation, injecting vitality into long-term development. In generative AI and large vision model, we have made valuable technological breakthroughs and research paradigm innovations based on "SenseCore" and "SenseNova", continuously creating value for the industry. By the end of the Report Period, SenseTime together with the joint laboratories had published 905 research papers on deep learning and computer vision at the 3 top international computer vision conferences of CVPR, ICCV and ECCV, marking a continued world's leading academic research position in computer vision.

SenseTime's Chairman and CEO, Li Xu, as the first author of "Structure Extraction from Texture via Relative Total Variation" published in 2012, has received the Test-of-Time Award at the top computer graphics conference SIGGRAPH ASIA 2024. It indicated that the paper contains both theoretical achievements and practical value. SIGGRAPH ASIA is organized by the Association for Computing Machinery (ACM). It is one of the most influential, largest, and most authoritative computer graphics and interactive technology exhibitions and conferences in the world, known as the Oscar of the field of graphics and image research. Test-of-Time Award was set in 2023, to honor papers published over 10 years ago that continuously impose a

The Top Computer Graphics Conference SIGGRAPH ASIA 2024

significant impact on computer graphics and interactive technology and lead the development of related industries. Li Xu has won this honor for two consecutive years. The paper titled "Image Smoothing via Gradient Minimization", which he authored as the first author in 2011, won the inaugural SIGGRAPH ASIA Test-of-Time Award last year.

Besides the active construction of academic ecosystem, SenseTime also continues to explore diversified channels for disseminating academic achievements. Since 2019, we have officially launched the WeChat official account "SenseTime Academy", covering open courses, paper interpretation, academic columns, open-source tools, community organization, etc. In addition, we also actively carry out open academic classes and sharing sessions to spread academic research achievements and promote their application and transformation in practice, thus realizing knowledge sharing and maximizing value.

Innovation Platform

SenseTime actively builds an open cooperative platform to promote the deep integration of enterprises, universities, and research institutes and accelerate the transformation and application of scientific and technological achievements. By making joint efforts with famous universities and research institutes at home and abroad, we endeavor to build a world-class collaborative innovation ecosystem for original technologies and jointly advance basic research in AI and breakthroughs in core technologies. In doing so, we can empower industrial upgrading, and lead the field of AI to new heights.

SenseTime has built over 10 joint laboratories with The Chinese University of Hong Kong, Peking University, Zhejiang University, Shanghai Jiao Tong University, Shenzhen Institutes of Advanced Technology of the Chinese Academy of Science, Rutgers, The State University of New Jersey, The University of Sydney, and other universities and institutes. By the end of the Reporting Period, the Group had established close partnerships with nearly 60 universities and research institutes at home and abroad, initiated nearly 10 new projects, managed nearly 50 projects and undertaken over 380 joint research projects throughout the year. This supported the Group's research accumulation in basic large models, computer vision, intelligent vehicles, intelligent health, chips, intelligent imaging, etc., and jointly promoted the application of AI technologies in different industries and fields.

SenseTime co-established Qing Yuan Research Institute with Shanghai Jiao Tong University By the end of the Reporting Period, the Qingyuan Program had attracted more than 10 top talents from home and abroad as full-time teachers, and had carried out more than 50 collaborative research projects in total. In addition, the Qingyuan Program established a "full-time professional master's program in AI", to jointly develop professionals in AI technology application area.

Case: **CodeFormer Leading Innovation in Face Super Resolution/Restoration**

SenseTime collaborated with a top university in Singapore to originally develop the face super resolution/restoration technology. This technology enables the efficient restoration of high-quality facial images from blurry or damaged images, and has been widely applied in various fields such as old photo restoration, facial color enhancement, and mosaic reduction. Since its release, the download and visit count on its online platform has exceeded 66 million times, fully demonstrating its extensive recognition and significant influence in both academic and industrial circles.

The technology has been successfully applied to mobile portrait photography. It has significantly enhanced the clarity and quality of portrait shoots, played a crucial role in high-definition portrait scenarios, and brought mobile users a clearer, more detailed, and natural portrait shooting experience. Additionally, this technology has been integrated into SenseTime's large model for controllable character video generation, namely Vimi. Leveraging the powerful capabilities, Vimi can generate high-precision character videos, achieve precise control of facial expressions and movements, and significantly improve the stability and quality of video generation.

Since its release, the download and visit count on its online platform has

exceeded **66 million** times

Case: **SenseTime Honored with the First Place of the 2024 Science and Technology Progress Award Issued by the Chinese Association of Automation**

The project "Key Technology and Application of High-Precision and Efficient 3D Perception of Complex Urban Scenes", jointly filed by SenseTime, the Institute of Automation of the Chinese Academy of Sciences and other institutions, has been awarded the First Place of the 2024 Science and Technology Progress Award issued by the Chinese Association of Automation. This project not only achieved significant theoretical breakthroughs but also demonstrated remarkable economic and social benefits. Particularly in large-scale joint position and orientation calculation and 3D semantic vector modeling in complex urban scenes, the project team has successfully reached an internationally leading level, with its research outcomes having a profound global impact. The technologies accumulated in this project have been successfully applied to SenseTime's multiple core products such as SenseMARS high-precision map service, SenseSpace high-precision real-world 3D reconstruction platform and spatial computing platform. The application not only enhances technological content and market competitiveness of the product, but also injects strong momentum into the development of smart cities, intelligent vehicles, digital spaces, and virtual reality spaces.

Intellectual Property Protection

Protecting intellectual property rights is the key for enterprises to maintain exclusive rights over innovative achievements. SenseTime continues to improve intellectual property protection system and strictly abides by the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other local law and regulations. We have also issued internal policies including the *Intellectual Property Management Policy of SenseTime Group*, the *Trademark Management Rules of SenseTime Group*, the *Copyright Management Rules of SenseTime Group* and the *Guidelines for the Risk Management of Patent Infringement of Products of SenseTime Group* to specify the management process of the Group's intellectual property such as patents, trademarks, copyrights, and domain names, to ensure that the innovation achievements are effectively protected and managed. In order to deepen the strategic layout of intellectual property and strengthen its management effectiveness, we have set up a dedicated intellectual property team responsible for the operation, maintenance, intellectual property litigation, rights protection, and counterfeiting prevention of patents, trademarks, and other intellectual property for the Group and its subsidiaries.

SenseTime actively implements intellectual property protection measures, respecting others' intellectual property rights while valuing our own ones. We strictly comply with the *Guidelines for the Risk Management of Patent Infringement of Products of SenseTime Group*, and further screened intellectual property risks in product release. The screening helps the business lines to identify and avoid potential intellectual property disputes in a timely manner, thereby reducing legal and compliance risks. In addition, the Group pays close attention to changes in local laws and regulations at home and abroad, to improve business rules with each business unit on time. Relevant risks are examined and settled to ensure compliance with applicable laws and regulations.

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

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

Type	Cumulative number as of the end of Reporting Period (units)	Number of newly added during the Reporting Period (units)
Global and Chinese patent applications	17,346	168
Authorized patents	4,568	1,039
Registered trademarks	4,142	77
Trademark applications	5,176	78
Software copyrights	778	49
Copyright of works	184	54

2.2 Bearing Product Responsibility

SenseTime regards product quality as one of the essential elements for the sustainable development. Through a series of rigorous quality management procedures and management measures, we provide consumers with excellent and trustworthy product experiences. We strictly follow the relevant laws and regulations such as the *Law of the People's Republic of China on Product Quality* and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and have formulated policies relating to product lifecycle management such as the *SenseTime Group Product Initiation Management Process*, the *SenseTime Group Product Release Process*, the *SenseTime Group Product Suspension and Sales Process Policy* and the *Software Delivery and Management System of SenseTime*.

Managing Product Lifecycle Safety

On the basis of our existing the Safety Operations Center (SOC) platform, the Model Evaluation platform, the Content Safety platform and the Data Annotation platform, we have established comprehensive capabilities such as content security, algorithm model security, data security and personal information protection, and AI ethical audit. These capabilities help to resist the security risks caused by algorithm, model security and data leakage, and jointly safeguard the legitimate rights and interests of customers and personal information subjects. Additionally, we have established a closed-loop management mechanism covering product initiation, release, and suspension and sales. For example, we conduct strict audits on our products, related sales, marketing and advertising strategies, and materials, and provide a complete audit mechanism and online audit platform for product development in ethics, safety, and cultural compliance. During the Reporting Period, we newly implemented the *Large Model Security Management Regulations of SenseTime* to further strengthen the full lifecycle safety control of AIGC products.

- · Develop a checklist for product risk investigation
- · Conduct security review of product design

Phase 1

Phase 2

- · Development with security design
- · Pre-launch security testing

- · Online security monitoring
- · Emergency response

Phase 3

SOC Platform Operation Process

In terms of hardware production management, we collaborate with suppliers to ensure the safety of product materials, and review the quality management system certification of suppliers. In addition, we simultaneously establish strict quality indicators to accurately assess and effectively control their production and delivery capabilities, and strictly control the production and inspection standards before shipment. Meanwhile, we have established internal policies such as the *Product Marking and Packaging Standard* to standardize the application of hardware product markings and packaging. During the Reporting Period, there was no violation related to product and service information and identification, and no recall of products due to health and safety concerns.

Ensuring the Safety of AIGC

SenseTime attaches great importance to the content security of AIGC and continuously improves the AI security management system. We have set up a dedicated working group to manage AIGC safety and issued 6 policies for AIGC such as the *Assessment Specifications for Generated and Synthetic Products of SenseTime Group* and the *Management Rules for Third-Party Cooperation on AI Generated Products of SenseTime Group*. We have also actively adopted various measures to safeguard the safety of AIGC, such as technical filtering, manual audit and other means to regulate the use of AIGC to provide external content services such as generated text, images, audio and video, so as to create a positive, healthy and clean content ecosystem.

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

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

Ensuring the Safety of Automotive Products

For the Smart Auto field, with excellent and compliant quality management system, safe development system and development capabilities, SenseTime obtained ISO 9001 Quality Management System Certification, ISO 26262 ASIL D Process System Certification, ISO 21448 SOTIF Expected Functional Safety Process Certification and ISO 26262 Intelligent Driving – Functional Safety ASIL B product Certification, and so on. During the Reporting Period, we further strengthened quality and safety management, obtaining ASPICE CL2 Capability Certification, ISO 21434 System Certification, TISAX L3 ENX Safety Label, BS 10012 System Certification, etc. In doing so, we continuously provide stable, reliable, and safe automotive functional products to the changing automotive industry, and ensure the advancement of technology and the reliability of products.

ASPICE CL2 Capability Certification   ISO 21434 System Certification   TISAX L3 ENX Safety Label   BS 10012 System Certification

2.3 Enhancing Customer Service

Adhering to the "customer-centric" service philosophy, SenseTime is committed to delivering high-value products to customers. SenseTime continuously pays attention to and respond to customer needs to optimize customer experience. We continuously improve the customer feedback mechanism, reinforce after-sales service, and ensure the quality of service with high standards.

Satisfaction management

SenseTime attaches great importance to customer satisfaction management, shifting from "passive response" to "active value creation" by implementing data-driven decision-making, service pre-positioning, and closed-loop collaborative mechanisms. For Smart Auto business, we conduct monthly customer satisfaction surveys, inviting customers to make comprehensive evaluations of our smart autos from the dimensions of mass production quality and preliminary project cooperation, etc. We hope this could help us identify the room for improvement in service quality so that we can make targeted improvements to further enhance customer satisfaction. Furthermore, to effectively perfect the business process of our products, we have standardized customer services in the event of product discontinuation, so as to provide customers with continuous service guarantees.

To better listen to and serve our customers, and to enhance customer satisfaction, in 2024, we implemented customer visit requirements through formulating and issuing a series of policies and guidance such as the *Customer Visit – System Operation Guidance* and the *Executive Summary for Customer Visit – Visit Guidance*. And thus, we have standardized customer visit management and improved visit efficiency. Each quarter, we visited customers based on the *Customer Visit Plan* and regularly reviewed the progress to better serve our customers.
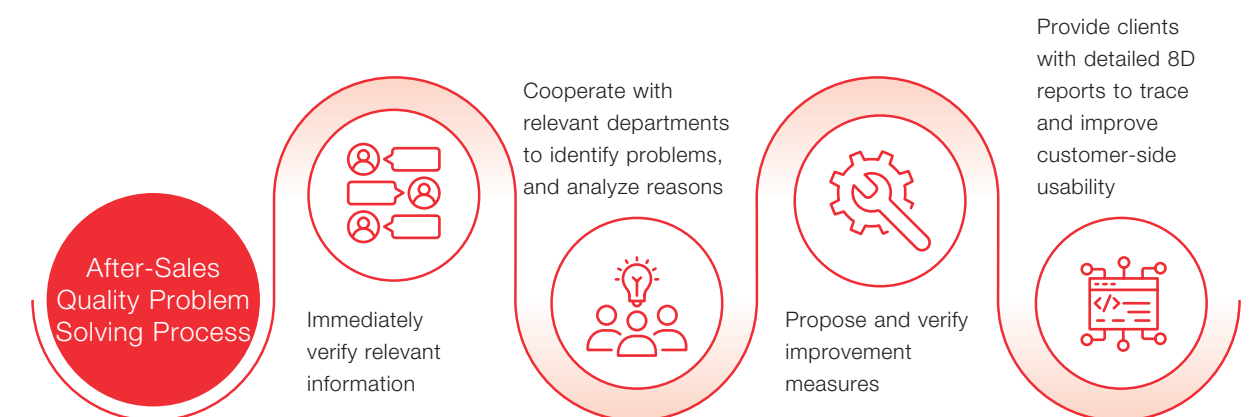
Complaint Management

To ensure that customer needs are quickly responded to and effectively resolved, we have established a professional and excellent service team to receive and collect customer feedback in time, and formulated internal policies such as the *After-Sales Service Procedures of SenseTime Group* to regulate the process of after-sales service and build an effective and unified after-sales service platform for various products, providing timely and effective after-sales service for software, hardware, and software-hardware-integrated products.

We continuously improve the customer complaint response mechanism and customer service management system, accurately collecting and handling customers' complaints and questions in a timely and accurate manner through multiple channels like email, telephone, WeChat official account, and websites. On this basis, we adopt an approach with agile response and closed-loop management for customer complaint handling. During the Reporting Period, the Group received 0 customer complaint.

