



北京迪信通商貿股份有限公司
Beijing Digital Telecom Co., Ltd.

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
Stock Code: 06188



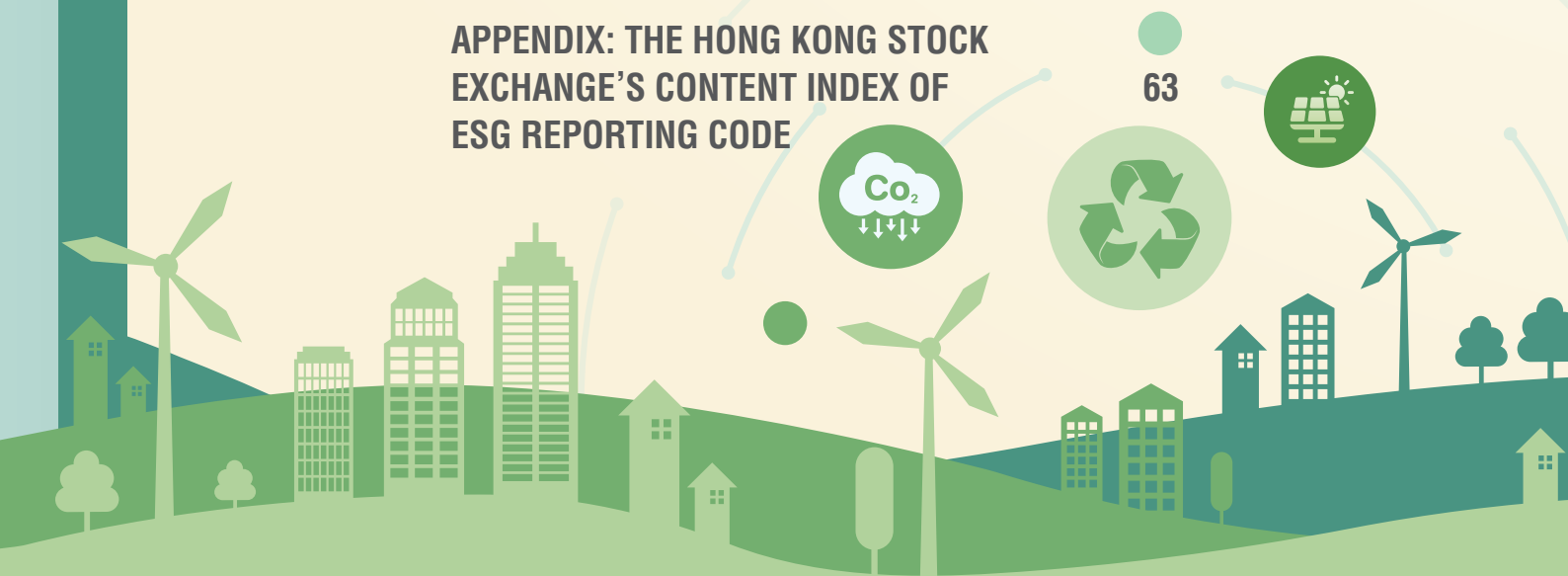
2024

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT



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ABOUT THIS REPORT

The report aims to provide a review and summary of the environmental, social and governance (“ESG”) performance of Beijing Digital Telecom Co., Ltd. (the “Company” or “Digital Telecom”) and its subsidiaries (collectively referred to as “the Group” or “we”) in 2024. The content regarding corporate governance is recommended to be read together with the section headed “Corporate Governance Report” contained in the Company’s Annual Report 2024 (the “2024 Annual Report”).

Scope of the report

Unless otherwise specified, the scope of disclosure of the report is consistent with that of an annual report, demonstrating the ESG performance of the Group’s directly operated and managed businesses. The report covers a period from 1 January 2024 to 31 December 2024, with some contents that may be beyond this time frame.

Basis of preparation

The report was prepared pursuant to the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) set out in Appendix C2 to the Listing Rules on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and based on the principles of materiality, quantitative, balance and consistency.

Materiality: We follow the ESG Reporting Code to conduct a materiality assessment, with procedures including: i) identifying relevant ESG issues; ii) assessing the materiality of the ESG issues; and iii) the board (the “Board”) of directors (the “Directors”) of the Company reviewing and confirming the assessment process and results. The ESG issues were reported based on the results of the materiality assessment, which was detailed in the section headed “Stakeholder Engagement” hereinafter.

Quantitative: In accordance with the ESG Reporting Code, quantitative methods were used to measure and disclose the applicable KPIs with reference to appropriate quantitative standards and practices. The measurement standards, methodologies, assumptions and/or calculation tools used for KPIs in the report, and sources of conversion factors used have been explained when appropriate. The environmental objectives were disclosed in the section headed “Green Operations to Protect Environment” hereinafter.

Balance: The report provides an objective presentation of both positive and negative information to ensure an unbiased picture of the Company’s performance during the reporting period.

Consistency: The method used to prepare this report is consistent with that of the previous years. The changes that may allow meaningful year-to-year comparisons have been explained when appropriate.

Data sources and reliability assurance

The data and cases in the report mainly come from statistical data and related documents. The Group undertakes that there are no false records, material omissions or misleading statements in the report and is responsible for the authenticity, accuracy and completeness of its content.

Access and response to the report

The report is published in both traditional Chinese and English. In the event of any discrepancy between the two versions, the traditional Chinese version shall prevail. The electronic version is available on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the website of the Company at <http://corp.dixintong.com>. If you have any comments or suggestions on the ESG management of the Company, please contact us by email. We are looking forward to receiving your valuable comments.



BOARD STATEMENT

The Board, with the assistance of the ESG working group, oversees and takes responsibility over ESG-related issues of the Group. The Board confirms the ESG governance structure; the A-level ESG working group is responsible for formulating ESG-related management systems, strategies and implementation plans, and reporting to the Board; the B-level ESG working group is responsible for the daily management of ESG matters, and the oversight and guidance of specific work; and the C-level ESG working group is responsible for conducting, implementing and executing various ESG matters. The Group has formulated the ESG management strategy, which is periodically reviewed by the Board to review and ensure its consistency with the Group's development strategy.

The Group attaches great importance to the possible impact of ESG-related risks and opportunities on the Company. The Board is responsible for overseeing the assessment of ESG-related risks and opportunities, and ensuring the implementation of effective ESG risk response measures and monitoring mechanisms. Materiality analysis was conducted on ESG issues of concern to stakeholders by the Group. The Board participated in the assessment, prioritisation and management of material ESG issues. The Group has set environmental objectives related to its business, which have been reviewed and discussed by the Board. The progress of the objectives will be reviewed regularly by the Board.

ESG-related issues have been fully disclosed in this report, which was reviewed and approved by the Board on 26 March 2025.



ABOUT DIGITAL TELECOM

The Company was established in 2001 and was officially listed on the Main Board of the Hong Kong Stock Exchange on 8 July 2014 (stock code: 06188) and became controlled by Zhuhai Huafa Group Co., Ltd.* (珠海華發集團有限公司) (“Huafa Group”) in 2021. With more than 20 years of development, the Company possesses high-quality supply chain resources in the industry, and is an important social channel partner of China’s top-notch cell phone manufacturers, trendy brands and three major carriers, and has also built an omni-channel technology new retail network in close cooperation with top-notch e-commerce companies.

As of 31 December 2024, the Company has over 100 subsidiaries and has opened nearly 660 independently operated outlets and franchised outlets in 20 provinces and 4 municipalities in China. Our offline outlets include comprehensive independent outlets, brand stores, UP+ stores¹, operating hall stores and supermarkets. Different outlets have different resource advantages. We have also integrated online resources to empower offline outlets through various major e-commerce platforms.

Since its establishment, the Group has been focusing on the sales of mobile telecommunications terminals and the provision of related services. With its extensive offline sales channels and online sales platform, the Group provides a range of comprehensive services to consumers, ranging from the sales of mobile phone hardware and accessories, provision of value-added services for software, and provision of personalised services for mobile phones and aftersales services. Leveraging on its core competitive edge gained from its services and innovation, the Group persists in creating excellent experience and true value for the consumers through its quality products, convenient shopping environment and attentive one-stop services.

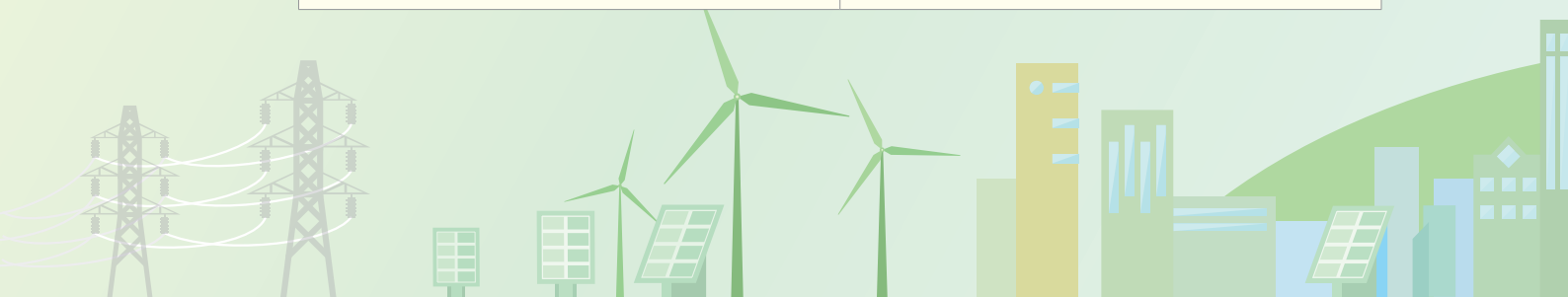
In recent years, in order to better adapt to the development environment of the retail industry under the new situation at home and abroad, the Group steadily promoted the strategies of “Implementing New Retail” and “Strengthening 1+N” and actively carried out new retail business and diversified merchandise sales business through multi-channel operation system and multidimensional service model, so as to consolidate market competitiveness and brand influence. While deepening original businesses, the transformation of new energy business “Deploying New Track” and upgrading have made primary effects. The household photovoltaic business made a breakthrough in Dai county, Shanxi and pushed its pattern replication, and has now gradually launched in many provinces such as Jiangsu and Hubei gradually.

¹ UP+ stores integrate multi-dimensional product categories including global technology optimisation, smart home experience, IOT-integrated supply chain and self-owned products to create smart and trendy consumption scenarios for customers.



Honors and awards

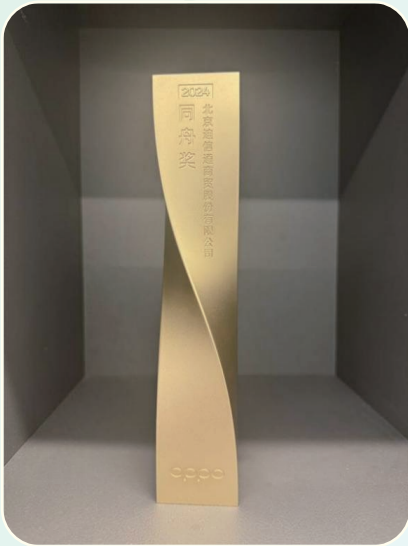
Honors and Awards	Awarding Parties
Beijing Digital Telecom Co., Ltd.	
Commemorative Medal for Peer Struggle	Huawei Technologies Co., Ltd.
Qiushan Award	Huawei Technologies Co., Ltd.
Excellent Retailer of the Year	Huawei Device Co., Ltd.
Outstanding Contribution Award	Xiaomi Telecom Technology Co., Ltd.
Common Progress Award	Xiaomi Telecom Technology Co., Ltd.
Tongzhou Award	OPPO Guangdong Mobile Communication Co., Ltd.
Shanghai Dixin Electronic Communication Technology Co., Ltd.	
Excellent Project Supplier	C&D International Investment Group Limited
Tianjin D-phone Electronic Communication Technology Co., Ltd.	
Diamond Customers of Weilan Club	Vivo Mobile Communication Co., Ltd. (Vivo)
Hebei Dixin Electronic Communication Equipment Co., Ltd.	
Dingli Yuejin Award	OPPO Guangdong Mobile Communication Co., Ltd.
Best Strategic Partner Award	China Telecommunications Corporation, Hebei Branch
Henan D-phone Trading Co., Ltd.	
Tongqi Award	Huawei Technologies Co., Ltd.
Xi'an D-phone Electronic Communication Technology Co., Ltd.	
Qingyun Award	Huawei Device Co., Ltd.
Yunnan D-phone Electronic Communication Technology Co., Ltd.	
Jinshi Award	Huawei Device Co., Ltd.
Zhejiang D-phone Trading Co., Ltd.	
Excellent Channel Award	China Mobile Group Device Co., Ltd., Zhejiang Branch
Outstanding Award	China Mobile Group Zhejiang Company Limited, Ningbo Branch
Zhuhai D-phone Technology Co., Ltd.	
Excellent Partner in 2024	China Mobile Communications Group Co., Ltd.



