

CAPINFO

Capinfo Company Limited

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

(Stock Code : 1075)



2024 Environmental, Social and Governance Report



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ABOUT THE REPORT

This report is the ninth environmental, social and governance (“ESG”) report issued by Capinfo Company Limited. (hereinafter referred to as “Capinfo”, “the Company” or “we”). It objectively discloses the Company’s performance and fulfillment of responsibilities in environment, social and governance. This report has been reviewed and approved by the Board of Directors of the Company (“the Board”).

REPORTING SCOPE

The time scope of this report covers from January 1, 2024, to December 31, 2024. In order to enhance the completeness and comparability of the report, certain contents extend backward or forward as appropriate.

The information and content disclosed in this report cover Capinfo Co., Ltd. and its branches and subsidiaries, which is consistent with the scope covered in the annual report.

PREPARATION GUIDELINES

This report has been prepared in accordance with Appendix C2 the *Environmental, Social and Governance Reporting Code (the ESG Reporting Code)* of the *Listing Rules of the Hong Kong Exchanges and Clearing Limited*, with reference to the *GRI Sustainability Reporting Standards (GRI Standards)* of the Global Reporting Initiative (GRI), the *Guiding Opinions on the Performance of Social Responsibility by State-Owned Enterprises* issued by the Beijing Municipal People’s Government State-owned Assets Supervision and Administration Commission, the *Guidance on Social Responsibility (ISO 26000: 2010)* issued by International Organization for Standardization (ISO), and the United Nations Sustainable Development Goals (SDGs) 2030.



REPORTING PRINCIPLES

This report responds to and follows these principles:

- **Materiality:** In the process of preparing this report, the Company has identified the key stakeholders and their concerns regarding ESG issues, and based on the significance of these concerns, has made targeted disclosures in this report.
- **Quantitative:** This report adopts a quantitative approach to measure and disclose the applicable key performance indicators. The standards, methods, assumptions, and/or calculation tools used for the measurement of these indicators, as well as the sources of conversion factors, have been explained in the relevant sections where applicable.
- **Balance:** This report objectively discloses both positive and negative information to ensure that the ESG performance of the Company within the time scope of this report is presented in an unbiased manner.
- **Consistency:** The preparation of this report is consistent with that of previous years. Any individual changes have been explained in the corresponding sections.

DESCRIPTION OF DATA

All data in this report are from the Company's relevant statistical reports or other official documents, and all monetary amounts are listed in RMB.

ACCESS TO THE REPORT

This report is available in both Chinese and English. In the event of any discrepancies in understanding between the two versions, the Chinese version shall prevail.

This report is published in electronic format. The electronic version is available for viewing and downloading on the website of the HKEX (<https://www.hkexnews.hk>) and our Company website (<https://www.capinfo.com.cn>).

MESSAGE OF RESPONSIBILITY



We persisted in independent innovation and seized on market opportunity, adjusted business structure and comprehensively improved our development quality. Our commitment is to create a “New Capinfo” by reforming the entrepreneurial mindset.

MR. YU DONGHUI
Party Secretary & Chairman

We continuously improve our ESG governance system, integrate the concept of sustainability into business operations, daily management, and corporate culture building. We ensure the effective implementation of social responsibility work from top to bottom. By widely collecting the expectations and demands of internal and external stakeholders, we accurately identify and manage material issues, thereby enhancing the transparency and quality of ESG information disclosure.



MESSAGE OF RESPONSIBILITY

We optimize the corporate governance structure, operate in compliance with laws and regulations, and standardize the operations of the Board of Directors, the Board of Supervisors, and various specialized committees to ensure scientific decision-making and effective execution. We strengthen risk control and the construction of a clean and compliant system, creating a positive corporate culture atmosphere, and laying a solid foundation for the Company's stable development.

We have continued to enhance our innovation capabilities. We successfully launch a series of high-quality products and excellent solutions such as the "Hongteng" office platform, the "Tianxuan" provident fund digital human, and "Diagnosis and Payment". We are driving the empowerment of smart city construction with "AI+" technology, injecting new vitality into the digital economy development of the capital and even the whole country, while enhancing the Company's brand influence and market competitiveness. At the same time, we are committed to building a responsible value chain and working hand in hand with suppliers, partners, and other industry stakeholders to jointly create a win-win strategic ecosystem and generate sustainable value.

We adhere to the concept of green development, continuously improve resource utilization efficiency, and promote green operational models. Through a series of energy-saving and emission-reduction measures, such as conserving electricity and promoting paperless office practices, we contribute to the achievement of the "dual carbon" goals, make efforts to fight against climate change, and promote harmonious coexistence between humans and nature as well as sustainable development.

We always uphold the value concept of "people-oriented", continuously optimize the talent management system, respect and safeguard the legitimate rights and interests of employees. We provide them with competitive compensation and benefits as well as broad career development opportunities. This allows employees to realize their potential and achieve their dreams within the Company. At the same time, we fulfill our corporate social responsibility by actively engaging in public welfare activities. Through measures such as purchasing assistance products and supporting rural industries, we respond to the national rural revitalization strategy, promote the improvement of social welfare, and convey positive social energy.

Looking ahead to 2025, Capinfo will embrace an even broader and more opportunity-filled development landscape. We will maintain a reform-minded and entrepreneurial spirit, with firm determination and fearless courage. By adhering to the leadership of Party building, focusing on marketing and innovation goals, and delving deeper into the digital industry, we aim to achieve coordinated unity between economic benefits and environmental and social benefits. We will continue to write the story of "New Capinfo" with more steady steps and resolute action.



Capinfo Company Ltd.
Party Secretary & Chairman
Yu Donghui

BOARD STATEMENT

The Board of Directors places great emphasis on ESG governance and has established and continuously improved the ESG governance system to ensure the orderly advancement of ESG-related work. As the highest responsible and decision-making body for ESG matters at Capinfo, the Board is responsible for reviewing and approving key ESG tasks and management priorities, overseeing ESG management-related matters that may affect the Company's business operations and the rights and interests of stakeholders, supervising the implementation of ESG key issues, and fully integrating ESG concepts into corporate production and operations.

Based on the external macroeconomic environment and the Company's development strategy, the Board regularly assesses the materiality of ESG issues. The specific assessment process and results are detailed in the sections on "Stakeholder Communication" and "Identification of Material Issues" in the annual ESG report and are reviewed by the Board. The Board pays close attention to the establishment of environmental objectives related to business operations, namely the goals of reducing emissions and resource consumption generated by daily operations. As the Company continues to grow in scale, we will persistently explore feasible environmental objectives and carry out energy-saving and emission-reduction efforts to help the Company fully achieve green operations.

The Board carries out ESG-related management by reviewing ESG reports and other key issues involving corporate governance, compliance operations, and significant investment in major livelihood systems. This process continuously strengthens the foundation for the Company's sustainability. This report aims to objectively and comprehensively disclose the progress and achievements of the Company's ESG work in 2024 and has been reviewed and approved by the Board of Directors.

ABOUT CAPINFO

COMPANY PROFILE

Capinfo Company Limited (hereinafter referred to as "Capinfo") was founded in January 1998, as the leading enterprise in the field of E-governance in Beijing. The Company was listed on the GEM of the Hong Kong Stock Exchange in 2001, and transferred its listing to the Main Board of the Hong Kong Stock Exchange (HK. 1075) in 2011. Capinfo continuously optimized and improved the business connotation of "one core, two platforms and four sectors", remained adhering to the core principle of "creating value for customers", used "Cloud Network+Digital Intelligence" as a platform and developed application services of four sectors, namely "smart government affairs, smart people's livelihood, smart enterprises and smart health", committing to becoming "a leading smart city and data industry operator". Leveraging on its extensive experience in governmental information service, it has been provided continuous, reliable and stable information technology services for Beijing e-governance system, medical insurance system, housing provident fund system and credit settlement information systems; it has completed the construction, operation and maintenance of various major information technology application projects in Beijing and across the whole country, provide system guarantee for a number of major events in Beijing; actively participated in the informatization construction of the sub-center of the city, and established the image of a state-owned information technology enterprise that has "firm political stand and high sense of responsibility and reliability".

