

畅捷通
Chanjet

暢捷通信息技術股份有限公司
CHANJET INFORMATION
TECHNOLOGY COMPANY LIMITED

(a joint stock company incorporated in the
People's Republic of China with limited liability)
Stock Code: 1588



2024

Environmental, Social
and Governance Report

NOTES ON THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT

Reporting Scope:

This Report covers Chanjet Information Technology Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as our “**Group**”, the “**Group**” or “**Chanjet**”).

Reporting Period:

This Report is presented on an annual basis, and covers the period from 1 January 2024 to 31 December 2024. Some contents may go beyond the aforesaid period due to the explanation needs.

Basis of Preparation:

This Report is prepared in accordance with all mandatory disclosure requirements and the “Comply or Explain” provisions of the Environmental, Social and Governance Reporting Guide (the “**ESG Guide of the Hong Kong Stock Exchange**”) as contained in Appendix C2 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to the relevant requirements of the GRI Sustainability Reporting Standards issued by the Global Reporting Initiative.

ESG Reporting Principles

Materiality: In compliance with the materiality principle defined by the Stock Exchange, the ESG issues considered by the board of directors (the “**Board**”) and the ESG working group, communications with stakeholders, identification process of material issues and the materiality matrix are disclosed in this Report.

Quantitative: Statistical standards, methods, assumptions and/or calculation tools for quantitative key performance indicators herein and source of conversion factors are all explained in the definitions of this Report.

Balance: This Report shall provide an objective picture of the Group’s ESG performance during the Reporting Period and should avoid any elaboration or presentation format that may inappropriately influence the decision or judgment made by the report readers.

Consistency: The statistical methodologies applied to the data disclosed in this Report shall be consistent. Other than as disclosed elsewhere in the Report, the preparation method of this Report is as same as that of the previous year in order to achieve comparability with previous years’ reports.

Explanation about the Data:

Monetary amounts involved in this Report are denominated in RMB saved for those otherwise stated.

Ways of Publication:

This Report is published online in traditional Chinese and English and is available on the website of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) at www.hkexnews.hk and the website of Chanjet at www.chanjet.com.



Microblog of Chanjet



WeChat of Chanjet



Douyin of Chanjet

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Statement from the Management

During the Reporting Period, Chanjet closely followed the national digital transformation policies under the "14th Five-Year Plan", actively engaged in the wave of digital economy development, and continued to deepen the two core business fields of digital intelligent finance and taxation and digital intelligent business for micro and small scale enterprises ("**MSEs**"). Firmly adhering to the principle of customer success, the Group made continuous efforts to improve product competitiveness, expedite the application of AI technology in product innovation and corporate operation, adamantly pursue ecological co-prosperity, transform from application services to ecological platform services, and promote the large-scale and efficient development of businesses.

During the Reporting Period, the Group achieved revenue of RMB959 million, representing a year-on-year increase of 20%, of which revenue from cloud subscriptions was RMB654 million, representing a year-on-year increase of 34%. The total assets of the Group amounted to RMB1.695 billion. Building on the foundation of steadily developing its principal businesses, the Group adheres to business ethics, builds a corporate culture of integrity and compliance, promotes green development, actively responds to climate change, practices the concept of mutual progress and win-win cooperation between people and enterprise, and continuously optimizes products and services. These comprehensive efforts lay a solid foundation for achieving the sustainable development of Chanjet in the long run.

Operating in a green way to seek sustainable development

Chanjet adheres to the concept of sustainable development, and strictly implements requirements for environmental compliance. It continues to optimize emissions management and reduce resource consumption, and actively copes with climate change so as to promote corporate operation and management in a green way, and support the sustainable development goals.

Caring for talents to seek joint progress of people and enterprise

Chanjet always adheres to the people-oriented concept, and regards talents as the core resources of high-quality development. Chanjet emphasizes the protection of the rights and interests of employees, pays attention to their career development, cares for their physical and mental health, and strives to foster collaborative advancement between employees and the enterprise to achieve mutual progress between human capital and enterprise development.

Leading the industry with win-win cooperation

With a focus on the two major fields of digital intelligent finance and taxation and digital intelligent business for MSEs, Chanjet insists on the partnership policy of "long-term cooperation and win-win development". Following the "open, fair and just" anti-corruption operation principle, Chanjet continues to optimize supplier management, accelerates the expansion of ecological partners, actively explores new models of ecological cooperation, and promotes the digital intelligent transformation of MSEs.

Innovating products and optimizing services

Taking "facilitating MSEs' development in operation and management through creativity and technology" as its mission, Chanjet is committed to providing MSEs with more secure, more stable, more efficient and integrated finance, taxation and business solutions. Chanjet promotes the digital and intelligent transformation of MSEs by applying digital and intelligent solutions in multiple dimensions and scenarios.

Practicing incorruptible governance, and fighting against corruption

Chanjet consistently sticks to the governance philosophy of "maintaining integrity, pursuing long-term development, and fighting against corruption", strictly abides by laws and regulations, upholds business ethics, and ensures legitimate and compliant corporate operations by strengthening risk management, improving whistleblowing channels, conducting anti-corruption training, etc. These efforts collectively contribute to preserving a good business environment.

In the future, Chanjet will remain steadfast in upholding the mission and vision of the Group. While adhering to the core values of "friends of users, professional endeavor, and continuous innovation", it will strictly abide by national laws and regulations, and actively fulfill social responsibilities. Chanjet will continue to work with business partners to empower MSEs to improve their operation and management capabilities through digital intelligent transformation, as a way to jointly open a new chapter in the digital intelligent development, and contribute to advancing high-quality development of the society.



Company Profile

As a subsidiary of Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司), the Company was established in March 2010 and was listed on the Main Board of the Hong Kong Stock Exchange on 26 June 2014 (Stock Code: 1588). Taking "facilitating MSEs' development in operation and management through creativity and technology" as its mission, striving for the vision of becoming "a worldwide leading provider of cloud services for MSEs" and "a platform for partners and employees enjoying work, making achievements and sharing success", the Company is committed to providing platform services, application services, data-based value-added services for MSEs in the PRC, with a focus on financial and business management cloud services.

The Company is a council member of the China Association of Small and Medium Enterprises, a council member of China Information Industry Association, a member of the China Software Industry Association and a member of the Beijing Software and Information Service Industry Association. It has been regarded as the "Key Software Enterprises under the National Planning Layout (國家規劃佈局內重點軟件企業)" as well as "High and New Technology Enterprises (高新技術企業)" for consecutive years, and was selected into the list of "Specialized and Sophisticated" Small and Medium-sized Enterprises that Produce New and Unique Products in Beijing (北京市「專精特新」中小企業認定名單). According to the 2023 China Enterprise Digital and Intelligent Transformation Market Research Report (《2023年中國企業數智化轉型市場研究報告》) released by Frost & Sullivan, the Company ranked first in terms of the SaaS market share and cumulative paying users of business, finance and taxation applications among China's MSEs, and customers of the Company had the highest satisfaction rate with its brands and products in all dimensions. Moreover, products of the Company had the highest net promoter score. The Company has always safeguarded user information and privacy security with high standards and requirements, and has obtained several authoritative certifications, including Trusted Cloud Security Standard Evaluation (可信雲安全標準評估), National Information Security Protection Level III Certification (國家信息安全等級保護三級認證), ISO27001 Information Security Management System (ISMS) Certification, ISO27701 Privacy Information Management System Certification, ISO27018 Certification of Identifiable Personal Information Protection Management System in Public Cloud, and ISO27017 Cloud Service Information Security Management System Certification.

During the Reporting Period, the Company won the "2024 Excellent Digital Intelligence Enterprise (2024年度卓越數智化企業)" at the "Star of Analysys (易觀之星)" award ceremony hosted by Analysys. At the "2024 Cloud-AI-Computing Innovation and Development Conference (2024 雲·AI·計算創新發展大會)" hosted by the Organizing Committee of the Global Digital Economy Conference and organised by China Academy of Information and Communications Technology (hereinafter referred to as the CAICT), the Company was successfully listed as one of the "Valuable 20 Typical Providers of AI SaaS Intelligent Applications in 2024 (2024 AI SaaS智能應用典型供應商 Valuable 20)" and was selected among the first batch of companies enrolled in the "AI Cloud MSP Technical Service Laboratory (AI Cloud MSP技術服務實驗室)". The multimodal intelligent billing of Chanjet Good Business and Finance was shortlisted as a "2024 Typical Case of AI Cloud SaaS (2024年AI Cloud SaaS典型案例)", and the service programme in the overseas version of Chanjet Good Business and Finance (Chanjet Smart ERP) was selected as a "2024 Benchmark Case of Cloud Computing Overseas Service (2024年度雲計算出海服務標桿案例)". At the "2024 Industrial Internet Innovation and Development Conference (2024工業互聯網創新發展大會)" hosted by China Industrial Cooperation Association, the Company was awarded the "2024 Digital and Intelligent Transformation Demonstration Enterprise (2024數智化轉型示範企業)". Chanjet T+Cloud was selected as a "Typical Case of Industrial Internet in 2024 (2024工業互聯網典型案例)". The Company won the "2023 Outstanding Contribution Award for Managing Vulnerabilities (二零二三年度漏洞處置突出貢獻單位)" and "2023 Outstanding Contribution Unit for Vulnerability Handling (二零二三年度漏洞應急工作突出貢獻單位)" by CNVD at the 21st China Cybersecurity Annual Conference and Cybersecurity Collaborative Governance Sub-forum.





ESG Governance

• ESG STATEMENT OF THE BOARD

The Board of Chanjet attaches great importance to the work on ESG initiatives, and consistently advances the development of ESG framework. Chanjet is committed to deeply integrating ESG into the Company's major decisions and business practices, ensures the establishment of appropriate and effective ESG risk management and internal control systems, and continuously strengthens its supervision and participation in the Group's ESG affairs.

The Board holds ultimate decision-making authority over ESG-related matters and assumes full responsibilities for the Company's ESG strategies, reporting, and oversight. Committed to deeply integrating ESG management into daily operations of the Company, the Board ensures alignment between ESG policies and the overall business strategies of the Group with well-defined objectives and clear execution. It regularly reviews risk assessment reports submitted by the management, prioritizing critical ESG issues and risks, and oversees the management's implementation of measures approved by the Board for effective risk management. Moreover, the Board attaches great importance to deciding ESG material issues, improves the communication methods with stakeholders. It launches the identification and assessment of crucial ESG issues in conjunction with the external economic environment, macroscopic policies and the Group's development strategies to clarify the priorities of ESG initiative, holistically enhance corporate governance standards and sustainable development capabilities. The Board shall meet at least once a year on crucial ESG issues, and may convene temporary meeting when necessary. During the Reporting Period, the Board reviewed the performance of the Group's ESG-related environmental objectives with an aim to minimize the impact of the Group's business operations on the environment and fulfill ESG responsibilities. The review on performance and its relevance to the Group's business is disclosed in this Report.

This Report provides a comprehensive disclosure of the progress of ESG work for the year of 2024 of Chanjet Information Technology Company Limited and has been considered and approved by the Board.

