

车市科技

C H E S H I T E C H

AI X Tech Inc.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1490



2024

Environmental, Social and Governance Report

Contents

I.	About this Report	2
	• Purpose of this Report	2
	• Reporting Scope	2
	• Reporting Principles	2
	• Approval	3
	• ESG Governance Structure/Vision	3
	• Stakeholder Engagement	4
	• Materiality Assessment	4
II.	Product Responsibility	5
	• Data Protection	5
	• Intellectual Property Protection	7
	• Advertising	7
	• Communication with Customers	8
III.	Employee Care	8
	• Fair Recruitment	8
	• Employment Practice	8
	• Workforce Information	9
	• Turnover Rate	10
	• Development and Training	11
	• Employee Benefits and Care	11
	• Occupational Health and Safety	12
IV.	Community Investment	14
V.	Environmental Protection	14
	• Air Emissions	14
	• Climate Change	15
	• Strategy	15
	• Risk Management	16
	• Significant climate-related issues on the Company	16
	• Greenhouse Gas Emissions	18
	• Waste Management	19
	• Conservation of Resources	19
	• Energy Consumption	19
	• Paper Usage	20
	• Packaging Materials	20
	• Water Consumption	20
VI.	Supply Chain Management	21
VII.	Anti-Corruption	21
VIII.	The ESG Reporting Guide's KPIs Index	22

Environment, Social and Governance Report

I. ABOUT THIS REPORT

Purpose of this Report

AI X Tech Inc. (the “**Company**”, together with its subsidiaries, the “**Group**” or “**we**”) hereby issues our fifth Environmental, Social and Governance Report. This report should be read in conjunction with our 2024 annual report which was published on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) at <http://www.hkexnews.hk> and the Company at <http://ir.cheshi.com/> on 28 April 2025.

Reporting Scope

This report provides the Group’s environmental, social and governance (“**ESG**”) information for the year ended 31 December 2024 (the “**Reporting Period**”). The environmental key performance indicators (“**KPIs**”) disclosed in this ESG report relate to our offices in Beijing, Shanghai, Guangzhou and Hangzhou, the PRC during the Reporting Period.

Reporting Principles

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), and is presented in compliance with the disclosure requirements of “comply or explain” in the Guide.

This report is prepared and presented based on the following reporting principles:

- **Materiality:** Key ESG issues of the Group were identified through materiality assessment and stakeholder engagement, which has been disclosed in this report.
- **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) has been disclosed in this report.
- **Balance:** This report has provided an unbiased picture of the Group’s performance and has not avoided any selections, omissions or presentation formats that may inappropriately influence a decision or judgment by the readers.
- **Consistency:** Unless otherwise stated, the disclosure, data collection and calculation methods have remained consistent from 2023 ESG report to facilitate comparability over time.



Approval

To the best of knowledge, belief and information of the board (the “**Board**”) of directors (the “**Directors**”) of the Company, this report addresses all relevant material issues and fairly presents the ESG performance of the Group. The Board confirms that it has reviewed and approved this report.

ESG Governance Structure/Vision

While the Group is not subject to significant ESG risks as we do not operate any automobile manufacturing, warehousing, displaying and maintenance and repair facilities, the Board is mindful that operating its businesses in an environmentally and socially responsible way will create long-term value for its business development.

The Board plays a primary role and has the overall responsibility in overseeing the Group’s ESG endeavors by overseeing the implementation of the Group’s ESG strategy and issues and reporting so that the Group’s business will have a positive impact on the sustainable development of the environment and the community. Further, the Group has set up an ESG working group, which is responsible for evaluating, prioritizing and managing material ESG-related issues (including risks to the Group’s businesses).

The structure of the ESG working group is as follows:

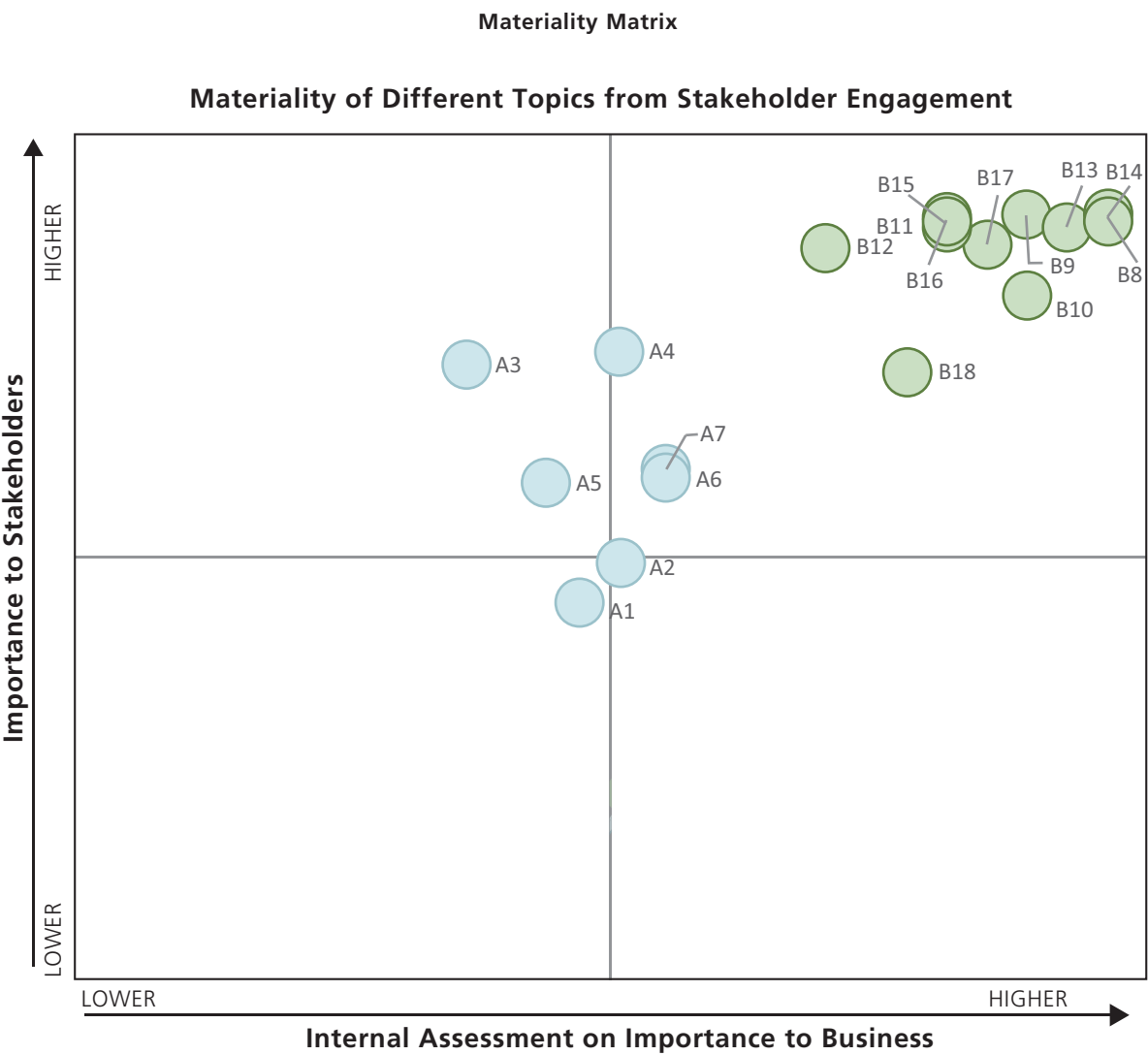
Role	Responsibilities
The Board	<ul style="list-style-type: none">➤ setting up ESG targets;➤ evaluating ESG strategies, plans and results;➤ monitoring the effectiveness of the execution plan of ESG policies;➤ reviewing ESG-related issues regularly; and➤ reviewing the annual report and the ESG report.
Senior Management	<ul style="list-style-type: none">➤ identifying ESG material topics and major risks of the Group and reporting to the Board;➤ formulating ESG working plans and strategies;➤ coordinating among departments to implement ESG strategies;➤ providing recommendations to the Board to improve the Group’s ESG performances;➤ providing updates on internal ESG policies;➤ collecting quantitative ESG data of the Group;➤ executing ESG policies and strategies; and➤ monitoring daily operations in relation to the ESG aspects of the Group.

Stakeholder Engagement

During the Reporting Period, the Group specifically engaged a wide variety of stakeholders, namely the Board, shareholders, senior management, frontline staff, clients and suppliers, to gain insights into ESG material topics and challenges of the Group’s operations. In the materiality assessment, stakeholders were asked to rate a list of 18 ESG topics in terms of their relevance and importance to the Group’s business development and sustainability, as well as to the wider community.

Materiality Assessment

Results of the materiality assessment and the consolidated list of material aspects with respective management are presented in the following matrix, table and section, respectively.



Environment, Social and Governance Report

A. Environmental		B. Social	
1	Energy	8	Employment
2	Water	9	Occupational Health and Safety
3	Air Emission	10	Development and Training
4	Waste and Effluent	11	Labor Standards
5	Other Raw Materials Consumption	12	Supply Chain Management
6	Environmental Protection Measures	13	Intellectual Property Rights
7	Climate Change	14	Data Protection
		15	Customer Service
		16	Product/Service Quality
		17	Anti-corruption
		18	Community Investment

From the assessment, the Group and its stakeholders have identified the top six material aspects as follows:

1. Employment
2. Occupational Health and Safety
3. Intellectual Property Rights
4. Data Protection
5. Anti-corruption

II. PRODUCT RESPONSIBILITY

The Company operates online automobile vertical media platforms in China that offer comprehensive and high-quality automobile content produced by our in-house content team and distributed across our proprietary, comprising our PC websites, mobile websites and mobile applications, and over 1,000 business partner platforms.

Data Protection

Data protection is of paramount importance to our business. We collect device-specific data, such as device IDs and IP addresses, and some limited amount of users' personal information, such as their legal names and personal ID numbers, with their consents. Our data analytics are technically device-based and are not associated with any real individual who can be an actual user of such device. We have data protection measures in place to ensure the data that we collect are not misappropriated or misused as follows:

Environment, Social and Governance Report

Network protection. Our IT network is configured with two main layers of protection, consisting of the database and data entry layers, to secure our databases and servers. The database layer provides user identification and authentication and user access rights control, while the data entry layer applies a web application firewall to prevent attacks, filter data and other data intrusion incidents.

Access restriction. We have implemented an internal policy to safeguard against any unauthorized access to data which sets out, among others, the obligations and job duties of the system administrator and the implementation of passwords, backup and security measures against hackers, viruses and network attacks to ensure data security. Only our key employees have access to the data we collected, and authorization from senior management is required if access to the data is requested from other employees.