Agile Response
- Upon receiving customer complaints, we set up a *Customer Complaint Handling Worksheet* in the after-sales service system, determine and label the urgency or importance of the work order.
- We adopt corresponding processing procedures based on the level of the customer complaint and establish a dedicated team to promptly resolve and follow up the customer complaints.

Closed-Loop Management
- Monthly spot checks are carried out to follow up on the service quality of handling customer complaints, so as to identify weaknesses in time and organize relevant departments to improve.

Complaint Handling Approaches

After-Sales Quality Problem Solving Process

Immediately verify relevant information

Cooperate with relevant departments to identify problems, and analyze reasons

Propose and verify improvement measures

Provide clients with detailed 8D reports to trace and improve customer-side usability

For Smart Auto business, we have formulated internal policies such as the *0km Customer Complaint Quality Process* and the *After-sales Quality Problem Solving Process*. A sound after-sales management system including an after-sales handling process, after-sales fault analysis process, no fault process and after-sales claim process has also been established to effectively settle customer complaints.

2.4 Building Sustainable Supply Chain

SenseTime values ecosystem integration and win-win cooperation. Besides, we are committed to promoting the healthy development of the AI industry together with suppliers. Taking the full-process supplier management mechanism as the starting point, we continuously strengthen supply chain resilience management, and actively empower sustainable development of suppliers, thereby jointly creating a strong industrial development momentum.

Full-Process Lifecycle Management

To continuously intensify supply chain management capabilities, SenseTime keeps on optimizing the full-process supplier management system. This includes supplier development, application, review, and information maintenance, aiming to strengthen standardized management of the process, and help build a high-quality supply chain.

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

Whole-Process Supplier Lifecycle Management System

During the introduction stage, we require suppliers to upload business licenses, account opening permits and other relevant basic documents through the system. We also set different introduction and review requirements for different categories of suppliers to ensure that they have valid qualifications, adequate service capabilities, etc. to ensure the identification and selection of high-quality suppliers.

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

By the end of the Reporting Period, the number of suppliers of SenseTime by region is listed below:
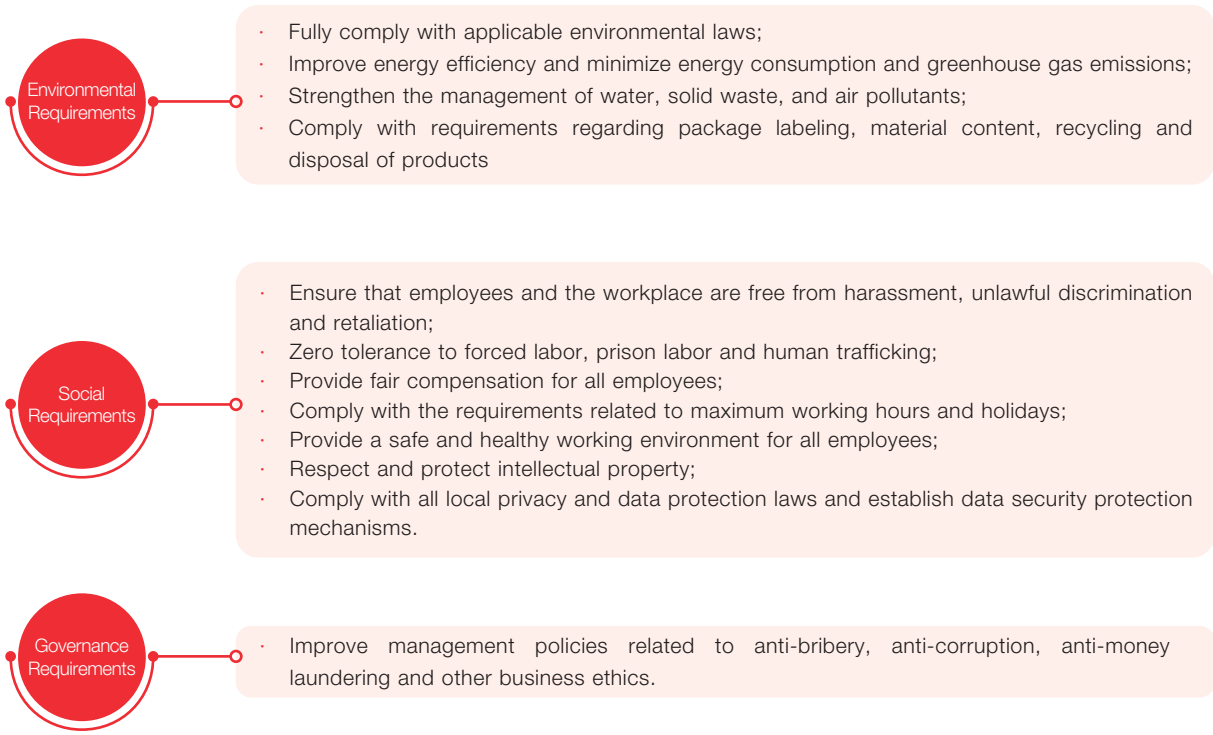
Suppliers by Region	Quantity (Supplier)
China (including Hong Kong, Macao, and Taiwan)	341
Other countries and regions	22
Total	363

Supply Chain Security

Adhering to the philosophy of "Prevention-oriented, Technologically Leading, Continuously Improving, Security First, and Integrity-based" for supply chain security management, SenseTime is committed to building a safe and reliable supply chain system. Furthermore, we have established a supply chain security management mechanism with the participation of our Chief Operating Officer and the involvement of multiple departments. To implement the management requirements for supply chain personnel, warehousing and logistics, emergency response mechanisms and other related aspects, we conduct regular assessments and planning of supply chain security risks, to ensure that all measures are effectively implemented and operated. Meanwhile, we implement and operate effective measures, inspect and correct actions, and conduct management reviews, to steadily promote the high-quality supply chain development. For core suppliers, we adopted a "Second Source" measure to ensure that they can be replaced in a timely manner should they be affected by external factors to maintain business continuity.

Responsible Supply Chain

SenseTime attaches great importance to the performance of suppliers in ESG and is committed to working together with suppliers to build a green and sustainable partnership. We have integrated ESG into our supply chain management and formulated and fully implemented the *Supplier Code of Conduct*, which specifies our norms and requirements for suppliers on human rights, environmental issues, labor rights, data privacy and others, aiming at promoting suppliers to continuously improve their environmental and social benefits, and jointly push forward sustainable development.

Environmental Requirements
- Fully comply with applicable environmental laws;
- Improve energy efficiency and minimize energy consumption and greenhouse gas emissions;
- Strengthen the management of water, solid waste, and air pollutants;
- Comply with requirements regarding package labeling, material content, recycling and disposal of products

Social Requirements
- Ensure that employees and the workplace are free from harassment, unlawful discrimination and retaliation;
- Zero tolerance to forced labor, prison labor and human trafficking;
- Provide fair compensation for all employees;
- Comply with the requirements related to maximum working hours and holidays;
- Provide a safe and healthy working environment for all employees;
- Respect and protect intellectual property;
- Comply with all local privacy and data protection laws and establish data security protection mechanisms.

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

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

Document Name	Number of Suppliers that Signed the Documents	Number of Suppliers that Should Sign the Documents	Percentage (%)
Letter of Commitment for Non-Use of Conflict Minerals	32	32	100%
Letter of Commitment for Supply Security	20	20	100%
Letter of Commitment for Confidentiality	301	301	100%
Supplier Statement	301	301	100%

In our supplier performance assessment, we set forth requirements for environmental management, hazardous substances management, labor rights, employee training, etc. Beyond that, we also ask suppliers of specific categories to provide the RoHS hazardous substance monitoring reports. When selecting suppliers, we attach great importance to the ESG performance of our suppliers and prioritize the suppliers who have obtained ISO 9001 Quality Management System, ISO 45001 Occupational Health and Safety Management System, ISO 14001 Environmental Management System certification and QC 080000 Hazardous Substance Management System certification to strengthen supply chain resilience. By the end of the Reporting Period, the number of suppliers who obtained various system certifications are listed below:

System Certification	Number of Certified Suppliers	Number of Suppliers to be Certified	Percentage (%)
ISO 9001 Quality Management System	45	45	100%
ISO 45001 Occupational Health and Safety Management System	22	22	100%
ISO 14001 Environment Management System	42	42	100%
QC 080000 Hazardous Substance Management System	21	21	100%

SenseTime actively advocates the adoption of green materials by suppliers. For instance, we advise energy-consuming suppliers to use green power, give preference to environmentally friendly materials, and optimize the energy management of data centers to reduce carbon emissions and resource consumption. In addition, we also give priority to suppliers with easy transportation and closer proximity to reduce greenhouse gas emissions from transportation.

Supplier Communication

While promoting a sustainable supply chain, we continue to strengthen communication and cooperation with suppliers. We have established diverse and effective supplier communication channels to create an open and inclusive cooperative environment. We organize multiple training and coaching sessions for suppliers, in an endeavor to promptly convey the Group's requirements on product quality, delivery, as well as social and environmental aspects. Additionally, we assist suppliers in optimizing and enhancing their management capabilities, so as to grow together with our supplier partners.

2.5 Jointly Promoting Industry Prosperity

As a leading technological innovation enterprise in the AI industry, SenseTime consistently upholds the philosophy of open cooperation and common development. Also, SenseTime is committed to driving the overall industry prosperity. We fully leverage our technological advantages in the field of AI, and continue to lead the industry in the direction of innovation and development. At the same time, we also focus on cultivating industry talents and actively participate in standard setting and industry association activities based on our technological accumulation and development experience. In doing so, we work hand in hand with our partners to promote the prosperity of the industry ecosystem.

Deepening Industry Exchange and Cooperation

With an open and inclusive mindset, SenseTime actively collaborates with various industry partners for common development. Through resource integration and deep cooperation, we jointly plan the development blueprint, establish sincere, mutually beneficial, and win-win cooperative relationships. Moreover, we actively promote common development with industry partners in research and development innovation, business expansion, and social construction.

Case: **The Establishment of the AI Committee of the All-China Federation of Industry and Commerce, with Chairman and CEO of SenseTime, Serving as the Rotating Chairman of the Committee's Presidium**

In December 2024, the Inaugural Meeting of the AI Committee of the All-China Federation of Industry and Commerce was held in Nanjing. During the meeting, the official establishment of the AI Committee of the All-China Federation of Industry and Commerce was announced, and Xu Li, Chairman and CEO of SenseTime, was formally elected and appointed as the Rotating Chairman of the Committee's Presidium, together with a team of top domestic AI experts from Alibaba Cloud, iFLYTEK, China Academy of Information and Communication Research (CAICR), Cambricon Technologies Corporation Limited (Cambridge), 360 Group, Baidu, Tencent, and 4Paradigm, among other organizations and companies, to form the Committee's Presidium. In the future, SenseTime will work with industry colleagues to build the Committee into a thought-leading platform, industry exchange platform and industry collaboration platform, and make our own contribution to the development of artificial intelligence in China.

The Establishment of the AI Committee of the All-China Federation of Industry and Commerce

Case: Strategic Cooperation with RealAI to Jointly Build a Secure AI Platform

In April 2024, SenseTime and RealAI signed a strategic cooperation framework agreement. Both parties will leverage their unique resource advantages in the field of AI to continuously initiate strategic collaborations in product research and development, market expansion, and other areas. We will jointly promote the secure development of AI and high-level applications across all fields. Core AI products such as SenseCore will be integrated with RealAI's series of AI security base products for capability fusion and mutual empowerment, so as to build a secure AI platform. In addition, relying on SenseTime's experience in AI industry construction projects and RealAI's deep accumulation in implementing AI security projects for high-value scenarios, we will provide a holistic controllable solution for generative AI security to meet the diverse business needs of customers.

Signing Ceremony for Strategic Cooperation with RealAI

Case: **Strategic Cooperation with China Unicom to Jointly Promote AI Infrastructure Construction**

In July 2024, the China Unicom Partner Conference was held in Shanghai, themed "Moving Forward Together Towards a New Era of Intelligence". The conference gathered ecological partners from industry-academia-research sectors to contribute digital and intelligent power to Chinese-style modernization. At the conference, SenseTime and China Unicom signed a strategic cooperation agreement. Both parties will work together to leverage their respective advantages to collaborate in digital communication, industry digital transformation, AI infrastructure, computing power service system, and global computing power supply. As a result, we will provide strong infrastructure support for the development of AI industry in the era of large models. The strategic partnership between SenseTime and China Unicom is an important measure for both parties to jointly build an intelligent ecosystem, facilitate industrial upgrading, and accelerate the inclusive development of AI technology.

Signing Ceremony for Strategic Cooperation with China Unicom

Case: **SenseTime Joining Forces with Unicom at the 2024 China Computing Power Conference to Promote AI Infrastructure Construction**

In October 2024, SenseTime was invited to attend the 2024 China Computing Power Conference and delivered a keynote speech, sharing thoughts on AI infrastructure. This conference, themed "Gathering Wisdom, Leading the Future with Computing Power," gathered experts and scholars, think tank representatives, and corporate executives from the government, industry, academia, research, and application sectors to discuss the construction of computing power infrastructure and explore opportunities for the development of the computing power industry. In addition, at the Computing Power Application Forum of the conference, SenseTime signed a strategic cooperation agreement with Henan Unicom and jointly initiated the Computing Power Ecosystem Alliance with several enterprises and institutions to promote the construction of AI infrastructure system.

Computing Power Ecosystem Alliance Lighting Ceremony

Case: **Strategic Cooperation Agreement with ACITS**

In November 2024, SenseTime signed a strategic cooperation agreement with the Academy for Clinical Innovation and Transformation of Shanghai (ACITS). Both parties will give full play to the advantages of cutting-edge medical AI technology and the platform advantages of clinical innovation and transformation. Thus, both parties can carry out in-depth cooperation in three aspects: transformation of scientific and technological achievements in industry, academia, research, and medicine, application of medical data, and clinical research on new drugs and medical equipment. We will jointly explore the development of leading-edge AI technology, and work together to promote the transformation of high-quality clinical innovation achievements in hospitals. In doing so, we will accelerate the overall digital and intelligent transformation and upgrading process of the biopharmaceutical industry in Shanghai.