• ESG GOVERNANCE STRUCTURE

Chanjet regards ESG as an important driving force for the Group's sustainable and high-quality development, and has formulated and continuously refined its ESG governance structure, established an interlinked ESG management mechanism and systematically promoted ESG governance. The ESG governance structure of Chanjet is set out in the chart below:





The Board is responsible for evaluating the Group's ESG-related risks, reviewing the Group's ESG performance periodically, and approving disclosures in the Group's ESG report. The Group attaches great importance to the diversity of the Board. The members of the Board possess experience and knowledges in management, law, finance, accounting and stakeholder management, and other ESG-related fields. The President Committee is responsible for supervising the specific ESG work of the Sustainability Development Committee. The Sustainability Development Committee, comprising executive Directors and senior management, is responsible for comprehensively guiding, authorizing and coordinating relevant departments in advancing ESG work. The Sustainability Development Committee reports ESG-related issues to the Board at least once a year, and communicates with the Board on ESG-related issues in due course. The Sustainability Development Committee has established an ESG working group, which is responsible for implementing and promoting ESG-related tasks and integrating the ESG-related tasks into the daily operations of the Group.

During the Reporting Period, Chanjet invited its legal adviser and ESG professional institution to provide optimization suggestions on the ESG management process to further improve the process system. Meanwhile, Chanjet conducted online ESG training for the Board, management and employees, to actively improve the level of ESG management and quality of ESG information disclosure of the Group.

• COMMUNICATIONS WITH STAKEHOLDERS

Chanjet always believes that, maintaining communications with stakeholders and actively responding to the demands of stakeholders is an important cornerstone for the Group to practise ESG management. The Group actively takes the suggestions of all stakeholders into consideration and maintains regular and multi-channel communications with stakeholders, such as shareholders, government/community, customers, business partners and employees to comprehensively understands the expectations and demands of stakeholders, protects the rights and interests of our stakeholders, and assumes society responsibility to co-create sustainable value.

During the Reporting Period, Chanjet continued to prepare and distribute questionnaires to stakeholders to investigate and collect statistics on stakeholders' concerns and influences at different levels, and identified the Group's environmental, social and governance priorities. The Company has sorted through and worked out a stakeholder communication form to provide foundation for the identification of material topics of the Group.



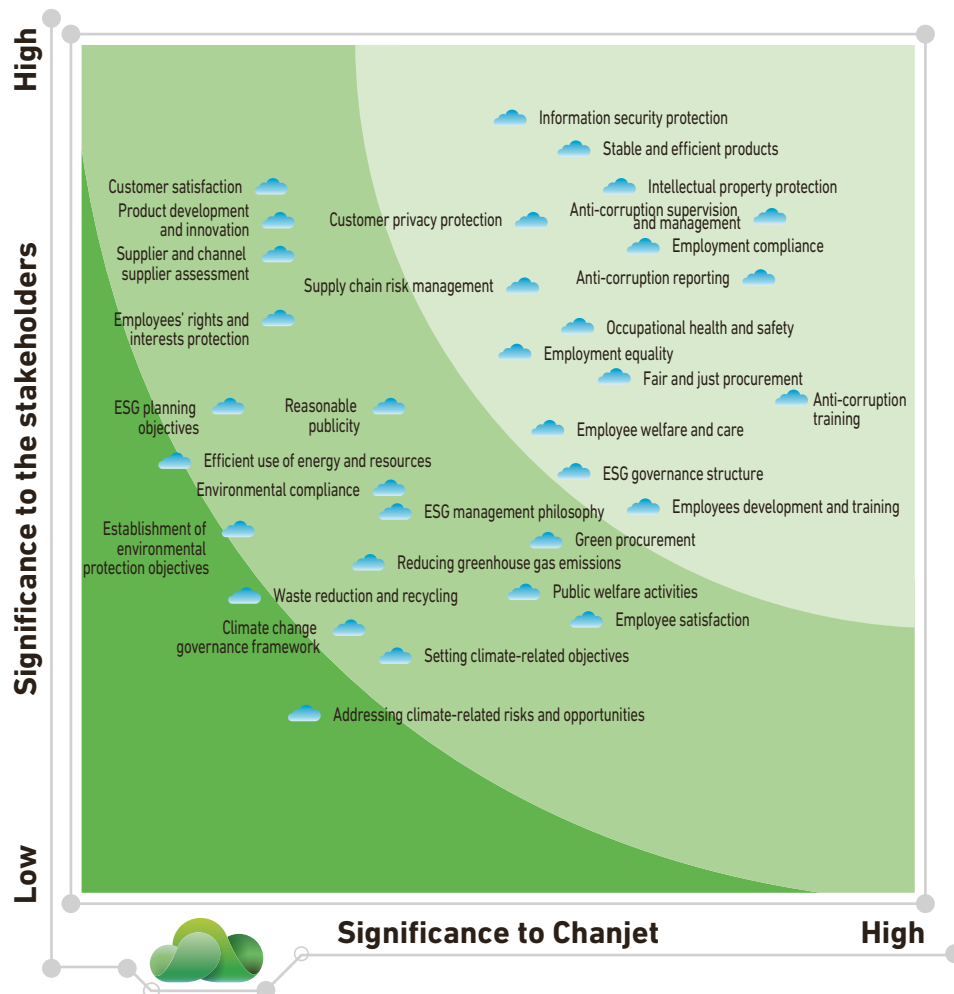
Stakeholders	Topics of Concern	Communication Channels and Solutions
Shareholders	<ul style="list-style-type: none">- Continuous yield of value returns- Corporate governance and risk management- Exercise of the rights to know and participation in decision-making- Idea of responsibility- Governance responsibility structure- Statement of the Board, in relation to its participation in responsibility management	<ul style="list-style-type: none">- Regular reports and information disclosure- General meeting- Presentation on business results- Roadshow on business results- Brokerage strategy meetings- Daily communications with investors
Government/ Community	<ul style="list-style-type: none">- Complying with laws and disciplines- Paying taxes according to laws- Supporting economic development- Protection of intellectual properties- Anti-corruption- Voluntary activities- Community building	<ul style="list-style-type: none">- Daily communications- Information bulletin- Government and enterprise cooperation- Governmental review- Philanthropic activities
Customers	<ul style="list-style-type: none">- Information security protection- Customer privacy protection- Customer satisfaction- Product stability and efficiency- Product R&D and innovation- Intellectual property protection- Service and feedback response guarantee- Customer rights and interests protection- Reasonable publicity	<ul style="list-style-type: none">- Daily services and communications- Customer's satisfaction surveys- Portal websites, WeChat official account, etc.- Online service platform- Customer service hotline
Business Partners	<ul style="list-style-type: none">- Growing together- Sharing customers with partners- Fair and just procurement- Supply chain risk management- Green procurement	<ul style="list-style-type: none">- Procurement policy- Project cooperation- Daily business communication- Establishment of industrial leagues- Online service platform
Employees	<ul style="list-style-type: none">- Employment equality- Employment compliance- Employees' rights and interests protection- Occupational safety and health- Promoting career development and skill enhancement- Work and life balance- Employee satisfaction	<ul style="list-style-type: none">- Employment policies- Regular meetings- Employee training- Employee club- Portal websites, WeChat official account, etc.
Environment	<ul style="list-style-type: none">- Economical utilisation of energy- Emission reduction- Ecological environment and natural resources protection- Countermeasures to climate change	<ul style="list-style-type: none">- Green office- Green procurement- Environmental information disclosure- Launching environmental protection promotion activities



MATERIAL ISSUES IDENTIFICATION

In accordance with the ESG Reporting Guide as contained in Appendix C2 to the Listing Rules and relevant international standards, Chanjet collects stakeholders' materiality ratings on relevant ESG issues through questionnaires and other means to ensure more accurate and comprehensive disclosure of ESG information. The Group screened and ranked the 2024 materiality matrix based on the importance ratings of each stakeholder to the issues from the two analytical dimensions of the "significance to the stakeholders" and the "significance to Chanjet", which will serve as the focus of the Group's ESG work and reporting, and the 2024 materiality matrix will serve as an important reference basis for ESG planning in the next year.

The materiality analysis results of the Group's ESG issues for 2024 are as follows:



1. Environmental Protection

1.1 ENVIRONMENTAL MANAGEMENT OBJECTIVES AND PROGRESS

During the Reporting Period, Chanjet closely focused on the environmental management targets set for the next five years in 2021, launched multi-dimensional environmental protection measures, and steadily implemented energy conservation and emission reduction to ensure that all work was carried out in an orderly manner in accordance with the targets.

Environmental objectives in terms of greenhouse gases, energy consumption, and water usage

Based on 2021, in the next five years, we will strive to make the per capita emission of greenhouse gas, per capita comprehensive energy consumption, and per capita water consumption remain stable.

Objectives of electronic wastes generated

Based on 2021, in the next five years, physical servers will be phased down, and the use of cloud servers will be promoted to reduce the generation of electronic wastes.

Objectives of non-hazardous wastes generated

Based on 2021, in the next five years, the use of product packaging will be gradually reduced, and the use of cloud to purchase products will be promoted simultaneously.

The performance indicators of Chanjet in respect of environment in 2024 are set out as follows:

Indicators	Unit	2024	2023	2022
Direct greenhouse gas emissions ^{Note 1}	(tCO ₂ e)	0	0	0
Indirect greenhouse gas emissions ^{Note 2}	(tCO ₂ e)	237.56	222.59	257.75
Total emission of greenhouse gases	(tCO ₂ e)	237.56	222.59	257.75
Increase or reduction in emission of greenhouse gases as compared to last year	(tCO ₂ e)	14.97	-35.16	23.03
Per capita emission of greenhouse gas	(tCO ₂ e/person)	0.24	0.20	0.21
Electronic wastes generated	(tonnes)	0.73	1.14	1.74
Per capita electronic wastes generated	(kg/person)	0.73	1.02	1.44
Non-hazardous wastes generated	(tonnes)	18.84	21.19	22.67
Per capita non-hazardous wastes generated	(kg/person)	18.90	18.90	18.75
Total electricity consumption	(10,000 kWh)	40.29	38.31	45.20
Per capita electricity consumption	(kWh/person)	404.11	341.75	373.83
Comprehensive energy consumption	(tonnes of standard coal)	54.41	47.09	55.55
Per capita comprehensive energy consumption	(kg of standard coal/person)	54.57	42.01	45.94
Total water consumption	(tonnes)	1,201	1,447	1,478
Per capita water consumption	(tonnes/person)	1.20	1.29	1.22
Total packaging materials ^{Note 3}	(tonnes)	0.28	0.62	1.07
Packaging materials per unit of production	(kg)	0.28	0.28	0.28



Note 1: As a finance, taxation and business cloud service provider for MSEs, Chanjet did not possess or have control over any direct emission sources, did not directly utilize coal, gasoline, diesel, natural gas and other fuels, and therefore did not involve in direct emission of greenhouse gases and other exhaust.

Note 2: The indicator was calculated using the 2022 national grid average emission factors provided in the Notice on Management of Greenhouse Gas Emission Reports of Enterprises from Power Generation Industry from 2023 to 2025 (Huan Ban Qi Hou Han [2023] No. 43) (《關於做好2023-2025年發電行業企業溫室氣體排放報告管理有關工作的通知》(環辦氣候函[2023]43號)) issued by the Ministry of Ecology and Environment of the People's Republic of China.