Data encryption. Confidential data is encrypted into a format that cannot be directly identifiable (ciphertext), and the data is stored and transmitted in the form of ciphertext to prevent access to data through unauthorized channels.

Compliance policies. We have implemented measures to comply with laws and regulations on data protection and privacy in China such as the Cybersecurity Law of the PRC 《中華人民共和國網絡安全法》, the Data Security Law of the PRC 《中華人民共和國數據安全法》, and the Personal Information Protection Law of the PRC 《中華人民共和國個人信息保護法》. We have implemented internal user personal data usage and maintenance policy to safeguard against the misuse of personal information, requiring our employees to use authorized passwords and log in to access our computer systems and use user data only for the specific purpose and scope previously agreed by relevant users and not to use such data for other uses without prior written consent from relevant users.

Defense against computer viruses and hacking of systems. We have implemented protection and security measures against computer viruses and systems hacking and continue to strengthen such measures, including firewall, data encryption technology, access restriction, data backup and other automatic software protection measures.

Privacy policies. We continuously update our user privacy policy on our official website to ensure compliance with relevant laws and regulations. We generally include user data and privacy clauses in our contracts to require our contractual counterparties to comply with our privacy policies and relevant laws and regulations on data protection and privacy.

We are in compliance with the applicable laws and regulations in all material aspects in China relating to the collection, use, disclosure and security of personal information during the Reporting Period.

Intellectual Property Protection

We have obtained key intellectual property and proprietary rights in relation to the operation of our business. Our intellectual property includes trademarks and trademark applications related to our brands, services and software copyrights. We seek to protect our intellectual property assets and brands through a combination of trademark, patent, copyright and trade secret protection laws in Mainland China and other jurisdictions, as well as through confidentiality agreements and other measures. The Group strictly follows the Copyright Law of the PRC 《中華人民共和國著作權法》, Computer Software Protection Regulations 《計算機軟件保護條例》, Computer Software Copyright Registration Procedures 《計算機軟件著作權登記辦法》 and PRC Trademark Law 《中華人民共和國商標法》 as well as the Implementation Regulation of the PRC Trademark Law 《中華人民共和國商標法實施條例》 to protect our assets. We register trademarks and software copyrights as soon after evaluating the needs of the same. We also pay attention to the specific valid date and make sure to extend their validity in time before their expiry. Our legal team and related operating colleagues are responsible for the daily management of legal matters involving domain names, trademarks and software copyrights.

Advertising

We ensure our operation complies with the PRC Advertising Law 《中華人民共和國廣告法》 and the Interim Measures for Administrative Measures for Internet Advertising 《互聯網廣告管理辦法》 for our online advertising business. We create our automobile content in a user-oriented perspective with a strong focus on assisting our users in their search (as to pricing and vehicle comparison) and selection to purchase process. Our key editors guide the quality control process of our automobile content as we only publish our automobile content that complies with our internal guidelines and requirements. Our key editors work closely with our content team to carry out independent verification of the data and information collected, using their expertise and experience and in accordance with our standardized checking procedures. Our standardized checking procedures primarily include: (i) carrying out direct verification with staff of the automaker, (ii) conducting a cross-check against public information in relation to vehicle model configurations from the official website of the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部), and (iii) carrying out test-drives. The key personnel in charge of the verification process is our editor-in-chief with over 15 years of editorial experience. They strive to ensure the accuracy, consistency, timeliness of such data and information and compliance with legal requirements. We have adopted internal guidelines which set out standards and requirements on various aspects of our content creation and publication.

Environment, Social and Governance Report

Communication with Customers

We value our customers' feedback on the advertising services provided by us, and we have implemented measures to handle complaints effectively. Our sales team handles customers' complaints promptly upon receipt. If the complaint involves quality problems or defects found in advertisements placed by us, our sales team escalates such complaints to our management for investigation and rectification. We believe the above measures can reinforce our quality control standards for our customers and install our customers' confidence in our advertising services. During the Reporting Period, we did not experience any product or service-related complaints from our customers or any regulatory bodies in respect of advertisements placed by us which had a material adverse effect on our business or results of operations. Furthermore, during the Reporting Period, no products sold or shipped were recalled due to safety and health reasons due to irrelevancy to the Group's business nature, and there was no product recalls or service complaints due to health and safety reasons. Given the Group's business nature, the Group was not involved in the sale of physical products, therefore disclosure on product recall procedures is not applicable.

III. EMPLOYEE CARE

Fair Recruitment

We actively embrace a global and diverse talent pool, ensuring equal opportunities for qualified professionals regardless of geographical boundaries, fostering an inclusive and multicultural workforce. Equal opportunities are provided to all employees regardless of gender, race, religion, physical characteristics and nationality.

Employment Practice

In respect of the Group's employment matters, it complies with all relevant laws and regulations, including but not limited to the PRC Labor Law 《中華人民共和國勞動法》, the PRC Labor Contract Law 《中華人民共和國勞動合同法》, the Law of the PRC on the Protection of Minors (2024 Revision) 《中華人民共和國未成年人保護法(2024年修訂)》 and the Provisions on the Prohibition of Using Child Labour of the PRC 《中國禁止使用童工規定》. During the Reporting Period, there was no material non-compliance with the relevant laws and regulations in relation to the Group's employment matters.