Strategic Cooperation Agreement with ACITS

Participating in Industry Standards Development

While strengthening our own innovative technological capabilities, we also actively promote technological progress of the industry. We use our technological advantages to empower the improvement of industry technical standards, and cooperate with ecosystem partners within the industry, renowned universities, and domestic and international standardization organizations to steadily enhance the standardization and maturity of the AI industry.

SenseTime is involved in the preparation of multiple international, industry, and group standards. We have gained numerous achievements while accurately supporting business in areas such as virtual digital humans, augmented reality, mobile devices, and health care. During the Reporting Period, the Group took the lead in drafting the first national standard in the field of virtual digital humans, i.e., the *Information Technology – Basic Technical Requirements for Customer Service Virtual Digital Humans*, and initiating the *Technical Specification for Language Large Model Inference Deployment System* and other industry standards. The national standard of the *Information Technology – Technical Specification for Augmented Reality Systems of Mobile Devices* (GB/T 45286-2025) and the first domestic group standard for model applications in the health care field, *Guidelines for the Application of Medical Large Model Corpus Integrator*, were officially released.

SenseTime actively engages in domestic and international industry exchanges and cooperation on technical standards, collaborating with peers and partners to explore the latest development trends in the field. During the Reporting Period, we joined the China Electronics Standardization Association and the China Communications Standards Association, contributing to the formulation of AI industry standards. At the same time, we were actively engaged in the International Organization for Standardization (ISO), the Institute of Electrical and Electronics Engineers (IEEE), and the Bio-Digital Convergence System Evaluation Group of the International Electrotechnical Commission. We dedicated ourselves to promoting the formulation and improvement of international standards and contributing our wisdom and strength to the development of global AI technology. During the Reporting Period, SenseTime held important positions in multiple AI standard organizations, actively contributing to the standardization of the AI industry.

AI Standardization Organization	Position of SenseTime
MIIT AI Standardization Technical Committee	First Committee Member Unit
National Standardization Working Group for AI Cloud Computing	Deputy Group Leader Unit
IEEE Code Large Model Standardization Working Group	Chairman
Financial Artificial Intelligence International Standard Working Group	Expert

Case: **2024 Cloud Computing Industry and Standard Application Conference**

In December 2024, guided by the MIIT and hosted by the China Electronics Standardization Institute, the 2024 Cloud Computing Industry and Standard Application Conference was held in Beijing. As an important partner, SenseTime participated in the conference to share and discuss AI cloud-related standards, new models, new formats, and new scenarios of technical and industrial development. The conference aimed at promoting the development of the AI industry, and boosting the thriving digital economy. At the conference, SenseTime was elected as the deputy leader unit of the National Standardization Working Group for AI Cloud Computing, working together with various parties to draw a new blueprint for the integrated development of cloud computing and AI.

The Deputy Leader Unit of the National Standardization Working Group for AI Cloud Computing

Cultivating Industry Talents

Talent, as the core driving force and primary resource for technological development, has always been positioned at the strategic height of SenseTime's corporate development. In order to actively respond to the industry's demand for high-quality talents, SenseTime has taken a series of diversified and comprehensive measures to devote in the cultivation of industry talents.

SenseTime Scholarship, an important initiative by SenseTime in talent cultivation, is set to enhance the core competitiveness of outstanding undergraduates in the field of AI, aiming to provide robust support for top talents of first-class universities in China. This high-value scholarship is particularly facing undergraduates who have demonstrated exceptional potential and talent in the field of AI, aiming to explore their innovative potential, encourage them to be brave in exploration, and cultivate them into future leaders in the field of AI. By the end of the Reporting Period, the SenseTime Scholarship had sponsored 220 outstanding undergraduates from more than 20 top universities in China, such as Tsinghua University, Peking University, Shanghai Jiaotong University, University of Science and Technology of China, Zhejiang University and Beihang University in 8 batches, which assists them in in-depth learning and research in the field of AI, contributing to the talent cultivation work of universities.

Case: **2024 SenseTime Scholarship Summer Camp**

In July 2024, during the 2024 SenseTime Scholarship Summer Camp study tour, upon rigorous selection, 25 students from renowned universities nationwide, including Tsinghua University, Peking University, Shanghai Jiaotong University, University of Science and Technology of China, and Zhejiang University, were awarded the scholarship. During the summer camp, the students visited SenseTime's headquarter in Shanghai, and participated in the SenseTime Scholarship Academic Forum for exchange. Thereby, they gained in-depth understanding of the research status and development trends in their respective fields, which broadened their academic horizons, and sparked innovative inspirations. The students were also organized to attend the WAIC 2024, witnessing the new upgrade of "SenseNova 5.5", and experiencing the application achievements of large models in various industries at the exhibition area.

2024 SenseTime Scholarship Summer Camp

Since 2016, SenseTime has built talent training practice bases and provided AI courses in cooperation with Tsinghua University, Shanghai Jiaotong University, Beihang University, Zhejiang University and other top universities in China. By the end of the Reporting Period, we had jointly developed more than 380 undergraduate, postgraduate and doctoral students.

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

At SenseTime, we create Magic Lab for students based on our resources. Relying on SenseTime's strong technical strength and the profound experience of SenseTime Education in the field of AI education, this platform deeply cultivates the educational research and study field, dedicated to creating a more distinctive and influential research and study brand. Magic Lab has won the titles of "Shanghai (Youth) Scientific Innovation Education Base", "Shanghai Student Social Practice Base", "Outstanding Case of Study Tour", "Outstanding Scientific Innovation Education Base" and "Outstanding Venue Liaison Officer" issued by the Shanghai Scientific Innovation Education Steering Committee, 21Boya.cn and other organizations. In 2024, Magic Lab successfully planned and executed multiple educational research projects, covering themes such as sci-tech innovation, overseas study tours, and visits to top universities, providing a broad learning and practice platform for students.

Case: **Magic Lab AI Research Trip – Bridging Professional Expertise to Global Academia**

In 2024, Magic Lab of SenseTime fully utilized its advantages in the field of AI education, to provide students, teachers, and corporate employees from many provinces and cities across the mainland, Hong Kong, and overseas countries with a variety of AI learning and practice opportunities. Throughout the year, over 8,000 participants were led to deeply explore the mysteries of AI technology and experience the extensive application of AI in various fields.

We have carefully planned and successfully held approximately 250 AI corporate visits and science popularization activities in workplaces in Shanghai, Shenzhen, Beijing, Xi'an, and Hong Kong. Through these activities, participants not only gained a close understanding of the operation mechanisms of AI enterprises, but also experienced the cutting-edge achievements of AI technology, which have greatly broadened their horizons and knowledge. At the same time, Magic Lab actively expanded international resources of renowned universities, building a bridge for mainland students to the world's top universities. We successfully led students to take specialized AI courses at prestigious overseas universities such as the University of Cambridge, Nanyang Technological University in Singapore, and the Chinese University of Hong Kong. During their overseas "study" and "tour", participants not only appreciated the academic charm of renowned overseas universities, but also were engaged in in-depth exchanges and cooperation with international peers, laying a solid foundation for their future development.

Talent-Oriented

to Create Value Together

Contribution to the UN SDGs

03

Under the increasingly fierce global technology competition, the prosperity and development of the AI industry are particularly dependent on the solid support of high-quality talents. As an AI enterprise driven by original technology, SenseTime understands that top-notch talents are the key to achieving continuous innovation and maintaining its leading position in the industry. With the dual-wheel drive strategy of "original technology + talent magnet", we provide a broad development space and innovative platform to employees through a perfect mechanism for talent recruitment, a systematic training system, and an efficient incentive mechanism. With these efforts, we are able to stimulate the inherent potential and vitality of talents, and promote deep integration and common growth of the Company and talents.

3.1 Diversity, Equity and Inclusion

SenseTime actively fosters an inclusive and respectful work environment to ensure that every employee can find a sense of belonging and accomplishment in the Company, laying a solid talent foundation for long-term development.

Originality-driven Culture

SenseTime is committed to the mission of "adhering to originality and letting AI lead human progress". Over the past decade, thanks to our dual-wheel drive strategy of "original technology + talent pool", we have attached many high-performing talents. Adhering to our original intention and cherishing ingenuity, we devote ourselves to the deep cultivation of original technology and talents, thereby creating new productive forces for the new era.

SenseTime continues to attach great importance to campus recruitment activities and actively introduces new forces with passion and aspirations for the field of AI. At the same time, SenseTime has been constantly improving its social recruitment management system, ensuring high-quality and efficient talent introduction through clear recruitment principles, detailed division of labor, standardized processes, and strict management requirements. Besides, SenseTime also endeavors to build an industry-academia-research collaborative innovation ecosystem. By pooling resources to tackle core technological challenges and prioritizing in-depth talent development, SenseTime lays the groundwork for the industry's sustainable growth.
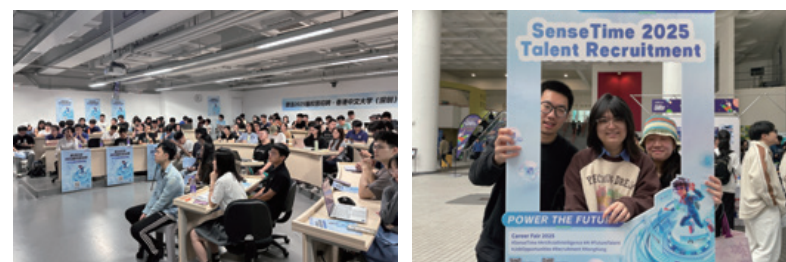
Campus Recruitment

Through these measures, SenseTime has not only facilitated its transformation and reform in the AI 2.0 era, but also won more than 20 awards as an outstanding employer both at home and abroad, such as Forbes China, DEI Employer Award, Maimai and Zhaopin in 2024. SenseTime has realized mutual achievement and growth with many outstanding talents.

Forbes China 2024 the Most Digitally Responsible Employer

2024 DEI Employer Awards (China Region)

2024 Maimai Most Desirable Employer & Excellence in Large Model Employer

2024 Zhaopin National Top 100 Best Employers & Most Women-Focused Employer

2024 LinkedIn Global Talent Management Expert

2024 Best Workplace in Asia – Healthiest Employer Award

Compliance Employment

SenseTime is committed to safeguarding the legal rights and interests of its employees. We strictly complies with international conventions such as the *Universal Declaration of Human Rights* and the *International Labour Convention*, as well as national and regional laws and regulations, including the *Labour Law of the People's Republic of China,* the *Labour Contract Law of the People's Republic of China,* and the *Prohibition of Child Labour Regulations*. The Company legally signs labour contracts with all our employees and has established a series of internal documents, including the *SenseTime Group Employee Handbook, the Probationary Period to Regular Employment Process System*, and *the Internal Transfer Process System, to ensure that employees receive their due rights*. In Shenzhen and Shanghai offices, SenseTime has established trade unions to strengthen multi-dimensional communication, ensure the rights and interests of employees are effectively protected, and promote the construction of an equal employment environment.

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

Employee Diversity

SenseTime is committed to creating an inclusive, diverse, and fair working environment. We have offices in 44 cities at home and abroad, such as Shanghai, Beijing, Shenzhen, Hangzhou, Chengdu, Xi'an, Hong Kong, Singapore, Riyadh and Abu Dhabi, attracting talents from different cultural backgrounds around the world to collaborate. We provide equal opportunities for every employee in recruitment, training, promotion, job transfer, remuneration, benefits, and contract termination, offering equal opportunities for remuneration, training, and career development based on objective criteria such as position, personal ability, work performance, and contributions, without being influenced by factors such as age, gender, health status, marital status, race, skin color, nationality, religion, or sexual orientation. We also offer flexible job transfer mechanisms and global job opportunities, enabling employees to grow together with the company while meeting personal development needs.

SenseTime has formulated and implemented a series of internal management documents, such as the *Employee Code of Conduct of SenseTime Group – Discrimination and Harassment Handling Policy* and the *Guidance for Employee Code of Conduct of SenseTime Group,* to prohibit employees from engaging in any forms of discrimination and harassment against others. We also establish the corresponding complaint procedures and reporting channels to protect the complainant and commit to responding to and handling the complaints within 24 hours upon receipt.

We are concerned about the career development of our female employees and work to provide them with equal opportunities and platforms for growth. As of the end of the Reporting Period, the proportion of female employees at SenseTime reached 26%, with 32% of management positions and 21% of R&D positions held by female employees. In 2024, SenseTime won the Most Women-Focused Employer from Zhaopin, which is the best recognition of its equal and inclusive atmosphere.

SenseTime International Women's Day Special "She Power"

Employee Communication

SenseTime values the uniqueness of each employee, fully recognizes and embraces individual differences, and is committed to creating a corporate atmosphere where every employee feels respected, has a sense of belonging, and is integrated. SenseTime has established a fair and transparent communication mechanism, achieving 24-hour closed-loop feedback to ensure that employees' needs can be promptly and effectively responded to. Besides, we regularly hold all-staff meetings, Town Hall meetings, executive luncheons, monthly and quarterly departmental meetings to allow executives and employees to have in-depth communications and further their interaction and mutual understanding, offering a venue for employees to voice their opinions and suggestions and actively participate in the company's decision-making processes.

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

The Town Hall Meeting serves as a platform for free and equal exchanges between management representatives and employees. During these meetings, management shares the company's development strategy and business layout, and employees can freely discuss suggestions for the Company's future development and management, thereby enhancing their sense of participation and mission.

As of the end of the Reporting Period, SenseTime had a total of 3,756 full-time employees, with a staff turnover rate of 12.6%.

| Case | New Year Gathering – Staff Town Hall Meeting |

In early 2025, SenseTime held a globally livestreamed New Year Gathering where the CEO presented the Group's core strategy in person and was joined by management representatives to conduct a candid and forward-looking dialogue with employees. The event directly addressed employees' most pressing concerns on site, significantly boosting employee cohesion.