Capinfo is a national-level high-tech enterprise. It has the Certificate of Excellent Level (CS4) of Information System Construction and Service Ability, the CMMI Level 5 Certificate with the highest level of maturity of international software, a design and maintenance capability certificate for security engineering enterprises (Level 1), Information Technology Services Standard (ITSS) Level 1 Certificate with the highest standards, and cloud computing service capability standard certificate. It is elected by the State-owned Assets Supervision and Administration Commission of the State Council as one of the "Enterprise of Scientific and Technological Reform" and the first batch of Beijing General Artificial Intelligence Industry Innovation Partnership Program. It owned Beijing Internet Multimedia Lab identified by Beijing Science and Technology Commission, Beijing Internet of Things Technology and System Engineering Technology Research Center, Beijing Engineering Laboratory for Internet Technology for Smart and Healthy Pension Industry identified by Beijing Development and Reform Commission, 4 municipal key laboratories identified Beijing Municipal Enterprise Technology Center such as Beijing Economic and Information Technology Bureau, as well as 2 municipal bases identified by the Beijing Science and Technology Commission, namely the High-end Foreign Expert International Cooperation Base and the Beijing International Science and Technology Cooperation Base for Internet



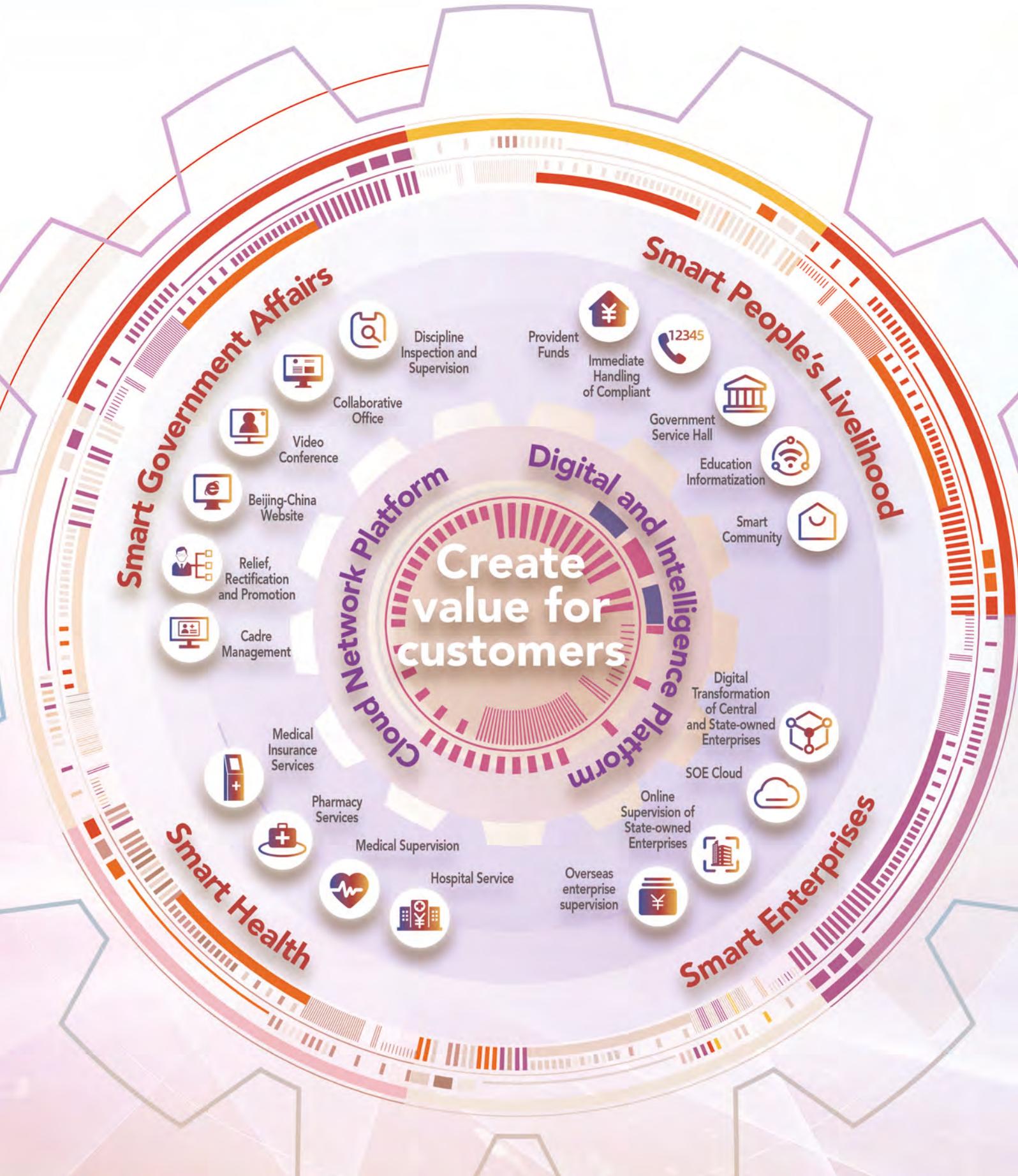
ABOUT CAPINFO

Cloud Applications. The Company has also established cutting-edge technology R&D centers including AI (artificial intelligence) innovation center and information innovation center as well as Capinfo-Beihang Smart City and Data Element Innovation Joint Laboratory. Further, the Company established Capinfo Smart City Digital Economy Expert Advisory Committee, successfully held the 2024 Annual Meeting and Ecological Partner Conference. To provide an important practice base for senior talents, in November 2024, the Company officially launched the postdoctoral research station and became Postdoctoral Research Station Branch for Zhongguancun Science and Technology Park Haidian Park Management Committee, committing itself to continuous efforts to promote independent innovation and incubation and implementation of research results.

After more than 20 years of development, Capinfo has more than 1,700 employees, 7 controlled companies, 2 major joint stock companies, and 15 branches, with its business covering government service, medical care, livelihood, finance and enterprise digital transformation. It has selected as "2024 Beijing Top 100 Enterprise" and ranked one of the Top 100 in the list in terms of digital economy, highly specialized and advanced industry, service industry and other industries. It has been also been selected as "Top 100 Comprehensive Strength Enterprises in Beijing's Software and Information Service Industry" for three consecutive years; obtained honorary titles such as 5A-level high-tech enterprise, core competitiveness enterprise, integrity enterprise, and social responsibility governance leader by industry associations. Several products were selected into the industry honor list, of which the new products and new technology such as digital base, "Hongdi" Large Model, "Diagnosis and Payment", "Immediate Handling of Compliant", have been selected into the List of 100 new technologies and new products, excellent cases of artificial intelligence, typical cases of artificial intelligence large model scenario application, excellent cases of digital finance and excellent cases of application of the national digital economy respectively.



ABOUT CAPINFO



ABOUT CAPINFO

**BUSINESS PATTERN**

Capinfo has further developed a new business pattern of “one core, two platforms, four fields”. The “one core” refers to the unwavering commitment to “creating value for customers”. The “two platforms” are the “Cloud Network Platform” and the “Digital Intelligence Platform”. The “four fields” cover the areas of “Smart Government, Smart Livelihood, Smart Enterprise, and Smart Health”.


Cloud Network Platform

Cloud Network Platform includes the cloud platform and the network platform. The cloud platform consists of conventional cloud platforms and those utilizing information and innovation technology. The network platform includes conventional networks and networks that support computing power.


Digital Intelligence Platform

Digital Intelligence Platform encompasses the digital platform and the artificial intelligence platform. The digital platform primarily supports the Company’s data operations. The artificial intelligence platform mainly supports the development of AI and large model businesses.

**DATA OF 2024**

- ▶ Total Assets: RMB 2,362.29 million
- ▶ Operating Revenue: RMB 1,472.39 million
- ▶ Total Profit: RMB 5.12 million
- ▶ Total Taxes Paid: RMB 31.36 million
- ▶ Total Equity Attributable to Owners of the Parent Company: RMB 1,127.9 million
- ▶ R&D Input: RMB 108.67 million
- ▶ Integrity education: 39, anti-corruption training: 4
- ▶ Customer privacy leakage incidents: 0
- ▶ Training opportunities offered to employees: 10,844
- ▶ Employee training coverage: 100%
- ▶ Rate of work-related fatalities: 0
- ▶ Social insurance enrolment rate of employees: 100%
- ▶ Occupational health check-ups coverage of employees: 100%

ABOUT CAPINFO

CSR IMAGE: CAPINFO EVENTS 2024

January

Capinfo's Self-developed Product "Capinfo Connect" was selected as an excellent case of digital application (solution) in 2023

Capinfo's "Integrated digital intelligent platform for immediate handling of compliant" were selected as 2023 Beijing Digital Innovative Solutions

Capinfo received Pioneer (AA) rating of corporate social responsibility governance from the Beijing Software and Information Services Industry Association

Capinfo's "Integrated platform for civil servant" were selected as 2023 Beijing Digital Innovative Solutions

Capinfo was awarded the "Hong Kong Stocks Best IR Team of the Year" by Comein Finance 2023.

February

Capinfo joins hands with Beijing Vocational College Of Opera And Arts to build a smart campus and unlock new scenarios of digital applications

March

Capinfo was awarded the first batch of 5A grade high-tech enterprises by High-Tech Enterprise Association

Capinfo Becomes Data Broker for Beijing International Data Exchange

April

Capinfo Launches "Integrated Operation and Maintenance Service Sub-platform of Beijing Information Technology Application Innovation Intensive Procurement Service Platform" to Provide Strong Support for Digital Transformation of Enterprises

Promoting the Standardisation of Data Arithmetic Factor Industry Capinfo participates in editing the group standard of Beijing Electronic Chamber of Commerce

Capinfo's Smart Hospital Product Wins CCIA Outstanding Artificial Intelligence Case of the Year 2023

Capinfo's subsidiary Digital Intelligence and Huawei Create Trusted Data Space Solutions

Information and Cultural and Sports Industries Converge to Achieve New Results Capinfo Helps BSAM's "Hongguozi" Platform to Debut Online

Good News! The list of Capital Labour Certificate, Medal and Beijing Workers' Vanguard was released, and Capinfo was awarded the "Capital Labour Certificate".

May

Capinfo's "Hongguozi" Platform Project Selected by Zhongguancun Forum as one of the "2024 Excellent Cases of Digital Application Innovation for National Enterprises".

Capinfo's subsidiary Digital Intelligence Participates in National Data Administration's 2024 Study on the Utilisation of Data Resources in the 15th Five-Year Plan

Capinfo's Digital Base Selected in Zhongguancun Forum's "List of 100 New Technologies and Products"

June

Capinfo organised the "Digital Intelligence Driven - Information Innovation Escorted" Digital Intelligence Provident Fund Forum and released the new generation of "Digital Native" Information Innovation Core System products for housing provident funds.