Every job applicant is required to provide information on his/her educational background, qualification and job experience, which is reviewed by the human resources department of the Company. This allows the Group to hire suitable candidates in accordance with the job requirements and to avoid hiring children and forced labour. The Group also routinely reviews its employment practices to avoid child and forced labour. During the Reporting Period, no material non-compliance with the laws and regulations related to the prevention of child and forced labour has been found by the Group. If the use of child labor or forced labor were discovered, they will be handled in accordance with the applicable laws and procedures.



Workforce Information

As of December 31, 2024, the Group had a total of 102 employees (including the Group’s internal employees and outsourced employees), all coming from the PRC. See figures 1-4 below for the detailed composition of the Group’s workforce.

Chart 1 Total Workforce by Employee Type

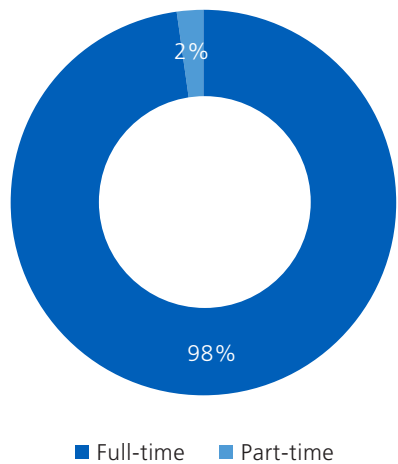


Chart 2 Total Workforce by Employee Category

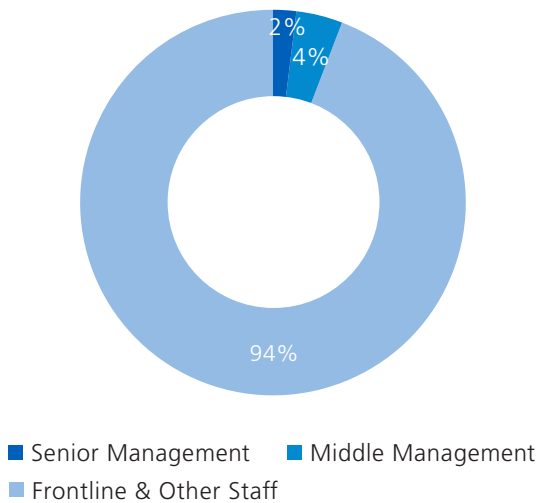


Chart 3 Total Workforce by Age Group

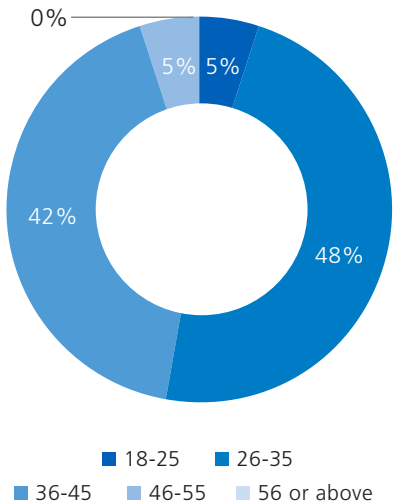
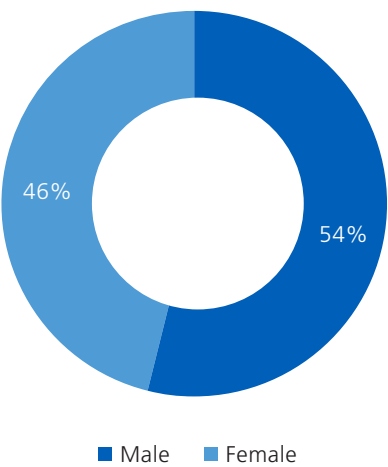