Staff Town Hall Meeting

Number of Employees and Turnover during the Reporting Period[1]		Number of Employees	Turnover Rate[2]
By category	Full-time	3,756	/
	Part-time	46	/
By gender	Male	2,768	12.6%
	Female	988	12.7%
By age	Under 30 years old	1,121	15.5%
	30 to 50 years old	2,610	11.4%
	Over 50 years old	25	10.7%
By region	Chinese Mainland	3,633	12.3%
	Hong Kong, Macao, and Taiwan	52	18.8%
	Other countries and regions	71	24.5%

Notes:

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

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

3.2 Attraction and Retention of Talent

SenseTime places great emphasis on the introduction and cultivation of talent. We actively foster a corporate culture that encourages challenges and exploration, ignites employees' passion for innovation, and provides platforms for employees to showcase their talents, learn cutting-edge knowledge, and advance their careers. To further support employee growth, SenseTime offers high-quality learning opportunities to tap into employees' potential. Through a digital learning system, we provide a diverse range of learning resources for employees at different career stages and life development stages. SenseTime Academy has established a Leadership Center and a Career Development Center, offering customized training programs for different groups. Additionally, by building an internal instructor team, SenseTime continuously improves its talent cultivation system, ensuring that employees receive ongoing guidance and support to achieve common growth between individuals and the company.

Incentive System

In terms of material incentives, we have established a compensation policy that is "performance-oriented, prioritizes performance, and ensures fairness". Through a three-dimensional evaluation model that assesses job value, performance contribution, and capability development, we ensure that compensation is precisely matched with the value created by employees. This approach stimulates the work enthusiasm and creativity of all employees, driving the company's continuous and healthy development. For teams and individuals who achieve breakthroughs in special projects or milestones, we have set up agile instant incentives. For core high-potential talents, we have introduced equity incentive plans to build a long-term value community between the company and its employees, working together to build SenseTime's brilliance.

In terms of spiritual incentives, we have established a comprehensive honor and recognition system. Every year, we host awards ceremony to honor outstanding employees with awards such as the SenseTime Award, SenseTime Black Sheep Award, SenseTime Team Award, "X" Special Contribution Award, Outstanding Individual Award, and Rising Star Award. We disseminate the stories and spirit behind the awardees through global employee live broadcasts, documentaries, and written reports. For teams and individuals who demonstrate outstanding performance in their daily work, the company provides real-time incentives through CEO-wide emails.

SenseTime Annual Awards Ceremony 2024

Employee Welfare

Adhering to the people-oriented philosophy, we have always strived to create a warm and caring welfare system for our employees. Through the "Sheep is Happy" welfare plan, we provide comprehensive care for our employees. This program covers a wide range of welfare projects, including risk guarantee, health management, employee care, allowances and subsidies, wonderful holidays, convenient living, cultural activities, growth incentives, and festival benefits. These initiatives are implemented throughout the entire employee lifecycle, providing an exceptional welfare experience for employees and their families, ensuring that employees can work happily and live worry-free. Our goal is to make love omnipresent and happiness within reach.

Panorama of the SenseTime Welfare Plan

SenseTime cares about employees' family life and actively supports and encourages them to balance work and life. Employees who meet the conditions are entitled to parental leave in accordance with the law. We also organize family open days to enhance interaction and communication between employees and their families, ensuring that employees receive adequate care and support during childbirth and child-rearing, and enabling employees to better balance work and family responsibilities, thereby improving their job satisfaction and happiness.

Care Activities

SenseTime is committed to creating a positive, healthy, and joyful workplace for its employees. We regularly organize a variety of activities throughout the year, such as the Spring Tea Party, Mid-Autumn Festival, Lantern Festival, International Women's Day, Dragon Boat Festival, and company anniversary celebrations. Additionally, we arrange tea breaks, fruit season benefits, and beverage benefits in our offices across different locations to enhance employees' sense of belonging. Based on our "co-creation" cultural orientation, we invite employees to participate in the creation of the company's theme song and the annual original design competition for company uniforms, providing a platform for every SenseTime employee to showcase their talents and creativity, and thus carry forward the spirit of originality and convey the power of culture. "Watching a Movie Together" is a traditional cultural activity of SenseTime, where colleagues gather to enjoy the movie and get infected by its main theme, which has enhanced team cohesion.

Furthermore, we have established the *SenseTime Group Sports and Culture Club Management Measures* to encourage employees to develop their interests and hobbies. We organize a wide range of club activities and various competitions, including yoga, swimming, board games, photography, badminton, table tennis, basketball, and football, providing a platform for employees to display and share their interests and enjoy their leisure time.

Basketball Match

Welcome Party for New Year

Corporate Uniform Design Innovation Challenge

Employee Movie Watching Events

3.3 Empowering Career Futures

SenseTime not only focuses on talent introduction but also values the cultivation and development of talents. SenseTime creates favorable conditions for employee growth with abundant training resources, career development paths, and innovative work atmosphere. Thus, employees are enabled to give full play to their potential on SenseTime's platform and achieve a win-win situation for personal value and Company development.

Career Growth

The rapid iteration of AI has not only driven the breakthrough of technological boundaries, but also reconstructed the development path of corporate talents. Adhering to the philosophy of "value release" and "value creation", we have built a dual-track promotion system of "capability enhancement + value contribution". This ensures that talent development aligns with the SenseTime's strategic objectives from multiple dimensions, providing more possibilities for exploration in new AI fields. We continuously improve the career development ecosystem and offer personalized training and diverse promotion channels to stimulate organizational potential and release the value of talents. With these efforts, we are able to drive agile organizational transformation while systematically building resilience in the fast-evolving environment.

Talent Assessment

We firmly believe that an efficient, fair, and transparent performance appraisal mechanism is the key to unlocking employees' potential and driving the continuous development of SenseTime. Through strategic decoding, we break down the Group's core mission and strategic goals layer by layer to each business unit and individual. It ensures that the actions of all employees are highly aligned with the long-term vision for AI technology innovation breakthroughs. To adapt to the rapid changes in AI industry, we have established a differentiated agile performance incentive policy and strengthened the dual-track linkage mechanism of "organizational performance-individual performance". By using quantitative indicators and the practice of values as dual evaluation dimensions (biannual comprehensive evaluations for all employees), we accurately measure employee contributions. This system not only ensures the dynamic matching of talent development and business strategy, but also enhances employees' sense of recognition with goals through transparent process and instant feedback, providing continuous momentum for technological breakthroughs and commercial implementation.

Always concerned about the growth and development of each employee, SenseTime has built a full-cycle talent cultivation system that includes "goal guidance-process support-result feedback-growth empowerment". SenseTime combines an intelligent eHR system with in-depth interviews to ensure that all employees receive personalized annual development guidance. Building on the original assessment mechanism, we have innovatively introduced cross-departmental peer review and mentorship mechanisms, enabling employees to fully understand their strengths and receive tailored development suggestions from their superiors. This system not only helps employees clearly identify their career development directions but also provides warm and strong support through continuous feedback and coaching.

Talent Cultivation

SenseTime has long been committed to driving the evolution of the AI industry with talent as the core driver. Continuous learning and development are essential pathways to shape outstanding talents. SenseTime has established a comprehensive talent cultivation system, offering targeted and diverse training programs for new employees from campus or social recruitment, as well as for the four professional groups and the management group. The content includes general workplace skills, professional skills for specific positions, and management skills, providing comprehensive support for employees to enhance their professional competence.

Focusing on Professional Skills and Effective Career Planning

Based on the "Talent Development Trilogy", we have established a closed loop for enhancing professional capabilities. This involves defining capability standards for production and R&D talents, identifying and bridging capability gaps through benchmarking, and developing a curriculum system to help employees meet these standards. During the Reporting Period, we established a Talent Development Committee for each function and sorted out learning paths for key technical positions. Additionally, we developed a total of 28 courses, covering 1,035 participants, to help employees clarify their capability development paths, effectively plan their personal development, and quickly access learning methods and resources.

Upgrading the Promotion and Training System for Long-Term Career Advancement of Employees

We have established internal leadership development programs – the Breakthrough Plan, the Sword Sharpening Plan, the Flying Plan, and the online courses, which are designed to empower our leaders at different management levels and maturity stages. During the Reporting Period, having considered the need to update our business strategies and organizational structure and identified the needs of our management members, we innovated and optimized training programs by providing learning and growth opportunities beyond the training sessions. In addition, based on the performance as the main thread, we provide a platform for online micro-learning, offering a free learning space for managers at all levels.

New Quality Productivity Training Camp

We launched the "AI New Quality Productivity Training Camp", which attracted a cumulative total of 1,676 participants and received 1,309 interactive feedback. This initiative guided employees to explore new paradigms of human-machine co-innovation in the context of their own work scenarios.

Management Development Program "Breakthrough Plan•Ride Waves"

In response to the direction of organizational change, we independently developed a situational, practical, and engaging management case simulation sandbox, known as the "Breakthrough Plan•Ride Waves" for grassroots managers. Through a 1-2 day highly participatory experiential learning process, we explored a new model for effectively cultivating managers' problem-solving capabilities upon taking up their posts.

"Master Confucius Forum" Project

Based on our large-model strategy and business layout, we introduced the "Master Confucius Forum" series of large-model courses to help all employees deepen their understanding of large model technology.

Building a New Ecosystem for All-Staff Growth with a Digital Learning Platform

We have created a digital learning platform that covers all scenarios, with "precise empowerment and data-driven" at its core. The platform provides an intellectual engine for the implementation of organizational strategies by integrating diverse learning forms with business operations. The learning platform has established a four-dimensional course matrix of "leadership, general skills, professional skills, and business development". During the Reporting Period, more than 1,600 courses were launched in total, including 180 new practical courses added in 2024.

Case: **Scenario-Based Efforts for Precise Empowerment**

We have customized advanced courses such as "Intelligent Driving System Development" and "Automotive-Grade Chip Verification", by supporting the development of empowerment zones for business groups such as intelligent vehicles and SenseCore.

Scenario-based targeted breakthroughs for precise empowerment

Training during the Reporting Period		Percentage of Trained Employees[1]	Average Training Hours per Employee[2]
Average training hours per employee		89%	12.3
By gender	Male	87%	12.8
	Female	75%	10.8
By employment type	Management	86%	17.9
	Non-management	84%	11.8

Notes:

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

2. Average training hours per employee = Training hours for employees in each category during the Reporting Period/Total number of employees in each category.

3.4 Guarding Physical and Mental Health

The Group strictly complies with the *Labour Law of the People's Republic of China*, the *Fire Control Law of the People's Republic of China*, and other laws and regulations in the countries and regions where we operate. We have obtained the ISO 45001 Occupational Health and Safety Management System Certification and continue to improve our employee health and safety management system. We have established internal documents such as the *SenseTime Group Office Environment Standard Daily Management Regulations* and the *SenseTime Group Fire Safety Management Manual*, and have set up daily work environment management standards to promptly identify and eliminate potential safety hazards, ensuring the safety and health of our employees.

To enhance employee' awareness and response capabilities in the event of fires and other emergencies, we regularly organize fire drills for all employees. From 2022 to 2024, the Group has not experienced any fatalities resulting from work-related incidents. During the Reporting Period, the total number of workdays lost due to work-related injuries was 269.

Fire drill notice

SenseTime is committed to providing employees with a healthy and comfortable working environment. We strictly adhere to local laws and regulations, implementing standards for indoor air quality, drinking water quality, lighting, and noise levels, and have established a regular inspection mechanism to ensure that the office environment and drinking water meet health standards. In our domestic and international offices, we have equipped emergency rescue devices such as Automated External Defibrillators (AEDs) and first-aid kits to deal with unexpected events and ensure employee safety. We advocate for employees to prioritize their physical health and have provided gyms of various sizes. The Shanghai office has employed on-site coaches who regularly offer group classes and based on demand, weight loss or fitness camps to help employees relieve stress and maintain good health. The Shenzhen office has provided ergonomic chairs to protect employees' spinal health and improve work comfort and efficiency. Additionally, we have partnered with community hospitals to bring in medical resources for employee use. The Shanghai office has collaborated with health consulting institutions to host activities such as Traditional Chinese Medicine (TCM) wellness weeks and psychological counseling services to promote employee health and well-being.

Case: **"525 Health Week" Held by SenseTime**

During the Reporting Period, SenseTime successfully held the "525 Health Week" event to protect the health of employees. The event was held simultaneously in Shanghai, Beijing, and Shenzhen for five days, covering TCM lectures, on-site pulse-taking activities, various first-aid training sessions, 1v1 home visit by doctors, and scientific parenting lectures. These activities effectively enhanced employees' health awareness and first-aid skills, as well as provided practical health knowledge for employees and their families.

525 Health Week

Intelligent Welfare

to Benefit the Community

Contribution to the UN SDGs

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

10 REDUCED INEQUALITIES

04

SenseTime has always actively fulfilled its social citizen responsibilities and spontaneously organized and deeply participated in activities such as caring for vulnerable groups and engaging in community public welfare. We firmly believe that every small act of kindness can be gathered into a force to drive society towards goodness and convey warmth to society. At the same time, we continuously shape a culture of public welfare internally, encouraging employees to actively participate in public welfare activities, inspiring kindness, and cultivating the ability to do good, to contribute to the construction of a harmonious society. Additionally, in order to manage the Company's social public welfare activities and external donations in a more standardized manner, we have formulated and issued the *Management Policy for Corporate Social Responsibility Projects of SenseTime Group (Trial)* and the *External Donation Management System of SenseTime Group*, clarifying the management requirements for public welfare activities and the decision-making procedures for donations. During the Reporting Period, SenseTime donated a total of RMB2.53 million in cash or equivalent goods.

4.1 Promoting Technology-Assisted Education

To actively fulfill its social responsibilities and vigorously promote technology-assisted education, SenseTime has donated robots to provide teachers and students with novel teaching and interactive experiences for board games. This initiative ignites students' passion for go culture and enhances the fun and efficiency of teaching. At the same time, SenseTime also reaches out to schools in impoverished areas with donated robots. This breaks through geographical and resource limitations, allowing students there to access cutting-edge technology and explore the mysteries of board games with technology. Through the power of technology, SenseTime builds bridges to knowledge and the future for students from different regions, thus contributing to educational equity and innovative development.

Case **SenseRobot Donating Robot for Schools Featuring Board Games**

In March 2024, SenseRobot visited Chengxi Primary School Affiliated to Luzhou Normal University in Sichuan Province, a school featuring go games, to engage in a lively go-themed cultural exchange activity with the teachers and students there. It donated SenseRobot to help make the school's go classes more efficient and interesting, so that students have better access to go games-related classes and culture.