Note 3: The volume of packaging materials for products requiring physical packaging decreased significantly as a result of Chanjet's transformation to a cloud service business and the active promotion of cloud-based purchases and software-encrypted procurement.

1.2 EMISSION MANAGEMENT

Strictly complying with the Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), the Implementing Scheme on the Mechanism for Domestic Wastes Classification (《生活垃圾分類制度實施方案》) issued by the National Development and Reform Commission and the Ministry of Housing and Urban-Rural Development, the Beijing Environmental Sanitation Regulations on Municipal Appearance (《北京市市容環境衛生條例》) and other national and local laws and regulations related to environmental protection, Chanjet standardizes the classification and disposal of non-hazardous waste, and ensures that pollutants are discharged up to standards, and waste is disposed of in compliance with regulations and utilized as resource. Meanwhile, the Group has actively responded to the national "dual carbon" goal by implementing energy conservation and emission reduction in operations as a way to contribute to green and low-carbon development.

During the Reporting Period, there were no administrative penalties or lawsuits arising from environmental issues of Chanjet.



• **Management of greenhouse gas emission**

As a finance, taxation and business cloud service provider for MSEs, Chanjet neither owns or controls direct emission sources such as vehicles, generators, or gas stoves, nor directly uses coal, gasoline, diesel, natural gas and other fuels. Therefore, Chanjet is not involved in direct emissions of greenhouse gas and other waste gases. The greenhouse gas emissions of the Group come from the electricity consumption in daily office work and the indirect greenhouse gas emissions generated during the commuting and traveling process of employees.

In order to effectively reduce greenhouse gas emissions, Chanjet has actively practiced the green office concept in office operations and implemented a number of measures to reduce emissions:

- ★ Optimize the management of office equipment usage, reasonably control the operating time of electronic devices, and reduce the frequency of using high-energy-consuming equipment such as central air conditioning;
- ★ Actively promote LED lighting to replace traditional incandescent bulbs;
- ★ Encourage employees to prioritize the use of online communication methods such as telephone, email, and online meetings in their daily office work;
- ★ Place greenery in the work area and equip air purifiers to reduce the amount of carbon dioxide in the air;
- ★ Encourage employees to adopt green travel for commuting, provide shuttle bus service, and arrange dormitories to reduce greenhouse gas emissions during employee commuting.

• **Management of electronic wastes**

The electronic wastes generated by Chanjet mainly includes servers, computer hosts, monitors, laptops, printers and other electronic equipment that are scrapped during operation. During the Reporting Period, the Group continuously carried out the recycling and treatment of waste electronic equipment, and ensured comprehensive resource utilization through standardized processes, thereby effectively reducing the amount of electronic waste generated:

- ★ Optimize asset allocation strategies, reduce the procurement of fixed assets such as electronic equipment, give priority to leasing, and reduce the generation of electronic waste equipment from the source;
- ★ Choose large-scale printers which enable feeding of toner without use of cartridges instead of printers with toner cartridges, reducing electronic waste generated by frequent replacement of toner cartridges;
- ★ Retrofit and recycle obsolete computer hard drives and equipment components;
- ★ Set up dedicated recycling bins for used batteries in office areas, standardize the collection and disposal processes for used batteries, and prevent environmental pollution.

For the electronic wastes generated, the Group classifies them in a unified manner, and then hands them over to a qualified provider for recycling and disposal.



• Management of non-hazardous wastes

In strict accordance with the policy requirements of the Notice of the General Office of the State Council on Forwarding the Implementing Scheme on the Mechanism for Domestic Wastes Classification of the National Development and Reform Commission and the Ministry of Housing and Urban-Rural Development (《國務院辦公廳關於轉發國家發展改革委住房城鄉建設部生活垃圾分類制度實施方案的通知》) (Guo Ban Fa [2017] No. 26), Chanjet actively improves daily office processes and environment, and strictly classifies and disposes various non-hazardous wastes to minimize the generation of non-hazardous wastes in daily office operations:

- ★ Utilize online approval process through the online office management platform to eliminate paper-based manual application forms and promote the use of electronic invoices to effectively reduce paper consumption;
- ★ When printing internal materials and documents, actively advocate printing on both sides or using single-sided printing paper for the second time, and post double-sided printing reminders on the printer to reduce meaningless printing and save printing paper;
- ★ Prioritize requesting suppliers to provide electronic versions of bidding documents to reduce paper-based material submissions, thereby avoiding resource waste caused by paper document usage;
- ★ Promote the adoption of electronic official seals, digital signatures, online execution of cooperation agreements, etc. to minimize printing and courier services, lowering resource utilization.

• Management of sewage disposal

Sewage of Chanjet mainly comes from domestic sewage generated in the office zone. The Company strictly complies with national and local environmental protection regulations, processes all sewage through standardized procedures, and discharges it into municipal pipelines after treatment in the industrial park's septic tank. During the Reporting Period, the Group was not involved in the discharge of pollutants into the land.

1.3 USE OF RESOURCES

Chanjet strictly complies with the requirements of the Law of the People's Republic of China on Energy Conservation (《中華人民共和國節約能源法》), adheres to the green development concept, manages energy conservation and emission reduction throughout operations, actively promotes green office initiatives, and enhances the comprehensive utilization capacity of resources to effectively reduce energy and resource consumption, and contribute to the sustainable development of society.

The resources involved in the Group's operations mainly include the electricity consumed in office areas and the operation of electronic equipment, the water resources used in workplaces, and packaging materials such as packaging boxes, manuals and CDs required for software products. The water supply of the Group relies entirely on municipal water supply system, and the Group has not encountered and does not expect to encounter problems in obtaining water sources in its operations. During the Reporting Period, the Group actively implemented multiple initiatives to conserve energy, reduce consumption and save resources, effectively reducing energy and resource consumption:





Lowering energy consumption

- ★ Strictly implement the energy-saving management system, turn off the main power supply or activate sleep mode for equipment when offices are unoccupied for extended periods. Enable power-saving modes for equipment during work hours to minimize energy consumption;
- ★ Carry out "lights out for one hour" activity at noon on weekdays, publicize electricity conservation by posting reminders and other means to reduce non-essential power consumption and enhance employees' awareness of energy conservation;
- ★ Reasonably design circuit and fully adopt energy-efficient lighting in office areas;
- ★ Prioritize a lower carbon data center to reduce electricity consumption per unit of computing power. Select regions and availability zones with relatively higher proportions of clean electricity usage to further lower carbon emissions per unit of computing power;
- ★ Leverage advanced technologies such as flexible deployment, automatic migration, and dynamic load balancing on virtualization platforms to significantly improve the utilization rate of hardware resources;
- ★ Optimize server configurations, use fewer physical servers with higher utilization rates to reduce energy consumed by servers during the processes of delivering workloads and cooling equipment.

Saving water resources

- ★ Introduce water purifiers to reduce consumption of tap water and mineral water;
- ★ In addition to automatic sensor faucets, replace all other faucets with atomizing faucets;
- ★ Inspect water pipes, faucets and other equipment regularly, and update worn equipment in time to effectively reduce water resource waste caused by leaking or dropping water;
- ★ Post water-saving reminders in water-using areas to enhance employees' awareness of water conservation and create a good water-saving atmosphere.

Scaling down the usage of packaging materials

- ★ With the transformation of the Group's software business to cloud service business, the use of packaging is gradually abandoned;
- ★ Actively promote cloud-based purchases and software-encrypted purchases to gradually replace traditional physical product purchases and reduce physical packaging demands;
- ★ For software products that still require packaging, apply eco-friendly materials for packaging boxes to mitigate the adverse impact of waste packaging materials on the environment.



- **Continuously promoting clean production**

- ★ The Group firmly implements a long-term strategy of giving priority to cloud service business and cloud subscription, and to constantly reduce the use of product packaging, delivers cloud products through activation codes, without involving the consumption of packaging and other materials, so as to achieve truly green and clean production;
- ★ Digital intelligent finance and taxation products of the Group promote the use of digital electronic invoices by MSEs, advance the electronic declaration of tax returns, effectively improve the work efficiency of MSEs in the invoicing and tax declaration process, and reduce the use of paper resources. Digital intelligent business products help MSEs transform and upgrade from traditional offline operations to online and offline integrated operations, support efficient business synergies, and realize the digitization and intelligence of management, marketing and production processes, provide operational decision support for clean production of MSEs, and improve resource utilization while reducing costs and increasing efficiencies, so as to reduce consumption and emissions.

1.4 IMPACT OF CLIMATE CHANGE

Addressing climate change is an imperative requirement for achieving high-quality and green development. In active response to China's "dual carbon" goal, Chanjet regularly identifies and analyzes potential risks and challenges posed by climate change. Chanjet integrates climate change risk management into the entire production and operational processes, formulates corresponding mitigation strategies, and fully commits to advancing energy conservation and emission reduction initiatives to enhance the ability to respond to climate change. Building on these efforts, Chanjet fully leverages the strengths in digital and intelligent technologies to assist MSEs in achieving digital intelligent transformation, seizes green development opportunities, and promotes the sustainable development for itself and its partners.

- **Governance**

Chanjet has established a three-level ESG management system of "the Board – management level-execution level" to promote climate change governance in a top-down manner. The Board oversees and guides our work on climate change, reviews and evaluates climate change targets, and receives regular updates on progress. The President Committee and the Sustainability Development Committee are responsible for advancing and coordinating the Company's low-carbon development strategy while identifying and managing risks and opportunities arising from climate change. The ESG working group is responsible for executing specific emission reduction targets and measures to ensure effective implementation of climate strategies across corporate operations.



Identifying climate change risk

In accordance with the disclosure framework of the Task Force on Climate-related Financial Disclosures (TCFD), Chanjet has identified the risks arising from climate change to the Group's operations, based on its own business development, assessed their impact on the Group's business operations and management development, and formulated corresponding countermeasures:

Risk type		Impact	Countermeasures
Transition risk	Policy and legal risk	Medium	<ul style="list-style-type: none">★ Pay close attention to the latest policy trends to climate change, improve the level of ESG information disclosure, and ensure that operations comply with the latest regulations;★ Integrate climate change countermeasures into the Company's long-term development plan, and fully consider the potential impact that relevant policy requirements may have on the Company's business development and financial costs.
	Market risk	Low	<ul style="list-style-type: none">★ Properly configure cloud servers to reduce the increase in server hardware caused by customers' use of products as a way to meet customer demand in a climate change environment;★ Help customers promote the transformation of their business into online and offline integrated operations to reduce the impact of climate change on their business operations.
	Technological risk	Low	<ul style="list-style-type: none">★ Increase R&D investment, actively adopt emerging energy-saving technologies, and construct a green data center.
	Reputation risk	Low	<ul style="list-style-type: none">★ Strictly abide by the relevant policies and requirements of sustainable development, continuously strengthen the sense of social responsibility, and constantly improve the quality of products and services;★ Provide transparent and effective communication channels with stakeholders, and actively demonstrate the Group's commitments and progress on environmental protection;★ Attach great importance to the sustainable development and management of the supply chain, sign the Social Responsibility Commitment (《社會責任承諾書》) with suppliers, strengthen training on sustainable development of suppliers, and help suppliers reduce carbon emissions.