Chart 4 Total Workforce by Gender

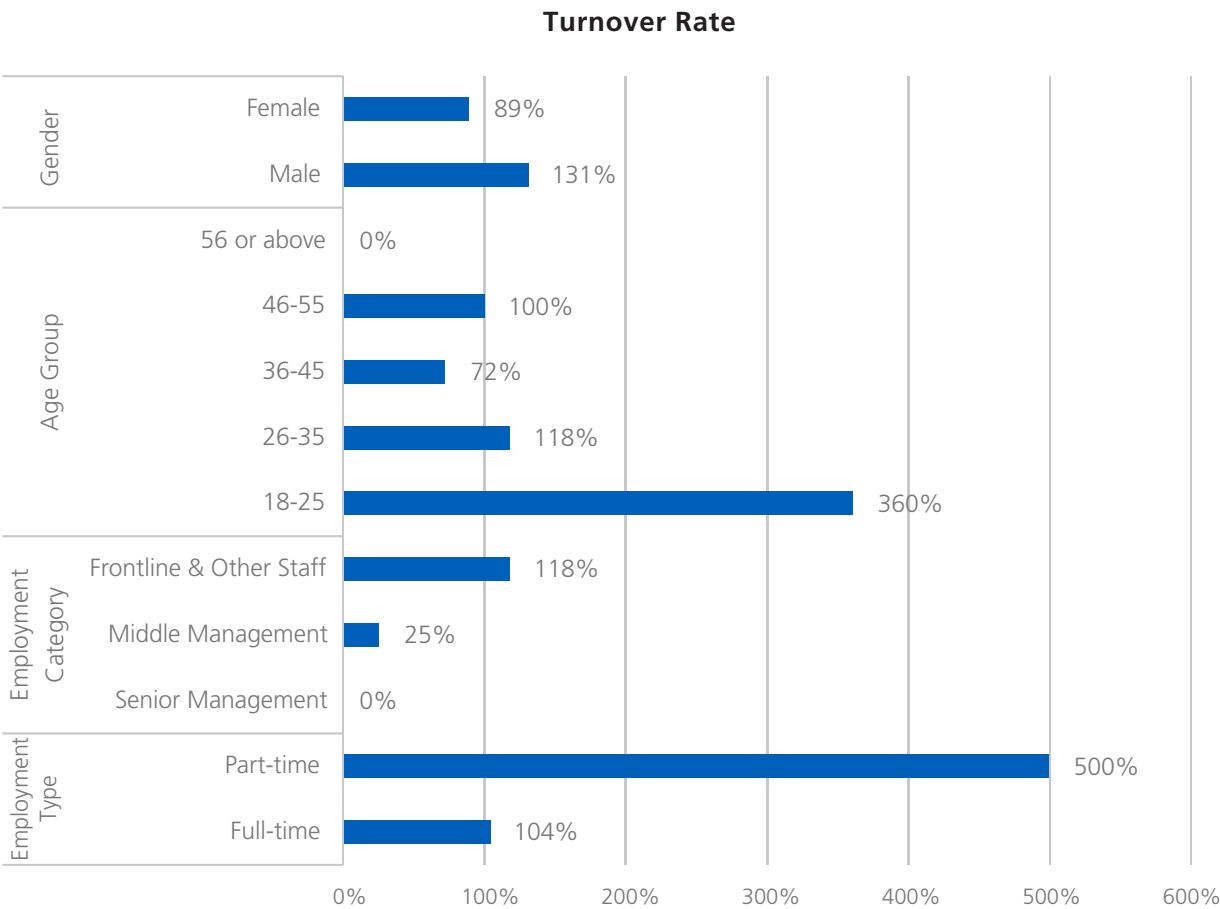


Environment, Social and Governance Report

Turnover Rate

A total of 114 employees left the Group during the Reporting Period, all from the PRC, leading to a turnover rate¹ of 112% for the Group.

Figure 5 Turnover Rate by Age Group



¹ Turnover rate refers to the total number of employee turnover in the Reporting Period/total number of employees as of 31 December 2024* 100%.



Development and Training

We have allocated enough resources to our employees for maintaining their competitiveness and professionalism.

During the Reporting Period, a total of 1,100 hours of training was delivered to the Group's employees. The average number of training hours that each employee received was 10.8 hours.

Training percentage by gender Male: 100% Female: 100%	Average training hours by gender Male: 10.0 hours Female: 11.7 hours
Training percentage by employee category Frontline employees: 100% Middle management: 100% Senior management: 100%	Average training hours by employee category Frontline employees: 10 hours Middle management: 25 hours Senior management: 20 hours

The Group arranges several training courses for its employees. The courses include new employee orientation, general training, professional training and management training. The training content is updated regularly in response to market and business needs. Employees can improve general and professional skills by participating in these training courses.

Employee Benefits and Care

The Company strictly abides by the PRC Labour Law 《中華人民共和國勞動法》 and PRC Labor Contract Law 《中華人民共和國勞動合同法》 and provides employees with competitive salaries in the industry. At the same time, the Company provides employees with a basic welfare system based on national laws, regulations and market practices and offers additional benefits in accordance with the Administrative Measures for Employee Subsidies, including but not limited to an annual employee body check, holiday gift cards and various subsidies, etc..

Environment, Social and Governance Report

The Company provides employees with a convenient, comfortable, and humanized office environment. The offices are equipped with basic facilities such as pantries, rest areas and reading areas. In addition to the high-quality and convenient office environment, the Company provides employees with various friendly and considerate leisure activities to promote physical and mental health, such as the staff birthday party and the company afternoon tea, etc..



Reading and Rest Area



Birthday and Holiday Gifts

Occupational Health and Safety

We pay great attention to the importance on the occupational health and safety of employees in strict compliance with the PRC Labour Law 《中華人民共和國勞動法》, the PRC Law on the Prevention and Control of Occupational Diseases 《中華人民共和國職業病防治法》 and other laws and regulations in relation to occupational health. To ensure compliance with applicable laws and regulations in relation to providing a safe working environment and protecting employees from occupational hazards, from time to time, our human resources department would, if necessary and after consultation with our legal advisor, adjust our human resources policies to accommodate material changes to relevant labor and safety laws and regulations. We strive to provide a safe work environment for our employees and care about the health of employees and we have established an occupational health and safety management system at the Company level and implemented occupational health management measures to create a good working environment, and regularly monitors the safety of employees' working environment:

- * Implement differentiated physical examination strategies according to the needs of different employees, and provide orientation physical examinations and annual physical examinations to ensure the health of employees;
- * Purchase commercial accident insurance for all employees to provide additional security;
- * Provide statutory maternity leave for female employees and sending each female employee holiday gifts on Women's Day in 2024;
- * Provide employees with a healthy and pleasant office environment, and configuring air purifiers and green plants in the office.



Environment, Social and Governance Report

We are not subject to significant health, work safety, social or environmental risks as we do not operate any automobile manufacturing, warehousing, displaying and maintenance and repair facilities. The Group has no lost day due to work-related injury and work-related fatality in the Reporting Period.