Qiushan Award by Huawei



Tongzhou Award by OPPO



Outstanding Contribution Award by Xiaomi



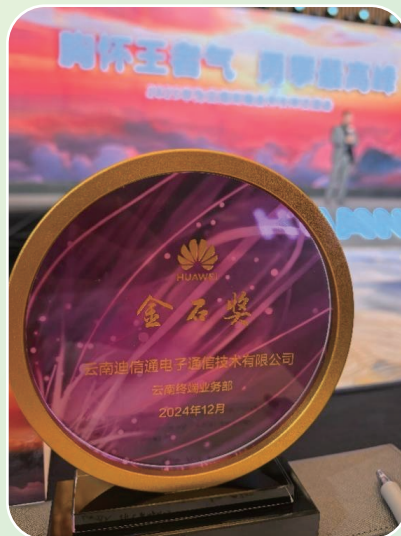
Common Progress Award by Xiaomi



Qingyun Award by Huawei



Jinshi Award by Huawei



Excellent Channel Award by China Mobile



Tongqi Award by Huawei



Special topic: Expanding household photovoltaic business and promoting the development of green energy

Digital Telecom actively responds to the national strategy through vigorously expanding the new energy – household photovoltaic business, and is committed to promoting sustainable development and contributing green energy to the society. We have a comprehensive layout in the photovoltaic industry chain. Through establishing close cooperation with a number of leading enterprises in the industry, we pioneered the launch of new business models in the fields of photovoltaic agency and power station operation and maintenance, and have successfully developed markets in cities of 8 provinces including Shanxi, Hubei and Jiangsu. Especially in Dai County, Shanxi Province, we have successfully completed the grid connection process and realised the grid-connection for the first household photovoltaic power station, laying a solid foundation for the promotion of the household photovoltaic business nationwide.

In the process of business development, Digital Telecom closely follows the pace of national strategy. With scientific and technological innovation as driver, we continuously promote the upgrade of photovoltaic technology and industry, contributing to the national green energy transformation. We attach great importance to the close cooperation with local government and manufacturers. By jointly exploring innovative models such as county-wide promotion, we effectively integrate resources and achieve mutual benefit and win-win results. Looking forward, Digital Telecom will continue to deeply explore in the photovoltaic field, with constant innovation and expansion of business, unswervingly contributing to the promotion of national sustainable development and construction of green home.



The Chairwoman of the Company led management team to Dai County to complete switch closing and grid connection for the first household photovoltaic power station





01

**COMPLIANCE OPERATIONS
DRIVING STEADY
GROWTH**



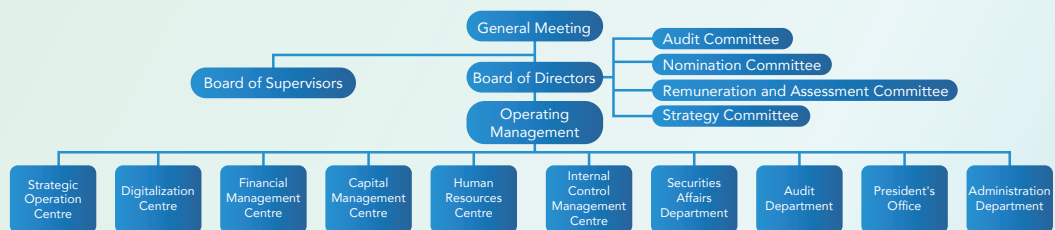
1. COMPLIANCE OPERATIONS DRIVING STEADY GROWTH

The Group focuses on optimizing corporate governance and ESG governance, which helps the Group to achieve its sustainable development goals by strengthening risk management, internal control, practicing ESG social responsibility and protecting the rights and interests of stakeholders.

1.1 Corporate governance

The Company strictly abides by the requirements of the Company Law of the People's Republic of China, the Rules for the Shareholders' Meetings of Listed Companies, and the Articles of Association, standardizes the corporate governance structure and improves governance systems and mechanisms to achieve standardized operations.

The Company has established a governance structure that is coordinated and operated by the General Meeting, the Board, the Board of Supervisors and the operating management, forming a governance mechanism with transparent rights and responsibilities, coordinated operation, and effective checks and balances. The Board is the Company's highest leadership body and consists of 9 Directors, including 3 executive Directors, 3 non-executive Directors and 3 independent non-executive Directors, with female Directors accounting for 33.3%. The Board has four board committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Assessment Committee and the Strategy Committee. Each board committee performs its own duties and responsibilities to assist the Board in promoting the stable development of the Group.



Corporate Governance Structure

The Board has a total of 9 members, including 3 independent Directors, accounting for 33.3%; and 3 female Directors, accounting for 33.3%.

1. COMPLIANCE OPERATIONS DRIVING STEADY GROWTH *(continued)*

The Board of Supervisors strictly complies with relevant laws, rules and regulations, makes fully use of its statutory powers to effectively supervise the compliance operation of the Company's business and the performance of duties by the Directors, managers and other senior management, effectively ensuring the healthy and standardised development of the Company, and safeguarding the legitimate rights and interests of the Company and its shareholders.

The Company had held 2 general meetings, 5 Board meetings, and 2 meetings of the Board of Supervisors in 2024. For more information on corporate governance, please refer to the 2024 Annual Report.

1.2 Risk management and internal controls

The Company attaches great importance to compliance operations, actively manages various risks in the operation process, and constantly optimizes internal control systems. The Board has authorised the Audit Committee to be responsible for continuously supervising the Company's risk management and internal control systems, and conduct annual assessments and reviews on the effectiveness of the internal control systems, covering areas of finance monitoring, operation monitoring and compliance monitoring.

Under the Company's risk management and internal control structure, the Company's management is responsible for designing, implementing and maintaining the risk management and internal control systems to ensure that i) appropriate policies and procedures have been designed and established to safeguard the Company's assets to avoid improper use or disposal; ii) complying with relevant laws, rules or regulations; and iii) maintaining reliable financial and accounting records in accordance with relevant audit standards and regulatory reporting requirements.

During the reporting period, the Audit Committee has reviewed the effectiveness of the Company's risk management and internal control systems. The Audit Committee did not identify any significant issues that adversely affected the effectiveness and adequacy of the Company's risk management and internal control systems.

For more information on the risk management and internal control, please refer to the 2024 Annual Report.

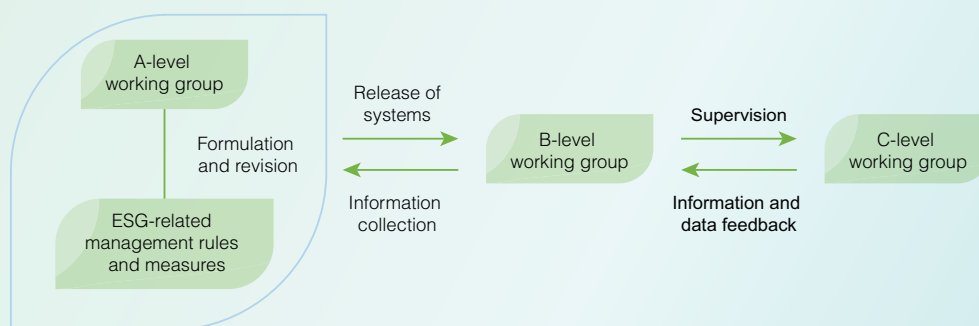


1. COMPLIANCE OPERATIONS DRIVING STEADY GROWTH *(continued)*

1.3 ESG governance

The Group has established a multi-level and cross-departmental ESG governance structure covering all subsidiaries, and continues to optimize it. The Board takes full responsibility over ESG issues and holds at least one ESG communication meeting each year to discuss material ESG issues. A three-level ESG working group has been set up to assist the Board in supervising and managing ESG-related matters of the Group, and is responsible for the coordination and promotion of ESG work to ensure the effective execution and improvement of ESG-related policies and systems. The working group includes:

- **A-level working group:** It is responsible for formulating, optimising or updating ESG-related management rules and specific measures, evaluating the effectiveness of implementation of ESG works and sorting out data, and reporting to the Board or its committees. The A-level working group consists of the persons-in-charge in the headquarters of the Group, namely Human Resources Centre, Strategic Operation Centre, Supply Chain Centre, Internal Control Management Centre and Financial Management Centre. Among them, the person-in-charge of the Human Resources Centre is responsible for labour issue governance, the persons-in-charge of Strategic Operation Centre, Supply Chain Centre, and Internal Control Management Centre are jointly responsible for governance at supply chain, product and environmental resource, and Human Resources Centre and Financial Management Centre are jointly responsible for governance of community investment;
- **B-level working group:** It is responsible for collecting relevant environmental and social data periodically, and overseeing and guiding the work of C-level working group. The B-level working group comprises 23 general managers of different regional subsidiaries; and
- **C-level working group:** It is responsible for implementing the specific ESG work and giving feedback in time. The C-level working group comprises 1-3 responsible persons designated by the general manager of each subsidiary.



ESG Management Workflow

1. COMPLIANCE OPERATIONS DRIVING STEADY GROWTH *(continued)*

ESG strategy

The Group has always adhered to the ESG core concept of “taking into account both environmental and social responsibilities in corporate development”, and has formulated and continuously improved corporate ESG implementation strategies. We deeply integrate ESG strategies into all aspects of business operations and management, focusing on multiple key dimensions including green operations, employee development, supply chain management, consumer services, and community participation, and are committed to promoting the harmonious coexistence of enterprises with society and the environment through all-round ESG practices to achieve sustainable development.



Promoting green packaging to achieve the Group's business goals while reducing environmental impact



Caring for employees and supporting their development



Establishing trustworthy partnerships with suppliers to jointly create corporate social value



Strictly controlling product quality, providing services with “heart” way, and protecting consumer rights and interests



Actively understanding the needs of surrounding communities, and advocating and practising the spirit of public welfare and dedication



1. COMPLIANCE OPERATIONS DRIVING STEADY GROWTH (continued)



ESG works and United Nations Sustainable Development Goals

The Group actively responds to the Sustainable Development Goals (SDGs) of the United Nations. Combining the industry characteristics and our actual operations, the Group integrates the environmental, social and economic benefits into the whole process of management and operation, and actively explores the operation model of green, low-carbon and resource-efficient development, improvement of the well-being of employees, community participation and sustainable supply chain. We attach great importance to the needs and feedback of stakeholders, identify the priorities of the SDGs through scientific assessments, and focus on the following key work directions to work with all parties to contribute to the achievement of the SDGs.

UN SDGs	ESG strategy direction	Our actions
	Compliance Operations Driving Steady Growth	Building a sound corporate governance structure and ESG governance structure, so that the governance mechanism has transparent rights and responsibilities, coordinated operation, and effective checks and balances;
		Advocating the diversity of Board members, who have diverse backgrounds and sufficient ability to participate in the operation of the Board; and Establishing an effective risk management mechanism and internal control structure to effectively prevent corporate operating risks.



1. COMPLIANCE OPERATIONS DRIVING STEADY GROWTH *(continued)*



UN SDGs	ESG strategy direction	Our actions
 	Product Responsibilities Laying the Foundation	<p>Carrying out responsible sales and operations, establishing product quality supervision system, and striving to ensure the quality, health and safety of sold products;</p> <p>Offering services in a “wholehearted” way to actively respond to consumers’ demands and protecting their rights and interests;</p> <p>Establishing a supplier management mechanism, identifying, preventing and controlling the ESG risks along the supply chain;</p> <p>Strictly regulating advertising and labelling, and strengthening the protection of intellectual property rights; and</p> <p>Emphasising information security, improving and strengthening the internal information system, increasing efforts on publicity and control, and effectively protecting consumer privacy and security.</p>



1. COMPLIANCE OPERATIONS DRIVING STEADY GROWTH *(continued)*

UN SDGs	ESG strategy direction	Our actions
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Putting People First and Practicing the True Rule	<p>Actively expanding new business, vigorously recruiting excellent talents, promoting diversity in recruitment of talents and providing more high-quality jobs for the society;</p> <p>Improving the human resource management system, adhering to protecting the legal rights and interests of employees and providing reasonable compensation and benefits; Striving to create a fair, inclusive, diverse, healthy and promising working environment and opportunities for employees;</p> <p>Strengthening health management and safety protection to ensure employees' physical and mental health; and</p> <p>Providing qualified resources for employees' promotion, development and vocational education.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>		
 <p>10 REDUCED INEQUALITIES</p>		
 <p>13 CLIMATE ACTION</p>	Green Operations to Protect Environment	<p>Advocating green office, strengthening publicity on low-carbon and environmental protection, reducing waste generation, and cutting environmental impact;</p> <p>Saving resources, improving resources usage efficiency, and reducing greenhouse gas emissions during operations;</p> <p>Enhancing the awareness of environmental protection, increasing the promotion of low-carbon and environmental protection, encouraging employees' green travel and implementing eco-friendly administration; and</p> <p>Taking the initiative to identify climate change risks, setting and reviewing environmental targets and taking initiatives to address climate change.</p>

1. COMPLIANCE OPERATIONS DRIVING STEADY GROWTH *(continued)*

UN SDGs	ESG strategy direction	Our actions
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	Adherence to Integrity in the Workplace	<p>Building a corporate culture of integrity and honesty, and adhering to compliance operations and integrity operations; and</p> <p>Regularly carrying out internal anti-corruption inspection activities and refining the reporting and handling process; Practising transparent and open procurement and strengthening supplier audit and management.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Protecting the Beautiful Home	Building a good interactive relationship with the community through the network of outlets across the country, participating in community charity activities, offering volunteer services and organising material donations and financial support.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>		

1.4 Stakeholder engagement

The Group attaches great importance to the interaction with stakeholders, is committed to building an open and transparent communication mechanism, and actively listens to the voices of all parties through diversified communication channels, so as to obtain comments and suggestions in a timely manner and ensure that it can accurately respond to the expectations of stakeholders. We are well aware that stakeholders' concerns and feedback are not only the key considerations in business management and strategic planning, but also an important driving force for us to continuously optimize and improve our performance in all areas of ESG. By actively interacting with our stakeholders, we are able to better assess our ESG performance and adjust our strategic direction in a timely manner, laying a solid foundation for the long-term sustainable development of the Group.