SenseRobot Engaged in a Go Game Cultural Exchange Activity with Chengxi Primary School Affiliated to Luzhou Normal University in Sichuan Province

Case **SenseRobot Donating Robots to Schools in Impoverished Areas**

In March 2024, taking advantage of the Running Teens 2024 National Chinese Chess Inter-School League, SenseRobot visited Niuniuba Township in Meigu County, Liangshan Yi Autonomous Prefecture, Sichuan Province. It provided technological enlightenment to 60 Chinese chess players of the Yi ethnic group from 7 rural schools and donated Chinese chess robots to local schools. This allowed children in the Daliangshan area to enjoy the fun of playing Chinese chess with the help of technology and to have a good partner for daily practice.

SenseRobot Donating Chinese Chess Robots to Rural Schools

4.2 Caring for Vulnerable Groups

Adhering to the philosophy of warming society, SenseTime continues to pay attention to and help vulnerable groups in society, and focus on the needs and rights of the groups by leveraging its own AI technology and resources. During the Reporting Period, we continued to upgrade our AI smart nursing project. This has effectively alleviated the burden and pressure on families with ALS patients, and enabled us to continuously deliver love and warmth through concrete actions. We have also been expanding the boundaries of technology to help people with disabilities, to convey society's respect and care to people with disabilities by sharing with them the fruits of technological development.

Case **Upgrading SenseTime's AI-Assisted Intelligent Nursing System to Bring Warmth to People with Amyotrophic Lateral Sclerosis (ALS)**

Since the launch of SenseTime's AI smart nursing project in 2021, we have continued to focus on the needs of people with ALS. In 2024, to address the needs of ALS patients on daily care and disease-information search, SenseTime joined hands with the Shanghai Artificial Intelligence Laboratory, the Shaanxi ALS Care and Mutual Aid Association, and the Xidian-SenseTime Joint Innovation Laboratory for Intelligent Health to jointly initiate the "AI Melts ALS" charity event. We not only developed the AI-assisted smart nursing system but also added an ALS knowledge Q&A assistant to provide more intelligent help for those with ALS.

The project has won the Outstanding Case Award for Social Responsibility and Social Welfare in 2024 initiated by the Shanghai Internet Association. SenseTime was also awarded the Most Socially Responsible Enterprise in China's Data Intelligence Industry in 2024 by the Shanghai Big Data Alliance. As of the end of the Reporting Period, SenseTime had established close contact with hundreds of ALS patients and their families, and provided the AI-assisted smart nursing system free of charge to more than 70 patients and families. With the second-generation AI-assisted smart nursing system, the "AI Melts ALS" charity event has provided more than 200 sets of AI-assisted smart nursing equipment to ALS patients in different provinces and cities across the country. In June 2024, the World ALS Day, SenseTime donated 20 sets of the upgraded AI-assisted smart nursing system to the Shaanxi ALS Care and Mutual Aid Association to help more ALS patients.

Donating the AI-assisted Smart Nursing System to the Shaanxi Province ALS Care and Mutual Aid Association.

SenseRobot Empowering the Disabled in a Human-machine Go Challenge, Practicing AI for Good

In January 2025, the "Technology Empowers, Chess Inspires Future" Shenzhen Disabled Chinese and International Chess Human-machine Challenge, supported by SenseRobot was successfully held at the Shenzhen Love Building. This event innovatively integrated AI with public welfare practice to help the disabled, creating an empowering platform for the intellectual advancement of special groups.

Through human-machine chess matches, SenseRobot provided a more friendly and inclusive chess experience for people with disabilities, allowing each participant to feel the power of technology. It not only became a companion for the contestants but also served as their AI opponent, helping them continuously break through their limits and improve their chess skills. Interacting with AI, the participants not only enjoyed the fun of chess games but also enhanced their confidence and showed their wisdom and perseverance through a series of exciting games.

In the future, SenseRobot will continue to uphold the concept of "technology for good," fulfill its corporate social responsibility, and help more people experience the power of technology with innovative products, so as to create a better life through technology".

Chinese Chess and International Chess Human-Machine Challenge for those with disabilities in Shenzhen

4.3 Participation in Community Public Welfare

SenseTime continuously promotes the culture of community public welfare and works with public welfare partners to carry out various public welfare activities. We are well aware that the aggregation of every public welfare force is an important driving force to promote development of society for good. We actively focus on women's rights and convey the concept of environmental protection, and respond to the social needs with concrete actions to create more social value.

"Hot and Fabulous, Perfectly Wonderful" International Women's Day Event

2024 marks the tenth year of the "Heroic Lei Feng•Charity Rose" party members' charity series. As a socially responsible enterprise actively involved, SenseTime joined hands with the Hongmei Street, Xuhui District, Shanghai, to jointly hold the "Spicy and Hot, Perfectly Wonderful" International Women's Day event, and dispatched a team of volunteers to actively participate in the event and help with the organizational work. Symbolized by sunflowers, this event was centered around ten main venues and extended to over forty sub-venues. It covered a wide range of park enterprises and communities in the jurisdiction, paying tribute to the beautiful and resilient female workers in this area. During this event, we held a women's empowerment salon themed "Empowering the 'New' Era, Unleashing Her Power". Twenty female guests from different fields gathered together to have an in-depth exchange on workplace challenges and opportunities. They also talked about work-life balance, sharing how women can find a dynamic balance between career development and family responsibilities. They encouraged women to leverage their own advantages to inject a more diverse perspective and vitality into the workplace.

◀ "Hot and Fabulous, Perfectly Wonderful" International Women's Day Event

"Empowering the New Era, Unleashing Her Power" Women's Empowerment Salon

Case   **"Planting New Greenery, Embracing the Spring Together" Spring Tree-Planting Festival**

In March 2024, SenseTime co-hosted the Spring Tree-Planting Festival, themed "Planting New Greenery, Embracing the Spring Together", with the Hongmei Street Community Party Service Center in Xuhui District, Shanghai. The event attracted white-collar workers from multiple companies. During the event, the SenseTime team not only explained tree-planting techniques but also led participants in sowing sunflower and poppy seeds together. While waiting for the cultivation soil to soak and expand, we gave a detailed introduction to common green plants in urban life, such as perilla, hosta, osmanthus, and oleander, and their respective characteristics. We also covered various ways to appreciate plants, including foliage, flowers, and ornamental grasses, as well as important points to note in daily planting.

"Planting New Greenery, Embracing the Spring Together"
Spring Tree-Planting Festival Event

4.4 Empowering Small and Medium-Sized Enterprises

We are well aware that small and medium-sized enterprises (SMEs), as a vital force in the national economy, play an invaluable role in promoting economic growth and ensuring social employment stability. SenseTime actively leverages its technological strengths in the field of artificial intelligence to enable SMEs to digitally transform by providing smart solutions and donating intelligent equipment. This helps them bridge the digital divide, improve operational efficiency, and enhance market competitiveness. We firmly believe that through our efforts, we can make intelligence available to more SMEs, enabling them to transform in the era of digital economy and jointly promote sustainable development of the society.

Case   **Hiya Smart Office Inclusive Activity**

During the Reporting Period, SenseTime launched the Hiya5 all-in-one smart access control device. We also initiated an inclusive smart office campaign, through which we donated over 50 units of office equipment free of charge to more than 50 startups and SMEs. This program utilizes contactless biometric technology to help startups achieve zero-cost intelligent office upgrades, thereby reducing management costs and promoting AI inclusivity. In the process of driving intelligent transformation, SenseTime provides an integrated solution of "AI devices + cloud platform + data security" and employs multiple encryption algorithms to protect data privacy with a false recognition rate below 0.01%, which not only enhances digital management capabilities of enterprises, but also provides a replicable model for intelligent transformation for SMEs. Moreover, the use of facial recognition technology reduces the consumption of access cards, promoting carbon emission reduction. The new devices can also utilize the existing wiring and magnetic locks of customers' fingerprint access control devices, minimizing waste. In terms of performance, the recipient companies generally reported excellent device experiences, with personnel access efficiency significantly improved, and attendance error rates substantially decreased. They voluntarily became product experience officers, and provided over 30 suggestions for product function optimization. The project has created a demonstration effect of the ESG practice of "large enterprises driving small enterprises", by which the recipient companies saved nearly RMB100,000 in equipment procurement.

The Hiya5 All-in-One Smart Access Control Device

Green Operation

Empowered by AI Technology

Contribution to the UN SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION | **13 CLIMATE ACTION**

05

In line with the global trends in response to climate change and national development strategies, SenseTime regards environmental protection a vital cornerstone for corporate development. We continuously strengthen our environmental management systems, optimize resource utilization, and firmly implement low-carbon operations. On this basis, SenseTime also helps energy-intensive enterprises such as energy, manufacturing, and transportation achieve green and low-carbon transition through AI technology, and promotes the development of clean technology industries like new energy. Driven by data and underpinned by a green ethos, we will work with all stakeholders to jointly promote the low-carbon transition and high-quality development of the economy and society, so as to create a greener and more sustainable future together.

5.1 Responding to Climate Change

Climate change has become an important issue of great concern to the international community. Addressing this challenge and promoting a global transition towards green development has become the most widely shared consensus worldwide. Against the backdrop of the trend towards carbon neutrality, SenseTime has gradually cultivated internal self-driven momentum for development, committing to contributing to global climate governance. It viewed proactive responses to climate change as an intrinsic requirement for its own sustainable development and as a responsibility in advancing the building of a community with a shared future for mankind. In 2024, with reference to relevant standards and guidelines such as the *Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework* and with reference to the *International Financial Reporting Standard 2 – Climate-Related Disclosures* (IFRS S2) issued by the International Sustainability Standards Board (ISSB), SenseTime released the first *Climate Information Disclosures Report*, which describes the management and effectiveness of SenseTime's response to climate-related risks and opportunities across four elements: governance, strategy, risk management, and metrics and targets.

Governance

To strengthen the climate governance capabilities, SenseTime has incorporated climate change and other ESG-related issues into daily decision-making and management, and established a top-down mechanism to manage climate-related risks and opportunities. We are committed to practicing the concept of climate governance throughout the Group's operations and management, with the aim of consistent enhancement in this regard. SenseTime's climate-related issues are addressed at the strategy level by the Board of Directors, the highest responsible body for climate governance, and the Corporate Governance Committee, a special committee under the Board responsible for overseeing climate-related issues. The Sustainability Committee under the Corporate Governance Committee, in collaboration with the Joint ESG Task Force and relevant departments, serves as the planning level of SenseTime's climate governance structure. They are accountable for identifying and assessing climate-related risks and opportunities that have a significant impact on the Group's business, and guiding the effective implementation and management of the Group's climate-related work.

Climate Governance Organizational Structure		Responsibilities
The Strategy Level	Board of Directors	· Supervise SenseTime's climate-related issues as the highest responsible body for climate governance · Supervise the management of climate-related issues and review the Group's assessment and priority of material climate risks and opportunities · Develop a reporting mechanism for climate-related issues (including process, method and frequency) · Approve the release of the Climate Information Disclosures Report and the disclosure of climate-related information · Monitor and review the implementation of climate-related metrics, targets and action plans
	Corporate Governance Committee	· Supervise the Company's climate-related affairs

Climate Governance Organizational Structure		Responsibilities
The Planning Level	Sustainability Committee	· Lead the Joint ESG Task Force to identify, assess and manage material climate risks and opportunities · Develop the Group's climate-related strategies and priorities · Evaluate, manage and monitor climate-related issues to provide analysis, recommendations and updates for Board's discussions · Identify and manage the costs and resources to be allocated for the identification, mitigation, management and monitoring of climate-related issues
	Joint ESG Task Force	· Provide support to the Sustainability Committee, such as assistance for daily liaison and meeting organization · Review climate-related goals, set action plans that align with climate-related strategies and follow up the progress · Coordinate relevant departments to facilitate effective cooperation
	Relevant Departments	· Develop climate-related goals for different departments and implement relevant measures to ensure the effective achievement of the goals · Promote climate-related practices and regularly update the latest developments to the Joint ESG Task Force

Strategy

Based on full consideration of the impacts of the external factors such as policies and laws, technology, market, reputation and natural factors, as well as our business characteristics and industry research results, we identified a total of 13 climate-related risks and opportunities, including 5 transition risks, 4 physical risks, and 4 climate-related opportunities.
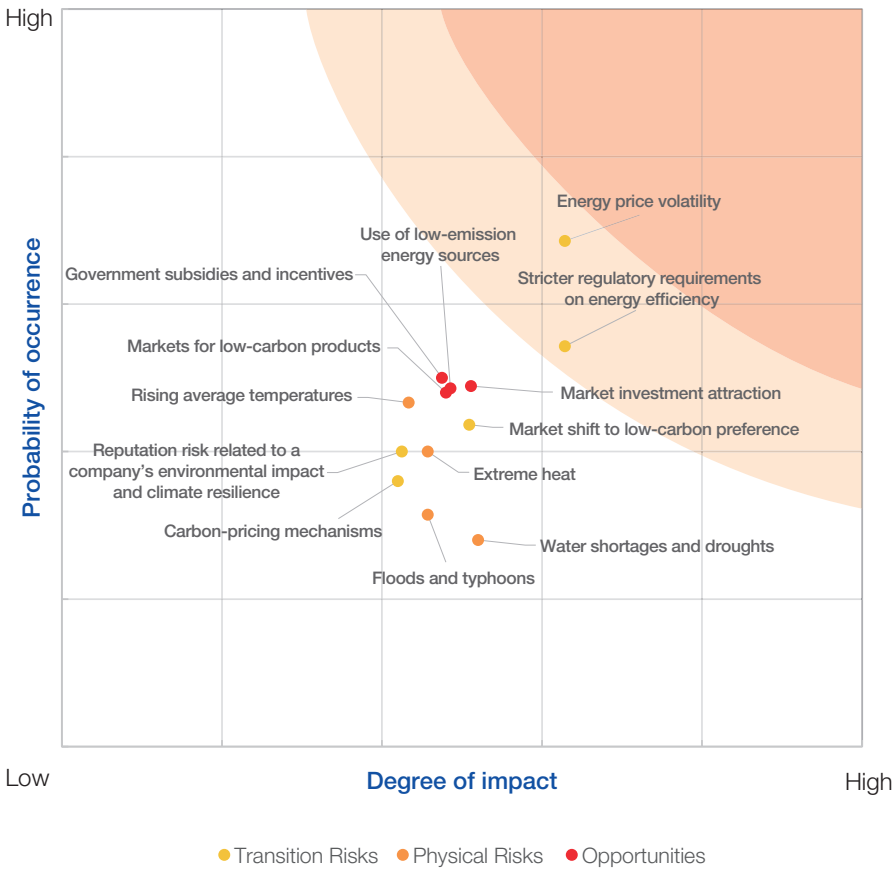
List of Climate-Related Risks and Opportunities

Climate-Related Risks/Opportunities	Risks/Opportunities	Risks/Opportunities Categories	Description
Transition Risks	Stricter regulatory requirements on energy efficiency	Policy and legal risk	In response to emerging climate policies worldwide, China has imposed stricter environmental regulatory requirements on energy efficiency and computational efficiency across multiple industries, such as the *Law on Energy Conservation of the People's Republic of China* and the *Several Opinions on Strict Energy Efficiency Constraints to Promote Energy Conservation and Carbon Reduction in Key Areas*. To comply with such requirements, SenseTime may increase investment and operating expenses to improve energy efficiency.
	Carbon-pricing mechanisms	Policy and legal risk	SenseTime may bear higher operating costs due to the potential yearly increase in GHG emission costs brought on by global initiatives to limit total emissions, such as carbon emissions trading, carbon tax and carbon border tax.
	Energy price volatility	Market risk	SenseTime is expected to face higher energy costs as China progresses towards its carbon peaking and carbon neutrality goals, during which the volatility of energy prices and the imbalanced supply and demand of renewable energy will lead to higher energy prices.