Capinfo's "Digital Longfusi" Project Wins CCIA Outstanding Artificial Intelligence Case of the Year 2023

Enterprises Asked Questions, Universities Answered Answers— "Youth Creation Beijing" Challenge Competition, Capinfo Asked "Government AI Project" to Call for Capital University Students' Entrepreneurship Outstanding Achievements

July

Capinfo's Hongdi Big Model Medical Insurance Landing Application Selected as "Typical Application Scene Case of Big Model" in the Artificial Intelligence Thematic Forum of 2024 Digital Economy Conference

Capinfo's Numerous New Products Debut in 2024 Global Digital Economy Conference

Capinfo Launches Chang'an Chain - Value-added Collaboration Network for Data Circulation and Utilisation in Global Digital Economy Conference

Capinfo's State-owned Assets Supervision-Enterprise Online Control Platform is Awarded as "Excellent Cases of Digital Transformation (Empowerment) of Enterprises" in 2024

Capinfo's Construction and Operation "Online Registration System for Medical Specialists in Beijing Aids Xinjiang" Officially Launched

Capinfo, Huawei and Beijing Jointly Organised Training and Exchange Session for Partners of Digital Intelligence Eco-Construction

Capinfo Pilot Forum: Focusing on Information Technology Innovation and Helping State-owned Enterprises Transform into Digital Intelligence

August

Capinfo's Smart Health Business "Diagnosis and Payment" Product Wins 2024 Software R&D Digital Finance Excellent Case

Capinfo held "Housing Provident Fund New Quality Productivity Forum" and launched Provident Fund Digital Man - "Tianxuan"

September

The Company's large model commercialization was accelerated and the commercial launch of large model for medical insurance and government affairs was completed

October

Capinfo Participated in the Seminar on Information Technology Development and Construction of Art Colleges and Universities, Frontier Technology Helped Smart Campus Construction

Capinfo Helped 2024 "Data Factor X" Beijing Competition to be Held Successfully

November

Capinfo was awarded the title of "Software and Information Service Industry Integrity Enterprise" again Appearing at the 2024 Global Data Technology Conference, Capinfo Shares Innovative Applications of Data Technology

"A Decade of Two Products" Moving Towards the New Era: Capinfo Brand Wins Excellent Classic Case Award

Beijing Digital Intelligent City Working Committee Established with Capinfo as Chairman Unit

December

Capinfo Partners with Beijing Mobile to Explore New Path to Digital Intelligence

Capinfo Held the 2024 Annual Meeting of Smart City Digital Economy Expert Advisory Committee and Eco-Partner Conference, Many Reform Achievements Attracted Attention

Capinfo Approved to Set Up Postdoctoral Research Station

Capinfo's Overseas Asset Supervision Platform Wins Excellent Case of State-owned Assets and Enterprises Reform

ESG AWARDS

- Selected as “ESG Pioneer 30 Index of Beijing Municipal State-owned Controlled Listed Companies”
- The Golden Bee 2024 Excellence in Corporate Sustainability Reporting-Evergreen Award One Star
- “Bridging the Digital Divide to Facilitate Plateau Transformation” ESG Case was Awarded as an “Excellent ESG Case of Beijing Municipal State-owned Controlled Listed Companies”
- “Capinfo Digital Base (Big Data Middle Platform) System V1.3” products Selected as “The List of 100 New Technologies and Products” by the Zhongguancun Forum
- “Hongguozi” Platform Project Selected by Zhongguancun Forum as one of the “2024 Excellent Cases of Digital Application Innovation for National Enterprises”
- State-owned Assets Supervision-Enterprise Online Control Platform was Awarded as “Excellent Cases of Digital Transformation (Empowerment) of Enterprises” in 2024
- “Diagnosis and Payment” Product Wins “2024 Software R&D Digital Finance Excellent Case”
- Selected as “2024 Beijing Top 100 Service Industry Enterprises”, “2024 Beijing Top 100 High-Tech and Cutting-Edge Enterprises” and “2024 Beijing Top 100 Digital Economy Enterprises”
- Awarded the title of “Software and Information Service Industry Integrity Enterprise”
- Awarded the title of “2024 Beijing Top 100 Software and Information Services Enterprises”
- Rated as “2024 Beijing Corporate Social Responsibility (CSR) Governance in Software and Information Services Industry- Grade AAA”
- Awarded “5A Innovation Capability Rating for High-Tech Enterprises”
- Awarded “A Decade of Two Products” Excellent Classic Case Award
- Awarded “2024 List of Annual Investor Relations Data for Listed Companies- The Best Innovation Practices” by Comein Finance

ESG MANAGEMENT

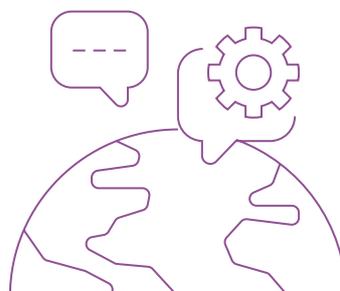
Capinfo continuously improves the ESG governance system and operation mechanism, strengthens ESG management, actively promotes the integration of ESG concepts into business operations, daily management, and corporate culture construction, and attaches importance to the expectations and demands of stakeholders. We fully listen to and actively respond to the concerns of all parties, strive to practice the concept of sustainable development, and promote the coordinated unity of economic, environmental, and social benefits.

ESG GOVERNANCE

To further integrate ESG into daily business operations and promote sustainable development concepts and values, Capinfo has formulated the Social Responsibility Management Policy, further regulating the effective implementation of corporate social responsibility work. It requires departments to attach importance to fulfilling social responsibilities and to achieve a coordinated balance between economic and social benefits, short-term and long-term interests, and the Company's development with social development, realizing a healthy and harmonious development between the Company, employees, society, and the environment.

The Board is the highest responsible and decision-making body for ESG matters of Capinfo, holding regular communication meetings to review the implementation of ESG initiatives and oversee ESG-related issues that may impact our business operations and the rights and interests of all stakeholders. The Board approves the communication results with stakeholders and the determination of material issues and reviews the Company's ESG report. Capinfo has established an ESG management system under the leadership of a special department and responsible personnel, with coordination from other departments, and has linked some ESG indicators to the performance-based compensation of senior executives, implementing all management system work comprehensively from top to bottom, forming a complete and systematic ESG management framework.

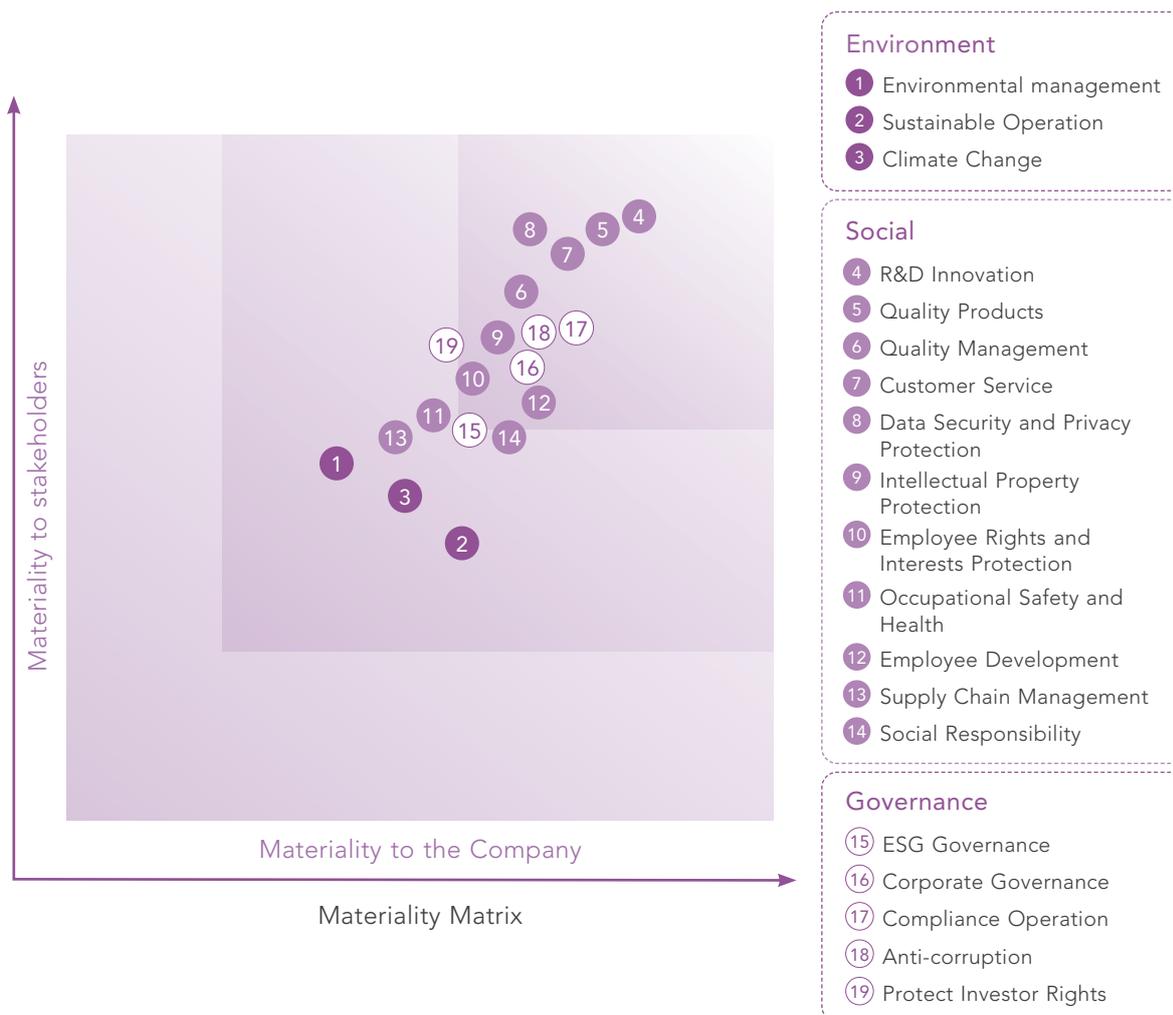
Additionally, some ESG risks have been included in the Company's comprehensive risk management system. We have developed corresponding risk prevention and response measures for significant ESG risks, aiming to effectively respond to ESG risks through systematic risk identification, assessment, and management processes.