Risk type		Impact	Countermeasures
Physical risk	Acute risk	Low	★ Take into account of the frequency and scale of extreme weather (such as typhoons, floods, storms, etc.) in the office area, evaluate and inspect the safety of buildings, and formulate emergency plans in advance to control the adverse effect of extreme weather on the Company's buildings and equipment.
	Chronic risk	Low	★ Continue to monitor the changing trends of chronic risks; ★ Develop a comprehensive climate risk management strategy to ensure climate risks are fully taken into consideration in the Company's overall strategy; ★ Mitigate cost pressures by optimizing use of resources and increasing efficiency.

• Seizing green opportunities

Chanjet closely follows the guidelines on carbon peaking and carbon neutrality at the national level, including the Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy, and the Notice of the State Council on Printing and Distributing the Action Plan for Carbon Dioxide Peaking Before 2030 and other policy documents. Chanjet actively responds to various requirements for green and low-carbon development including the Industrial Green Development during 14th Five-Year Plan Period (《「十四五」工業綠色發展規劃》). Based on its own business development experience and independent innovation capabilities, Chanjet is committed to serving the informatization of MSEs and helps MSEs save resources, reduce costs and increase efficiency, and empowers the digital and intelligent transformation of MSEs throughout their life cycle.

Case:

Empowering MSEs Clients in Energy Conservation and Emission Reduction

In 2024, Chanjet vigorously promoted the application and sales of C.MSP (暢雲管家) product. Leveraging the green data center, Chanjet adopted renewable energy, energy-efficient equipment and other measures to address both investment costs and environmental concerns in privatization deployments of MSEs. C.MSP cloud platform enabled shared physical resources and virtualization technology, centrally managed data from MSEs to minimize local server resource waste, and flexibly allocated resources on demand by dynamically adjusting resources during low-demand periods. This effectively lowered electricity and physical space demands while minimizing unnecessary energy consumption and carbon emissions. In addition, the cloud service facilitated large-scale digital data storage and processing, reduced the use of paper documents, and helped decrease the consumption of forest resources.



2. Talent Development

2.1 ESTABLISH A HARMONIOUS TEAM

Chanjet adheres to a people-oriented approach and has strictly complied with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》), the Provisions on Prohibition of Child Labor (《禁止使用童工規定》) and other laws and regulations related to employment. Chanjet has established corresponding internal human resources management system to continuously promote compliant employment practices, safeguard the legal rights and interests of employees, resolutely oppose child labor and forced labor, and create a fair and equitable employment environment for employees.

- **Equal and compliant employment**

Chanjet opposes any discrimination in the recruitment process and adheres to the principle of "openness, fairness and justice", striving to establish a legally compliant system for labor recruitment and dismissal. Through diverse recruitment channels including campus recruitment, social recruitment, and internal recommendation, Chanjet continuously expands and enriches employee recruitment channels while evaluating candidates based on professional competencies, position matching degree, work ethic, and other relevant aspects to ensure proper talent allocation. The Company respects and safeguards employees' legally entitled rights to know, participate, and supervise throughout the employment process, fosters an equitable and impartial workforce. In strict compliance with national laws and regulations, Chanjet handles employee dismissals and resignations in accordance with laws and regulations, fully protects the legitimate rights and interests of both the Company and employees. These efforts demonstrate Chanjet's commitment to building harmonious labor relations.

- **Protection of rights and interests of employees**

Chanjet has strictly implemented national laws and regulations regarding remuneration, working hours, and leave entitlements. During the Reporting Period, the Company continued to implement the Chanjet Work Attendance Management Measures (《暢捷通考勤管理辦法》) and further revised the Chanjet Remuneration Management Measures (《暢捷通薪酬管理辦法》), fully safeguarding employees' legal rights and interests. These efforts aim to achieve a win-win, virtuous, sustainable, and healthy development between the Company and its employees.



Vacation management		<ul style="list-style-type: none"> ★ In accordance with the Chanjet Work Attendance Management Measures (《暢捷通考勤管理辦法》), clearly defined the rules for various types of leave to safeguard employees' legitimate right to reasonable leave. Female employees were granted a half-day leave on the International Women's Day on 8 March; ★ Actively implemented national regulations regarding marriage and childbearing leave policies, ensuring female employees' right to maternity leave; ★ In accordance with the Front-line Special Welfare System (《一線特殊福利制度》), provided front-line employees with paid leave in addition to statutory holidays.
Working hours' management		<ul style="list-style-type: none"> ★ Continued the flexible work schedule to help employees balance their work and life.
Remuneration and welfare	Basic welfare	<ul style="list-style-type: none"> ★ Revised the Chanjet Remuneration Management Measures (《暢捷通薪酬管理辦法》) to explicitly define provisions regarding base salary, performance bonuses, welfare subsidies, and other contents: <ol style="list-style-type: none"> 1) Remuneration management: Established reasonable annual income target by comprehensively considering factors such as position, rank, business sequence, regional differences, etc.; 2) Basic safeguards: Comprehensively protected statutory social insurance and housing provident fund for all employees; provided special safeguards and incentive measures for senior management talents and core talents; 3) Employee benefits: Provided employees with various welfare systems and benefits, including expatriate subsidies, travel subsidies, transportation subsidies, communication subsidies, special relocation subsidies, meal subsidies, holiday gifts, annual physical examinations, commercial accident insurance, critical illness visits and assistance. Additionally, core talents enjoyed flexible benefits provided by the Company, including premium physical examinations and commercial insurances.
	Talent incentives	<ul style="list-style-type: none"> ★ According to the Remuneration Management Measures and the Performance Evaluation System (《績效評價管理制度》), the incentive and constraint mechanisms for employee income distribution were established as follows: <ol style="list-style-type: none"> 1) Continued to implement the dual-channel development system of cadres and experts, rationally evaluated employee work performance, and distributed corresponding performance-based bonuses; 2) For senior management talents and core key talents, continued to implement the long-term incentive plans including the employee share ownership scheme and the long-term incentive bonus scheme.
	Other welfare policies	<ul style="list-style-type: none"> ★ Revised the Traffic Welfare System (《交通福利制度》) to meet the needs of employees to use more flexible modes of transportation to commute and alleviate the burden of transportation costs on employees; ★ According to the Regulations on Grants for Dispatched Employees (《外派員工補助規定》), provided expatriate subsidies to employees assigned to work abroad by the Company to help subsidize their living costs during the assignment; ★ According to the Front-line Special Welfare System (《一線特殊福利制度》), provided front-line employees with welfare benefits such as transportation subsidies for round-trip family visits and urban subsidies; ★ According to the Communication Expenses Management Measures (《通訊費管理辦法》), provided corresponding communication fee subsidies for employees in different positions.



- **Elimination of child labor and forced labor**

Chanjet strictly adheres to relevant national laws and regulations and opposes any form of forced labor, child labor, and other illegal employment. During recruitment, relevant departments of the Company verify candidates' identities, confirm their actual age, and take other measures to ensure that candidates' eligibility for employment complies with legal requirements. Beyond recruitment, the Company conducts annual human resources risk assessment and management to review and discuss labor-related risks. Any identified violations or high-risk factors are promptly addressed through corrective measures to eliminate such violations or risks as soon as possible and ensure the employment is in compliance with laws and regulations.

During the Reporting Period, Chanjet did not have any breach in respect of exploiting child labor and forced labor.



• **Performance data related to employment**

In 2024, the employment diversity and other relevant performance data of Chanjet are as follows:

Indicators	Unit	2024	2023	2022
Employment indicators				
Total number of employees	(persons)	997	1,121	1,209
Full-time employees	(persons)	982	1,110	1,207
Part-time employees	(persons)	15	11	2
Number of male employees	(persons)	694	783	883
Percentage of male employees	(%)	69.61	69.85	68.90
Number of female employees	(persons)	303	338	376
Percentage of female employees	(%)	30.39	30.15	31.10
Number of employees aged under 30	(persons)	211	328	433
Percentage of employees aged under 30	(%)	21.16	29.26	35.81
Number of employees aged between 30 and 50	(persons)	762	774	759
Percentage of employees aged between 30 and 50	(%)	76.43	69.05	62.78
Number of employees aged above 50	(persons)	24	19	17
Percentage of employees aged above 50	(%)	2.41	1.69	1.41
Number of employees in Beijing	(persons)	579	655	699
Percentage of employees in Beijing	(%)	58.07	58.43	57.82
Number of employees in areas other than Beijing	(persons)	418	466	510
Percentage of employees in areas other than Beijing	(%)	41.93	41.57	42.18
Percentage of employees at junior ranks	(%)	5.12	9.63	13.65
Percentage of employees at intermediate ranks	(%)	24.47	30.69	35.65
Percentage of employees at senior ranks or above	(%)	70.41	59.68	50.70
Percentage of disabled employees	(%)	0.80	0.71	0.83
Employee turnover rate indicators ^{Note}				
Turnover rate	(%)	18.23	18.31	19.61
Turnover rate of male employees	(%)	18.08	17.60	20.44
Turnover rate of female employees	(%)	18.58	19.91	17.72
Turnover rate of employees aged 30 or below	(%)	27.62	21.75	25.98
Turnover rate of employees aged between 30 and 50	(%)	14.39	16.51	15.76
Turnover rate of employees aged 50 or above	(%)	5.26	–	5.56
Turnover rate of employees in Beijing	(%)	17.54	15.64	17.18
Turnover rate of employees in areas other than Beijing	(%)	19.18	21.80	22.73

Note: The formula for calculating the employee turnover rate: turnover rate = the number of employee turnover/(number of employees at the beginning + number of recruits).

2.2 SAFEGUARD OCCUPATIONAL HEALTH

Chanjet consistently prioritizes the health and safety of its employees, strictly adheres to health and safety-related laws and regulations such as the Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》) and the Law of the People's Republic of China on Prevention of Occupational Disease (《中華人民共和國職業病防治法》). The Company implements various welfare measures to safeguard occupational safety and physical and psychological health of employees, thereby fostering an optimal working environment through the following initiatives:

- ★ Provide orientation physical examinations for new comers and annual physical examinations for all employees, with differentiated physical examination strategies according to the needs of different employees;
- ★ Purchase commercial accident insurance for all employees to provide additional security;
- ★ Provided regular health massages for employees of the research and development centre to alleviate chronic neck and shoulder pain caused by prolonged sitting;
- ★ Provide classic healthy tea drinks in autumn and winter to boost employees' physical fitness, enhance immunity, and ensure a strong finish to both quarter-end and year-end goals.

Healthy Tea Drinks



Chinese Massage Therapy



During the Reporting Period, Chanjet recorded 100% coverage of social insurance. The performance indicators of Chanjet in respect of employees' health and safety are set out as follows:

Indicators	Unit	2024	2023	2022
Work-related fatalities	(persons)	0	0	0
Workdays lost due to work injuries	(days)	0	0	0
Coverage of physical examination package for employees ^{Note}	(%)	99.1	99.2	99.1

Note: The formula for calculating the coverage of physical examination package for employees: coverage of physical examination package for employees = the number of employee undergoing physical examination/number of full-time employees.