During the year, the Group continued to maintain regular communication with stakeholders such as shareholders and investors, suppliers, consumers, community representatives, employees, the government and regulators.



1. COMPLIANCE OPERATIONS DRIVING STEADY GROWTH *(continued)*

Stakeholder Communication

Key stakeholders	Description of stakeholders	Main concerns	Major communication and feedback channels
Shareholders and investors	Natural persons or legal entities which invest in the Group	Product quality Service quality Data security Integrity building Intellectual property protection	Shareholders' general meetings Annual and interim reports and announcements Public email Investor relations page
Suppliers	Enterprises or their branches which directly supply mobile phones, accessories and other products and provide related services to the Group	Supply chain management Service quality Integrity building	Procurement activities Supplier service system Strategic cooperation negotiations
Consumers	Members of society who purchase, use goods or receive services from the Group's online platform or retail stores	Product quality Service quality Supply chain management Advertising compliance Intellectual property protection	Consumer satisfaction surveys Rewards to consumers Daily operations/communication Service complaint and response mechanism
Community representatives	Members of the community where the Group's offices and stores are located	Community contribution Emission management Use of resources	Community activities Charity activities Social support programmes Daily operations/communication
Employees	Employees hired under various forms of employment contracts with the Group, including regular employees, part-time employees and interns	Protection of employees' rights and interests Employee training and development Employee's safety and occupational health Service quality Integrity building	Employee opinion surveys Internal communication meetings among employees Internal announcements Employee feedback system Labour union

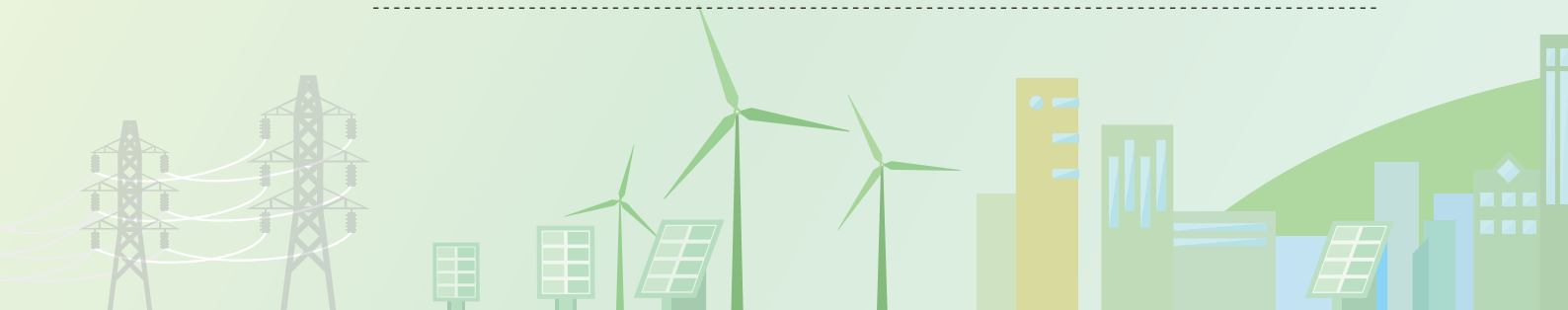
1. COMPLIANCE OPERATIONS DRIVING STEADY GROWTH *(continued)*

Key stakeholders	Description of stakeholders	Main concerns	Major communication and feedback channels
The government and regulators	Government authorities or regulators who supervise the operations of the Group	Protection of employees' rights and interests Data security Product quality Service quality Integrity building Intellectual property protection Advertising compliance	Information disclosure Correspondence On-site visits Relevant meetings

Materiality assessment

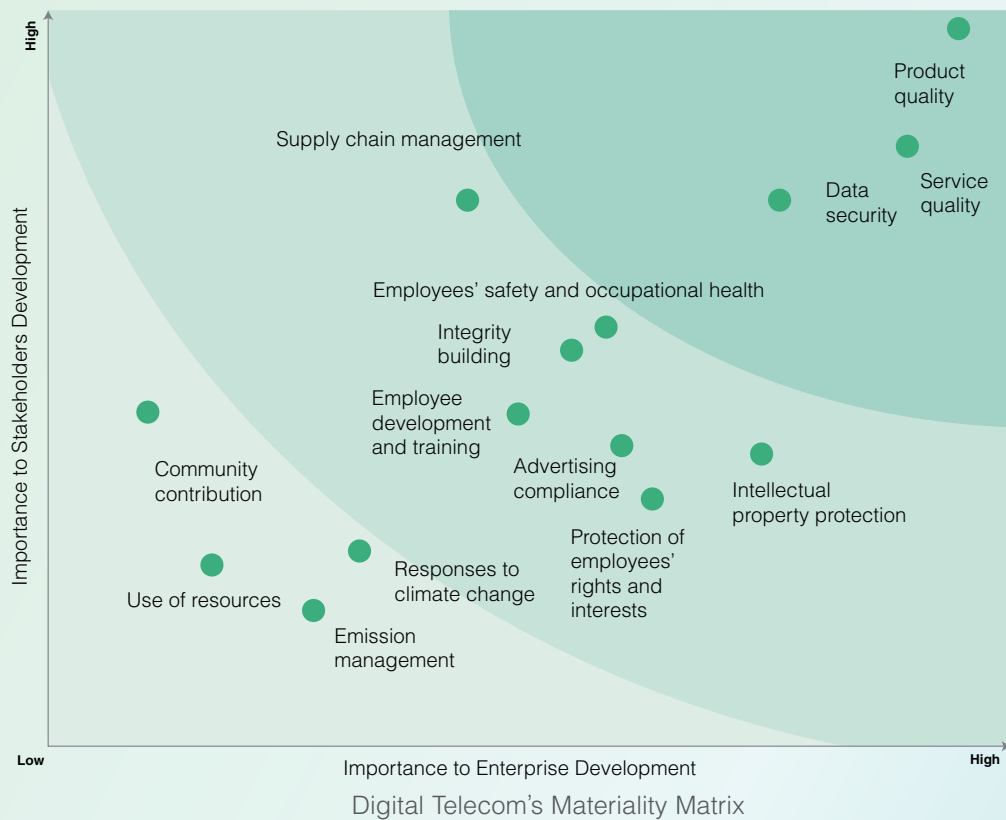
Based on our communication with stakeholders and the characteristics of our business development, the Group identified 14 material ESG issues and used them as important factors for report preparation and information disclosure. Our main work steps and contents are as follows:

Main steps	Contents
Identifying ESG issues related to the Group's business	Based on the current business characteristics of the Group and the future business development direction, the Group identified major relevant ESG issues.
Assessing and analysing the importance of issues	<p>The Group invited key stakeholders to assess the importance of ESG issues through online questionnaires, etc.; and</p> <p>The Group's management team assessed and analysed the importance of each issue with reference to practices and communication with stakeholders.</p>
Reporting material ESG issues	The Group identified material ESG issues based on stakeholder's analysis and used them as the reference for the preparation of the report and the Group's future work direction.



1. COMPLIANCE OPERATIONS DRIVING STEADY GROWTH *(continued)*

Based on the analysis results, we identified the key issues at the present stage, among these, the highly material issues include product quality, service quality, and data security; general material issues, including the protection of employees' rights and interests, supply chain management, intellectual property protection, advertising compliance, employee development and training, employees' safety and occupational health, and integrity building; and relatively immaterial issues, including use of resources, community contribution, responses to climate change and emission management. The above issues will be discussed and presented in detail in this report.





02

**PRODUCT RESPONSIBILITIES
LAYING THE FOUNDATION**



2. *PRODUCT RESPONSIBILITIES LAYING THE FOUNDATION*

The Group has always taken ensuring product quality and providing high-quality services as the core of its long-term development, and consumer experience as the most important consideration in its business. On the basis of providing high-quality products and services, we uphold the principle of responsible procurement, focus on compliance management of advertising signs, protect consumer information and privacy, and strive to fulfill product responsibility.

2.1 *Strict control over goods quality*

The Group strictly complies with the relevant laws, rules and regulations and industry standards, including the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and the Product Quality Law of the People's Republic of China. It continuously optimises and improves the internal management system and supervision system to conduct all-round control over product quality. We strictly manage the qualifications of product suppliers and sign contracts on product quality assurance with them to ensure that the products we sell meet national standards in terms of their quality and safety, aiming to provide consumers with high-quality and guaranteed products.

The Group has formulated the Policy for Return and Exchange Without any Reason Within 7 Days, made the following commitments and monitored the strict implementation of these commitments in our outlets and provided complaint channels to consumers, to effectively protect the rights and interests of consumers and provide consumers with a safe shopping experience.

Fast return and exchange within 7 days

Any consumer who purchases a mobile handset (excluding Apple-branded products, carrier-specific products, and products requiring activation) from the Group's sales channels but finds its price, model, function and colour unsatisfactory is entitled to return or exchange it without inspection within seven days upon purchase if there is no man-made failure to the mobile handset.

Free repair and maintenance

If a non-human failure occurs in the mobile handset purchased by a consumer during the warranty period, the Group will provide free repair and maintenance services. The consumer can make an appointment for repair and maintenance services on the official website or in the outlet.

Transportation allowance

If a consumer has to return the product to an outlet due to product quality or service problems, the Group shall assume full responsibility for solving the problems and compensate the consumer with RMB30 for transportation costs.

Reward for service complaints

We encourage consumers to voice their complaints through calling the hotline if they are not satisfied with our sales services by offering a reward of RMB300 to consumers, who propose effective advice, after their complaints are proved to be valid.

2. **PRODUCT RESPONSIBILITIES LAYING THE FOUNDATION** *(continued)*

The Policy for Return and Exchange Without any Reason Within 7 days stipulates that if there is compliant when a consumer meets the requirements but the outlet refuses to enforce the policy, once verified, the corresponding subsidiary will be penalised by the Group.

In addition, the Group has established product recall system, when it is found and ascertained that a product has severe safety concerns or poses a major threat to consumers' health, the Group would immediately cooperate with suppliers to recall and remove the products of the same batch or model to avoid causing bigger dangers and more losses.

None of the Group's products sold was subject to recalls for safety and health reasons in 2024.

2.2 **Improving service experience**

The Group, which upholds the philosophy of "creating value for consumers wholeheartedly" and establishes the core value of "A kind heart brings goodness", is committed to providing consumers with a comfortable service environment, continuously improving service quality, listening to consumer demands, and providing consumers with high-standard services and experiences so as to raise consumers' satisfaction.

Optimising the shopping environment

The Group has implemented the Rules for Store Decoration for Beijing Digital Telecom Co., Ltd. and continuously optimises them to ensure the environmental quality and fire safety of each outlet strictly comply with the requirements of national laws and regulations. On this basis, we strictly control the decoration materials of our outlets and invite third-party inspection organisations to conduct indoor environmental inspection, striving to provide consumers with a healthy and comfortable shopping environment and improve their shopping experience.

Raising service standards

The Group has been actively offering "Full-hearted Loyalty" service, and by providing ten types of free "Enjoy on Arrival" services for consumers, including free charging, card cutting, screen protector film attachment, WiFi and contact backup, as well as free hot and cold drinks and home delivery services, we are committed to building a service system that runs through the whole cycle of product pre-sale, in-sale and after-sale, and continuously improving service standards.