Number and rate of work-related fatalities of the Group occurred in each of the past three years including the Reporting Period are set out below:

Occupational Health and Safety Data			
	2024	2023	2022
Work-related fatality	0	0	0
Work-related fatality rate	0%	0%	0%
Work injury cases > 3 days	0	0	1
Work injury cases ≤ 3 days	0	0	0
Lost days due to work injury	0	0	129

IV. COMMUNITY INVESTMENT

The Group understands that engaging the community in which it operates is an essential corporate responsibility. The Group therefore encourages its employees to participate in activities in a bid to give back to the community. It will consider contributing to activities and organisations that benefit the community in the future.

V. ENVIRONMENTAL PROTECTION

Regarding the business nature of the Group, our consumption of natural resources and generation of waste has little impact on the environment. Nevertheless, as one of the leading internet companies in the industry, we recognize the importance of environmental protection and conservation of natural resources in our business operations. We have implemented a number of energy-saving measures to lower greenhouse gas emissions. Environmental considerations are one of our key priorities.

Air Emissions

The air emissions of the Group were attributed to the company-owned vehicles. Below are the breakdowns of the Group’s air emissions during the Reporting Period:

Air Emissions	2024
Nitrogen oxides (kg)	17.32
Sulphur oxides (kg)	0.01
Particulate matters (kg)	1.61



Climate Change

We understand the impacts and risks of extreme weather. Although this issue does not have much influence on our business, we still pay close attention to the progress of the 2024 Annual Report on China's Policies and Actions for Coping with Climate Change and the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28). The Group is willing to adopt practical and appropriate recommendations in contributing to improve the environment.

Strategy

We acknowledge that climate change brings physical and transition risks and opportunities to our business. Our physical risks primarily result from acute and chronic risks caused by climate change, while transition risks mainly come from reputational risk and policy and regulatory risk. On the other hand, climate change would also provide us with the opportunity to improve our resource efficiency, energy sources and market/product and services.

In terms of physical risks, acute climate events caused by climate change, such as typhoons, earthquakes and tsunamis, may affect offline operations, employee safety, and asset safety. On the other hand, chronic risks, such as extreme changes in precipitation and climate patterns, global warming and rise in sea level, may increase energy consumption and operating costs for our offices. There are transition risks as well. In terms of reputational risk, shareholders may expect us to take proactive management actions and improve disclosure transparency on climate action, if we fail to respond well to these demands, it may have impact on our reputation, which may have an adverse impact on our operating income. We believe that climate change has also brought various opportunities to us and by improving our resource efficiencies, we could reduce resource usage, including electricity, fuel oil and water resources.

Environment, Social and Governance Report

Risk Management

The Group understands that climate change may have significant impacts on its operations. The Group has evaluated the climate-related risks to the business about the Recommendations of the Task Force on Climate-related Financial Disclosure (“TCFD”). The risks have been divided into two major categories: physical and transition risks. To measure their materiality and potential impacts on the Group’s business operation, metrics are developed to determine the risk level of the climate risks by evaluating the likelihood and severity of the risk. In general, the Group has a lower risk profile for climate change.

Significant climate-related issues on the Company

The escalating effects of global warming present unprecedented challenges to businesses, ranging from disrupted supply chains to labour-related difficulties. These challenges can significantly impact the financial stability and long-term development of businesses. Recognizing the gravity of the situation, the Group understands the need to assess potential climate-related risks at an early stage. This assessment enables the Group to develop a comprehensive policy that effectively mitigates the impacts brought about by climate change.

In line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), climate-related risks are broadly categorized into two main types: physical risks and transition risks. The Group has undertaken a rigorous analysis to identify several climate-related risks that pose implications for its business operations. These risks encompass acute physical risks, chronic physical risks, legal and policy risks, technology risks, and reputation risks.

To evaluate the impact of these climate-related risks on the Group’s value chain, the Group has conducted an assessment considering the likelihood and severity of each risk. This evaluation allows the Group to determine the level of risk associated with each identified climate-related risk.



Environment, Social and Governance Report

By proactively assessing and addressing climate-related risks, the Group aims to safeguard its business operations and enhance its resilience in the face of climate change. This approach ensures that the Group remains well-prepared to navigate the challenges posed by climate-related disruptions and contributes to the long-term sustainability of its business.

Climate risk type	Time horizon	Implication on business	Risk level
Physical Risk			
Acute physical risk	Short term	Increased severity and frequency of extreme weather affects daily operation and disrupt supply chain. Reduced revenue and increased maintenance cost.	High
Chronic physical risk	Medium to long term	Rising temperature increase energy use and equipment maintenance cost.	High
Transition risk			
Technology risk	Long term	Increased operation cost from substitution of existing equipment and services.	Medium
Legal and policy risk	Long term	Increased operation cost from increased GHG emission pricing.	Low
Reputation risk	Long term	Reduced revenue from decreased demand for services.	Low

Amongst the identified risk, the Group is more susceptible to chronic and acute physical risks. Extreme weather events such as prolonged drought, typhoons, and rainstorms, can cause electricity shortage and reduce the water availability, which disrupt production, transportation, and ultimately sales revenue. The Group is considering formulating an extreme weather policy in the future to manage the climate risks and minimize their financial implication on the business.

Environment, Social and Governance Report

Greenhouse Gas Emissions

During the Reporting Period, the Group's business activities contributed to the greenhouse gas ("GHG") emission of 104.01 tonnes of carbon dioxide equivalent ("tCO₂eq."), mainly carbon dioxide, methane and nitrous oxide.