2.3 FOCUS ON EMPLOYEE DEVELOPMENT

Chanjet regards talent cultivation as one of the most crucial management priorities, consistently pursuing co-development between the enterprise and its employees. To actively respond to the development needs of employees, the Company has established a scientific and effective talent training system and a fair and just career promotion mechanism, with an aim to improve the personal quality and professional competencies of employees, accelerate talent growth, and fully mobilize their work initiative and enthusiasm. It provides a broad platform for employees to realize their personal value and expand their career prospects.

- **Employees training**

Chanjet, guided by the need to enhance employees' job competency, has established the Chanjet Training Management System (《暢捷通培訓管理制度》) and the Chanjet Lecturers and Courses Management Measures (《暢捷通講師與課程管理辦法》), creating an internal and external integrated training system for employees through online and offline channels. Key knowledge points are transformed into concise, modular online courses, enabling employees to engage in learning during fragmented time intervals so as to help them develop in an all-round way and the enterprise grow sustainably.

In terms of internal training, Chanjet has established platforms such as "Youlexue" (友樂學) and "Chanjet School" (暢學堂). Based on the development strategies and training needs survey results of the Company, tiered training programs are implemented for employees across different job sequences and levels, covering occupational qualities and standards, specialized knowledge and regulations, general technical skills and competencies, leadership, etc. In addition, the Company leverages the faculty resources of "Yonyou University" (用友大學) to provide employees with diversified training courses. To motivate outstanding lecturers, the Company has created an honor wall to recognize exceptional lecturers, and encourage internal lecturers to continue developing high-quality courses and facilitating knowledge sharing within the organization.

In terms of external training, Chanjet engages external professional teachers to provide employees with training programs, including professional ability training for non-academic education and on-the-job academic education. These initiatives help employees gain exposure to cutting-edge technologies, and enhance professionalism and comprehensive skills. In addition, the Company actively encourages employees to obtain job-related qualification certificates. For qualification certificate applications within specified scopes, Chanjet prioritizes the approval and reimburses learning expenses within budget limits.



The training activities of Chanjet cover employees at different levels, and can be divided into three types: new employee training, professional training, and management training:

New employee training

★ The training is carried out for new comers on the development history of the enterprise, knowledge on the products businesses, finance, company rules and regulations, etc.

Professional training

★ The training is carried out for grassroots employees, covering professional knowledge and industry cutting-edge theoretical training courses and special training camps. For instance, the Company conducted the collection and evaluation of Outstanding Cases and Courses for employees in the channel operation centre, and AI-themed training sessions covering mainstream AI development tools and AI agent development platforms for employees in the research and development centre.

Management training

★ The training is carried out for reserve cadres and key personnel, covering management knowledge and skills enhancement courses, such as the Huben Camp (《虎贲营》) training organized for channel key employees, management training arranged for cadres in the research and development centre, and expert series courses conducted for the user growth centre.

The Group values the results of training, and issues training satisfaction questionnaires among employees after each training session. It continuously improves the training system according to the questionnaire feedback.



The performance indicators of Chanjet in respect of employee training in 2024 are set out as follows:

Indicators	Unit	2024	2023	2022
Number of employees trained	(persons)	988	1,112	1,199
Percentage of employees trained ^{Note 1}	(%)	99.10	99.20	99.34
By gender ^{Note 2} :				
Percentage of male employees trained	(%)	70	70	69
Percentage of female employees trained	(%)	30	30	31
By employee category ^{Note 2} :				
Percentage of employees at senior ranks or above trained	(%)	71	60	51
Percentage of employees at intermediate ranks trained	(%)	25	31	36
Percentage of employees at junior ranks trained	(%)	4	9	13
Expenses incurred for trainings	(RMB10,000)	32	43	85
Total training hours for employees	(hours)	70,956	88,720	96,650
Average training hours for employees	(hours/person)	71.82	79.78	80.61
Average training hours for male employees	(hours/person)	75.39	83.48	84.70
Average training hours for female employees	(hours/person)	63.59	71.18	69.40
Average training hours for employees at senior ranks or above	(hours/person)	60.37	79.21	52.86
Average training hours for employees at intermediate ranks	(hours/person)	89.31	79.23	121.04
Average training hours for employees at junior ranks	(hours/person)	159.13	85.52	73.22

Note 1: Percentage of employees trained = the number of employees trained/number of full-time employees.

Note 2: Percentage of employees trained in certain category = the number of employees trained in the category/number of employees trained.

• Promotion mechanism

Chanjet attaches importance to the development and training of talent team, constructs the dual-channel development system of cadres and experts. Chanjet has implemented employee promotion procedures in accordance with the Professional Personnel Development and Management Mechanism (《專業人員發展與管理制度》), the Qualification Evaluation Management Measures for Professional Personnel (《專業人員任職資格評審管理辦法》) and the Cadre Management System (《幹部管理制度》). Guided by the needs of overall strategy and business development, the Group regularly conducts annual professional qualification evaluation with the participation of all cadres and experts, and revises and adjusts the qualification evaluation criteria in a timely manner, as a way to organically integrate employees' personal development with enterprise development, and achieve a win-win results for the enterprise and employees. During the Reporting Period, Chanjet further improved the qualification evaluation system so as to make the promotion and development of employees with openness, transparency, fairness and impartiality. A total of 132 employees were promoted for professional ranks after the qualification evaluation.



2.4 CARE FOR EMPLOYEES PRACTICALLY

Chanjet attaches great importance to employees' physical and mental well-being. By strengthening democratic management, organizing diverse employee activities, providing employee care and safeguards, etc., the Company continuously enhances employee satisfaction and sense of belonging, actively cultivating an equitable and caring working environment.

Strengthen democratic management

In order to maintain continuous communication with employees, Chanjet regularly conducts employee satisfaction surveys for engagement research, and conducts research results analysis meetings to fully understand their expectations and needs, timely improve and solve problems in employee feedback, strive to address reasonable requests from employees, and improve job satisfaction and happiness of employees.

Care for female employees

Chanjet is committed to caring for female employees, and strictly adheres to national regulations to ensure their full entitlement to maternity leave. The Company also provides support for new mothers through facilities such as nursing rooms in office areas. In terms of holiday benefits, all female employees are granted a half-day leave on International Women's Day on 8 March and receive a festive monetary gift. By doing this, we translate care into practical actions to convey warmth and support.

Carry out cultural and sports activities

Chanjet places high importance on employees' physical and mental well-being, and enriches the spare time life of employees by organizing a variety of cultural and sports activities:

- ★ Tailored activities are organized according to the characteristics of different business departments, including monthly birthday celebrations, mini marathons, basketball competitions, etc.
- ★ Employee activity clubs have been established based on hobbies and interests of employees, such as the Chanjet running group, badminton, basketball, table tennis, and fitness. Regular events are organized for these groups, among which the Chanjet running group won the first prize in the group category at Yonyou Group's 2024 marathon competition.

Help the needy employees

Chanjet pays attention to the work and living conditions of employees in difficulty, and actively assists employees with serious illnesses in seeking medical resources and conducts visits to offer support. Chanjet provides different levels of assistance for employees who experience hardships due to illness or family circumstances to help them overcome challenges. These measures enable employees to feel the humanistic care of the Company, thereby continuously enhancing their sense of belonging.



3. Operation and Management

3.1 SUPPLY CHAIN MANAGEMENT

Chanjet consistently adheres to an “open, fair and just” anti-corruption operation principle, and has formulated internal systems such as the Chanjet Procurement Management System (《暢捷通採購管理制度》) and the Chanjet Supplier Management Measures (《暢捷通供應商管理辦法》), focusing on the management of supplier access, classification and performance evaluation. It proactively identifies supplier risks while continuously improving the quality of procured products and services. At the same time, the Group requires our cooperative suppliers to sign the Anti-corruption Cooperation Commitment (《陽光合作承諾書》), the Genuine Software Usage Commitment (《使用正版軟件承諾書》) and the Suppliers’ Social Responsibility Commitment (《供應商社會責任承諾書》) to manage environmental and social risks in supply chain, actively practice sustainable procurement strategies and build a responsible supply chain.

- **Supplier screening**

Chanjet strictly implements the supplier access review process including supplier development and certification in strict compliance with the Supplier Management Measures, and gives priority to suppliers who meet the qualifications and attach importance to social responsibilities.

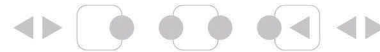
In terms of qualification review, Chanjet has made clear requirements on suppliers’ business scope, integrity record, establishment period, etc., and for bidding projects, evidentiary materials for corresponding qualifications need to be provided. New suppliers need to complete the registration in the supplier management system and submit materials for review. After being reviewed, they can be selected into the Group’s supplier database.

In terms of social responsibilities, Chanjet has fully established and implemented the SA8000 social responsibility management system. Prior to conducting procurement activities, it requires suppliers to sign the Anti-corruption Cooperation Commitment and Suppliers’ Social Responsibility Commitment to ensure their compliance with the standards of social responsibility management system. These standards explicitly prohibit commercial bribery, conflicts of interest, and other improper business competition, and also commit to the prohibition of child labor and forced labor, protection of employee rights, interests and benefits, opposition to discrimination, ensuring the use of genuine software, fulfillment of corporate social responsibilities, etc. By doing this, Chanjet is dedicated to building a responsible supply chain.

- **Supplier review**

Supply classification

According to the Procurement Management System (《採購管理制度》) and Supplier Management Measures, Chanjet analyzes supply capability of suppliers to match its development needs. Suppliers are classified into three categories, namely “qualified”, “ordinary” and “temporary” through a graded assessment process.



Supplier assessment and supervision

Chanjet has established an annual supplier assessment and supervision mechanism in accordance with the Supplier Management Measures, conducting integrated static and dynamic performance assessment on suppliers in aspects of price, delivery, quality, service, etc.:

Static assessment

- ★ For qualified suppliers with a purchase amount of more than RMB200,000 (inclusive) in the previous year, the procurement management post organizes the executive department and the demand department to conduct an annual review at the beginning of each year;
- ★ For qualified suppliers with a purchase amount of less than RMB200,000 in the previous year, the procurement management post organizes the executive department to conduct an annual review before the first cooperation in the new fiscal year.

Dynamic assessment

- ★ Upon the completion of the initial inspection of large and medium-sized procurement projects, we conduct dynamic real-time assessment of suppliers according to the specific situation;
- ★ Depending on the importance of the purchased products or services, as well as the frequency of supplier problems, on-site assessment will be conducted for suppliers from time to time.

Application of supplier assessment results

In the follow-up procurement process, each demand department and procurement execution department will tilt the procurement to suppliers assessed as excellent according to the results of supplier performance assessment. The Company will freeze the suppliers who have not responded to the bidding and inquiry or failed the annual review consecutively for one year in the qualified supplier information database, and cancel the cooperation with them in the following years.