2. **PRODUCT RESPONSIBILITIES LAYING THE FOUNDATION** *(continued)*

Top Ten Enjoy on Arrival Services



The Group continuously improves the service ability of employees, in a bid to enhance the consumers' experience. Service training activities are held on a regular basis, and service training courses are accessible to employees on the internal information sharing platform for them to refer to and review them easily. In the meantime, the Group has also created a working group chat of "Full-hearted Loyalty" services, in which it pushes the relevant process and requirements of "Full-hearted Loyalty" services to its employees on a daily basis to constantly strengthen the front-line employees' and management's recognition on its dedication and mission of the "Full-hearted Loyalty" service and enhance the service level of its outlets. To date, the "Full-hearted Loyalty" service has been implemented for nine years, which effectively improves the service awareness and service level of management and front-line service providers around the country.

In 2024, the Group continued to optimise the layout of its offline outlets, improve the outlet service process, and provide a three-month broken screen guarantee service to consumers who purchased machines in some outlets. At the same time, relying on the advantages of widespread distribution of offline outlets, we actively cooperated with online shopping platforms, jointly implementing city-wide delivery with Douyin platform in our offline outlets. Some outlets can deliver products within one hour after placing orders, further shortening the waiting time of consumers and improving their shopping experience.

2. **PRODUCT RESPONSIBILITIES LAYING THE FOUNDATION** *(continued)*

In order to enhance the professional quality of sales, outlets and customer service personnel, this year, we carried out product performance, selling points and service-related training for front-line employees for newly launched products, and conducted spot checks and assessments of relevant personnel in outlets across the country to ensure that consumers enjoy a better service experience.

Responding to consumer demands

The Group has established smooth communication channels with consumers, listened carefully to consumers and responds to their demands, actively adopted their suggestions, and constantly optimised the service level. Online and offline communication and complaint channels have been established. In compliance with the Law on Protection of Consumer Rights and Interests of the People's Republic of China, we formulated and strictly implemented rules and regulations, including the Digital Telecom's Management of Complaint Services, the Three Red Line Management System for Full-hearted Loyalty Service and the New 400-Week Improvement Rules and Feedback for Complaints, and continued to standardise the complaint and handling mechanism.

Complaint channels:

- Brick-and-mortar outlets accept consumer visits and complaints;
- Headquarters' service hotline +86-400-700-8800 ; and
- Official website (including Xiaodishuoshuo and Xiaodishequ), official Weibo account, official WeChat account, Baidu (including Tieba and Baidu Knows), China Association for Quality Promotion (CAQP) and other platforms.

The Group put forward the principles of “first inquiry responsibility, active cooperation, emotional stability, commitment fulfilment”, and established specific procedures for handling consumer complaints from different channels, in order to handle complaints in a timely and effective manner. The Group required receptionists to classify complaints according to the reasons, such as quality problems, service problems and business problems, and contact consumers within two hours after receiving the complaint to learn about the details of the complaint and their demands, appease consumers and make a commitment to resolution within a time frame. The Group required that relevant persons-in-charge are required to handle the complaint within 24 hours and reply to the call centre of the headquarters about the handling results. If it is difficult to handle a complaint, relevant person can report to the headquarters and obtain the consent of consumers to handle the complaint within 72 hours.



2. **PRODUCT RESPONSIBILITIES LAYING THE FOUNDATION** *(continued)*

Subsidiaries shall submit a Complaint Handling Report to the call centre of the headquarters at the beginning of each month. The call centre of the headquarters shall contact consumers within 24 hours upon receipt of the report to verify the handling of complaints and confirm consumers' satisfaction with the handling of complaints. Based on the results of monthly return visits, we summarise the responses to consumer complaints at each channel in a timely manner, evaluate and identify the main problems in the service process, and give feedback to the functional departments or subsidiaries. At the same time, we organise regular training sessions on communication skills for employees, in a bid to continuously improve the services at all levels and ensure that consumers can enjoy high-quality services.

The Group has incorporated the handling results of consumer complaints into the performance appraisal system of the headquarters and subsidiaries, involving the customer service complaint department of the headquarters, general manager of subsidiaries, receptionists, salesclerks and so forth, to further improve customer complaint management system and promote the effective implementation of relevant regulations.

Moreover, the Group set up a live streaming customer service support mechanism and assigned full-time service personnel for online consultations. We adjusted and extended the attendance and duty hours of service personnel according to the analysis of the pattern of consultation time, and mobilised all members of the live streaming team to respond to consumer consultations in a timely manner during the peak period, so as to make timely responses to consumer needs and continuously improve the consultation experience of consumers.

**In 2024, the complaint settlement rate was 100%,
and consumers' satisfaction reached 100%.**

In 2024, the headquarters' 400 call centre received a total of 11,023 calls from consumers regarding their feedback, and 20 complaints, of which 19 were valid complaints. The complaint settlement rate was 100%, and consumers' satisfaction reached 100%.



2. PRODUCT RESPONSIBILITIES LAYING THE FOUNDATION *(continued)*

2.3 Responsible procurement

Adhering to the principle of responsible procurement, the Group has incorporated sustainability factors into supplier selection, review, procurement and cooperation, and maintained high level of attention to ESG risks of the supply chain, formulated strict management mechanisms, and is committed to working with suppliers to create a sustainable cooperative relationship and business environment, and build a sustainable supply chain.

Supplier selection

The Group has formulated the Supplier Management System, and continued to optimise supplier selection standards and procedures as well as the hierarchical review mechanism for the selection of suppliers, in a bid to evaluate suppliers from the product quality, materials, prices, environmental and social performance and other dimensions, which has strictly standardised selection conditions. We rolled out a “whitelist” system for suppliers to tighten requirements on environmental compliance, protection of labour rights and interests, anti-corruption and other management aspects, and made it clear that only suppliers that have been approved by the risk committee can be included into the “whitelist”. The Group strictly reviews the relevant qualification certificates of qualified suppliers and signs cooperation agreements with them, which clearly stipulates procurement process, product quality, dispute resolution, etc.

As a retailer, we mainly select top-ranked manufacturers of mobile handsets and accessories as commodity suppliers. When selecting commodity suppliers, on the basis of strict implementation of the procurement approval process, we focus on the environmental protection and safety performance of materials used to make mobile handsets and accessories, and require suppliers to operate in compliance with national and regional laws and regulations, and have relevant supply qualification certificates. When selecting equipment and service providers, we take environmental factors into account, and give priority to purchasing equipment, facilities and office supplies that consume less energy and are more environmentally-friendly, such as energy-saving lamps and low-power computers on the premise that there is no great difference in the quality of products and services. We proactively communicate with suppliers and urge them to use environmentally-friendly products.



2. **PRODUCT RESPONSIBILITIES LAYING THE FOUNDATION** *(continued)*

Supplier management and audit

A supplier audit system has been laid down by the Group to audit and evaluate suppliers on a regular basis, in a bid to identify and pay attention to the environmental and social risks of suppliers, and judge the quality of their products and service effects. We conduct performance evaluation on the product quality, environmental benefit, integrity in the workplace, labour management and any other aspects to follow environmental and social risks of the supplier. We establish long-term cooperation with suppliers with excellent performance, and phase out suppliers that are unable to meet sustainable development needs over the long term. All our suppliers (1,548 in total) were audited and evaluated in 2024. At present, the suppliers who have established cooperative relationships with us have fully met the Group's supplier selection and audit requirements.

All suppliers were audited and evaluated in 2024.

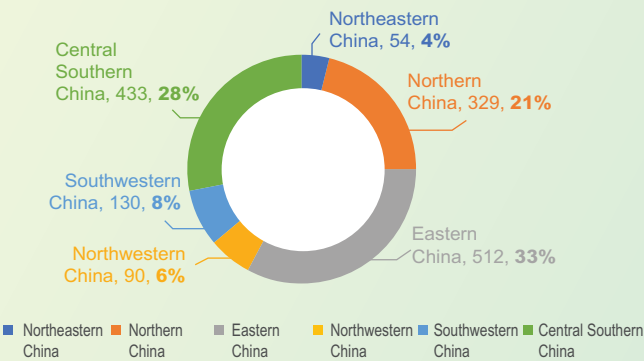
Moreover, based on digital technology, the Group has built a highly integrated supply chain management system to achieve the real-time monitoring of the sales and inventory data of outlets, providing support for the formulation of procurement plans and optimisation of inventory allocation, and thus greatly improving the operational efficiency.

In 2024, we communicated with suppliers from time to time, conveyed the latest updates on procurement policies and related requirements in time, and cooperated with suppliers to create a sustainable supply chain. At present, we have forged a win-win strategic partnership with three major operators and domestic leading mobile handset brands.



Communication Activities with Suppliers

2. PRODUCT RESPONSIBILITIES LAYING THE FOUNDATION (continued)



Number of Major Suppliers of the Group in 2024

2.4 Advertising and labelling management

In strict compliance with the relevant laws including the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Group adheres to the principle of responsible marketing, fully identifies possible compliance risks in the process of advertising and labelling, and continuously monitors and normalises management and use standards, to resolutely prohibit all false and untrue advertising activities.

According to the actual business needs, the Group has formulated strict management regulations to ensure that the use of promotional copies and various corporate logos in major marketing campaigns is legal and compliant. We have adopted a uniform template of the Letter of Trademark Licensing, and described in the template the authorised name and registration number of the licensed trademark, licensing period, the geographic territory, scope of use, etc., to regulate the use of advertisements and logos in offline outlets, and to clarify the authorisation to avoid unclear authorisation. In order to raise awareness of compliance and avoid infringement, we regularly conduct training on trademark protection for the brand management department of the headquarters and subsidiaries located in areas where counterfeiting of the Group's trademarks frequently occurs, guiding employees at all levels to use logos in compliance with regulations, and legally and effectively deal with trademark infringement. In case of the infringement of the Group's trademarks, we will promptly keep the evidence of the infringement and choose to report to the industry and commerce authorities or file a lawsuit in the people's court according to the level of the infringement. In 2024, we kept an eye on the use of advertisements and trademarks in publicly available information, and continued to follow up on possible infringements and defend our rights in a timely manner.



2. **PRODUCT RESPONSIBILITIES LAYING THE FOUNDATION** *(continued)*

In strict compliance with relevant laws and regulations including the Patent Law of the People's Republic of China and the Measures for the Administration of Intellectual Property Certification, the Group formulated and continuously improved the Digital Telecom's Measures for the Administration of Intellectual Property Rights, to protect its own intellectual property. The Group regularly organises training sessions on intellectual property rights for front-line employees and the headquarters' functional departments, in a bid to strengthen employees' awareness of legal protection of intellectual property rights, avoid potential infringement risks and ensure operational compliance.

2.5 **Information and cyber security**

The Group has followed relevant laws and regulations including the Cybersecurity Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China, and continuously improved its internal information security management system, formulated and continued to optimise management measures such as the System Operation Specification, Management Measures for the System User Account Rights, the Management Specification for the Position of Information Technology Specialist, Management Specification for the System Function of Subsidiaries, etc., continuously clarified the scope of the system function management, management responsibilities and the way of work synergy, and required all subsidiaries to designate corresponding information technology specialists while utilising the information technology system to carry out synergy, in a bid to ensure compliance in carrying out the management work of the Group's system function and create a safe information environment.

In 2024, in order to continuously optimise the data security management system and improve data security management and control capabilities, we have newly issued the Data Security Management Standards, which sets out detailed specifications and requirements for data collection, transmission, storage, processing, exchange and sharing, etc., to ensure that the probability of data security risks can be effectively reduced.



2. **PRODUCT RESPONSIBILITIES LAYING THE FOUNDATION** *(continued)*

We also actively take protective measures in various scenarios to enhance the protection of consumers' private information:

- We enter into tripartite confidentiality agreements with consumers in the product sales process and strictly implement them.
- In internal operations, we establish an internal member information system to implement effective management of consumer privacy and data, and continue to enhance our information technology capabilities in the field of cyber security, including setting up high-level technical firewalls, strictly monitoring data flow process, and setting access and use permissions for employees at different levels to avoid leakage and abuse of consumer data.
- In employee training, we emphasise the awareness of information and privacy protection, organise the study of relevant policies, systems and implementation rules, and require employees not to disclose consumer information to any third-party without valid permission.

No major consumer information leakage occurred within the Group in 2024.





03

**PUTTING PEOPLE FIRST
AND PRACTICING
THE TRUE RULE**



3. PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE

The Group practices the core concept of “people-oriented”, actively attracts and retains talents, pays attention to the occupational health and safety of employees while protecting the legitimate rights and interests of employees, and creates targeted training programmes according to the types of employees and career development needs, aiming to promote the common development of the enterprise and employees.