ESG MANAGEMENT

IDENTIFICATION OF MATERIAL ISSUES

Capinfo emphasizes the identification and management of material issues, starting from the perspective of stakeholders, combining the Company’s strategy, industry characteristics, and current business development status. It widely collects opinions and demands from internal and external stakeholders through diversified channels. From the two key dimensions of “the importance to stakeholders” and “the importance to the Capinfo”, it selects and updates the material issues of key concern for stakeholders, and sorts them by importance. This provides a reference for the Company’s ESG management information disclosure, and provides strong support for the Company to carry out ESG management, practice, and business operations.



ESG MANAGEMENT

STAKEHOLDER COMMUNICATION

Capinfo is committed to building an efficient and transparent regular communication mechanism and diversified communication channels. We actively listen to the expectations and demands of stakeholders such as investors, regulatory authorities, customers, employees, suppliers, and communities. We timely communicate the Company's development and operational status with all parties, and works together with stakeholders to continuously optimize and improve the Company's ESG management and practice.

Stakeholders	Aspects of Concern	Communication Mechanism
Shareholders	<ul style="list-style-type: none"> ▶ Information Disclosure ▶ Corporate Governance ▶ Financial Performance ▶ Protect Investor Rights 	<ul style="list-style-type: none"> ▶ Regular/Temporary Announcements, Reports ▶ General Shareholder Meetings, Board of Directors, Supervisory Board Meetings
Government and Regulatory Authorities	<ul style="list-style-type: none"> ▷ Information Security and Privacy Protection ▷ High-quality Products ▷ Environmental Management ▷ Employee Rights ▷ Social Responsibility 	<ul style="list-style-type: none"> ▷ Special Reports ▷ Investigation Visits ▷ Project Cooperation ▷ Work Conferences ▷ Statistical Reports
Customers	<ul style="list-style-type: none"> ▶ R&D Innovation ▶ High-quality Products ▶ Quality Management ▶ Customer Service ▶ Information Security and Privacy Protection 	<ul style="list-style-type: none"> ▶ Customer Feedback ▶ Customer Relationship Management ▶ Online Services
Employees	<ul style="list-style-type: none"> ▷ Employee Rights ▷ Employee Development 	<ul style="list-style-type: none"> ▷ Employees' Representatives' Meetings ▷ Trade Union ▷ Mailbox, Company WeChat ▷ Employee Service Center
Suppliers	<ul style="list-style-type: none"> ▶ Quality Management ▶ Supply Chain Management ▶ Anti-corruption 	<ul style="list-style-type: none"> ▶ Business Negotiations, Contracts, Agreements ▶ Training, Technical Exchange Meetings ▶ Forums, Conferences
Community/ Public	<ul style="list-style-type: none"> ▷ Environmental Management ▷ Green Operation ▷ High-quality Products ▷ Social Responsibility 	<ul style="list-style-type: none"> ▷ Charitable Public Welfare Activities, Volunteer Activities ▷ Social Media

ESG MANAGEMENT

RESPONDING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

SDGs	Take Action	Chapter Mapping
 <p>SDG1 No Poverty End poverty in all its forms everywhere</p>	<ul style="list-style-type: none"> • Provide assistance and support for the rural revitalization construction of Taishang Village, Qingshui Town, Mentougou District, Beijing, and help with the rural industrial upgrading 	<ul style="list-style-type: none"> • Embracing Responsibility with Warming Hearts
 <p>SDG3 Good health and well-being Ensuring healthy lifestyles for the well-being of people of all ages</p>	<ul style="list-style-type: none"> • Care about the physical and mental health of employees, and organize diverse employee activities to balance their work and life • Carry out social welfare and volunteer service activities such as on-duty for garbage classification to promote the improvement of social well-being 	<ul style="list-style-type: none"> • Dreaming Together with United Efforts • Embracing Responsibility with Warming Hearts
 <p>SDG4 Quality Education Ensuring inclusive and equitable quality education and lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> • Leverage the resource advantages of Capinfo Academy to provide diversified training and learning support for employees 	<ul style="list-style-type: none"> • Dreaming Together with United Efforts
 <p>SDG5 Gender Equality Achieving gender equality and empowering all women and girls</p>	<ul style="list-style-type: none"> • Adhere to gender equality policy and create a diverse, equal, and inclusive working environment for employees 	<ul style="list-style-type: none"> • Dreaming Together with United Efforts
 <p>SDG6 Clean water and sanitation Water and sanitation for all and its sustainable management</p>	<ul style="list-style-type: none"> • Promote green operations and advocate water conservation among employees 	<ul style="list-style-type: none"> • Embracing Sustainability for Lasting Progress
 <p>SDG8 Decent work and economic growth Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> • Operate in compliance with laws and regulations, improve risk management, and promote the Company's healthy and sustainable development • Improve employment policy, provide competitive salaries and benefits for employees, and promote employee income growth 	<ul style="list-style-type: none"> • Operating with Compliance and Trust • Dreaming Together with United Efforts
 <p>SDG9 Industry, Innovation and Infrastructure Building disaster-resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation</p>	<ul style="list-style-type: none"> • Enhance innovation management and R&D platform development, and strengthen intellectual property management • Drive innovation through productization, support smart governance, smart living, and smart enterprise development, and expand regional service coverage • Build a win-win strategic ecosystem and create shared value together 	<ul style="list-style-type: none"> • Innovating to Shape the Future • Empowering Partners for Mutual Benefit

ESG MANAGEMENT

	SDGs	Take Action	Chapter Mapping
	<p>SDG10 Reducing Inequality Reducing inequalities within and between countries</p>	<ul style="list-style-type: none"> • Deeply promote targeted assistance work, rural development and construction, and promote social fairness 	<ul style="list-style-type: none"> • Embracing Responsibility with Warming Hearts
	<p>SDG11 Sustainable Cities and Communities Building inclusive, safe, disaster-resilient and sustainable cities and human settlements</p>	<ul style="list-style-type: none"> • Conserve water and electricity, manage waste in a compliant and safe manner, mitigate environmental pollution risks, and optimize the urban environment • Provide assistance and support for the rural revitalization construction of Taishang Village, Qingshui Town, Mentougou District, Beijing, and help with the rural industrial upgrading and sustainable development 	<ul style="list-style-type: none"> • Embracing Sustainability for Lasting Progress • Embracing Responsibility with Warming Hearts
	<p>SDG12 Responsible consumption and production Adoption of sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> • Improve the quality management and assessment system, implement quality management, Continuously strengthen customer privacy protection • Promote green office practices, reduce energy consumption and emissions, and improve resource utilization efficiency • Continuously deepen supplier management and cooperation, build a responsible supply chain 	<ul style="list-style-type: none"> • Prioritizing Customers to Create Value • Embracing Sustainability for Lasting Progress • Empowering Partners for Mutual Benefit
	<p>SDG13 Climate action Taking urgent action to address climate change and its impacts</p>	<ul style="list-style-type: none"> • Improve the environmental management system, enhance resource utilization efficiency • Promote green operations, practice energy conservation and emission reduction • Identify and assess climate change risks, and develop response strategies 	<ul style="list-style-type: none"> • Embracing Sustainability for Lasting Progress
	<p>SDG 16 Peace, Justice and Strong Institutions Creating peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> • Improve corporate governance, standardize the construction of the Board of directors, special committees of the Board, and the Supervisory Board • Adhere to law-based, compliant, and honest operation, improve the risk prevention and resolution mechanism, promote the stable and regulated operation of the Company • Abide by business ethics and continuously carry out anti-corruption activities 	<ul style="list-style-type: none"> • Operating with Compliance and Trust

1 / OPERATING WITH COMPLIANCE AND TRUST

Capinfo continues to optimize its corporate governance structure, ensuring that the Company operates in compliance with the law. We establish and improve risk prevention mechanisms, strengthen risk management and control capabilities. Meanwhile, we consolidate the foundation for a culture of integrity, enhance the anti-corruption defense line, to improve the Company's value creation capabilities and core competitiveness.