Climate-Related Risks/Opportunities	Risks/Opportunities	Risks/Opportunities Categories	Description
Transition Risks	Market shift to low-carbon preference	Market risk	SenseTime may be required to provide greener services/products with lower carbon emissions to help its customers respond to the global climate change trend and reach their carbon reduction targets. SenseTime's existing data centers may see a decline in revenue if they fail to meet customer requirements due to high energy consumption and carbon emissions.
	Reputation risk related to a company's environmental impact and climate resilience	Reputation risk	Regulators, investors, customers and other stakeholders are increasingly concerned about a company's environmental performance, business continuity and climate resilience. As a result, underperformance in these areas could damage SenseTime's reputation.
Physical Risks	Extreme heat	Acute risk	Employees will be exposed to potential safety and health risks due to the increased frequency and severity of extreme heat events, which may cause power supply shortages, disrupt the continuous operation of electrical facilities, and increase the demand for data center cooling.
	Floods and typhoons	Acute risk	The increasing frequency and severity of floods and typhoons around the world may affect the Company's data centers and daily operations, resulting in property damage or casualties.
	Rising average temperatures	Chronic risk	Rising global average temperatures will raise SenseTime's demand for data center cooling and operating costs, such as energy expenditures.
	Water shortages and droughts	Chronic risk	In view of the uneven distribution of water resources, water shortages and frequent droughts worldwide, SenseTime's data centers in water-stressed areas may experience inadequate heat dissipation. As a result, SenseTime faces potential loss of revenue due to business disruption, and increased energy costs due to higher power consumption.
Opportunities	Market investment attraction	Market opportunity	There is a growing trend towards green and sustainable finance. By meeting the requirements of green finance, SenseTime can access lower-cost financing, which will stimulate investment in green projects and R&D for climate change mitigation.
	Government subsidies and incentives	Energy source opportunity	SenseTime can obtain government policy incentives through positive climate actions, and strengthen the cooperation with the public sector in areas such as environmental protection.
	Use of low-emission energy sources	Energy source opportunity	In the process of accelerating green transformation and upgrading, SenseTime can achieve lower energy costs and gain a good reputation by optimizing its energy mix and seeking renewable energy sources with lower emissions.
	Markets for low-carbon products	Products and services opportunity	In light of the transition to a low-carbon economy, customers prefer low-carbon products. By offering greener products with lower carbon emissions, SenseTime can increase its market share. Furthermore, there is a growing market demand for net-zero emission technology solutions. By proactively developing services that fuel the transformations to sustainable development, SenseTime can meet the evolving needs of consumers or customers, and gain more potential business opportunities.

Based on four dimensions: time frame, influenced component in the value chain, degree of impact, and probability of occurrence, we categorized climate risks and opportunities into high, medium, and low levels, and created an importance matrix of climate risks and opportunities. As shown in the matrix, SenseTime has identified 2 medium-level climate risks, and 11 low-level climate risks and opportunities. We conducted scenario analysis and financial impact analysis for medium to high level risks and opportunities to assess the potential impact of climate risks and opportunities on business, strategy and finance in both qualitative and quantitative dimensions to deepen the Group's understanding of medium to high level risks and to test and enhance climate resilience. For more detailed scenario analysis and financial impact assessment, please refer to the *Climate Information Disclosures Report*.
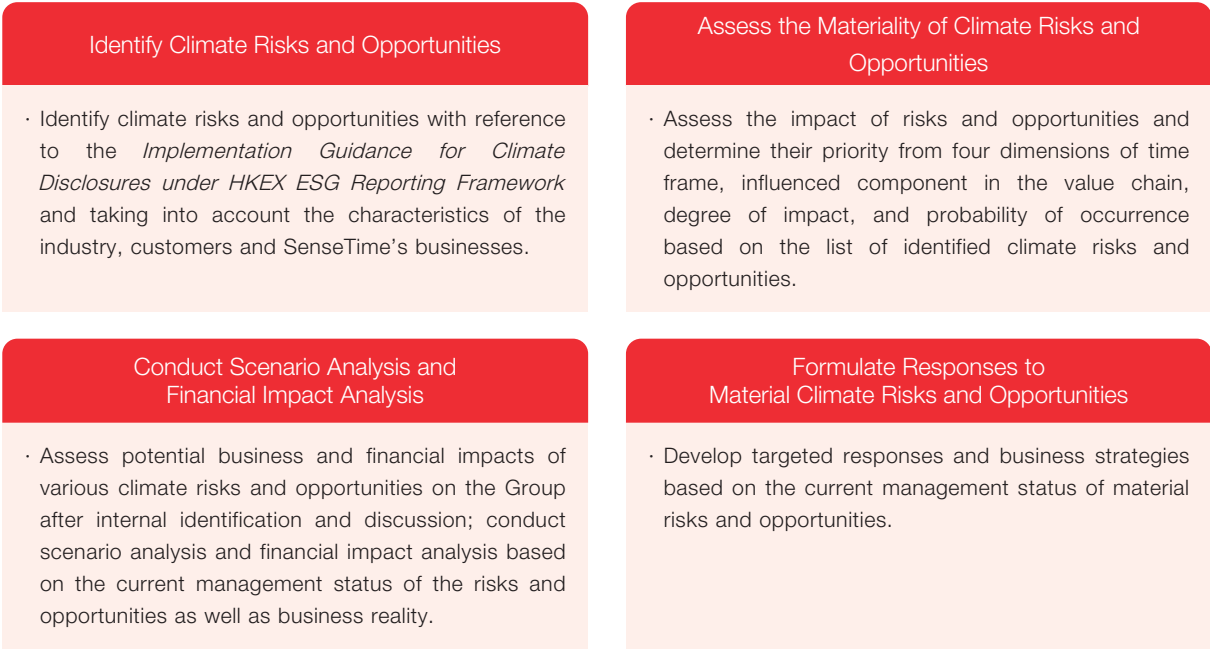

SenseTime's Importance Matrix of Climate Risks and Opportunities

Medium-level Climate Risks Identified by SenseTime

Categories	Climate risks	Time frame	Influenced component in value chain	Potential financial impacts	Responses
Transition risks	Policy and legal risk	Stricter regulatory requirements on energy efficiency	Short term、medium term, and long term	Operations	· Energy efficiency improvement may lead to increased spending on projects for energy efficiency retrofits · R&D of energy efficient equipment models or technologies, as well as related operation and maintenance, may result in increased operating costs	· Implement measures such as green data center construction and building energy efficiency retrofits · Explore the coordinated management of computing power and electricity integration, so as to improve efficiency through precise energy use and demand response based on the changing trend of computing power · Promote photovoltaic and energy storage projects
	Market risk	Energy price volatility	Short term、medium term, and long term	Operations	· Purchasing energy at a rising price to meet operational needs may result in increased energy costs for the Company · Additional purchases of higher-priced renewable energy sources to meet the Company's carbon neutrality goal will result in higher operating expenses	· Adopt an energy-saving and efficient operation model · Promote photovoltaic and energy storage projects

Risk and Opportunity Management

SenseTime has established a climate risk management process to strengthen the Group's climate resilience, with a continuous focus on the impact of climate change on our business operations. We proactively identify, assess and manage potential climate risks. By conducting climate risk and opportunity assessments, we have identified possible future transition risks and physical risks as well as climate opportunities, and assessed their potential impact on SenseTime.

Identify Climate Risks and Opportunities	Assess the Materiality of Climate Risks and Opportunities
· Identify climate risks and opportunities with reference to the *Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework* and taking into account the characteristics of the industry, customers and SenseTime's businesses.	· Assess the impact of risks and opportunities and determine their priority from four dimensions of time frame, influenced component in the value chain, degree of impact, and probability of occurrence based on the list of identified climate risks and opportunities.

Conduct Scenario Analysis and Financial Impact Analysis	Formulate Responses to Material Climate Risks and Opportunities
· Assess potential business and financial impacts of various climate risks and opportunities on the Group after internal identification and discussion; conduct scenario analysis and financial impact analysis based on the current management status of the risks and opportunities as well as business reality.	· Develop targeted responses and business strategies based on the current management status of material risks and opportunities.

SenseTime Processes for the Management of Climate Risks and Opportunities

In the face of the challenges caused by climate change, SenseTime has taken active and effective measures to not only analyze climate-related risks in depth and formulate response strategies, but also seize the development opportunities and actively conduct climate-related risk and opportunity management.

➢ Transition Opportunities

SenseTime is committed to combining the development of AI technology with the macro trend of low-carbon transition of the economy and society, exploring multi-dimensional and feasible ways for AI and technology to reduce carbon emissions. While seizing the opportunities of climate change transformation, we try to help carbon-intensive enterprises such as energy, industry, and transportation to realize green and low-carbon transition. In the process, SenseTime promotes the development of clean technology industries such as new energy and contributes to building a greener and more sustainable future with the power of science and technology.

➢ Physical Risks

During the site selection and design stage of the AIDC project, we took into account the impact of local extreme event in the past 20 years. We chose locations away from natural disaster-prone areas such as flood zones, earthquake zones, and hurricane paths. We also avoided areas near factories or warehouses that produce or store dust, fumes, harmful gases, corrosive materials, flammable, or explosive products. In addition, we selected sites more than 1,500 meters away from highways and railways to minimize the impact of vibrations on equipment. Moreover, we opted for higher ground with good drainage to effectively reduce water accumulation during heavy rainfall and reduce the risk of flooding. We also placed equipment indoors or in containers wherever possible.

➢ Emergency Response

In response to extreme weather events, we have established targeted emergency response plans based on our actual operational conditions and regularly organize drills for our employees. During the Reporting Period, the Group carried out special optimizations to the documents such as the *Special Emergency Plan for Lightning Protection*, the *Emergency Plan for Thunderstorms* of Shanghai Lingang AIDC, the *Emergency Plan for Power Supply and Distribution System* and the *Emergency Plan for the Activation of Cooling Tower Bypass Pipes with Dual Cooling Source Faults*. We inspect critical facilities such as electrical systems, heating, ventilation, and air conditioning (HVAC) systems, and fire and security systems regularly, to ensure that equipment is in optimal operating condition. Additionally, we regularly clean drainage devices to keep pipelines clear and prevent safety hazards caused by water accumulation. For potential extreme weather events, AIDC has prepared sufficient emergency supplies, including flood control sandbags, drainage tools, and emergency lights. We have also established an emergency service technical team and regularly organize training and drills for employees to enhance their emergency response capabilities.

For AIDC, we have established targeted emergency plans for municipal power outages during the Reporting Period to prevent related failures caused by extreme weather or other reasons. We have also formulated the *Emergency Plan for Single-circuit Power Outages* and the *Emergency Plan for Dual-circuit Power Outages*, which categorize and summarize possible failures and operational procedures to ensure the recovery and the continuity after power outages. At the same time, these plans clarify the operational process, location, executor and estimated time consumed for all types of faults, and require the recording of key information such as the start and completion time, the person in command, and the actual time consumed, so as to standardize the process of dealing with faults in the supply and distribution system as well as the assignment of responsibilities.
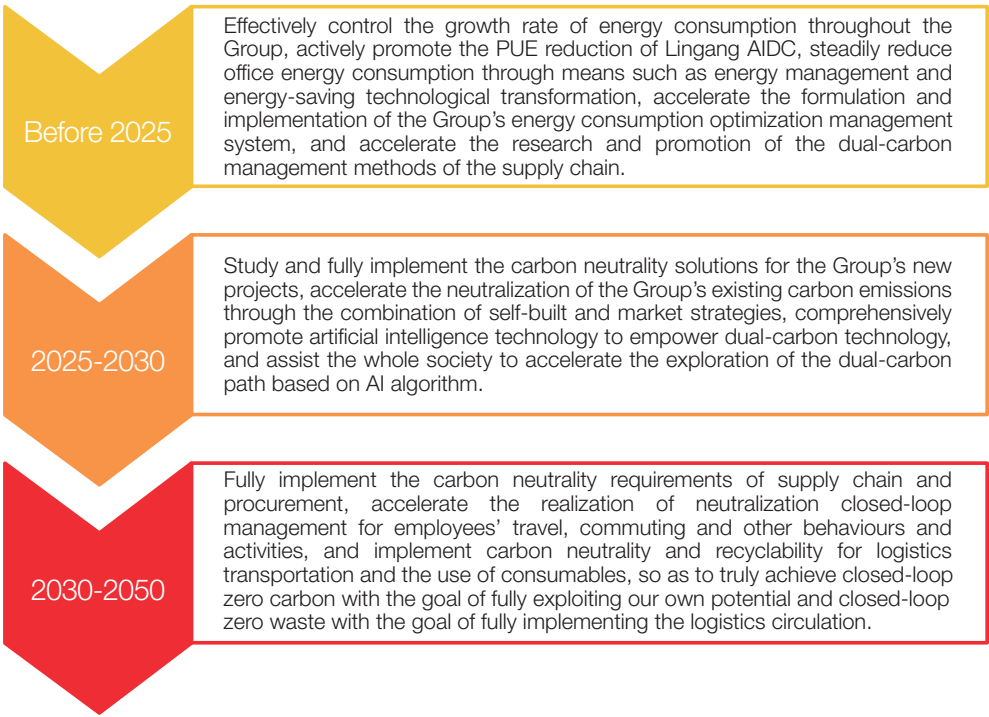
Metrics and Targets

SenseTime is committed to comprehensive control of GHG emissions and energy consumption, continuously monitoring relevant emissions and consumption indicators, and improving the GHG and energy use data collection, accounting and disclosure mechanisms, so as to track the progress and achievements of our climate actions. During the Reporting Period, we strengthened our management of Scope 3 carbon emissions and further expanded the statistics and accounting of emission categories, with Scope 3 carbon emissions amounting to 67,207.24 tons of CO_2 equivalent.