Scope of GHG emissions	Emission sources	GHG emission (2024) (in tCO ₂ eq.)	GHG emission (2023)	GHG emissions (2022)
Scope 1				
Direct Emission	Combustion of fuel	2.70	8.34	14.47
Scope 2				
Energy Indirect Emission	Purchased electricity	31.20	43.40	58.22
Scope 3				
Other Indirect Emission	Electricity used for processing fresh water by government departments/third parties	0.01	0.02	0.02
	Electricity used for processing sewage by government departments/third parties	0.01	0.01	0.01
	Business air travel	70.09	60.23	47.92
Total		104.01	112.00	120.63
GHG emission intensity (per m² of building area)		0.08	0.03	0.06
GHG emission intensity (per employee)		1.02	0.67	0.75

Notes:

1. Emission factors were made reference to Appendix C2 of the Listing Rules and their referred documentation as set out by The Stock Exchange of Hong Kong Limited, unless stated otherwise.
2. CO₂ emissions from the Group's business air travels were reported in accordance with the International Civil Aviation Organization (ICAO) Carbon Emission Calculator.
3. The GHG emission of purchased electricity is calculated according to the emission factor 0.5366, announced by the Ministry of Ecology and Environment of People's Republic of China in 2024.
4. Following the suspension of operations at the Hangzhou office in August 2024, its operational area was calculated based on the average of the months it was operational during the Reporting Period.

The overall total GHG emissions reduced by 7% during the Reporting Period compared with last year.



Environment, Social and Governance Report

The Group identifies electricity consumption at the workplace and business air travel as the major sources of GHG emissions. We target to reduce our GHG emissions by 10% by 2031 with 2022 as a base year and continue to encourage our employees towards this target including to turn off the light and air conditioners when not in use. We also promote public transportation and video conferences in replacement for business trips. If it is necessary for our employees to go on business trips, the choice of high-speed rail is an alternative to air travel in the PRC.

During the Reporting Period, the Group was not aware of any non-compliance with the Environmental Protection Law of the PRC 《中華人民共和國環境保護法》 and the Law of the PRC on Prevention and Control of Atmospheric Pollution 《中華人民共和國大氣污染防治法》 and other relevant standards, rules and regulations that have a significant impact on the Group relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Waste Management

The business operations of the Group did not involve generation of any significant hazardous waste. Hence, no such information is presented in this report.

The business operations of the Group did not involve generation of any significant non-hazardous waste. Hence, no such information is presented in this report.

Conservation of Resources

The Group, on an ongoing basis, identifies all possible sources of environmental pollution from the office operations and evaluates the extent of its environmental impacts. The Group executes target-driven and practical measures and sets reduction targets for some important environmental indicators to demonstrate our commitment to environmental protection.

Energy Consumption

As we acknowledge that lighting, air-conditioning etc. are essential in maintaining our operation, the Group regularly reminds employees to conserve energy resources. We target to reduce energy consumption by 10% by 2031 with 2022 as a base year. We make an effort to investigate and explore, as far as possible, ways to improve the energy efficiency of electrical appliances such as air conditioning, lighting and electrical installations and other office equipment in the workplace.

Environment, Social and Governance Report

To implement the said target, we ensure that all employees turn off lights before leaving the offices. Natural lighting is preferred during the daytime. We prefer LED lights and reduce the lighting devices from the areas that exceed the luminance level. We also require staff to turn off the computer and office equipment when leaving the office and close the windows when using the air conditioner. The workplace is maintained at a comfortable temperature to encourage energy savings and emissions reductions. In this regard, the Company has referred to the relevant standards recommended by the General Office of the State Council and set the air conditioning temperature to 26.0°C in summer to reduce over-use of air conditioning. We encourage work from home beyond office hours, if necessary. We conduct regular electrical and power generation equipment inspections to ensure safety and operational efficiency. We encourage carpooling when commuting and attending external meetings. We adopt online meetings and communications to reduce travel and energy consumption whenever possible. We can conserve electricity efficiently in this course when employees have built up the above good daily habits. During the Reporting Period, the offices of the Group consumed a total of 67,100.76 Kilowatt-hours ("kWh") of electricity and combustion of petrol, with an intensity of 54.19 kWh/m², and 657.85 kWh/employee.

The overall total energy consumption increased by 12% during the Reporting Period compared with last year.

Paper Usage

We encourage reusing or recycling packaging such as plastic or paper bags and cartons. We adopt office digitalization to minimize overprinting. We also reuse printing paper as much as possible in compliance with personal data privacy regulations. We educate our employees to think twice before printing any email and include the reminder in the email footer to remind recipients. We closely monitor the number of annual reports printed each year to avoid waste.

Packaging Materials

The Group's operations did not involve any regular use of packaging materials. Hence, no such information is presented in this report.

Water Consumption

We understand that reducing waste at the source is the best solution for sustaining green business operations. We target to reduce water consumption by 10% by 2031 with 2022 as a base year. During the Reporting Period, we execute the measures below for water management, mainly in the washroom areas. Employees are educated and instructed to close the faucet tightly before leaving. In order to raise the water conservation awareness of our employees, relevant water-saving tips are posted in the washroom area. During the Reporting Period, the offices of the Group consumed 28.2 m³ of fresh water, with an intensity of 0.2 m³/m², and 0.28 m³/employee. There were no issues in sourcing water during the Reporting Period.

The overall total water consumption reduced by 37% during the Reporting Period compared with last year.