KEY ISSUES

- ▶ Corporate Governance
- ▶ Compliance Operation
- ▶ Anti-corruption
- ▶ Protect Investor Rights



ACTION STRATEGIES

- ▶ Improve corporate governance, standardize the construction of the Board of directors, special committees of the Board, and the Supervisory Board
- ▶ Adhere to law-based, compliant, and honest operation, improve the risk prevention and resolution mechanism, promote the stable and regulated operation of the Company
- ▶ Abide by business ethics and continuously carry out anti-corruption activities
- ▶ Establish diversified channels and protect investor rights

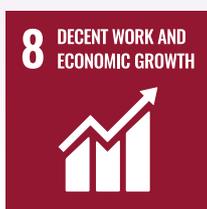


KEY PERFORMANCE INDICATORS

- ▶ Total Assets RMB2,362.29 million
- ▶ Operating Revenue RMB1,472.39 million
- ▶ Total Equity Attributable to Owners of the Parent Company RMB1,127.9 million
- ▶ 39 sessions of integrity education and 4 sessions of anti-corruption training
- ▶ 31 sessions of compliant professional training, with an average participation of 74 training hours per person



OUR FOCUS ON SDGs



OPERATING WITH COMPLIANCE AND TRUST

1.1 IMPROVE CORPORATE GOVERNANCE

Capinfo strictly complies with relevant laws and regulations, including the Company Law, Listing Rules, and the Company's Articles of Association. We continuously develop, improve, and effectively implement the working systems and processes of the Board of Directors and its specialized committees, in line with the Company's operational realities. The Company has established an effective governance structure with the general shareholder meeting as the highest authority, the Party Committee as the leading body, the Board of Directors as the decision-making body, the Supervisory Board as the Supervisory body, and the management as the executive body.

In 2024, through the coordinated operation, effective check and balance among the general shareholder meeting, Board of Directors and its subordinate committees, Supervisory Board, and management, the Company's management operation has further standardized, and the management level has continued to improve. We held 1 annual general meeting of shareholders, 2 special general meetings, and 2 class meetings, totaling 12 ordinary resolutions and 5 special resolutions passed.

Standardize the Construction of the Board of Directors

The Board of Directors operates in accordance with the Articles of Association and the Rules of Procedure for the Board of Directors, with clearly defined responsibilities. The procedures for convening and conducting Board meetings comply with relevant laws, regulations, and institutional provisions, and directors are elected strictly following the prescribed selection process. The Company's directors possess a diverse range of professional backgrounds in finance, law, banking, information technology, human resources, and have extensive industry knowledge and practical experience. They are independent and play significant roles in corporate governance. During their tenure, all directors diligently fulfill their duties, attend Board meetings with a responsible attitude, fully exercise and perform their rights, obligations, and responsibilities as directors, and safeguard the Company's legitimate rights and interests. In 2024, the Capinfo Board of Directors consists of 12 directors, including 2 executive directors, 5 non-executive directors, 5 independent non-executive directors, and 2 female directors; a total of 12 Board meetings were held, and 63 items of proposals were approved.

To ensure efficient communication among Board members, Capinfo has established an onBoarding training program for new directors, ensuring that the Board operates in accordance with procedures and enhances its efficiency. When directors are appointed, the Company provides them with introductory materials regarding the Company's main business operations, relevant laws and regulations, and the duties of directors as stipulated by the Listing Rules, assisting them in achieving continuous professional development. In 2024, to continuously enhance the knowledge and skills of directors, to ensure that they make contributions to the Board with comprehensive professional qualifications, all directors participated in various forms of training and learning.

OPERATING WITH COMPLIANCE AND TRUST

Committee Construction

The Board of Directors has established five special committees including the Audit Committee, Compensation and Assessment Committee, Nomination Committee, Strategic Committee, and Legal and Compliance Committee, granting some functions to further improve the corporate governance structure, enhance internal control systems, promote the standardized, stable, and sustainable development of the Company, strengthen the decision-making function of the Board of directors, improve the scientific nature of decision-making, and enhance operational efficiency. In 2024, the special committees of the Board of Directors of Capinfo held a total of 16 meetings.

Standardize the Construction of the Supervisory Board

The Company's Supervisory Board fulfills its duties diligently, supervising the legality of Board resolutions, corporate operations, financial management, and senior management performance, effectively safeguarding the legitimate rights and interests of the Company and investors, and promoting the Company's legal and compliant operations. In 2024, the Company's Supervisory Board was composed of 3 supervisors, and the Supervisory Board meetings were held 5 times throughout the year.



1.2 OPERATE IN COMPLIANCE WITH THE LAW

Capinfo strictly complies with relevant national laws and regulations, adheres to legal operation, compliant operation, and honest operation, comprehensively enhances the risk identification and control, improves the risk prevention and resolution mechanism, strengthens the internal Audit Supervision function, continuously improves the ability of compliance management and the ability to govern enterprises in accordance with the law, ensuring the healthy and stable development of the enterprise.

OPERATING WITH COMPLIANCE AND TRUST

Strengthen Audit Supervision

Capinfo continuously enhances its Audit Supervision functions, increasing the Audit intensity on key projects and funds, and expanding the scope and depth of Audits. In 2024, the Company conducted special Audits in key areas and critical links such as “three important and one major” issues, implementation of systems, procurement management, accounts receivable management, project management, outsourcing management, and contract management, continuously promoting comprehensive Audit Supervision, further playing the role of Audit consulting services, and deepening the integration of internal Audit and business operations. On this basis, the Company revised the *Safety Production Audit Work Rules (Trial)* and the *Management Measures for Economic Responsibility Audit*, promoting the institutionalization and standardization of internal Audit work. Through comprehensive Supervision and implementation of rectifications, the quality and effectiveness of internal Audit work were effectively improved. In 2024, Capinfo conducted 12 Audit projects, found 45 types of Audit issues, put forward 31 Audit opinions and suggestions, and achieved a 100% rectification rate for Audit issues.

Strengthen Risk Control

Capinfo continues to promote the construction of a legal and internal control compliance system, comprehensively enhancing risk control capabilities to ensure the stable development of the enterprise. In 2024, the Company formulated or revised regulations such as the *Company Articles of Association*, *Compliance Management Regulations*, and *Internal Control Compliance Manual*, regularly updated the compilation of regulations, vigorously promoted the work of legal guarantees, ensuring comprehensive coverage of the Company’s contracts, regulations, and important business decisions by “three legal Audits”, and conducted the 2024 internal control self-evaluation work, comprehensively supervising and evaluating the key areas and critical links of all departments and subsidiaries of the Company, ensuring the effective implementation of internal control systems.

At the same time, the Company has carried out annual compliance risk inspection work and self-inspection of risk special treatment, focusing on financial risk, guarantee risk, parent-subsidiary control risk, main business control risk, project management risk, asset management risk, intellectual property management risk, and business legal and compliant risk. It has carefully identified and investigated risks from aspects of system and mechanism construction, and rectified risk points.

In addition, the Company has continuously strengthened the professional capabilities of the legal and internal control compliance team, and enhanced the risk awareness of all staff. In 2024, the legal and internal control compliance team actively participated in 31 internal and external professional training sessions, with an average participation of 74 training hours per person, effectively improving the professional knowledge and skills of the team members. The Company fully utilized various meetings to deeply carry out compliance lectures, legal and legal training activities, released a series of risk warning letters, and enhanced the legal and compliant awareness and risk awareness of all staff.

OPERATING WITH COMPLIANCE AND TRUST

KEY PERFORMANCE INDICATORS

- Hold 31 sessions of compliance professional training, with an average participation of 74 training hours per person
- Yearly legal compliance Audit work 100% covers the Company's contracts, regulations, and important business decisions.

Anti-monopoly and Fair Competition

Capinfo fully recognizes the critical importance of antitrust and fair competition in building a healthy and orderly market environment. The Company has explicitly outlined its antitrust and anti-unfair competition obligations in the *Compliance Code of Conduct*, requiring both the Company and its employees to adhere to the principles of voluntariness, equality, fairness, and integrity. They must comply with laws and business ethics, actively uphold a fair and honest market competition order, and refrain from engaging in unfair competitive practices such as trademark infringement, false advertising, commercial defamation, and trade secret violations. Capinfo conducts all business activities within a legal and compliant framework. Moving forward, we will further strengthen compliance management and optimize internal oversight to contribute to the healthy development of the industry.

1.3 ANTI-CORRUPTION AND INTEGRITY CONSTRUCTION

Capinfo places high importance on anti-corruption and the construction of a culture of integrity, effectively enhancing the ability to guard against and resist corruption risks. We continuously strengthen the awareness of standardized duties among company officials and the consciousness of clean professional conduct among employees. The company has formulated the *Compliance Code of Conduct* to clarify employees' obligations against commercial bribery and encourages business partners to include compliance content and clauses in commercial contracts, prompting them to make compliance commitments. In light of a corruption litigation case concluded this year, the company has paid great attention to the matter and further strengthened its internal control and compliance management systems. We have also integrated the construction of a culture of integrity into corporate governance, embedding the requirements of clean professional conduct into the entire process of compliance management. Focusing on the theme of "Clear Breeze and Drizzle, Integrity in Capinfo", we have carried out integrity education for all employees, incorporating anti-corruption and anti-graft content. This has been achieved through various methods such as "Send course to the front line", conducting heart-to-heart talks, holding warning education conferences, organizing visits to warning education bases, and watching warning education videos. A total of 1,764 people were educated throughout the year. Additionally, we conducted four anti-corruption training sessions for the Company's executive directors and employees, reaching a total of 489 participants. These efforts further guide party members and cadres to firmly establish the awareness of clean professional conduct and create an atmosphere of integrity and dedication in their work.