Indicator	Unit	2022	2023	2024
Direct GHG emissions (Scope 1)	tCO_2e	169.6	227.3	222.4
Indirect GHG emissions (Scope 2)	tCO_2e	29,693.0	73,127.3	83,660.4
Total GHG emissions (Scope 1+2)	tCO_2e	29,862.6	73,354.6	83,882.8
GHG emissions intensity (Scope 1+2)	tCO_2e/million revenue (RMB)	7.84	21.54	22.24

Notes:

1. Greenhouse gas emissions in scope 1 mainly come from direct greenhouse gas emissions caused by gasoline consumption of the Group's business and freight vehicles, and greenhouse gas emissions in scope 2 mainly come from indirect greenhouse gas emissions caused by purchased electricity;

2. The greenhouse gas emissions in Scope 1 and Scope 2 for the Reporting Period of the Group were calculated based on the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises in Other Industries* issued by the National Development and Reform Commission, and were presented on a CO_2 equivalent basis;

3. The greenhouse gas emissions from purchased electricity within the country were calculated based on the latest national average carbon dioxide emission factors for electricity published in the *Announcement by the Ministry of Ecology and Environment and the National Bureau of Statistics for the Year 2022*. The greenhouse gases generated by electricity purchased from abroad are calculated based on the electricity emission factors published by the International Energy Agency (IEA) in 2023;

4. The Group has retraced its indirect greenhouse gas emissions for 2023

SenseTime continued to optimize and upgrade the commitments related to addressing climate change and was committed to the overall control of greenhouse gas emissions, including quantitative target setting and progress tracking. We have set the strategic goal of "planning to achieve carbon peak emissions by 2025, striving to achieve operational carbon neutrality by 2030, and achieving net zero emissions by 2050" in 2021, and planned the carbon neutrality and reduction pathways.

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

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

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

SenseTime's Strategic Plan on Carbon Neutrality

During the Reporting Period, SenseTime continued to improve energy efficiency and successfully controlled the average annual PUE within 1.285. To drive steady progress towards SenseTime's strategic plan for carbon neutrality, we have set PUE targets for data centers and actively adopted effective measures to reduce the PUE.

SenseTime's Data Center PUE Targets

Target Year	2025	2030	2050
Targets	1.28	1.20	1.10

5.2 Strengthening Environmental Management

SenseTime strictly abides by the *Environmental Protection Law of the People's Republic of China* and other applicable laws and regulations in the places where we operate. We have formulated and continuously improved various environmental management systems in accordance with its specific conditions of its operational sites, so as to enhance the foundation of environmental management. We actively engage in environmental risk management, enhances emergency response for extreme weather events, and conducts publicity and training related to environmental protection, thereby continuously improving the level of environmental management.

Environmental Management System

SenseTime carries out environmental management work under the guidance of environmental management system. In 2024, we continued to advance the effective operation of this system, and ensured the effective implementation of all environmental protection measures. We actively rectified issues identified by conducting internal audits of the environmental management system, and independently pursued third-party certification in line with local requirements and those of upstream and downstream cooperation partners. As of the end of the Reporting Period, 11 subsidiaries of the SenseTime Group, such as Beijing SenseTime Technology Development Co., Ltd. and Shanghai SenseTime Intelligent Technology Co., Ltd., have passed the ISO 14001 Environment Management System Certification.

Environmental Risk Control

Highlighting environmental risk management, SenseTime has integrated it into the Company's development strategy and established a comprehensive environmental risk management system. We regularly assess environmental risks in operational activities to identify and respond to potential threats in a timely manner. In addition, we further clarify possible accidents and their corresponding consequences, as well as the responsibilities of the person in charge of each task. Using advanced technological means to monitor environmental indicators, we have implemented a real-time warning mechanism that enables us to take immediate action when risks are detected.

Enhancing Environmental Awareness

In the process of enhancing environmental management, SenseTime has recognized that employees' environmental awareness is key to driving green transition. The Company focuses on enhancing employees' understanding of environmental protection and climate change, strengthens their awareness and response capabilities by various forms of internal and external professional training. We also encourage employees to integrate environmental concepts into their daily work and jointly create a sustainable future.

Case: **SenseTime Climate Risk and Opportunity Related Trainings**

In May 2024, during the National Energy Conservation Publicity Week, SenseTime invited external experts to conduct training on climate risks and opportunities, and related disclosures. The training helped employees improve their understanding of climate change and IFRS S2, and also provided a detailed introduction to the implications and external standard requirements of climate-related disclosures. The training, tailored to SenseTime's business, focused on the climate-related risks and opportunities that the Company is currently facing. It analyzed the possible climate risks in the Company's operations, guided employees on how to incorporate climate-friendly concepts in their daily work, and encouraged them to contribute to the Company's green transition.

SenseTime Climate Risk and Opportunity Related Training

SenseTime actively engages in external exchanges and forums, not only sharing its own practices and achievements in green and low-carbon transition and climate change response, but also widely drawing on experiences from peers to deepen its understanding of climate change response strategies. This has enhanced the Group's awareness of the importance of environmental protection, promoted the internal dissemination of environmental concepts, and injected strong momentum into building a greener and more sustainable development path, so as to jointly build a better future for the planet.

Case: **Shanghai Climate Week "2024 Green Finance and Sustainable Development Forum"**

In April 2024, SenseTime was invited to participate in the 2024 Green Finance and Sustainable Development Forum of the Climate Finance Park themed event, during the Shanghai Climate Week. The roundtable dialogue of this forum is themed "Climate Information Disclosure and Green Low-Carbon Transition", where the Group shared experiences with peers and had an in-depth discussion on the standards and practices of climate information disclosure, the paths and challenges of green low-carbon transition, and the value of promoting environmental information disclosure.

Climate Information Disclosure and Green Low-Carbon Transition Roundtable Forum

5.3 Practicing Low-Carbon Operations

SenseTime strictly complies with the *Energy Conservation Law of the People's Republic of China* and other applicable laws and regulations in the places where we operate, and follows internal policies such as the *Regulation on Energy Management of Resources*. We continuously standardize the Group's energy management and explore energy conservation opportunities to maximize the efficiency of energy use.

Exploring Computing Power and Electricity Integration

With the rapid evolution of generative AI technology, computing power centers are experiencing scaled development, and a new trend of mutual support and coordinated development between computing power and electricity is emerging. Based on its own practices, SenseTime has developed a comprehensive "Integrated Computing and Electricity Management" solution that covers the infrastructure layer, cabinet layer, GPU server layer, software management layer, and business operation side. This solution promotes the optimal allocation of computing power resources and the flexible scheduling of electricity resources, forming a core competitive advantage for SenseTime's future development.

Our Integrated Computing and Electricity Management solution achieves efficient collaborative management of computing power and electricity resources by accurately forecasting computing and electricity trends, thereby improving energy efficiency and promoting green and low-carbon development. It enables unified planning and intelligent scheduling of the power grid and computing infrastructure. In addition, on the power generation side, we actively explore ways to increase the proportion of green electricity in the power grid, reasonably allocate electricity resources, and improve the power response mechanism to reduce user electricity costs. On the user side, we implement electricity load forecasting based on computing power and precise energy use of infrastructure, as well as load peak shaving, to improve computing efficiency while reducing PUE (Power Usage Effectiveness). We also explore scheduling capabilities for computing power based on energy demand, to promote the transformation and upgrading of the Group's energy structure and form a core competitive advantage for SenseTime's future development. In May 2024, At the Boao Forum for Asia Global Green Development and Rural Revitalization Forum, SenseTime shared its forward-looking insights on integrated computing power and electricity, and also expressed its continued commitment to promoting the coordination of computing power and electricity. By leveraging AI to plan the electricity use of power infrastructure and combining green energy with energy storage, SenseTime aims to create the next generation of sustainable AI infrastructure.

Building Green Data Center

As the global digital transformation accelerates, data centers, as the core infrastructure of the digital economy, are attracting increasing attention regarding their energy consumption and sustainability. We are committed to building energy-efficient and environmentally friendly data centers, incorporating the concept of sustainable development into every stage from design and planning to operation and maintenance, thereby minimizing the potential environmental impact of AI development. For new projects, we optimize the energy efficiency of data centers at the early design stage, aiming to grasp the key part of energy conservation at the source and contribute our technological wisdom and strength to building a greener and more low-carbon world.

As the core computing power hub of the Company, Shanghai Lingang AIDC has always practiced the operational concept of "green and low-carbon, efficient and intelligent". Since its operation in 2022, AIDC has integrated ESG concepts into every aspect of infrastructure construction and operation. It strictly follows internal regulations such as the *Energy Consumption Management System* and is committed to the coordinated development of energy efficiency and business growth through technological innovation and refined management. In 2024, AIDC achieved an annual PUE of 1.284, which is 18.2% lower than the industry average (the global average PUE for data centers is about 1.57), ranking it among the world's top-tier data centers and contributing to the sustainable development of the industry. In addition, AIDC has successfully passed the energy-saving acceptance inspection by the Shanghai Municipal Development and Reform Commission, achieving significant results in optimizing energy consumption, with a significant reduction in operational energy consumption, thereby effectively reducing greenhouse gas emissions. In 2024, Shanghai Lingang AIDC achieved a reduction of approximately 3,000 tons of carbon dioxide emissions.

Energy Efficiency Improvement

- The use of natural cooling methods has an annual operating time of approximately 2,900 hours, resulting in an annual electricity savings of 9.4×10^5 kWh compared to mechanical cooling.
- The installation of 5 AHU units, regulated by intelligent control systems, achieves an annual electricity savings of 3.6×10^5 kWh.
- Implementation of hot and cold aisle containment to optimize airflow distribution, reduces the system energy consumption by 33%, for an annual electricity savings of 8.7×10^4 kWh.
- Planned to pilot cold plate liquid cooling technology in 3 liquid cooling rooms, with measured PUE (Power Usage Effectiveness) in the range of 1.15 to 1.20 in the pilot area.
- Testing the ECO mode of the uninterruptible power supply (UPS) resulted in a 3% to 5% improvement in efficiency, with an annual electricity savings of up to 1.8×10^6 kWh. The company plans to upgrade the UPS software to ECO mode across the board in 2025 to further improve energy efficiency.

Planning and Expansion of the Photovoltaic Project

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

Energy Storage

- The Lingang AIDC is actively planning an energy storage project, with a plan to connect 18MW/36MWh of energy storage to the grid in 2025. The project aims to reduce the fluctuation of the overall grid load by using energy storage for peak shaving and valley filling.

Energy Conservation and Carbon Reduction Measures at Lingang AIDC

Conducting Energy-Saving Renovation for Buildings

Shanghai Xinzhou Tower is one of the main office buildings of SenseTime. Since its establishment, the Group has been continuously monitoring the energy consumption performance of Xinzhou Tower and implementing ongoing improvement measures. We have effectively regulated the operation of building equipment and avoided unnecessary energy wastage by adopting a series of initiatives such as building energy consumption monitoring, equipment energy-saving renovation and standardized management of power-consuming facilities. The tower was awarded the LEED Gold certification issued by the U.S. Green Building Council in 2020, which is currently a widely recognized and highly practicable green building certification rating standard in the world. In 2021, the tower was awarded the WELL Gold certification issued by the International WELL Building Institute, which focuses on the health and well-being of building occupants.

Indicators	Unit	2022	2023	2024
Total energy Consumption	MWh	54,265.7	132,555.5	157,030.2
Direct energy Consumption	MWh	831.2	1,114.3	1,054.1
· Gasoline	MWh	35.3	36.1	36.1
· Natural gas	MWh	765.8	1030.2	854.1
· Diesel	MWh	30.1	48.0	163.8
Indirect energy consumption	MWh	53,434.5	131,441.2	155,976.2
· Purchased electricity	MWh	53,434.5	131,441.2	155,976.2
Energy consumption intensity	MWh/million revenue (RMB)	14.25	38.92	41.63

Notes:

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

2. The Group has retraced its purchased electricity consumption for 2023.

5.4 Optimizing Resource Use

SenseTime is committed to resource conservation and pays close attention to resource consumption and waste generation and disposal in our operation process. We continue to implement a series of initiatives to improve resource efficiency, reduce wastewater and waste emissions, thereby achieving sustainable operations and development.

Managing Water Resource

SenseTime is well aware of the importance of protecting water resource. The Group strictly abides by the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations on water consumption and discharge. On this basis, the Group has implemented a series of measures to avoid unnecessary water consumption and reduce wastewater discharge while improving water efficiency. The water source of the Group primarily comes from municipal tap water and is mainly utilized in workplace and for AIDC operation. We have installed water storage units within the AIDC production park to meet production water needs during municipal water supply failures.