• Procurement violation management

Chanjet has established clear regulations and implemented stringent management for both internal employees and external suppliers regarding red-line behaviors and handling measures for violations in procurement activities, in accordance with internal management systems including the Procurement Management System, the Code of Business Conduct for Employees (《員工商業行為守則》) and the Anti-corruption Cooperation Commitment.

Supervision and handling of employee violations

Chanjet requires internal employees to strictly abide by the provisions and procedures outlined in the Procurement Management System and the Code of Business Conduct for Employees when handling procurement activities, and use the online system to complete the procurement process. If there are violations in the procurement process by employees, the audit and supervision department of the Company will investigate and impose penalties according to the regulations and the severity of the violations; those responsible for cases involving particularly serious circumstances or legal violations will be handed over to judicial authorities for handling according to laws.



Supervision and handling of supplier violations

Chanjet requires suppliers to strictly abide by the relevant provisions of the Anti-corruption Cooperation Commitment, and prohibits commercial bribery, fraudulent cooperation, infringement of intellectual property rights, and other misconducts. For suppliers that violate the provisions in the process of cooperation, measures including internal notification, penalties according to the Procurement Management System and the Anti-corruption Cooperation Commitment, and permanent cancellation of supplier qualifications will be taken depending on the seriousness of the circumstances; and if the circumstances are particularly serious, the Company will reserve the right to pursue relevant legal responsibilities.

- **Green procurement**

In the procurement business, Chanjet actively promotes the green and low-carbon concept in procurement, and conducts procurement activities and supplier management through the online procurement platform. Chanjet is committed to reducing energy consumption and minimizing carbon footprints. During the bidding process, it prioritizes suppliers' submission of electronic bidding documents to avoid resource waste caused by the use of paper-based bidding materials.

In 2024, Chanjet implemented the above-mentioned policies and practices on supplier engagement and management to all its suppliers. Other performance indicators in supplier management are as follows:

Indicators	Unit	2024	2023	2022
Total number of qualified suppliers	(unit)	922	772	725
Number of suppliers in Mainland China	(unit)	913	763	716
Number of suppliers in the regions of Hong Kong, Macau, Taiwan and other countries	(unit)	9	9	9

3.2 PRODUCT SERVICES

Chanjet continues to focus on the two major fields of digital intelligent finance and taxation and digital intelligent business for MSEs. Adhering to the principle of customer success, it has made continuous efforts to improve product competitiveness and improve the product quality management system and the information security management system. Chanjet attaches great importance to customer data security and privacy protection, and is committed to provide customers with stable and high-quality, safe and efficient products and services, so as to improve user experience and customer satisfaction.

During the Reporting Period, Chanjet has received a number of honors and awards in the industry by virtue of its rich experience in financial and business management cloud services for MSEs:

- ★ At the 2024 China Data Element × Industry Application Innovation Conference (2024中國數據要素×行業應用創新大會), the Company was awarded the "2024 Business, Finance and Tax Application SaaS Pilot Enterprise for Small and Micro Enterprises (2024小微企業業財稅應用SaaS領航企業)";
- ★ The Company won the "2024 Excellent Digital Intelligence Enterprise (2024年度卓越數智化企業)" at the "Star of Analysys (易觀之星)" award ceremony;
- ★ The Company won the "2023 Outstanding Contribution Award for Managing Vulnerabilities (二零二三年度漏洞處置突出貢獻單位)" and "2023 Outstanding Contribution Unit for Vulnerability Handling (二零二三年度漏洞應急工作突出貢獻單位)" by CNVD at the 21st China Cybersecurity Annual Conference and Cybersecurity Collaborative Governance Sub-forum;



- ★ The Company was shortlisted for "2023 Corporate Finance and Tax Service Innovation Ranking (2023企業財稅服務創新排行榜)" and "2023 Top 100 Digital Transformation Service Providers for Micro, Small and Medium-sized Enterprises (2023中小微企業數字化轉型服務商TOP100)" jointly released by Internet Weekly (《互聯網週刊》), eNet Research Institute and Deben Consulting;
- ★ At the "2024 Cloud-AI-Computing Innovation and Development Conference (2024 雲·AI·計算創新發展大會)" hosted by the Organizing Committee of the Global Digital Economy Conference and organised by the CAICT, the Company was successfully listed as one of the "Valuable 20 Typical Providers of AI SaaS Intelligent Applications in 2024 (2024 AI SaaS智能應用典型供應商Valuable 20)" and was selected among the first batch of companies enrolled in the "AI Cloud MSP Technical Service Laboratory (AI Cloud MSP技術服務實驗室)";
- ★ At the "2024 Industrial Internet Innovation and Development Conference (2024工業互聯網創新發展大會)" hosted by China Industrial Cooperation Association, the Company was awarded the "2024 Digital and Intelligent Transformation Demonstration Enterprise (2024數智化轉型示範企業)".

In addition, a number of Chanjet's products and services have been widely recognized by the market:

Product	Awarding Party	Awards
Good Accountant, Good Business and Finance and T+Cloud	CAICT	Shortlisted for three core areas of "Finance and Taxation", "Enterprise Resource Planning" and "Cloud Services" in the Panorama of High-quality Digital Transformation Products and Services (2023) (《高質量數字化轉型產品及服務全景圖(2023年度)》)
Good Accountant	The 2023 (7th session) China Software and Information Service Industry Annual List (2023(第七屆)中國軟件和信息服務業年度風雲榜)	"2023 Top 10 Outstanding Innovative Software Products in SaaS Service for Small and Micro Enterprises (2023小微企業十大SaaS服務優秀創新軟件產品)"
The multimodal intelligent billing of Good Business and Finance	The 2024 Cloud-AI-Computing Innovation and Development Conference (2024 雲·AI·計算創新發展大會)	Selected as a "2024 Typical Case of AI Cloud SaaS (2024年AI Cloud SaaS典型案例)"
T+Cloud and Good Business and Finance	Beijing Municipal Bureau of Economy and Information Technology	Selected into the 2024 Beijing SME Service Voucher Product List
T+Cloud	The "2024 Industrial Internet Innovation and Development Conference (2024工業互聯網創新發展大會)" hosted by China Industrial Cooperation Association	Selected as a "Typical Case of Industrial Internet in 2024 (2024工業互聯網典型案例)"
Chanjet Smart ERP	The 2024 Cloud-AI-Computing Innovation and Development Conference (2024 雲·AI·計算創新發展大會)	Selected as a "2024 Benchmark Case of Cloud Computing Overseas Service (2024年度雲計算出海服務標桿案例)"
Good Accountant, Good Business and Finance and T+Cloud	2024 China SaaS Conference	Selected into "2025 China Enterprise Services Cloud Map (2025中國企業服務雲圖)"



• Product quality

In strict compliance with laws and regulations including the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) and the Patent Law of the People's Republic of China (《中華人民共和國專利法》), Chanjet has developed and continuously improved the Development Process Specification (《開發過程規範》), the Project Quality Standards (《項目質量標準》) and other internal system documents for product quality management, with reference to and based on industry-leading software engineering methods as well as standards and practices related to product development models, in light of the latest news and trends in the industry. Chanjet has obtained ISO 9001 quality management system certification and has passed the annual review.

Product quality assurance

The research and development centre strictly conducts product quality verification at different stages of product development, including unit testing, integration testing, gray box testing, and on-line testing in accordance with the Project Quality Standards (《項目質量標準》), ensuring robust product quality.

Product quality enhancement

The research and development centre adheres to the Development Process Specification (《開發過程規範》). In terms of system stability management, it enforces standardized requirements and implements systematic tools across all development stages (requirements, interface interaction design, and technical design) to ensure that the system stability is controllable and reliable. In terms of product convenience management, it conducts product development verification based on the documentation from the interaction design stage in the research and development (R&D), and continuously tracks user and market feedback to make corresponding improvements, thereby achieving effective management of product convenience and consistently enhancing product quality.

Product return and recycling

Chanjet provides convenient product return and recycling channels. Users can fill out the Cloud Product Return Application (《雲產品退貨申請》) and Electronic/Paper Invoice Refund Application (《電子／紙質發票退票申請》) online, and call customer service within 7 days of product registration and activation to efficiently complete product returns.



• Protection of information safety and privacy

In strict compliance with the Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》), the PRC Network Security Law (《中華人民共和國網絡安全法》), the Interim Measures for the Administration of Internet Advertisement (《互聯網廣告管理暫行辦法》), the Regulations on Telecom and Internet User Personal Information Protection (《電信和互聯網用戶個人信息保護規定》) and other laws and regulations, Chanjet always regards the security, stability, reliability, and trustworthiness of products and services as fundamental requirements. Chanjet has developed and implemented the Chanjet Personal Information Protection Management Specification (《暢捷通個人信息保護管理規範》), the Chanjet Information Security Management System (《暢捷通信息安全管理體系》), the Chanjet Internet Export Security Management Measures (《暢捷通互聯網出口安全管理辦法》), the Chanjet Account and Password Security Management Measures (《暢捷通賬號密碼安全管理辦法》), the Chanjet Product Security and Emergency Response Management Measures (《暢捷通產品安全與應急響應管理辦法》) and other internal management systems to establish a data security and information privacy protection system. In 2024, Chanjet established the information security and privacy protection committee of Chanjet to continuously enhance the information security governance framework, ensure the effective implementation of information security management, and provide MSEs with secure and reliable information technology services.

Information safety

Chanjet remains committed to the security management philosophy of high standards and stringent requirements, and actively fulfills information security responsibilities. In response to the increasingly complex cybersecurity landscape, Chanjet proactively aligns with the best security practices in the industry and various IT security standards designed, and continuously enhances and improves the mechanisms for addressing information security issues and emergency response. By doing this, Chanjet is dedicated to providing users with more secure and reliable digital intelligent finance and taxation, and digital intelligent business services.

During the Reporting Period, in terms of cyberattack and defense, Chanjet continued to conduct vulnerability scanning across all products. Chanjet collaborated with Tencent Security Yunding Lab to perform security penetration testing on key products of the Company, identify potential security hazard and implement targeted remediation. In addition, simulated cyberattack and defense drills were carried out to enhance the emergency response efficiency of the Company against cyberattack. In terms of security incident handling, Chanjet successfully intercepted 6.83 million web attacks and 87.7 million malicious detection and scanning. Chanjet promptly addressed all security incidents, and ensured no major security incidents occurred throughout the year.

Chanjet attaches great importance to information security training, and encourages both external partners and internal employees to actively participate in information security protection and enhance information security awareness. During the Reporting Period, Chanjet invited network security and evaluation agencies nationwide to conduct security technology training for distributors and customers. Meanwhile, Chanjet launched an internal security month campaign themed "Forging a Security Fortress, Safeguarding Privacy Frontiers" (鑄安全長城·護隱私疆域). This campaign featured various activities including the "Effortless Office and Secure Collaboration" and "Sensitive Information Scanning and Remediation" themed training sessions, online security competitions, and security examinations to enhance employees' capabilities in identifying security risks and their capabilities in security protection technologies.