3.1 Attaching importance to outstanding talent introduction

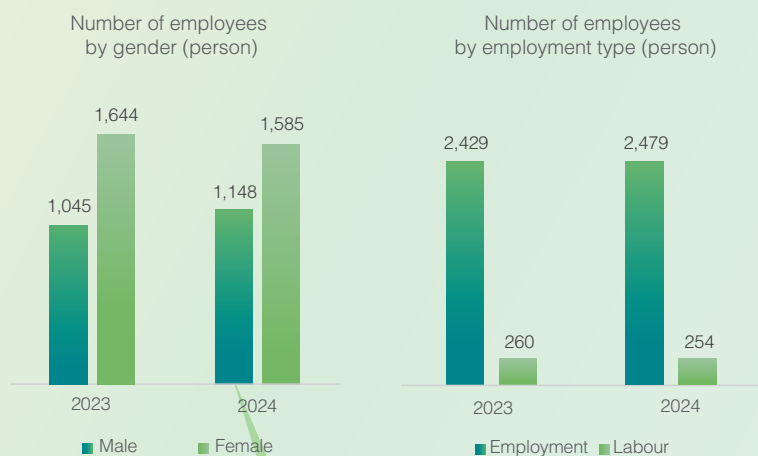
In order to enhance the competitiveness of the enterprise, based on the needs of traditional business development and deployment of new business models, the Group has opened up diversified recruitment channels, adopted a fair, open and transparent recruitment strategy, and actively introduced senior business and management talents in the industry to reserve and train new forces, so as to continue to build a high-quality talent echelon.

In the process of talent introduction, the Group strictly complies with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and other relevant laws and regulations, continuously updates and improves the Recruitment Management System. The Group attaches importance to the transparency and fairness of the recruitment process, fully respects candidates during the recruitment process, and provides them with clear job descriptions and remuneration packages to protect their right to be informed. For fresh graduates and management trainees, we create clear promotion channels and training system for them and provide them with competitive remuneration packages, to provide a good resource advantage for talent reserve and selection.

In addition, the Group actively fulfills its corporate social responsibility, by providing jobs for the underprivileged to help solve their employment problems.

As of 31 December 2024, the Group had 2,733 employees.

KPIs: Employment and employee turnover rate

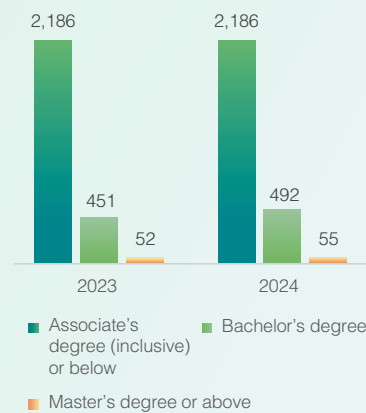


3. PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE (continued)

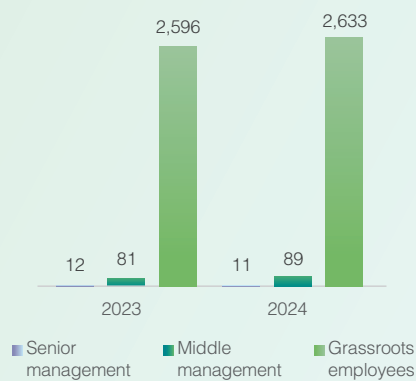
Number of employees
by age group (person)



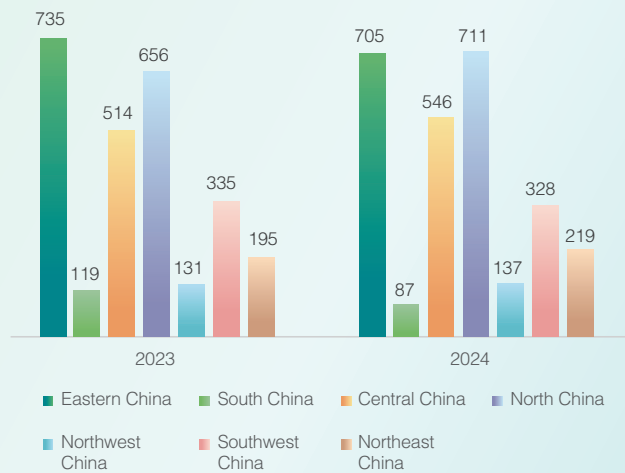
Number of employees
by education level (person)



Number of employees
by rank (person)

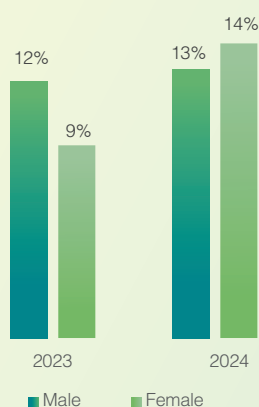


Number of employees
by geographical region (person)

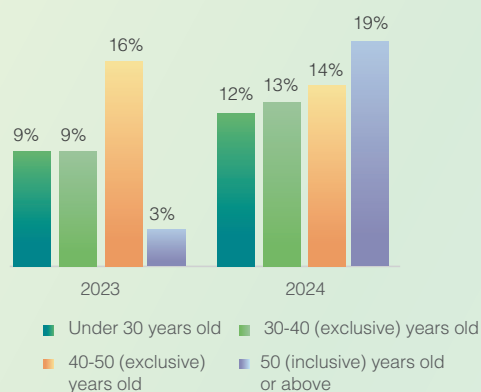


3. PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE *(continued)*

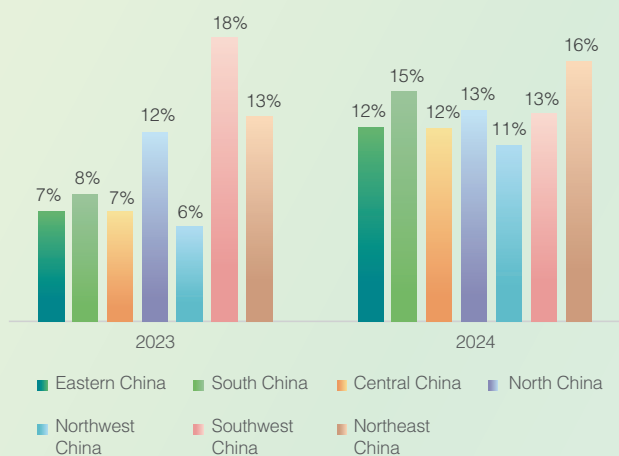
Employee turnover rate by gender (%)



Employee turnover rate by age group (%)



Employee turnover rate by geographical region (%)



1. Senior management refers to employees at vice president level and above, and middle management refers to employees at general manager, deputy general manager, director and deputy director level;
2. There were four female senior management employees in 2024, accounting for 36%.



3. PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE *(continued)*

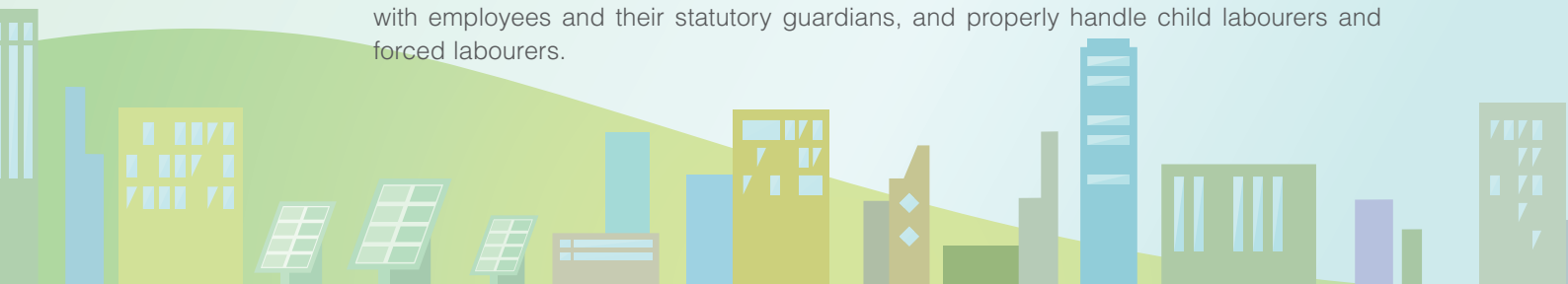
3.2 Protection of employees' rights and interests

The Group strictly complies with the relevant national and local laws and regulations, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Special Rules on the Labour Protection of Female Employees, the Regulations on Paid Annual Leave of Employees and the Provisions on Minimum Wages, and closely follows the trend of policy updates to fully safeguard the rights and interests of its employees. In 2024, in conjunction with the Group's development objectives and strategic planning, we further improved and optimised the human resources management system and mechanism in terms of goal and performance management, cadre management and talent reserve training, and human resources informatisation construction, so as to further ensure the compliance and efficiency of employment. At the same time, we optimised the systems and processes related to attendance and leave, onboarding and offboarding, remuneration and benefits, etc., to effectively protect the legitimate rights and interests of employees.

The Group has established a comprehensive performance management system, which forms a closed-loop management in terms of objective setting, communication and feedback, appraisal management and application of appraisal results, linked assessment results to employee performance bonuses, and regularly commended employees who have performed well in various work, so as to effectively enhance the self-motivation of employees while promoting the Company to achieve its business goals. In 2024, we further optimised organisational performance assessment indexes and special incentive methods, based on the responsibilities of employees in the departments and projects to conduct targeted index assessment, adopted different remuneration incentive policies to motivate employees to grow rapidly.

The Group enters into formal labour contracts with employees in accordance with laws, and provides them with basic protection such as social insurance and housing provident fund, as well as a salary higher than the minimum salary level in each region. We actively build a diverse and inclusive workplace culture, and resolutely eliminate discrimination based on race, gender, native place, age, education, religious beliefs, health status, etc. and effectively protect the legitimate rights and interests of employees.

The Group has zero tolerance for the recruitment of child labour and forced labour. During the recruitment process, we will strictly review and check the identification documents of the applicants to ensure that the recruits have reached the legal working age and voluntarily participate in the labour force. Once child labour or forced labour incidents are found, we will contact the relevant responsible departments and external authorities in a timely manner to deal with them in accordance with the law, communicate with employees and their statutory guardians, and properly handle child labourers and forced labourers.



3. PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE *(continued)*

The Group strictly monitors the working hours of employees, and has fully implemented the clock-in system to ensure that the working hours of employees comply with the national laws and regulations, and requires the relevant person-in-charge to adjust the workload of the team in a timely manner, to ensure that the working hours of employees are within a reasonable range.

The Group has built smooth communication channels for employees, aiming to create a good and positive working atmosphere. Employees can give feedback to the management of the Group through online and offline channels such as opinion mailboxes, e-mails, and enterprise WeChat. At the same time, management of the Group hosted and held seminars among employees from time to time. Employees at all levels can voluntarily sign up to participate and closely communicated with the management. The management carefully listened to employees who expressed opinions and ideas and gave timely feedback and made responses.

In 2024, the Group had no violations of laws and regulations related to labour or infringement of the rights and interests of employees that had a significant impact on itself, nor was it being punished in respect of the protection of the rights and interests of employees.

3.3 Upgrading the training model

A systematic training management system has been in place. The contents and forms of training are updated timely according to the changes in the market and social environment to help employees achieve synchronous development of personal and professional competence. In 2024, in order to continue stimulating the innovativeness of our employees and gradually consolidate and improve their professional capabilities, we tracked the changes in the market and external environment, innovated the talent training mode, and strengthened the systematic planning of training based on a series of experience sharing and training activities, such as market trend discussion and training, AI-related training, new energy market and business training, mobile phone after-market and private domain operation training, business-specific training, and management cadre's leadership training, and formulated a progressive training and follow up training mechanism. In addition, for the cadre group and reserve talents, we have formulated a training path centered on experience, carried out targeted training and paid attention to it in real time, and strived to create a win-win situation for the employees and enterprise.



3. **PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE** *(continued)*

Currently, the Group's main training programmes include:

Onboarding

In order to help new employees efficiently integrate into the organisation and systematically develop their professionalism and professional skills, the Group has created a three-in-one training system of “developmental assessment + blended learning + coaching feedback”. In the onboarding and training stage of new employees, we set up multi-dimensional training courses, covering modules such as business model analysis, cultural concept transmission, compliance awareness enhancement and career development planning, so as to effectively establish a cognitive framework for new employees on the ecological environment and operation system of the Company, and accelerate their transformation to professional roles. In addition, the Group holds an annual experience sharing session for outstanding representatives from previous school enrollment, and is committed to forming an ecology for talent synergy growth and continuously improving the long-term talent development mechanism.

Management training

For managers at different levels, we design different training programmes by combining the characteristics and needs of the levels, to effectively enhance their leadership. For middle and senior management employees, we set up a tutor teaching system. Enterprise topics are selected for discussion/solution among trainees, and mentors will conduct developmental assessment for trainees; for newly promoted/reserve middle and senior management employees, we create special management ability improvement courses covering latest industry dynamics, key product exchanges, and sharing of professional management knowledge and experience, helping them keep abreast of the dynamics of the Group's headquarter and subsidiaries and quickly complete their role orientation and transformation.