OPERATING WITH COMPLIANCE AND TRUST

REPORTING AND COMPLAINTS

In order to ensure compliance and transparency of the Company's operations, the Company has set up various reporting channels, such as telephone hotline, e-mail, letter, etc., and the stakeholders can reflect the violations with their real names or anonymously, and the Company will seriously investigate and provide feedback on the results. At the same time, the Company will keep the identity of the whistleblower strictly confidential in order to protect the whistleblower's legitimate rights and interests.



Joint Meeting of the Work Joint Meeting on Party Wind and Ethical Construction and Anti-Corruption



Send course to the front line



"Take Cases as Lessons, Take Cases to Promote Reform" Warning Education Conference



Collective talking session for newly appointed middle-level cadres

OPERATING WITH COMPLIANCE AND TRUST

1.4 PROTECTING THE INVESTORS' RIGHTS

Capinfo attaches importance to investor rights and investor relationship maintenance, establishing a diversified communication channel including hotline, email, and on-site exchanges. It promptly and accurately prepares and discloses the Company's regular reports and other significant event announcements, continuously conveying the Company's value to the market, allowing investors to timely understand the Company's production and operation situation, and effectively protecting investors' right to know, decision-making power, and profit distribution rights, fully safeguarding the legitimate rights and interests of investors. In 2024, Capinfo hold 2 online investor exchange activities, released 2 regular reports, and issued 56 documents including announcements, circulars, and reports.

Case

Capinfo won the Best Innovative Practice Award in the "2024 Listed Company Selection · Annual Investment and Relations Data List" by Jinmen Finance

On December 31, 2024, the leading domestic digital investor relations management platform - Jinmen Finance - released the "2024 Listed Company Selection · Annual Investment and Relations Data List". Capinfo was listed in the "Best Innovative Practice" category along with well-known companies such as ICBC and SenseTime.



2 / INNOVATING TO SHAPE THE FUTURE

Capinfo gives full play to the leading role of innovation and continuously improves innovation ability. We closely focus on the digital economic development of the capital strategy target, relying on its own data and technical advantages, to constantly launch more high-quality products and excellent solutions. We empower the construction of smart cities with innovation, injecting new impetus into the development of the capital's digital economy.



KEY ISSUES

- ▶ R&D Innovation
- ▶ Intellectual Property Protection
- ▶ Quality Products



ACTION STRATEGIES

- ▶ Increase investment in scientific research and innovation, and improve the level of scientific research and innovation ability
- ▶ Improve intellectual property management and strengthen the protection of innovative achievements
- ▶ Promote construction of Smart Government, Smart Livelihood and Smart Enterprise, expand the scope of regional services



KEY PERFORMANCE INDICATORS

- ▶ R&D input: RMB 108.67 million
- ▶ Accumulated acquisition of valid patents: 17
- ▶ Accumulated acquisition of software copyright: 543
- ▶ Accumulated acquisition of valid trademarks: 95
- ▶ Provident Fund Business coverage: 29 million people in 1.3 million companies across the country
- ▶ The Immediate Action upon Complaint service received more than 24 million cases, serving more than 6.8 million people.



OUR FOCUS ON SDGs



INNOVATING TO SHAPE THE FUTURE

2.1 SCIENTIFIC RESEARCH AND INNOVATION DEVELOPMENT

Capinfo grasps the strategic opportunities of independent innovation in information technology and digital transformation. We combine with reality and development planning, continue to research and develop product technology, drive the Company's innovation with productization, creating digital value. The Company has completed the preparation of the *Technology Route Development Plan for 2024-2027*, which clarifies the direction of research and development and application of core technologies in the next three years, providing strategic guidance for the Company's innovation.

The Company has established an integrated product research and development process (IPD) system, which runs through the whole life cycle management from market insight, customer demand analysis, product planning and design, to development execution, verification optimization and product release. At the same time, we have formulated innovative management mechanisms such as *Development Project Establishment Process* and *R&D Management Procedures*. We introduce agile management methods for the R&D process, aiming to standardize each aspect of R&D process and improve the quality and efficiency of R&D.

In terms of innovative capacity building, the Company builds and continuously optimizes CCAF, an autonomous software cloud native architecture development platform. It provides technical solutions for business front-end departments and accelerates the implementation of intelligent application projects. This year, CCAF added 5 supporting components and 7 public products, which have been applied and verified in many projects such as housing provident fund products. In addition, we pay close attention to the cutting-edge development dynamics in the field of artificial intelligence. We have established an AI technology architecture that integrates data with large models, centering on data, which effectively enhances the empowering role of AI in information technology applications.

The Company increases the introduction of innovative talents and improves the remuneration of excellent talents. We implement the compulsory distribution policy of assessment, create an environment conducive to the emergence of innovative talents, and advocate employees to develop innovative thinking and explore innovative solutions at work. Meanwhile, the Company leverages the engine role of the Beihang University - Capital Information Joint Laboratory and strengthens communication and cooperation with research institutions such as the Beijing Academy of Artificial Intelligence (BAAI). We are approved to set up 1 Postdoctoral workstation (sb-station) to provide talent reserve and resource support for the Company's business innovation.



Capinfo has been recognized as one of the first batch of 5A-level high-tech enterprises by the Beijing Zhongguancun High-Tech Enterprise Association.

INNOVATING TO SHAPE THE FUTURE

In 2024, the amount of the Company's R&D investment was RMB 108.67 million, with 1,284 technical and R&D personnel. Our innovative practices in products and technology have been recognized by multiple third parties, including regulatory authorities and industry organizations, and we have received numerous innovation honors:



Capinfo's "Hongdi" Large Model application in medical insurance has been selected as a "Typical Case of Large Model Application Scenarios" at the 2024 Global Digital Economy Conference.



Case

Capinfo's subsidiary, Beijing Digital Pioneer Technology Co., Ltd., has jointly developed a Trusted Data Space solution with Huawei, which has received Huawei's Kunpeng Technology Certification.

In April 2024, Beijing Digital Pioneer Technology Co., Ltd., a subsidiary of Capinfo, jointly released a Trusted Data Space solution with Huawei. This solution is committed to enhancing the trustworthiness and security of data circulation in the data element market. Trusted Data Space V1.0 has been completed and passed the mutual compatibility test certification with Huawei Kunpeng 920 Taishan 2280 V2; digital intelligence base (Big Data Central Station) V1.3 has been completed and passed the mutual compatibility test certification with Huawei Kunpeng 920 Taishan 200. This demonstrates the Company's rapid response capability in domestic compatibility. The products are characterized by high compatibility, high maturity, and high stability, which enables data to achieve true free circulation, efficient supply, and high-quality application, contributing to the development of a secure and trustworthy data infrastructure.



*INNOVATING TO SHAPE THE FUTURE***2.2 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS**

Capinfo strictly abides by the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations. We have formulated the *Measures for the Administration of Intellectual Property Rights* to continuously strengthen and standardize the use, protection and management of the Company's intellectual property rights. The Company clarifies the organizational structure and responsibilities of intellectual property management. We set up a leading group for intellectual property work with the general manager as the team leader, the return management of the legal compliance department, and the specific implementation of the main responsible department, to jointly carry out intellectual property protection work.

The Company resolutely safeguards our own intellectual property rights, while respecting the intellectual property achievements of others. We continuously launch training and education on intellectual property acquisition and protection. We hold "Practical training on patent retrieval technology and patent weighting skills", "Practice and legal basis of trademark", and other special trainings, to raise employees' awareness of intellectual property protection. At the same time, we invite a third-party professional organization to carry out annual intellectual property infringement monitoring work, to increase intellectual property risk prevention and control, and take measures to deal with technologies and content that may involve infringement. This year, the Company did not happen intellectual property infringement incidents.

In addition, Capinfo attaches importance to technical ethics and data governance. We continuously strengthen the governance review of technology research and development, innovation and application, follow the relevant legal norms of science and technology ethics, and strictly prevent ethical risks such as digital technology abuse and digital technology evil.

By the end of the reporting period, the Company has obtained a total of 17 valid patents, 543 software copyrights, and 95 valid trademarks.

2.3 SMART CITY CONSTRUCTION

Leveraging its accumulated digital technology and innovation strengths, Capinfo integrates cutting-edge technologies and innovative concepts into product development. The Company actively engages in the layout of Smart City construction, creating a series of high-quality products and solutions that cover Smart Government, Smart Livelihood, Smart Enterprises, and Digital Popularization. These efforts effectively advance the digital and intelligent transformation of cities and continuously create digital value.

INNOVATING TO SHAPE THE FUTURE

2.3.1 Smart Government

Capinfo always provides safe, stable, efficient and orderly municipal government cloud services for Beijing. We vigorously promote the overall and intensive development of e-government, laying a solid foundation for the application of government big data. This year, the Company ensured the smooth operation of multiple systems, including the Beijing Professional Title Evaluation System, the National Civil Servant Statistics System, the Beijing Points-Based Household Registration System, and the Beijing Examination System. At the same time, we expanded our business coverage to provide efficient and stable technical support for government affairs in other provinces and cities. By eliminating barriers to government data sharing and promoting interconnectivity in the use of government data, the Company delivered convenient and efficient government services to the public.