Chanjet has been recognized by domestic and foreign authorities in information security, network security, cloud service security, operation and maintenance security and other aspects. Chanjet has obtained four international standard certifications: ISO 27001 information security management system, ISO 27701 privacy information management system, ISO 27017 cloud service information security management system, ISO 27018 personal identifiable information protection management system in public clouds, as well as a number of authoritative certifications such as trusted cloud security standard assessment and the level 3 certification of national information security protection. During the Reporting Period, the Company won the “2023 Outstanding Contribution Award for Managing Vulnerabilities (二零二三年度漏洞處置突出貢獻單位)” and “2023 Outstanding Contribution Unit for Vulnerability Handling (二零二三年度漏洞應急工作突出貢獻單位)” by CNVD at the 21st China Cybersecurity Annual Conference and Cybersecurity Collaborative Governance Sub-forum.



System certification

Privacy protection

Chanjet prioritizes data security and privacy protection of the enterprise and customers. It has formulated and issued the Chanjet Personal Information Protection Management Specification to define regulations and requirements covering transparent collection, encrypted transmission, confidential storage, stringent usage, and disclosure of personal information. During the Reporting Period, based on feedback from ISO 27000 series certification evaluations, the Company revised privacy policies across its applications to further clarify the division of responsibilities between the Company and users regarding data control and ownership during account registration processes, strengthen requirements for protecting minors' personal information, and establish a comprehensive security incident response and handling mechanism for personal information breaches. These measures ensured full compliance of the Company's products with legal requirements in processing personal information and minimized the impact and losses to users caused by data privacy breaches.



Scientific and technological innovation

Adhering to the core value of “continuous innovation”, Chanjet has continuously refined the technology R&D and innovation management system. It has established effective innovation incentive mechanisms and technology R&D platforms, actively engaged in industry-university-research cooperation, and enhanced technological innovation capabilities.

In 2024, leveraging its cloud platform foundation, Chanjet focused on the innovative applications in technological fields including finance and tax risk detection reports, intelligent risk control, dynamic scoring card, enterprise finance and tax anomaly detection algorithms, and RPA-based invoice and tax automated collection. In terms of enterprise digital credit service function, the Company comprehensively empowered the digital transformation of MSEs and fully leveraged data as a foundational resource and innovation engine to achieve the objectives of improving service efficiency for institutions and expanding the user scale.

Digital transformation of MSEs

- ★ By leveraging multiple AI technologies such as large models, RPA, and OCR, we enhanced the automatic extraction and recognition capabilities of key financial documents such as invoices and bank statements, optimized the automation and accuracy of bookkeeping and tax declaration, enabled one-click tax declaration in all 36 tax districts in China.

Improving service efficiency for institutions and expanding the user scale

- ★ Leveraging the development of AI technology, the intelligent finance and taxation BaaS service that provides fully automatic bookkeeping and tax filing services for micro enterprises has continuously improved efficiency and accuracy of whole-process automatic bookkeeping and tax filing. This innovation drove a shift in the accounting agency industry from a “tool + human” model to a “tool + algorithm” approach.
- ★ The intelligent finance and taxation BaaS service significantly expanded its user scale by delivering more standardized services at a more favorable price, reducing the compliance costs of MSEs and facilitating their sound development.

Innovative incentive mechanism

To enhance the innovation initiative of all R&D personnel, Chanjet consistently maintains high-level R&D investment. It has formulated innovative incentive policies such as the Innovative Achievement Reward Measures (《創新成果獎勵辦法》) and the 2024 Special Incentive and Rewarding Scheme of R&D Centre (《研發中心2024年特殊激勵方案》), and implemented diversified incentive measures for outstanding employees in R&D and innovation:

- ★ Timely incentives: Monthly or quarterly incentives for personnel in the research and development centre demonstrating exceptional daily performance;
- ★ Targeted incentives: Targeted incentives are provided quarterly to teams and individuals who overcome difficulties in R&D, exceed expectations in completing R&D, and make exceptional contributions to product quality. These include post-evaluation incentives and more than expected review incentives. Outstanding R&D role models and exemplary projects are selected on a semi-annual basis and are provided with semi-annual individual and project incentives;
- ★ Supplementary incentives: A selection process is integrated into the year-end review and planning, serving as a supplement to the timely and targeted incentives.



R&D platform management

Adhering to the Development Process Specification, Chanjet has implemented systematic and standardized R&D management, and has continuously developed and improved the R&D management platform. It has achieved refined management across all phases of R&D, comprehensively covering task management, collaborative management, defect management, code management, continuous building and integration, environment deployment and release, etc., at the research and development centre through a highly efficient online platform. Furthermore, the platform monitors and analyzes data collected from tools to provide digitalized management basis for R&D teams, thereby ensuring the effectiveness of R&D management.

Industry-university-research cooperation

Chanjet has actively collaborated with government agencies, industry organizations, and scientific research institutions. During the Reporting Period, as both an expert panel member and technical support unit for the Credit Enhancement Accounting Data Standards for Small and Micro Enterprises (Trial Version) (《小微企業增信會計數據標準》(試行版)) of the Ministry of Finance, the Company gave full play to the credit enhancing role of enterprise multidimensional accounting data to facilitate the pure credit financing loan for MSEs, and actively supported pilot implementations in Shanxi, Sichuan, Anhui, Beijing and other regions. Building on practical experience gained from piloting credit enhancement applications for the accounting data of MSEs, Chanjet, as a unit undertaking related research projects of the Chinese Academy of Fiscal Sciences, collaborated with the China Electronics Standardization Institute, financial institutions, finance universities, finance and tax service providers, and relevant leaders and experts participating in the research group to draft the national standard Accounting Data Specifications for Credit Enhancement of Small and Micro Enterprises (《小微企業增信會計數據規範》). Chanjet also participated in multiple rounds of revisions to the draft proposal of the Ministry of Finance and supported the national standard application process.

The performance indicators of Chanjet in respect of R&D and innovation in 2024 are set out as follows:

Indicators	Unit	2024	2023	2022
Total R&D investment	(RMB10,000)	22,898.7	24,734.0	27,172.5
Percentage of total R&D investment over income	(%)	24	31	40



Protection of intellectual properties and brand

Chanjet pays attention to the protection of intellectual properties. In compliance with the requirements of the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), the Interim Procedures on Internet Advertising Management (《互聯網廣告管理暫行辦法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), the Patent Law of the People's Republic of China (《中華人民共和國專利法》) and other national laws and regulations, Chanjet has formulated and implemented the internal document standards such as the Patent Management Measures (《專利管理辦法》). In terms of the application and protection of patent and the use and promotion of brand advertising trademarks, the following measures shall be taken to strengthen the protection of intellectual properties and brand:

- ★ Formulate the annual patent application target and follow up the completion status of such target;
- ★ Introduce external lecturers to provide training on patent document preparation;
- ★ Regularly organize internal patent review, submit patent materials according to the review results, follow up on the status of the authorization process, manage patent-related matters in a closed-loop, and file for record;
- ★ Develop the Chanjet Brand System Management Specification (《暢捷通品牌體系管理規範》), regularly update and release the "Chanjet Brand Visual Identity Manual" (暢捷通品牌視覺識別手冊), and standardize the management of various use scenarios of Chanjet brand, business brand, and product brand to meet the needs of product business development and brand promotion, and ensure the standardization and uniformity of corporate branding and market promotion.

In 2024, to safeguard the intellectual properties of the Company and the legitimate rights and interests of users, Chanjet established a dedicated anti-piracy and infringement task force. Chanjet released the Sunshine Genuine Action Announcement (《陽光正版行動公告》) and the Special Management Measures for Combating Piracy and Infringement (《打擊盜版及侵權行為專項管理辦法》), establishing standardized workflows to vigorously combat piracy and infringement, thereby maintaining a fair and harmonious market order. During the Reporting Period, significant and substantive achievements were made in the anti-piracy and infringement campaign:

- ★ In judicial cases, criminal cases were reported against counterfeit producers and sellers, and public security authorities initiated investigations. Civil lawsuits were also pursued against clients involved in infringement, unauthorized counterfeit sales, etc.;
- ★ We converted nearly 2,000 MSEs clients from using pirated software to licensed ones.

The performance indicators of Chanjet in respect of patent in 2024 are set out as follows:

Indicators	Unit	2024	2023	2022
Cumulative patents licensed ^{Note}	(pieces)	113	125	97
Newly licensed patents	(pieces)	17	28	23

Note: The above-mentioned indicator data was the number of cumulative patents licensed within the validity period.

- **Quality service**

Chanjet attaches great importance to customer opinions and feedback. It has formulated the Service Quality Management Manual (《服務質量管理手冊》), the Customer Success Service Standards (《客戶成功服務標準》), the Customer Complaint Procedures (《客戶投訴程序》) and other internal management systems to strengthen customer communication, and optimize the collection channels and handling measures for customer feedback. Chanjet has persistently enhanced service quality in aspects of normalized service quality management, customer complaint handling mechanism, customer service satisfaction, etc.

Normalized service quality management

Chanjet has established a diversified cloud product service system, offering a variety of standardized service modes and contents tailored to different customer preferences, including WeCom communities, online customer service within products, customer service hot lines, and partner support network. This ensures the accuracy and effectiveness of customer services.

In terms of service quality assurance, Chanjet has established a comprehensive supervision system combining self-inspection and random inspection. In terms of self-inspection, Chanjet employs AI-powered quality inspection technology to automatically check engineers' service attitude, service communication tactics, and compliance with standardized procedures, and precisely identify and rectify service records that fail to meet established standards. Meanwhile, the customer service system generates customer satisfaction reports for services of each engineer, issuing alerts for those with subpar satisfaction ratings. In terms of random inspection, customer service supervisors conduct weekly follow-up interviews with clients via phone or WeChat on work order handling efficiency and service quality. The supervisors will also document feedback, implement targeted corrective actions, conduct training for relevant customer service personnel. They will continuously perform periodic spot checks on the effectiveness of optimizations or post-training outcomes to ensure service quality and consistently enhance service capabilities.

Customer complaint handling

Chanjet handles customer complaints in accordance with the relevant provisions of the Complaint Handling Procedure (《投訴處理程序》), accepts complaints through phone calls, emails, correspondence, etc., and promptly feeds back to the relevant responsible personnel. After the relevant complaints are handled, the quality supervisor will promptly feed back the result to the customer. In addition, Chanjet has established a service quality supervision and management team, which is responsible for following up the complaint handling process throughout the procedure and verifying the handling result of the complaint through irregular return visits to the customer.



Improving customer service satisfaction

To continuously improve user service satisfaction, Chanjet has proactively implemented measures in the following three areas, based on three dimensions of business urgency, scope of influence, and application effectiveness:

Establish a special group for sensitive applications

- ★ Service response time: After customers raise issues, the special group for sensitive applications will respond quickly;
- ★ R&D collaboration process: For issues requiring collaborative R&D efforts, such issues will directly enter the green channel. The progress of issue handling will be fed back every hour to ensure that customer issues are resolved in a timely and effective manner.

Establish a level 1 emergency response plan for security, network, and operation and maintenance incidents

- ★ Establish an emergency coordination team: Set up an emergency coordination team through the collaboration of three departments: product, R&D, and customer support;
- ★ Comprehensive evaluation and handling: Conduct a holistic evaluation based on the scope of the issue, customer experience, and the severity of the impact. Collaboratively identify the issue, confirm handling time, finalize solutions, issue early alerts to the responsible personnel within set deadlines, and resolve the issue efficiently and promptly;
- ★ After the emergency issues are addressed, the customer service personnel will conduct targeted follow-ups with customers to ensure a complete issue handling mechanism and improve user satisfaction.