3. **PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE** (continued)

Case: Talent reserve training

In 2024, the Group developed a talent reserve training programme to further optimise its talent pipeline. Through combination of experience sharing and training and practice, this programme improved the operation and management ability of the reserve cadres on the basis of business discussion and learning, and effectively helped the trained employees to integrate the theoretical foundation with practical business.

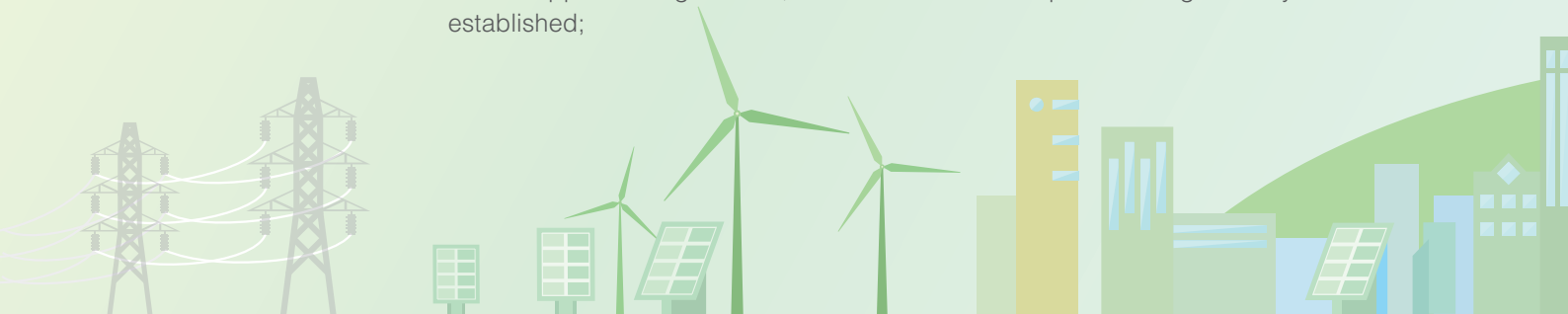


Reserve Cadres Debriefing Training Session

Vocational training for front-line outlets

In respect of upgrading the vocational ability of retail terminals, we focus on four dimensions: "strengthening sales skills, building product value system, improving collaboration efficiency and shaping professional behaviors":

- **Strengthening sales skills:** Through systematic design of special training such as customer relationship management and communication in consumption scenarios, we strive to optimise the quality of customer interaction and sales conversion efficiency;
- **Building product value system:** Through in-depth analysis of the core selling points of products, intensive research on technical parameters and scenario-based application guidance, a three-dimensional product cognitive system is established;



3. **PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE** *(continued)*

- **Improving collaboration efficiency:** We innovate and implement practical projects such as cross-post collaborative sand table and goal sharing workshops, to systematically cultivate team collaborative capabilities; and
- **Shaping professional behaviors:** Driven by synchronous implantation of special modules such as digital tool application, full-link customer operation and refined process management, the workflow is optimised and the post efficiency is enhanced.

The Group has set up a training camp for reserve store manager. We rely on a high-intensity training mechanism, through focusing on the three core areas of strategic decoding, terminal operation and team leadership, to effectively help employees improve their management ability and accelerate the promotion of high-potential talents from business executors to management decision-makers.

Vocational training

In order to enhance the professional competence of employees, the Group has launched a variety of vocational training courses, and implemented the system for employees to prepare lessons on a rotation basis. The combination of offline practical operation and online courses is adopted to enhance the effect of training. Online, we carried out courses covering the experience sharing of outstanding backbones, professional knowledge and training of general skills, etc. Offline, we carried out sale skill competitions, special lectures and other activities, integrating training into the daily work of employees, and helping employees build a solid foundation of vocational skills.

Training for internal trainers

In order to improve the effectiveness of internal training of the Group and comprehensively strengthen the skills of all employees, we have a tailor-made professional training programme in place for our internal trainers to systematically enhance their training skills from production of teaching materials, presentation skills to management of learning atmosphere, laying a solid foundation for further internal employees training.



3. **PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE** *(continued)*

Other training activities

The Group is dedicated to creating a workplace atmosphere where all employees learn. We encourage our employees to pursue further studies at institutions or professional training institutes in addition to actively participating in training activities within the Group and without affecting their own work, and provide them with appropriate subsidies. At the same time, we encourage our employees to make full use of their spare time to study during daily work by organising reading sessions and sharing articles on WeChat official account. We also provide an online examination platform for employees to check their learning outcome.

- Reading sessions: A morning reading session is held at the headquarters of the Group from Monday to Friday each week, during which participants express their opinions and exchange ideas;
- WeChat official account: The Group publishes and shares articles on WeChat official account based on its strategic need of “strengthening corporate culture”, enabling employees to have an in-depth understanding of new retail, “platform-based + digital transformation”, AI technology empowerment, consumer service, and corporate culture;
- Individual learning + centralised assessment: Relevant business training materials are centrally published via the Group’s learning system, and an employee may perform an online assessment via the online examination platform to check the learning outcome in time after their individual learning.

The online training model opens up channels for employees to receive training. The record-playback mechanism provides convenient support for knowledge consolidation, and the real-time live-streaming and interactive module promotes efficient communication between employees and teachers and among employees. The multiple modes such as learning-to-test and real-time answering effectively improve the efficiency of knowledge transformation through the closed-loop of reinforcement learning.

The Group provided 39 training programmes with a total of 2,364 employees participated in the training activities in 2024. The number of trainees accounted for 86.5% of the total, and the average duration of the training was 44 hours per employee.



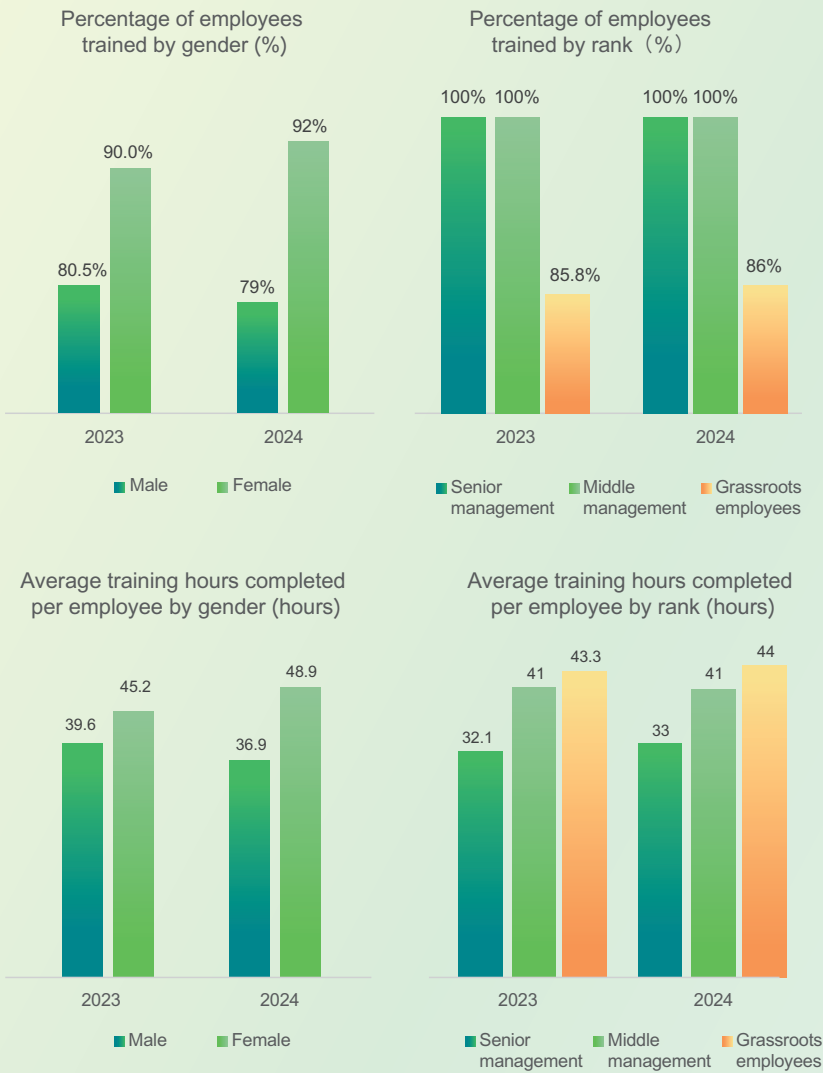
3. PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE *(continued)*



Our Training Programme

3. PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE (continued)

KPIs: Employees' Training



1. Senior management refers to employees at vice president level and above, and middle management refers to employees at general manager, vice general manager, director and deputy director level.



3. PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE *(continued)*

3.4 Focus on physical and mental health

The Group, which values the health and safety of employees, strictly complies with the laws and regulations relating to occupational safety and health, including the Labour Law of the People's Republic of China, the Fire Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the Regulation on Work-related Injury Insurance. With the establishment of an effective employee health and safety management system, the Group provides a safe and comfortable office environment for all employees, and promotes a healthy and balanced work style, striving to ensure the physical and mental health of employees.

Health management

The Group established a sound work injury prevention system and bought medical insurance and work-related injury insurance for its all employees. The Group organises annual medical examinations for all employees and invites experts to hold lectures and training seminars on occupational health from time to time to enable them to discover and manage their health problems in a timely manner. In addition, the Group pays attention to the mental health of its employees. To help employees release work pressure, the Group also organises outdoor activities, psychological seminars and other activities for its employees from time to time to help employees keep their spirits up.

The Group highly emphasises on the potential impact of office building materials on employees' health, laid up the Beijing Digital Telecom Co., Ltd.'s System for Decoration of Stores to regulate the decoration of outlets and the selection of decoration materials in accordance with the requirements of relevant laws and regulations, such as Regulations on Administration of Occupational Health in Workplace, in a bid to ensure that the materials meet the relevant national regulations and standards so as to avoid damage to the health of employees.

In addition, when employees need to be hospitalised for various reasons, the Group will send representatives to offer condolences in a timely manner.



3. PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE *(continued)*

Safety protection

The Group continued to improve the regulations on the safety of working environment, such as the One Red Line, Trouble Shooting, Ordering and Elimination Responsibility System of Beijing Digital Telecom Co., Ltd. and Safety Production Archives Management System of Beijing Digital Telecom Co., Ltd., optimised and improved the production safety responsibility system for Digital Telecom, stepped up efforts on standardisation of production safety, signed the safety responsibility letter with employees and included production safety into the list of responsibilities for all staff. In addition, to help employees familiarise themselves with the relevant internal systems, we provided detailed guidance for the operation of employees to ensure the effective implementation of production safety protection works.

We collaborate with property management companies from time to time to conduct safety hazard investigations, in a bid to identify and eliminate potential safety hazards in a timely manner in the workplace to prevent work-related injury at source. We issue fire safety notices and travel safety reminders to all employees based on the weather and season conditions to remind employees to ensure their safety and protection.

Trainings on employees' safety knowledge and skills and simulated fire drills were designed specifically based on the professional characteristics of different businesses and positions, with a view to raise the safety awareness of employees. In the meantime, the Group organised fire safety training activities to popularise common sense of fire safety and basic knowledge of emergency rescue for employees from time to time, so as to enhance effectively their emergency response ability.

In the event of a work-related injury, we ensured the injured receive timely treatment through quick and effective response mechanism.

The number and rate of work-related fatalities of employees occurred in the Company remained zero from 2021 to 2024.
There were no work-related injury and lost days due to work injury in 2024.



3. PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE *(continued)*

Work-life balance

The Group, who attaches great importance to the sense of happiness and belonging of its employees, is committed to creating a warm atmosphere in workplace for its employees through a variety of employee care activities.

In our daily work, we took practical actions to convey our care for our employees. We provide a variety of benefits for our employees, including holiday greetings, purchase discounts for purchase of mobile handsets. For some employees in need, the Group provides them with rent free accommodation to facilitate their work and life. In 2024, the Group carried out rich and colourful staff care activities, such as holiday greetings, workers' game, in order to enrich the spiritual and cultural life of employees, promote emotional communication among employees, enhance cohesion, and develop a teamwork spirit. Various humanistic care and activities allow hard-working employees to enjoy the achievements of the Group's development and feel the care given to them.



3. *PUTTING PEOPLE FIRST AND PRACTICING THE TRUE RULE* (continued)



Employees' Games



Holiday Greetings during the Mid-Autumn Festival





04

GREEN OPERATIONS TO
PROTECT ENVIRONMENT



4. GREEN OPERATIONS TO PROTECT ENVIRONMENT

The Group actively responds to the national Dual-Carbon strategy, integrates concepts of energy conservation, emission reduction and low-carbon living into its corporate operation, strictly fulfils its environmental responsibility, responds to the climate change by green operation and helps to construct a green home with practical actions.