VI. SUPPLY CHAIN MANAGEMENT

Our suppliers primarily include brand promotion, information technology, exhibition promotion and offline event promotion service providers. The services provided by our suppliers generally include promoting our Company's brand, promotion planning and set-up of exhibitions participated by us, promotion planning of offline events organized by us, and Internet and technical support. All new suppliers are required to provide the relevant qualification and undergo the background check to mitigate the environmental and social risk. The factors affecting the selection of the suppliers include their reputation and qualifications, full compliance in operations (such as no bribery and corruption), environmentally friendly and socially responsible. When selecting suppliers, we practice the concept of green environmental protection in the procurement process, and purchase and use recyclable office appliances. During the Reporting Period, we required our employees to purchase office equipment with ecolabels when purchasing office supplies. After the supplier is selected, we will sign services contracts with them. We also formulate the standardized procedures for service acceptance. Suppliers shall meet our required standards, or they must rectify in time if acceptance is not qualified. We maintain regular communication with suppliers for effective management and construct good relationships so that they can continuously supply qualified services for us.

During the Reporting Period, the Group engaged a total of 406 suppliers, 372 were from Mainland China, and 34 were from overseas, including Hong Kong and Thailand.

VII. ANTI-CORRUPTION

We are aware of the importance of protecting legal rights and interests as well as regulating misconduct business practices for sustainable, stable and healthy development. Apart from strictly following, but not limited to, the Criminal Law of the PRC 《中華人民共和國刑法》, the Anti-unfair Competition Law of the PRC 《中華人民共和國反不正當競爭法》 and the Interim Provisions on Banning of Commercial Bribery 《關於禁止商業賄賂行為的暫行規定》, we have formulated internal policies such as the Anti-fraud and Reporting Mechanism Management Measures 《反舞弊與舉報機制管理辦法》 to better monitor suspicious transactions and standardize reporting procedures. We have introduced a reporting mechanism and regular declarations of conflicts of interest for all staff, including Directors, and provided regular training on corruption and bribery prevention. During the Reporting Period, the employees and the Group were not involved in any legal cases relating to extortion, bribery, fraud, and money laundering. There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period. All Directors of the Group have received corporate governance training provided by the Group before listing or during induction, so that the Directors would clearly understand their responsibilities and properly exercise their fiduciary duties. The Group offers new employee induction training which includes trainings in relation to basic employee ethics, such as anti-corruption. The Group will closely monitor the regulatory development and will arrange relevant anti-corruption trainings for our employees and Directors, where necessary.

Further, we have developed Anti-Fraud and Whistleblowing Policy that outlines multiple whistleblowing channels and our whistle blower protection system, which conveys the message of our zero-tolerance in relation to fraudulent activities for all the employees and suppliers/business partners. We encourage employees and suppliers/business partners to report any concerns that they may have regarding any non-compliant or potentially fraudulent activities. We protect the safety of whistle-blowers by ensuring that they do not receive any unfair treatment or any form of retaliation during the process.

VIII. THE ESG REPORTING GUIDE'S KPIS INDEX

Aspects	Descriptions	Page
A. Environmental		
A1	<p>Emissions</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</i></p> <p><i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</i></p> <p><i>Hazardous wastes are those defined by national regulations.</i></p>	14-19
A1.1	The types of emissions and respective emissions data.	14
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	18
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	19
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	19
A1.5	Description of emissions target(s) set and steps taken to achieve them.	19
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) and steps taken to achieve them.	19

Environment, Social and Governance Report

Aspects	Descriptions	Page
A2	Use of Resources Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	19-20
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).	19
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	20
A2.3	Description of energy use efficiency(s) target(s) set and steps taken to achieve them.	19
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and steps taken to achieve them.	20
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	20
A3	Environment and Natural Resources Policies on minimizing the issuer's significant impacts on the environment and natural resources.	14
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	14
A4	Climate Change Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	15
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.	15

Aspects	Descriptions	Page
B. Social		
Employment and Labour Practices		
B1	Employment 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.	8-13
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	9
B1.2	Employee turnover rate by gender, age group and geographical region.	10
B2	Health and Safety 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.	12-13
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	13
B2.2	Lost days due to work injury.	13
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	12-13

Aspects	Descriptions	Page
B3	<p>Development and Training</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p><i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i></p>	11
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	11
B3.2	The average training hours completed per employee by gender and employee category.	11
B4	<p>Labour Standards</p> <p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to preventing child and forced labour.</p>	8
B4.1	Description of measures to review employment practices to avoid child and forced labour.	8
B4.2	Description of steps taken to eliminate such practices when discovered.	8

Environment, Social and Governance Report

Aspects	Descriptions	Page
Operating Practices		
B5	Supply Chain Management Policies on managing environmental and social risks of the supply chain.	21
B5.1	Number of suppliers by geographical region.	21
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.	21
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	21
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	21
B6	Product Responsibility 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.	5-8
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	8
B6.2	Number of products and service related complaints received and how they are dealt with.	8
B6.3	Description of practices relating to observing and protecting intellectual property rights.	7
B6.4	Description of quality assurance process and recall procedures.	8
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	6

Aspects	Descriptions	Page
B7	Anti-corruption Information on: <ul style="list-style-type: none"> (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.	21
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.	21
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	21
B7.3	Description of anti-corruption training provided to directors and staff.	21
Community		
B8	Community Investment 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.	14
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	14
B8.2	Resources contributed (e.g. money or time) to the focus area.	14