SenseTime attaches great importance to water conservation and comprehensive utilization. By upgrading equipment, optimizing wastewater treatment, and enhancing water recycling, we continuously improve water resource management and effectively increase water utilization efficiency. In 2024, AIDC set a water-saving target with an annual water usage effectiveness (WUE) not exceeding 2.0.

For Lingang AIDC in Shanghai, we have established a *Water Resource Management System*, ensuring the effective utilization of water resources across all areas of the park through measures such as defining responsibilities, establishing water consumption statistics, managing water-saving facilities, promoting water-saving practices, strengthening publicity and education, implementing supervision, inspection, and assessment, as well as setting up reward and punishment mechanisms. During the Reporting Period, we have fully implemented this system. By integrating advanced cooling technologies, optimizing the operation of the cooling system and strengthening the daily maintenance management of water-using equipment, we have realized the dynamic tracking, regular review, and pattern optimization of water source. As a result, we have significantly improved the efficiency of water resource utilization while ensuring the safe and stable operation of AIDC.

AIDC Water Resource Management Measures

- Adopt sponge city and rainwater recycling systems to collect rainwater for landscape irrigation, effectively reducing the consumption of water resources.
- Adopt indirect evaporative cooling air handling units (AHU) in some of the server rooms to make full use of the low-temperature outdoor air for cooling, thereby reducing water consumption.
- Dynamically adjust the operating modes of cooling equipment to achieve a balance between cooling supply and demand, preventing overcooling and reducing waste of water resources used for cooling.
- Regularly track and monitor water usage, and promptly adjust and optimize when issues are identified.
- Strictly follow the annual maintenance plan to inspect and maintain water-using equipment, so as to ensure efficient operation and prevent any water leakage.
- Conduct regular water-saving education and establish corresponding assessment mechanisms to enhance employees' awareness of water resource protection.

We have established the *Wastewater Discharge Management System* at AIDC parks to ensure that wastewater generated during the operation is effectively managed and treated, so as to protect water resources and the ecological environment. Wastewater at AIDC parks is mainly from cooling systems, wastewater generated from maintenance and cleaning processes, and domestic sewage.

Management Measures for Wastewater Discharge at AIDC

- Ensure that wastewater discharge meets national and local standards through pre-treatment.
- Implement categorized discharge to avoid cross-contamination.
- Continuously monitor and regularly test wastewater discharge and establish management records.
- Develop emergency response plans and conduct regular drills.
- Strengthen employee training and public education.

Indicators	Unit	2022	2023	2024
Total water consumption	tonnes	110,571.3	187,205.9	290,489.5
Water consumption intensity	tonnes/million revenue (RMB)	29.03	54.97	77.01
Total wastewater discharge	tonnes	99,514.2	168,485.3	261,440.5
Wastewater discharge intensity	tonnes/million revenue (RMB)	26.13	49.47	69.31

Notes:

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

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

3. The water consumption of cooling towers has also increased due to the increased business volume of the Group in 2024.

Managing Packaging and Waste

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

The main waste generated in our operation process includes household waste and kitchen waste. To minimize waste to a greater extent, SenseTime encourages employees to cherish resources by implementing a paperless office strategy and on-demand food ordering to avoid paper and food waste.

For waste generated, we follow the local waste separation requirements for proper disposal and transport it to designated waste transfer stations for disposal by the municipal sanitation department. Furthermore, to reduce the pollution of used batteries to the environment, we have set up used battery recycling boxes at the front desk of each floor of the Shenzhen Office, and cooperated with the building property to ensure that the collected used batteries are disposed of in a uniform and safe manner every month. The Lingang AIDC in Shanghai collaborates with battery manufacturers to ensure that waste batteries from the data center are regularly collected and recycled by the manufacturers, thereby reducing environmental harm.

Indicators	Unit	2022	2023	2024
Total packaging material consumption	tonnes	67.0	142.0	124.0
Packaging material consumption intensity	kg/million revenue (RMB)	17.59	41.69	32.87
Total non-hazardous waste	tonnes	267.3	646.8	646.8
Non-hazardous waste intensity	tonnes/million revenue (RMB)	0.07	0.19	0.17

Note: The Group has retraced its non-hazardous waste emissions for 2023.

Appendix

Key Performance Index

Indicators		Unit	2024	2023	2022
A1 Emissions					
Total wastewater discharge		tonnes	261,440.5	168,485.3	99,514.2
Wastewater discharge intensity		tonnes/million revenue (RMB)	69.31	49.47	26.13
Total GHG emissions		tCO_2e	83,882.8	73,354.6	29,862.6
Direct GHG emissions (Scope 1)		tCO_2e	222.4	227.3	169.6
Indirect GHG emissions (Scope 2)		tCO_2e	83,660.4	73,127.3	29,693.0
GHG emission intensity		tCO_2e/million revenue (RMB)	22.24	21.54	7.84
Total non-hazardous waste		tonnes	646.8	646.8	267.3
Non-hazardous waste intensity		tonnes/million revenue (RMB)	0.17	0.19	0.07
A2 Use of Resources					
Total energy consumption		MWh	157,030.2	132,555.5	54,265.7
Direct energy consumption		MWh	1,054.1	1,114.3	831.2
Indirect energy consumption		MWh	155,976.2	131,441.2	53,434.5
Energy consumption intensity		MWh/million revenue (RMB)	41.63	38.92	14.25
Total water consumption		tonnes	290,489.5	187,205.9	110,571.3
Water consumption intensity		tonnes/million revenue (RMB)	77.01	54.97	29.03
Total packaging material consumption		tonnes	124.0	142.0	67.0
Packaging material consumption intensity		kg/million revenue (RMB)	32.87	41.69	17.59
B1 Employment					
Number of employees		person	3,756	4,531	5,098
By gender	Male	person	2,768	3,367	3,719
	Female	person	988	1,164	1,379
By age	Under 30 years old	person	1,121	1,229	1,945
	30 to 50 years old	person	2,610	3,260	3,127
	Over 50 years old	person	25	42	26

Indicators		Unit	2024	2023	2022
By region	Chinese Mainland	person	3,633	4,240	4,773
	Hong Kong, Macao, and Taiwan	person	52	70	96
	Other countries and regions	person	71	221	229
Turnover rate		%	12.6%	11.1%	9.7%
By gender	Male	%	12.6%	10.8%	9.4%
	Female	%	12.7%	11.8%	10.5%
By age	Under 30 years old	%	15.5%	15.0%	10.3%
	30 to 50 years old	%	11.4%	9.6%	9.3%
	Over 50 years old	%	10.7%	2.3%	7.1%
By region	Chinese Mainland	%	12.3%	10.2%	9.3%
	Hong Kong, Macao, and Taiwan	%	18.8%	18.6%	13.5%
	Other countries and regions	%	24.5%	23.0%	16.1%
B2 Health and Safety					
Number of work-related fatalities		person	0	0	0
Number of days lost due to work injury		day	269	265	30
B3 Development and Training					
Ratio of employees trained		%	89%	99%	/
By employment type	Management	%	86%	9%	100.0%
	Non-management	%	84%	91%	99%
By gender	Male	%	87%	75%	99%
	Female	%	75%	25%	99%
Average training hours per employee		hour	12.3	12.6	/
By gender	Male	hour	17.9	12.8	96.7
	Female	hour	11.8	12.3	96.4
By employment type	Management	hour	12.8	17.3	97.3
	Non-management	hour	10.8	12.2	96.5
B5 Supply Chain Management					
Total number of suppliers		supplier	363	377	310
By region	China (including Hong Kong, Macao and Taiwan)	supplier	341	353	298
	Others	supplier	22	24	12

Indicators	Unit	2024	2023	2022
B6 Product Responsibility				
Percentage of recall for safety and health reasons	%	0	0	0
B7 Anti-corruption				
Number of concluded legal cases regarding corrupt practices	case	1	1	0
Employee anti-corruption and anti-fraud training coverage rate	%	100%	100%	100%
B8 Community Investment				
Charitable and other donations	RMB 10,000	253	90	722

Index of GRI Standards

Statement of use	SenseTime has reported the information cited in this GRI content index for the period 2024/1/1 – 2024/12/31 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

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

GRI STANDARD	DISCLOSURE	LOCATION
Economic		
GRI201: Economic Performance 2016		
201-2	Financial implications and other risks and opportunities due to climate change	5.1 Responding to Climate Change
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Topic: Intelligent New Journey, Leading to Compose a New Chapter
203-2	Significant indirect economic impacts	Topic: Intelligent New Journey, Leading to Compose a New Chapter
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	1.3 Compliance and Business Ethics
205-3	Confirmed incidents of corruption and actions taken	1.3 Compliance and Business Ethics
Environmental		
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Appendix 1: Key Performance Index
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Appendix 1: Key Performance Index
302-3	Energy intensity	Appendix 1: Key Performance Index
302-4	Reduction of energy consumption	5.3 Practicing Low-Carbon Operations
302-5	Reductions in energy requirements of products and services	5.3 Practicing Low-Carbon Operations
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	5.4 Optimizing Resource Use
303-2	Management of water discharge-related impacts	5.4 Optimizing Resource Use
303-3	Water withdrawal	Appendix 1: Key Performance Index
303-4	Water discharge	Appendix 1: Key Performance Index
303-5	Water consumption	Appendix 1: Key Performance Index
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Appendix 1: Key Performance Index

GRI STANDARD	DISCLOSURE	LOCATION
305-2	Energy indirect (Scope 2) GHG emissions	Appendix 1: Key Performance Index
305-3	Other indirect (Scope 3) GHG emissions	Appendix 1: Key Performance Index
305-4	GHG emissions intensity	Appendix 1: Key Performance Index Performance Index
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	5.4 Optimizing Resource Use
306-2	Management of significant waste-related impacts	5.4 Optimizing Resource Use
306-3	Waste generated	Appendix 1: Key Performance Index
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	2.4 Building Sustainable Supply Chain
Social		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Appendix 1: Key Performance Index
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2 Attraction and Retention of Talent
401-3	Parental leave	3.2 Attraction and Retention of Talent
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	3.4 Guarding Physical and Mental Health
403-2	Occupational health services	3.4 Guarding Physical and Mental Health
403-3	Worker training on occupational health and safety	3.4 Guarding Physical and Mental Health
403-5	Worker training on occupational health and safety	3.4 Guarding Physical and Mental Health
403-6	Promotion of worker health	3.4 Guarding Physical and Mental Health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.4 Guarding Physical and Mental Health
403-8	Workers covered by an occupational health and safety management system	3.4 Guarding Physical and Mental Health
403-9	Work-related injuries	3.4 Guarding Physical and Mental Health

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Appendix 1: Key Performance Index
404-2	Programs for upgrading employee skills and transition assistance programs	3.3 Empowering Career Futures
404-3	Percentage of employees receiving regular performance and career development reviews	3.3 Empowering Career Futures
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of Governance bodies and employees	1.1 Corporate Governance Appendix 1: Key Performance Index
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	3.1 Devoting to Public Welfare Education
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	4.3 Participation in Community Public Welfare
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	2.4 Building Sustainable Supply Chain
GRI 416: Customer Health and Safety 2016		
416-1	New suppliers that were screened using social criteria	2.2 Bearing Product Responsibility
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.2 Bearing Product Responsibility
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	2.2 Bearing Product Responsibility
417-2	Incidents of non-compliance concerning product and service information and labeling	2.2 Bearing Product Responsibility
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.5 Information Security and Privacy Protection

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Aspect	Index No.	Indicators	Location
Environmental			
Aspect A1 – Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operation Empowered by AI Technology
	A1.1	The types of emissions and respective emissions data.	Green Operation Empowered by AI Technology
	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).	Green Operation Empowered by AI Technology
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Green Operation Empowered by AI Technology
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Green Operation Empowered by AI Technology
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Green Operation Empowered by AI Technology
	A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Operation Empowered by AI Technology
Aspect A2 – Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operation Empowered by AI Technology
	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).	Green Operation Empowered by AI Technology
	A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Green Operation Empowered by AI Technology
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operation Empowered by AI Technology
	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.	Green Operation Empowered by AI Technology
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Green Operation Empowered by AI Technology

Aspect	Index No.	Indicators	Location
Aspect A3 – The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Green Operation Empowered by AI Technology
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operation Empowered by AI Technology
Aspect A4 – Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Operation Empowered by AI Technology
	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.	Green Operation Empowered by AI Technology
Social			
Aspect B1 – Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Talent-Oriented to Create Value Together
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Talent-Oriented to Create Value Together
	B1.2	Employee turnover rate by gender, age group and geographical region.	Talent-Oriented to Create Value Together
Aspect B2 – Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Talent-Oriented to Create Value Together
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Talent-Oriented to Create Value Together
	B2.2	Lost days due to work injury.	Talent-Oriented to Create Value Together
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Talent-Oriented to Create Value Together

Aspect	Index No.	Indicators	Location
Aspect B3 – Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent-Oriented to Create Value Together
	B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Talent-Oriented to Create Value Together
	B3.2	The average training hours completed per employee by gender and employee category.	Talent-Oriented to Create Value Together
Aspect B4 – Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Talent-Oriented to Create Value Together
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Talent-Oriented to Create Value Together
	B4.2	Description of steps taken to eliminate such practices when discovered.	Talent-Oriented to Create Value Together
Aspect B5 – Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Transformation Led by Original Technology
	B5.1	Number of suppliers by geographical region.	Transformation Led by Original Technology
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Transformation Led by Original Technology
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Transformation Led by Original Technology
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Transformation Led by Original Technology

Aspect	Index No.	Indicators	Location
Aspect B6 – Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Transformation Led by Original Technology
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Transformation Led by Original Technology
	B6.2	Number of products and service related complaints received and how they are dealt with.	Transformation Led by Original Technology
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Steady Responsible Governance Built on AI
	B6.4	Description of quality assurance process and recall procedures.	Transformation Led by Original Technology
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Steady Responsible Governance Built on AI
Aspect B7 – Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Steady Responsible Governance Built on AI
	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.	Steady Responsible Governance Built on AI
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Steady Responsible Governance Built on AI
	B7.3	Description of anti-corruption training provided to directors and staff.	Steady Responsible Governance Built on AI
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.	Intelligent Welfare to Benefit the Community
	B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	Intelligent Welfare to Benefit the Community
	B8.2	Resources contributed (e.g., money or time) to the focus area.	Intelligent Welfare to Benefit the Community

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