4.1 Strengthening emission management

The Group strictly complies with the relevant national and local laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, the Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes. Efforts were stepped up on the management of pollutant discharge to reduce the negative impact of the Group's operation on the ecological environment. In 2024, there was no administrative penalty imposed on or litigation against the Group arising from environmental pollution.

The Group's greenhouse gas emissions are mainly generated from energy consumption in the course of daily operations, such as the combustion of petrol and consumption of purchased electricity. In order to reduce emissions, the Group carries out diverse energy conservation measures in office areas and outlets, including switching off lights in time, using energy-saving lamps, and optimizing the use of air conditioners. Meanwhile, in response to the national Dual Carbon Goals, the Group has reduced the number of vehicles and phased out old vehicles with high energy consumption. Some outlets changed the delivery by drivers to delivery by logistics companies, which reduced the use of vehicles. In 2024, the Group piloted the Vehicle Management System of Digital Telecom (2024), which clearly stipulated the management on use of newly purchased vehicles, and further helped to reduce carbon emissions by optimizing the vehicle utilisation efficiency, reducing non-essential travel and promoting low-carbon and environment-friendly vehicles. In addition, we also encourage employees to plan their travel plans in advance, give priority to green travel modes such as high-speed railway, and jointly promote the practice of green travel concepts.



4. **GREEN OPERATIONS TO PROTECT ENVIRONMENT** *(continued)*

The solid waste generated by the Group in daily operations mainly includes the general wastes, waste paper and waste office consumables. The Group actively advocated concepts of green offices to reduce the generation of waste from the source, continuously promoted paperless office and OA electronic system, effectively reducing the amount of paper used. The Group pasted eye-catching signs near printers to remind employees to double-check documents before printing to avoid unnecessary paper waste due to misprinting and prioritise double-sided printing, so as to further save paper. We also increased online efforts on publicity to reduce the printing and use of paper leaflets, and actively promoted the recycling and reuse of waste paper to improve paper usage efficiency.

The non-hazardous domestic wastes and waste paper produced in our daily operations were collectively handed over to professional third-party recyclers for disposal, ensuring the recycling of resources, and hazardous wastes such as waste toner cartridges and ink cartridges were handed over to our cooperative printer manufacturers for professional harmless treatment, preventing pollution to the environment.

In respect of waste classification management, the Group has established a strict internal assessment system, founded a dedicated waste classification working group, designated persons-in-charge and units' advocator, formulated detailed waste classification implementation plan, and popularised the knowledge of our general wastes classification among our employees. In the workplace, waste sorting containers are placed according to the type of waste. Cleaners are assigned for subsequent classification, recycling and proper disposal of waste, ensuring the whole process meets environmental requirements.

A sound management mechanism was laid up to prevent and control noise pollution that may arise in the course of operations. Outlets were required to reduce the use of amplification equipment in promotional activities and encouraged to use electronic screens instead. This is to ensure compliance with laws and regulations in respect of noise pollution and reduce the impact of noises on surrounding enterprises and the public.



4. GREEN OPERATIONS TO PROTECT ENVIRONMENT (continued)



Environmental Awareness Poster

Waste recycling

The Group's impact on the environment and natural resources is mainly from the consumption of electricity, water, printing paper and packaging materials in office buildings and outlets. In addition to strengthening the management of energy and resource, we actively promote the separate collection and standardised disposal of e-waste, takeout boxes, waste packages and drinking water bottles and other wastes in order to reduce the potential impact of waste on the ecological environment.

We proactively expanded recycling business, launching trade-in services at offline outlets to recycle used electronic products, and strengthening cooperation with professional third-party recyclers. Currently, our recycling service covers all provincial and municipal subsidiaries of Digital Telecom, which not only provides convenience for consumers, but also promotes the improvement of the ecological environment and effectively boosts the development of the circular economy.



4. GREEN OPERATIONS TO PROTECT ENVIRONMENT (continued)

KPIs: Emissions¹

Indicators	2024	2023
Total greenhouse gas emissions (Scope 1 and Scope 2) (tonne of CO ₂ equivalent) ²	840.67	678.14
Greenhouse gas emissions intensity (tonne of CO ₂ equivalent/sq. m.)	0.06	0.06
Greenhouse gas emissions intensity (tonne of CO ₂ equivalent/person)	0.31	0.25
Direct emissions (Scope 1) (tonne of CO ₂ equivalent)	244.64	253.53
Petrol	226.54	231.75
Diesel	18.10	21.78
Indirect emissions (Scope 2) (tonne of CO ₂ equivalent)	596.03	424.62
Purchased electricity	596.03	424.62
Non-hazardous waste (tonne) ³	51.53	38.13
Per capita non-hazardous waste generation (tonne/person)	0.02	0.01
Hazardous waste (tonne) ⁴	0.23	0.27
Per capita hazardous waste generation (tonne/person)	0.00008	0.00010
Waste toner cartridges	0.22	0.26
Waste fluorescent tubes	0.01	0.01

1 The environmental data provided in this section covers the Group's headquarters, offices of the subsidiaries, the warehouse and outlets in some regions;

2 Greenhouse gas inventory covers carbon dioxide, methane and nitrous oxide, which are mainly derived from the use of purchased electricity, petrol and diesel. Greenhouse gas emissions are calculated in accordance with 2022 Electricity Carbon Dioxide Emission Factors (《2022年電力二氧化碳排放因子》) published by Ministry of Ecology and Environment of China and 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (《2006年IPCC國家溫室氣體清單指南2019年修訂版》) published by the Intergovernmental Panel on Climate Change (IPCC) of the United Nations and are presented based on carbon dioxide equivalent. In 2024, our total greenhouse gas emissions increased due to the expansion of the statistical scope of data for subordinate outlets by subsidiaries in certain regions;

3 All non-hazardous wastes, mainly including waste paper, waste office stationery and food waste generated in the office area, are handed over to waste collection service providers for disposal; and

4 Hazardous wastes, mainly including waste toner cartridges, waste ink cartridges and waste fluorescent lamps, are handed over to qualified third-party recyclers for disposal.



4. GREEN OPERATIONS TO PROTECT ENVIRONMENT *(continued)*

4.2 Optimising resource utilisation

In strict compliance with the relevant laws and regulations, including the Energy Conservation Law of the People's Republic of China, the Group actively promotes green offices and carries out a number of measures to save energy and reduce consumption, in a bid to constantly increase the efficiency of resource utilisation.

Electricity management

In order to save electricity and improve the efficiency of electricity use, the Group has formulated a series of management measures, giving priority to purchase and use of energy-efficient equipment, and at the same time strengthening energy-saving guidance for employees, promoting the rational use of resources, and continuously optimizing the level of energy management. In the process of office decoration and equipment renewal, we fully adopt energy-saving lamps, and strengthen the supervision on employees' electricity consumption behavior in daily operations and require employees to actively implement our energy conservation measures, such as turning off lights, air conditioners, computers and other equipment in time when leaving the office and reducing standby time of electronic equipment. Apart from that, in order to improve employees' energy saving awareness, signs of energy conservation and emission reduction have been posted in major office areas and the places where there is large electronic equipment, to guide employees to develop good energy conservation habits through visual prompts.



Electricity Saving and Energy Conservation Posters



4. GREEN OPERATIONS TO PROTECT ENVIRONMENT *(continued)*

Water management

In order to save water resources, the Group strengthens the daily maintenance and management of water equipment, and regularly repairs the faucets and other equipment to eliminate the phenomenon of water seepage. Meanwhile, we strive to raise employees' awareness of water conservation by putting up signs of water conservation in the places where there are water equipment to advocate common practice of green life.

KPIs: Use of energy and resources¹

Indicators	2024	2023
Total energy consumption (MWh) ²	2,016.81	1,676.54
Energy consumption intensity (MWh/sq. m.)	0.15	0.15
Energy consumption intensity (MWh/person)	0.74	0.62
Direct energy consumption (MWh)	951.92	985.86
Petrol (MWh)	885.14	905.49
Diesel (MWh)	66.78	80.37
Indirect energy consumption (MWh)	1,064.90	690.68
Electricity (MWh)	1,064.90	690.68
Water consumption (tonne) ³	6,060.75	4,188.99
Per capita water consumption (tonne/person)	2.22	1.56
Use of paper for printing (tonne)	7.52	6.99
Packaging materials (tonne) ⁴	28.16	35.18
Use of wrapping materials per 10,000 mobile handsets sold (tonne/10,000 set) ⁵	0.06	0.09

1 The environmental data provided in this section covers the Group's headquarters, offices of the subsidiaries, the warehouse and outlets in some regions. Our electricity and water consumption increased due to the expansion of the statistical scope of data for subordinate outlets by subsidiaries in certain regions;

2 The energy consumption data are calculated according to the consumption amount of electricity and fuel and the relevant conversion factors in the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2020) (《综合能耗计算通则(GB/T 2589-2020)》), the national standard of the People's Republic of China;

3 The water used by the Group is mainly municipal tap water and purchased bottled drinking water, and there is no issue in sourcing water that is fit for purpose;

4 Due to the nature of our business, the packaging materials mainly include paper bags, plastic bags and non-woven bags given away to consumers during the process of sales of mobile handsets, excluding the packaging materials used to wrap products provided by manufacturers. Data about packaging materials cover all subsidiaries. In 2024, some of our subsidiaries didn't need to package the goods when making a delivery, hence the amount of packaging materials was reduced; and

5 The consumption of packaging materials per 10,000 mobile handsets sold refers to the packaging materials consumed by the sales of 10,000 mobile handsets.

4. GREEN OPERATIONS TO PROTECT ENVIRONMENT *(continued)*

4.3 Responses to climate change

As climate change has an increasing impact on economic development and ecological environment, the urgency to respond to climate change has attracted the attention and discussion from all walks of life. As a retailer, the Group actively identifies the possible impact of climate change on its own business, and actively takes measures to mitigate the impact of climate change on business operations and explore new business opportunities.

Digital Telecom actively responds to the national Dual Carbon Goals, keenly captures the market opportunities of residential photovoltaic business, and regards it as one of the important actions to participate in addressing climate change. In 2024, relying on the layout of the photovoltaic industry chain and combining the advantages of our own supply chain, Digital Telecom comprehensively expanded our residential photovoltaic business. Through innovative business models and efficient resource integration, we have greatly improved the PV utilisation rate in the areas where we operate, contributing positive forces to the realisation of clean energy transformation.



Chairwoman of the Board and Chief Executive Officer of the Company Investigated the Construction Site of Photovoltaic Projects



4. **GREEN OPERATIONS TO PROTECT ENVIRONMENT** *(continued)*

Extreme weather caused by climate change, such as floods, snowstorms and typhoons, may threaten our business operation, resulting in increased operational energy consumption and costs. In order to reduce the risks of property loss and casualties caused by extreme weather, the Company keeps a close eye on the warning information issued by the meteorological authorities, timely issues reminders to all outlets and urges them to formulate emergency plans. During severe weather periods, the Company requires outlets to strengthen safety inspections and activates home office as appropriate to ensure the safety of employees and assets and ensure business safety in response to extreme weather. In the summer of 2024, the Group's branches in many places held safety meetings in the summer to deploy heavy rain prevention and flood prevention matters in advance, and conducted potential dangers investigation to avoid the impact of extreme weather on employees' lives, health and property safety. The Group pays close attention to national laws, regulations and policy developments on green development and circular economy, and actively evaluates its potential risks to business operations. At the same time, we are committed to promoting a green and low-carbon lifestyle, encouraging employees, consumers and suppliers to reduce carbon emissions in their daily activities, and raising environmental awareness in the whole society.

In order to deeply implement the concept of energy conservation and emission reduction, improve resource utilisation efficiency, and help achieve energy conservation and carbon reduction targets and continuous improvement of ecological environment, we have formulated clear environment goals, and will continuously track and monitor the implementation progress of these targets.



4. GREEN OPERATIONS TO PROTECT ENVIRONMENT (continued)

Energy conservation and emission reduction targets:	Achievement of targets:
<ul style="list-style-type: none">Office electronic equipment that meets the level-1 energy consumption requirements will be purchased;LED lamps will be used;	
Water conservation targets:	
<ul style="list-style-type: none">Water-saving faucets will be used on water consumption equipment in the office area;	<ul style="list-style-type: none">All environmental targets had been met in 2024; and
Waste reduction targets:	
<ul style="list-style-type: none">Employees will be urged to classify all domestic wastes;We will increase paper usage efficiency and reduce paper consumption year by year;Hazardous wastes will be placed in designated areas to achieve 100% recycling and disposal of plastic packages, printing consumables and other wastes.	<ul style="list-style-type: none">The Group will make continuous efforts on energy and water conservation, emission reduction and waste reduction in 2025.





05

**ADHERENCE TO INTEGRITY
IN THE WORKPLACE**



5. ADHERENCE TO INTEGRITY IN THE WORKPLACE

The Group has always taken integrity as one of the core elements of its smooth operation, and sticks our compliance bottom line and resolutely puts an end to any violation of professional ethics and business ethics, committing to build a honest commercial environment.