This year, the highlights of Capinfo Smart Government Services:

Government System Support:

We ensured the stable operation of multiple government systems such as the window of the capital, and promoted the extension of the government communication network to grassroots townships and sub-districts, forming an all-encompassing government information interaction network;

Government Activity Support: :

We provided robust technical support for several major government activities, including the 3rd Plenary Session of the 20th Central Committee of the Communist Party of China, the 2025 National People's Congress and Chinese People's Political Consultative Conference, the "China-Africa Cooperation Forum" Beijing Summit, and the "China International Fair for Trade in Services". These efforts ensured smooth communication and efficient command during these events;

"Hongteng" Product

The "Hongteng" product inherits the essence of the "Capinfo Connect" brand, integrates cutting-edge workflow engines and form technologies. It drives the digital transformation of government agencies and achieves significant breakthroughs in mobile office applications;

Government Knowledge AI Management Platform:

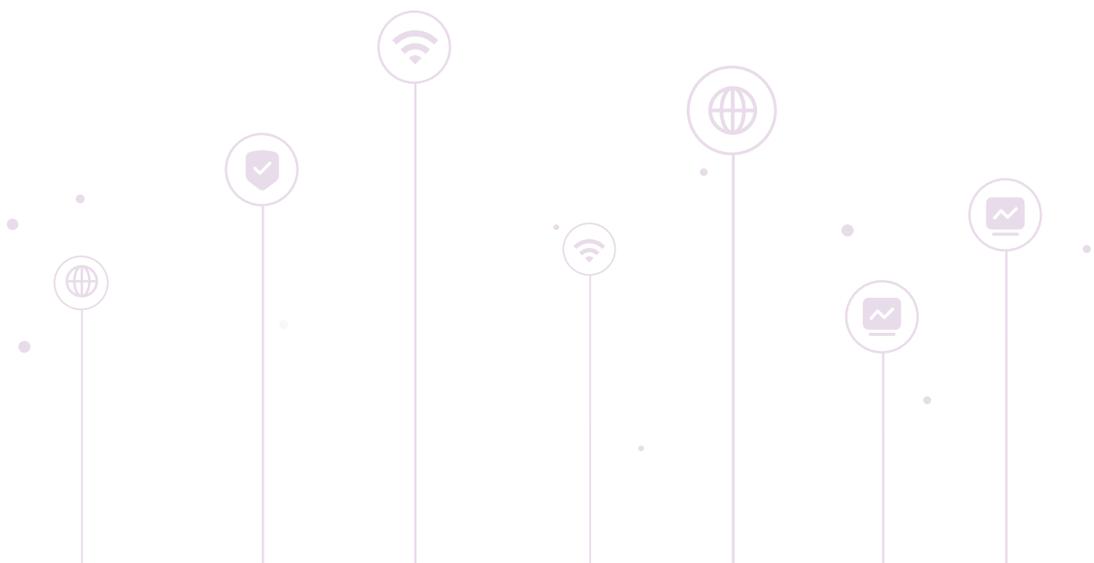
The Government Knowledge AI Management Platform is a knowledge management platform based on a government large model. It leverages cutting-edge large model technologies and engineering implementation solutions to effectively manage and utilize government data, providing robust data support for government decision-making.

INNOVATING TO SHAPE THE FUTURE

Case

Capinfo Civil Servant Integrated Business Processing Platform was recognized as a Beijing Digital Innovation Solution

In December 2023, Capinfo Civil Servant Integrated Business Processing Platform was awarded the "Beijing Digital Innovation Solution (2023)" by the Beijing Software and Information Services Association. The platform is applicable to civil servant management departments at all levels. By empowering with technology, it optimizes the business approval and processing procedures, achieving unified, convenient, and standardized organizational work. The platform integrates commonly used functions to realize "one-stop online service", leveraging digital means to "let data travel more and let business processors travel less". This not only significantly enhances the efficiency and standardization of business processes but also brings a new digital experience for users, effectively improving the work efficiency and service management level of organizational departments.



2.3.2 Smart Livelihood

Capinfo adheres to the tenet of “serving the people” and is committed to using digital technology to create efficient, convenient and intelligent people’s livelihood products and solutions to optimize the quality of people’s livelihood services. We cultivate the business fields of provident fund business, medical care and health, immediate action upon complaint and other business fields, improve the efficiency of urban governance through technological innovation, and build a “digital foundation” for the high-quality life of residents.

Provident Fund Business

The Company continues to strengthen the brand building of provident fund business. By innovating in data governance and applying AI technologies, we have achieved a strategic depth development of our business in terms of “industry focus, productization, and regional expansion”. This year, we actively promoted the construction of the provident fund system in five cities outside our home region such as Cangzhou. Our service coverage extended to 1.3 million organizations nationwide, benefiting 29 million people. We support governments at all levels in meeting their provident fund needs with higher-quality products and services.

Case

Capinfo held the “New-Productivity Forum on Housing Provident Fund” and launched the “Tianxuan” Provident Fund Digital Human product

With the rapid development of diversified applications of large AI models, Capinfo actively explores the application and implementation of AI large model technology in the field of provident fund business. In August 2024, the Company held a forum themed “New-Productivity in Housing Provident Fund” and officially launched the “Tianxuan” Provident Fund Digital Human intelligent customer service product. It is equipped with powerful natural language interaction capabilities. It can accurately understand and answer various questions from housing provident fund contributors regarding policies and services. It demonstrates its digital intelligence performance with the ability to “understand well”, “answer accurately”, and provide comprehensive, precise, and agile knowledge. The introduction of the “Tianxuan” Digital Human effectively enhanced the overall customer service efficiency of the provident fund center. It represents an important step in our digital transformation of provident fund business and forms a significant vehicle for our in-depth exploration of the specialized large model field in provident fund business.



INNOVATING TO SHAPE THE FUTURE

Medical Care and Health

Capinfo is committed to enhancing the medical and health service experience for the public by continuously optimizing and upgrading its products to address medical treatment issues. This year, the Company deeply participated in the construction of the foundational data platform for the “three medical systems”. We promoted the big data collaborative sharing application of key links such as medical imaging, laboratory test reports, medical insurance settlement, pharmaceutical procurement, and Supervision. We also built a new digital health service model covering the entire life management process, intelligent healthcare, health management, and insurance protection. Moreover, Capinfo successfully developed a pioneering medical insurance emergency settlement system nationwide, ensuring the stable operation of the medical insurance information platform and providing reliable medical insurance settlement support for citizens.

Case

Capinfo “Diagnosis and Payment” product in the smart healthcare business was awarded as an Outstanding Case in Software Development and Digital Finance 2024



In August 2024, Capinfo’s unified payment platform “Diagnosis and Payment” was awarded as an Outstanding Case in Software Development and Digital Finance 2024 at the TiD Conference. “Diagnosis and Payment” is designed to meet the needs of multi-scene and multi-channel secure and reliable payments in the healthcare industry. It addresses key challenges of traditional medical insurance mobile payment services, such as complex business processes, difficult installation, and high security requirements. The platform has the advantage of managing various

payment methods and improving the efficiency of medical payments. We actively promote the implementation of “Diagnosis and Payment” in various districts and counties. Over 200 medical institutions have integrated medical insurance mobile payment functions, enabling online payments for registration, outpatient, and inpatient services. Additionally, 497 pharmacies have realized mobile payment for medical insurance on the JD.com and Meituan pharmaceutical platforms. The daily transaction volume exceeded 40,000, significantly enhancing the convenience of medical treatment and drug purchasing for the public.

INNOVATING TO SHAPE THE FUTURE

Immediate Action upon Complaint

Capinfo supports the innovative development of grassroots governance in Beijing, by creating the “12345” hotline, a digital and intelligent solution for immediate action upon complaint. This year, we responded to customer needs with high quality, completed the development and implementation of intelligent dispatch and intelligent summarization for immediate action upon complaint. We used large model scenarios to further enhance the level of intelligence and ensure the safe and stable operation of Beijing’s 12345 system throughout the year. In 2024, we served more than 6.8 million people, making the handling of public complaints more efficient and urban governance more agile.

Case

Capinfo’s Integrated Digital Platform for Immediate Action upon Complaint was selected as *2024 Typical Case of Digital Economy Application Scenarios*



In December 2024, Capinfo’s Integrated Digital Platform for Immediate Action upon Complaint was successfully selected as *2024 Typical Case of Digital Economy Application Scenarios*, released by the expert review of the Zhongguancun Digital Economy Industry Alliance. The platform integrates technologies such as cloud computing, big data, and artificial intelligence to build a data cloud base, achieving unified standards and integration of data across four administrative levels: provincial, city, county, and township (district, sub-district, and community). Based on the Company’s extensive experience in serving Beijing’s immediate action upon complaint, the platform is tailored for smaller governance units. It retains the same high level of intelligence as that of a megacity while also offering the advantages of being

ready-to-use, flexible to disassemble, and independently functional. It effectively assists grassroots governance in achieving “learning from one case to solve similar problems, proactive governance, and addressing issues before complaints arise”, promoting the intelligent transformation of immediate action upon complaint.

INNOVATING TO SHAPE THE FUTURE

2.3.3 Smart Enterprise

Capinfo leverages its robust digital technology capabilities and relies on the secure and reliable Capinfo cloud service platform to deeply develop foundational digital products. We focus on key business scenarios such as enterprise monitoring, production operations, management, user services, and industrial collaboration, creating integrated solutions that comprehensively meet the needs of digital transformation for businesses. Through data integration and the application of intelligent technologies, Capinfo empowers enterprises to achieve efficient, intelligent, and precise operations management, helping them enhance their competitiveness in the digital economy era.