Develop a customer follow-up mechanism

- ★ Accurately monitor customers' product usage through the system dashboard, conduct monthly manual follow-ups to assess product usage status, and provide targeted assistance to help customers streamline processes and offer guidance;
- ★ Through new media such as online live courses, engage in large-scale interactive communication with customers.



The performance indicators of Chanjet in respect of customer service in 2024 are set out as follows:

Indicators	Unit	2024	2023	2022
Number of filed customer complaints displayed ^{Note 1}	(items)	4	1	0
Satisfaction on customer service ^{Note 2}	(%)	85.50	87.00	86.10

Note 1: This indicator refers to the number of complaints displayed on the nationwide 12315 information display platform for complaints.

Note 2: The Group conducts customer satisfaction surveys through questionnaires, and calculates customer satisfaction based on the responses from customers.

3.3 ANTI-CORRUPTION

Chanjet has always adhered to the principle of “maintaining integrity, pursuing long-term development, and fighting against corruption”. Chanjet strictly abides by business ethics, and attaches great importance to the construction of integrity management. Through the formulation of audit and supervision standards, the improvement of the supervision and administration system, the development of integrity training and other ways, Chanjet has strictly restrained the violations such as commercial bribery, corruption, fraud and illegal transactions to practice a corporate culture of integrity and compliance with high standards.

- **Policies and systems**

In strict compliance with the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Audit Law of the People's Republic of China (《中華人民共和國審計法》), the Law of Anti-Money Laundering of the People's Republic of China (《中華人民共和國反洗錢法》) and other laws and regulations, Chanjet has formulated various systems such as the Internal Audit System (《內部審計制度》), the Code of Conduct for Employees (《員工行為守則》), the Code of Business Conduct for Employees, the Reporting Management System (《舉報管理制度》), and Provisions on Punishment of Violations Found in Audit and Supervision (《對審計監察中發現的違規行為的處分規定》) to ensure that the Group's operations are compliant and lawful.

- **Supervision and administration**

Chanjet continuously improves its internal control and risk management system, engages an independent internal control advisor to conduct internal control review every year and assist management in conducting comprehensive enterprise risk assessments. The reports on internal control review and enterprise risk assessment are reviewed and approved by the Board and the Audit Committee of the Board. Meanwhile, based on actual operating conditions and management evaluation, special audits for anti-corruption are conducted through internal audits or by engaging third-party external audit institutions to inspect illegal acts.

In terms of supervising employees, the Group stipulates ethical requirements and business conduct norms for employees in the Code of Conduct for Employees and the Code of Business Conduct for Employees. In terms of supervising suppliers, Chanjet always cooperates with business partners as per the “open, fair and just” anti-corruption principle, and strictly prohibits commercial violations such as corruption and bribery. In the process of cooperation with suppliers, relevant departments supervise the business conduct of suppliers. At the same time, the Reporting Management System of the Company also applies to business partners so as to strengthen the supervision of whistle-blowers in the process of cooperation with business partners.

During the Reporting Period, Chanjet was not involved in any offence and violation cases in relation to commercial bribery, corruption, extortion, fraud or money laundering.



- **Whistleblowing channels**

Chanjet has established an audit and supervision department specifically responsible for anti-corruption reporting, and has continuously improved the reporting and handling processes including receiving reports, verifying, investigating and obtaining evidence, and handling violations. The Group opens multiple channels to receive reports of violations of regulations and disciplines, encourages whistle-blowers to report to the audit and supervision department and Audit Committee of the Company through email, telephone, letter, interview, and other means, and strictly keeps confidential whistle-blowers' information and relevant content to ensure their safety.

- **Integrity training**

Chanjet conducts anti-corruption, anti-bribery and other training for all employees, Directors and Supervisors every year to prevent misconduct.

At the level of Directors and Supervisors, the Group organized all Directors and Supervisors to participate in a video course on "Commercial Bribery Risks in Securing Transaction Opportunities or Competitive Advantages (謀取交易機會或者競爭優勢中的商業賄賂風險)" during the Reporting Period. The content covered anti-unfair competition legislation and enforcement trends, administrative-criminal coordination in commercial bribery, legal risks associated with market promotion activities, discussions on anti-unfair competition in industries at high risk of commercial bribery, etc.

At the employee level, the Group organizes all employees to learn the Code of Business Conduct for Employees online every year, and sign a statement of compliance with the Code of Business Conduct for Employees after passing the relevant business conduct compliance knowledge test. The Group conducts annual value evaluation and compliance assessment for all employees to strengthen their understanding of internal and external compliance behaviors, reporting methods for violations, and punishment. Meanwhile, the Group continuously conducts trainings on compliance and values for new employees to avoid corruption from the source.

2024 annual compliance assessment

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The followings are some examples of prohibited conduct in the Code of Business Conduct for Employees:

01

Accepting bribes

02

Offering bribes

03

Illegal transactions

04

Embezzlement, corruption, or misappropriation of property of the Company

05

Infringement of intellectual property rights of the Company

06

Falsification of performance

07

Illegal investment and outsourcing

08

Illegal tenure or part-time employment

09

Not avoiding conflicts of interest and work

10

Internal public relations, reimbursement in violation of regulations, and unreasonable solicitation of bribes

Non-compliance

Compliance



4. Community Investment

Chanjet actively fulfills corporate social responsibilities, firmly believes that healthy social development constitutes a crucial component of the sustainable development of enterprise, and promotes the collaborative development with business partners. Leveraging resource advantages in the field of informatization for MSEs, the Group deeply integrates public welfare practices with business development, actively responds to social needs, participates in public welfare and charitable activities, facilitates industry exchanges and development, and empowers MSEs to achieve digital and intelligent transformation.

2024 Global Business Innovation Conference – Chanjet Accounting Agent Service Summit Forum (暢捷通代賬服務高峰論壇)

Case:

Under the theme of “Compliance Leadership, Efficiency-Driven Future” (合規引領·效贏未來), Chanjet collaborated with the Accounting Agency Industry Branch (代理記賬行業分會) of the China Association of Chief Financial Officers to host the Chanjet Accounting Agent Service Summit Forum. Chanjet invested approximately RMB200,000 in the event. The forum gathered over 300 industry elites to explore how to identify emerging trends in financial and tax compliance development in the AI era, and leverage digital intelligent methods to reduce costs and improve efficiency. This enabled accounting agencies to recognize the boundless possibilities of intelligent solutions in their industry, which not only helped enterprises reduce cost and enhance efficiency but also promoted the innovation and transformation in the accounting agency industry.





Case:

“Benefiting Corporate and Amazing Beijing • Digital and Intelligent Transformation (益企京彩 • 數智轉型)” Digital and Intelligent Transformation Activity for Micro, Small and Medium Scale Enterprises

During the Reporting Period, under the guidance of the Beijing Municipal Bureau of Economy and Information Technology and the Haidian District People's Government of Beijing Municipality, Chanjet invested approximately RMB200,000 to undertake the “Benefiting Corporate and Amazing Beijing • Digital and Intelligent Transformation” Digital and Intelligent Transformation Activity for micro, small and medium scale enterprises in Haidian District. The event attracted over 400 digital and intelligent transformation pioneers and enterprise representatives, with more than 500,000 viewers participating via live stream. Focusing on multi-dimensional topics including empowerment with policy, digital and intelligent methodology and technology, the event provided useful reference for participating enterprises' digital and intelligent transformation practices and played a significant role in advancing the digital and intelligent transformation of MSEs in Beijing. It also facilitated the cooperation and exchanges among MSEs, laying a solid foundation for advancing the industry's common progress.



Case:

“Working Together to Benefit Enterprises” Service Campaign for Micro, Small and Medium Scale Enterprises

During the Reporting Period, Chanjet partnered with collaborators nationwide to launch the 2024 “Working Together to Benefit Enterprises” service campaign for micro, small and medium scale enterprises. Over 400 events were organized with more than 25,000 participants across over 140 cities including Jinan, Shanghai, Guangzhou, Ningxia, and Chongqing. Chanjet invested approximately RMB250,000 in the campaign. The campaign brought together industry experts and entrepreneurs from various industries to discuss practical experience and future trends in digital and intelligent transformation of MSEs, providing MSEs with valuable experience and strategic direction for their digital and intelligent transformation.



ESG Index Table

Relevant indicators of the ESG Guide of the Hong Kong Stock Exchange		Chapter and Page
Environmental		
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	P10-13
	A1.1 The types of emissions and respective emissions data	P10
	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, per employee)	P10
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per employee)	Not applicable ¹
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per employee)	P10
	A1.5 Description of emission target(s) set and steps taken to achieve them	P10-13
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	P10, P12-13
A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials	P13-15
	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, per employee)	P10
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility, per employee)	P10
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them	P10, P14
	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	P10, P13-14
	A2.5 Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced	P10
A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources	Not applicable ²
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	
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	P15-17
	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	P15-17

¹ Explanation: The Group has not produced any other hazardous wastes during its operation except electronic wastes. According to the latest relevant instructions of the Ministry of Ecology and Environment of the People's Republic of China, "electronic wastes" do not belong to "hazardous wastes", so this indicator is not applicable.

² Explanation: Given the business nature of the Group, the Group did not have any business activities that have a significant impact on the surroundings, so this indicator is not applicable.



Relevant indicators of the ESG Guide of the Hong Kong Stock Exchange		Chapter and Page
Social		
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	P18-19, P25-26
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	P21
	B1.2 Employee turnover rate by gender, age group and geographical region	P21
	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	P22
B2 Health and Safety	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	P22
	B2.2 Lost days due to work injury	P22
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored	P22
	B3 Development and Training General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	P23-24
B3 Development and Training	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	P25
	B3.2 The average training hours completed per employee by gender and employee category	P25
	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 labour	P20
	B4.1 Description of measures to review employment practices to avoid child and forced labour	P20
B4 Labour Standards	B4.2 Description of steps taken to eliminate such practices when discovered	P20
	B5 Supply Chain Management General Disclosure: Policies on managing environmental and social risks of the supply chain	P27-29
	B5.1 Number of suppliers by geographical region	P29
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	P27-29
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	P27-29
B5 Supply Chain Management	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	P29



Relevant indicators of the ESG Guide of the Hong Kong Stock Exchange		Chapter and Page
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	P29-33
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable ³
	B6.2 Number of products and service related complaints received and how they are dealt with	P37-39
	B6.3 Description of practices relating to observing and protecting intellectual properties	P36
	B6.4 Description of quality assurance process and recall procedures	P31
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored	P32-33
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	P39-40
	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	P39
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	P39-40
	B7.3 Description of anti-corruption training provided to directors and staff	P40
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	P41-42
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	P41-42
	B8.2 Resources contributed (e.g. money or time) to the focus area	P41-42

³ Explanation: The products of the Group are mainly delivered online, and the small proportion of offline products also are not involved in safety and health risks.

畅捷通 Chanjet

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