Based on our actual operation situation, we have formulated relevant management system for preventive, control and punitive purposes, such as the Compliance Management System, the Integrity System, the Anti-bribery Regulations, the Anti-Corruption Policy, the Procedures and Measures for Dealing with Fraud and Digital Telecom's System for Procurement Monitoring, in accordance with national and local laws and regulations, including the Anti-unfair Competition Law of the People's Republic of China and the Interim Provisions on Banning Commercial Bribery. We established a compliance governance structure of a compliance management working committee as monitor and an internal management center as a leading department, and have a zero tolerance approach to all forms of bribery and corruption, and have defined all types of irregularities and established mechanisms for reporting, investigation, review, etc., specifying that embezzlement, commercial bribery and unauthorised disclosure of business secrets are prohibited, so as to promote the legal operation. The Group has clarified and adopted specific reward and punishment measures and other codes of conduct on integrity, and urged all employees to work with integrity to enhance all employees' professional ethics relating to integrity.

In order to prevent breach of commercial ethics such as corruption, bribery, extortion, fraud and money laundering, the Group has established a sound internal audit and risk control system, and has set up an internal audit team comprising employees from the financial, audit and legal departments. The internal audit team is responsible for the annual anti-corruption audit of each subsidiary to ensure their contract management and financial revenue and expenditure are in compliance with the internal control policies of the Group. If any irregularity is identified, the internal audit team will carry out an ad hoc inspection and record the investigation process and findings. It will also make recommendations on the optimisation of the internal control system and report to the senior management. The management is responsible for assessing the effectiveness of anti-corruption measures and the perfection of the internal control system, and making decisions for improvement. The financial department of the Group's headquarters regularly checks the cash outflow of subsidiaries and reviews and follows up doubtful transactions in a timely manner. For the relatively sensitive positions in the procurement department, we have implemented a differentiated job rotation system to prevent potential corruption in business operations. In addition, if necessary, we will introduce external third-party professionals to participate in compliance audit investigations to ensure that the investigation results are objective and fair. In 2024, the chairwoman of the Board, middle and senior management and employees of the Group signed the Compliance Commitment Letter to express a zero-tolerance attitude towards illegal activities.

In 2024, the Group and our employees were found with no major violations such as corruption, bribery, fraud or money laundering, and there were no legal cases regarding corrupt practices brought against us.

5. ADHERENCE TO INTEGRITY IN THE WORKPLACE *(continued)*

The Group has implemented a strict supplier cooperation process in order to build an honest and clean partnership. Prior to the establishment of new partnerships, the business department must perform a due diligence on the background of suppliers to ensure that its quoted price is in line with the prevailing market price. Unless being properly authorised, purchasers are not permitted to place any order through their personal account, nor are they permitted to request for any advance payments from a supplier. In addition, all procurement contracts entered into by the Group and its suppliers contain explicit terms of applicable laws and regulations on anti-bribery and anti-money laundering. The Group refined the terms of transparent and open procurement and commitment to integrity in the contracts, in which it defined the form of commercial bribery and classified a breach of terms as a breach of contract.

Publicity and training

The Group publicises integrity in morning meetings at the headquarters level and regularly reports at regular management meetings, in order to strengthen the construction of its integrity system and improve the professional ethics of employees. We provide training on laws and policies related to business ethics such as anti-corruption, anti-fraud and anti-money laundering semi-annually for all employees and the Directors. The training is about recent influential anti-corruption cases within the industry, interpretation of relevant anti-corruption laws and regulations, and the promotion of the Group's anti-corruption policies. The purpose is to constantly enhance the legal compliance awareness of employees and the Directors. In 2024, we provided training about updates on relevant laws for the Directors and senior management, focusing on the newly revised new guidance of independent non-executive director, environmental optimisation, and climate-related information disclosure on social and governance structure, case analysis and their practical applications to ensure senior management maintains a high degree of legal compliance in decision-making and execution all the time. Meanwhile, we conducted irregular procedure system training, safe production training and new staff training to practically improve employees' compliance awareness and avoid potential compliance risk.

Whistleblowing and handling

The Group strives to set up a convenient and efficient communication platform to collect information on the Group potential internal control risk, so as to promptly deal with violations of laws and regulations related to corruption and fraudulent business activities. If an employee finds any actual or alleged violation of the Group's policy or laws and regulations, he/she may report it in accordance with the whistleblowing channel and procedures set forth in the whistleblowing policy. Currently, the anonymous reporting channels put in place by the Group include a hotline, email, official WeChat account and other "anonymous reporting platforms", allowing employees, partners and consumers to conveniently provide opinions or suggestions while ensuring privacy and security. Upon receipt of relevant reports, the Group will immediately set up an investigation team to promote the follow-up investigation and seriously deal with those responsible. The above measures provide employees, partners and consumers with a convenient and effective way to give feedback or suggestions, and significantly improve the efficiency of handling reports.



06

PROTECTING
THE BEAUTIFUL HOME



6. *PROTECTING THE BEAUTIFUL HOME*

The Group actively fulfils its social responsibilities as a corporate citizen, actively conducts public welfare activities, enhances social well-being, and joins hands with all parties to build sustainable development for the community. In 2024, as an active response to the needs of governments, employees and residents for building better homes, we have contributed to building a better community in a variety of ways to achieve social value.

Police and people working together: warm winter initiative

During the Chinese New Year in 2024, Digital Telecom positively performed its corporate social responsibilities and part of its onsite outlets conducted a themed activity of “supporting our police” collaborated with local public security organisation. To console and support those police officers who stick on their positions during the Chinese New Year, we set up a care station at the public security organisation and practically send warmth and care to police through many measures, such as providing preferential treatment for purchasing phones and free broken screen insurance and heart-warmed gifts to improve their sense of well-being and work convenience.



Scene of the Themed Activity of “Supporting Our Police”

6. *PROTECTING THE BEAUTIFUL HOME*

(continued)

Supporting national college entrance examination with heart-warming escorting

When the National College Entrance Examination is held in June every year, nearly 1,000 outlets of the Group across China will establish care stations and provide three-day caring services both online and offline, through which it sends mineral water, fans and other materials free of charge, helping tens of millions of students in an all-round way and supporting the families of the test takers. In addition, we provide exclusive discounts to students who hold admission cards for entrance examination on device purchases and send our best wishes to all students.



Caring Services to Support National College Entrance Examination





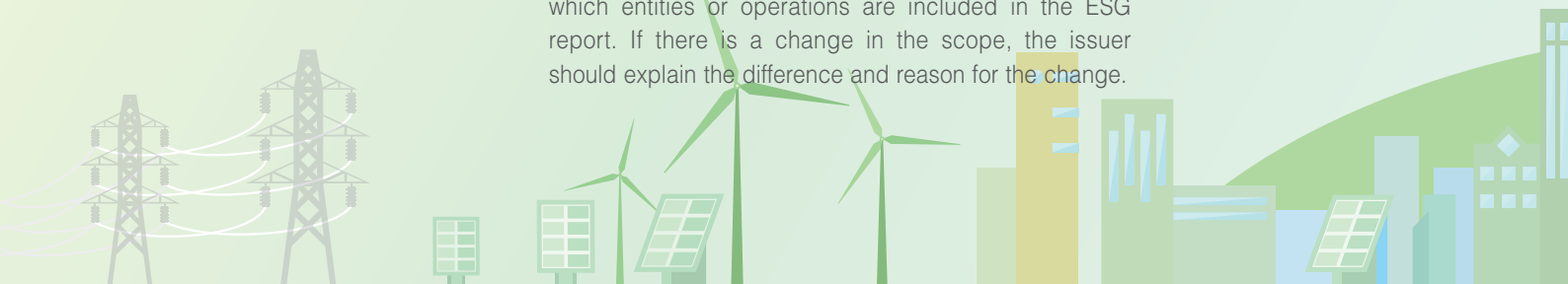
APPENDIX



APPENDIX

The Hong Kong Stock Exchange's Content Index of ESG Reporting Code Mandatory Disclosure Requirements

Mandatory Disclosure Requirements	Relevant Section in the Report
Governance Structure	<p>A statement from the Board containing the following elements:</p> <ol style="list-style-type: none"> (1) a disclosure of the Board's oversight of ESG issues; (2) the Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (3) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.
Reporting Principles	<p>About this Report</p> <p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>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) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>
Reporting Boundary	<p>About this Report</p> <p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>



APPENDIX *(continued)***“Comply or explain” provisions**

Area	Issue	Disclosure Requirements	Relevant Section in the Report
Environmental	A1 Emissions	General Disclosure: Information on:	4.1 Strengthening Emission Management
		(1) the policies; and	
		(2) 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.	
		A1.1 The types of emissions and respective emissions data.	4.1 Strengthening Emission Management
		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).	4.1 Strengthening Emission Management
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Strengthening Emission Management
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Strengthening Emission Management
		A1.5 Description of emission target(s) set and steps taken to achieve them.	4.1 Strengthening Emission Management
			4.3 Responses to Climate Change

APPENDIX (continued)

Area	Issue	Disclosure Requirements	Relevant Section in the Report
		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.	4.1 Strengthening Emission Management 4.3 Responses to Climate Change
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	4.2 Optimising Resource Utilisation
		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).	4.2 Optimising Resource Utilisation
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.2 Optimising Resource Utilisation
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	4.2 Optimising Resource Utilisation 4.3 Responses to Climate Change



APPENDIX *(continued)*

Area	Issue	Disclosure Requirements	Relevant Section in the Report
		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.	4.2 Optimising Resource Utilisation 4.3 Responses to Climate Change
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.2 Optimising Resource Utilisation
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	4.1 Strengthening Emission Management
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.1 Strengthening Emission Management
	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.	4.3 Responses to Climate Change
		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.	4.3 Responses to Climate Change

APPENDIX (continued)

Area	Issue	Disclosure Requirements	Relevant Section in the Report
Social	B1 Employment	General Disclosure: Information on:	3.1 Attaching Importance to Outstanding Talent Introduction
		(1) the policies; and	
		(2) compliance with relevant laws and regulations that have a significant impact on the issuer	3.2 Protection of Employees' Rights and Interests
		relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	3.1 Attaching Importance to Outstanding Talent Introduction
	B1.2	Employee turnover rate by gender, age group and geographical region.	3.1 Attaching Importance to Outstanding Talent Introduction
	B2 Health and Safety	General Disclosure: Information on:	3.4 Focus on Physical and Mental Health
		(1) the policies; and	
		(2) 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.	



APPENDIX *(continued)*

Area	Issue	Disclosure Requirements	Relevant Section in the Report
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.4 Focus on Physical and Mental Health
		B2.2 Lost days due to work injury.	3.4 Focus on Physical and Mental Health
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.4 Focus on Physical and Mental Health
B3	Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.3 Upgrading the Training Model
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.3 Upgrading the Training Model
		B3.2 The average training hours completed per employee by gender and employee category.	3.3 Upgrading the Training Model
B4	Labour Standards	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.2 Protection of Employees' Rights and Interests
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	3.2 Protection of Employees' Rights and Interests
		B4.2 Description of steps taken to eliminate such practices when discovered.	3.2 Protection of Employees' Rights and Interests

APPENDIX *(continued)*

Area	Issue	Disclosure Requirements	Relevant Section in the Report
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	2.3 Responsible Procurement
		B5.1 Number of suppliers by geographical region.	2.3 Responsible Procurement
		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.	2.3 Responsible Procurement
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.3 Responsible Procurement
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.3 Responsible Procurement



APPENDIX (continued)

Area	Issue	Disclosure Requirements	Relevant Section in the Report
B6	Product Responsibility	General Disclosure: Information on:	2.1 Strict Control over Goods Quality
		(1) the policies; and	
		(2) compliance with relevant laws and regulations that have a significant impact on the issuer	2.2 Improving Service Experience
		relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2.4 Advertising and Labelling Management
			2.5 Information and Cyber Security
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.1 Strict Control over Goods Quality
		B6.2 Number of products and service related complaints received and how they are dealt with.	2.2 Improving Service Experience
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	2.4 Advertising and Labelling Management
		B6.4 Description of quality assurance process and recall procedures.	2.1 Strict Control over Goods Quality
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.5 Information and Cyber Security

APPENDIX (continued)

Area	Issue	Disclosure Requirements	Relevant Section in the Report
	B7 Anti-corruption	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 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. B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. B7.3 Description of anti-corruption training provided to Directors and staff.	5. Adherence to Integrity in the Workplace 5. Adherence to Integrity in the Workplace 5. Adherence to Integrity in the Workplace 5. Adherence to Integrity in the Workplace
	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. B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). B8.2 Resources contributed (e.g. money or time) to the focus area.	6. Protecting the Beautiful Home 6. Protecting the Beautiful Home 6. Protecting the Beautiful Home