This year, the highlights of Capinfo Smart Enterprise Service:

Information and Innovation Adaptation Platform:

Capinfo Cloud completed the construction of the unified information and innovation adaptation platform, solving the compatibility challenges between different information and innovation products. It continues to refine the integrated information and innovation substitution and digital transformation solution of "cloud + security + application", which has been implemented in 23 first-tier city-owned enterprises and 42 second-tier city-owned enterprises;

Supervision of State-owned Assets:

We launched the regulatory indicator system for state-owned asset (SOA) contributors, and constructed a data visualization solution for SOA regulation. The data center was implemented in the State-owned Assets Supervision and Administration Commission (SASAC) and SOA companies. We also participated in the construction of the SASAC's "one-screen overview" and the "one-screen per enterprise" projects for several regulated enterprises;

Overseas Asset Supervision:

Capinfo independently developed an overseas asset Supervision platform, which provides regulatory services for overseas investments and support for overseas enterprises. Through a digital and intelligent management system, the platform effectively mitigates risks associated with overseas investments and enhances the management efficiency of state-owned enterprises abroad. The platform was recognized as an outstanding case in the reform of state-owned assets and enterprises;

Procurement Service Platform:

We independently developed the "Beijing Information and Innovation Integrated Procurement Service Platform - Integrated Operation and Maintenance Service Sub-platform". It aims to ensure the continuity of information and innovation business for city-owned enterprises by providing a unified, standardized, and efficient solution. This platform significantly enhances the technical efficiency of information and innovation operation and maintenance, and empowers the digital transformation process of Beijing's city-owned enterprises.

INNOVATING TO SHAPE THE FUTURE

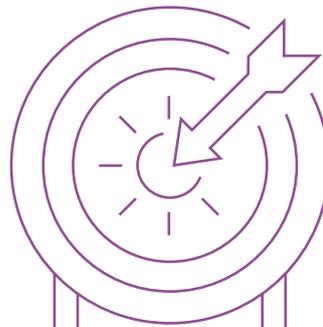
Case

Capinfo "Supervision of State-owned Assets - Enterprise Online Management Platform" was recognized as an Outstanding Case in 2024 Enterprise Digital Transformation (Empowerment)



In July 2024, Capinfo "Supervision of State-owned Assets - Enterprise Online Management Platform" was recognized as an Outstanding Case in 2024 Enterprise Digital Transformation (Empowerment). The platform integrates cloud, network, applications, and data into a unified smart SOE cloud service solution, effectively supporting enterprises in enhancing compliance management, scientific decision-making, and risk prevention. Based on the rich experience of CapCloud in the fields of SOE Supervision and online management, the platform closely meets the actual management needs of large group enterprises. It efficiently processes and integrates various types of business data from city-owned enterprises, achieving high-quality management and aggregation of production data. Additionally, the platform promotes the

construction of a group online management platform, explores the establishment of a data ecosystem operation mechanism, fosters business model innovation, and accelerates the improvement of group management efficiency. It fully implements the goals of SOE Supervision and significantly enhances the digital level of city-owned enterprises.



INNOVATING TO SHAPE THE FUTURE

2.3.4 Digital Popularization

Capinfo leverages its business model experience in Beijing, as well as its own technological and resource advantages, to comprehensively expand into external markets and layout a new national map. The Company has established branches in regions such as Shanghai, Guangdong, Guangxi, Chongqing, Tibet, Xinjiang, and the Hubei-Hunan area, promoting the Capinfo brand and smart city construction experience nationwide. We steadily advance the upgrade of platforms such as immediate action upon complaint and medical health. This year, we established a branch in Hotan, Xinjiang, to develop smart logistics business in the region and provide technical support for the “Beijing Aid to Xinjiang” mini-program. We also collaborated with the Tibet office to expand business, assisting Lhasa in conducting a series of “Internet + Government Services” training classes and cultivating a group of digital government pioneers locally. Furthermore, the Company has shared its mature experience in national business such as smart personnel management and provident fund with places like Ningxia and Tibet. We serve major government projects like Tibet’s “Three Supports and One Help” human resources and social security work, demonstrating the responsibility and commitment of state-owned enterprises through practical actions.

Case

The “Beijing Aid to Xinjiang Medical Expert Online Registration System” was officially launched

In July 2024, the “Beijing Aid to Xinjiang Medical Expert Online Registration System” constructed and operated by Capinfo, officially launched on the “Beijing Aid to Xinjiang” WeChat mini-program, with a launch ceremony held at the Hotan County People’s Hospital. The online registration system creates a “fast lane” for appointment registration for people of all ethnicities in Hotan and surrounding regions, shortening the distance between patients and top-tier medical resources from Beijing. Through the “Beijing Aid to Xinjiang” mini-program, patients and their families can transcend geographical boundaries to browse the professional specialties, clinic locations, and schedules of medical experts from Beijing’s leading medical institutions, and make appointments anytime, anywhere. This system ensures fair distribution and effective utilization of high-quality medical resources from Beijing’s aid to Xinjiang, providing comprehensive and high-quality technical support and service guarantees for the Beijing Aid to Xinjiang initiative.



3 / PRIORITIZING CUSTOMERS TO CREATE VALUE

Capinfo always adheres to the principle of “customer first”, striving to create excellent customer experiences, strictly protecting customer privacy, fully implementing quality assurance work, continuously improving the stable operation capability of the system, and ensuring high quality and reliability of products and services with scientific and strict quality management standards, providing customers with safe, efficient, and high-quality services, and promoting the sustainable development of the industry.



KEY ISSUES

- ▶ Quality Management
- ▶ Data Security and Privacy Protection
- ▶ Customer Service



ACTION STRATEGIES

- ▶ Improve the quality management system and assessment system, implement quality management
- ▶ Optimize and upgrade the safety management system, assess information security risks, organize emergency drills for unexpected events
- ▶ Conduct customer satisfaction surveys, enhance customer experience
- ▶ Continuously strengthen customer privacy protection



KEY PERFORMANCE INDICATORS

- ▶ ISO/IEC 27001:2022 system certification covers Capinfo and its subsidiaries Capitek, CapCloud, Capinfo Medical Union
- ▶ Overall customer satisfaction is 95.12%
- ▶ No customer privacy leakage incidents have occurred in the Company



OUR FOCUS ON SDGs



PRIORITIZING CUSTOMERS TO CREATE VALUE

3.1 COMPREHENSIVE QUALITY MANAGEMENT

Capinfo has comprehensively promoted the construction and improvement of the quality management system, formulated relevant documents such as *Quality Manual*, implemented total quality management, continuously promoted the construction of mechanisms and systems such as information security management system, environmental management system, and occupational health and safety system, and formed a quality assessment system, building a quality management system covering the whole business and process.

In 2024, the relevant qualification certificates of Capinfo and its subsidiaries Capitek, CapCloud, and Capinfo Medical Union were effectively maintained. In combination with the actual business situation of the Company, the upgrading work of the ISO 27001 information security system was carried out, and the rest of the system documents were completed adaptive revisions. Capinfo obtained a “zero issue” external Audit result for the five major systems of ISO 9001, ISO 20000, ISO 27001, etc.

Key Initiatives in Comprehensive Quality Management



PRIORITIZING CUSTOMERS TO CREATE VALUE

3.2 ENSURING INFORMATION SECURITY

Capinfo continuously improves the construction of the information security management system, formulates relevant documents such as the *Information Security Management Handbook*, covers the business departments involved in operation and maintenance, integration, and development of the Company, improves the construction of relevant systems, timely updates the asset catalog and emergency response plans, regularly carries out information security risk assessment work, and establishes a set of information security management systems that run through the entire project lifecycle. At the same time, the Company's operation and maintenance service capability management system operates stably, the operation and maintenance service indicators basically meet the requirements, and successfully passes the level one maturity supervision audit, laying a solid security foundation for the stable development of the Company's business.

About the information and network security, the Company has developed a thorough security defense system by distributing infrastructure across multiple data centers in different locations. In addition, we have established a remote disaster recovery center and a centralized operation and maintenance monitoring hub equipped with a security situational awareness platform. This setup facilitates the continuous, real-time monitoring and dynamic risk assessment 24/7.

Key Initiatives in Ensuring Information Security

System Upgrade and Optimization:

Upgraded the Information Security Management System, with the certification scope covering all front-end business departments and technical platform departments/subsidiaries. Through current situation research, gap analysis, continuous improvement, optimization of the existing security system, and simultaneous release, publicity, trial operation of the new system, and smooth passage of the certification institution's audit.

Information Security Risk Assessment:

Conducted two information security risk assessments, identified 253 risks and carried out corresponding handling, with no residual risks.

Emergency Response Drills:

Organized a total of 6 emergency response drills across the entire company, revised and improved emergency plans for incidents and data breaches, etc..



PRIORITIZING CUSTOMERS TO CREATE VALUE

3.3 PROVIDING QUALITY SERVICES

Capinfo always takes “creating value for customers” as its core, continuously improving service quality, enhancing service capabilities, strengthening service awareness, and strengthening customer communication to provide high-quality and personalized service experiences for customers. We focus primarily on ToG¹ and ToB² customer service. For key projects, we assign on-site personnel to directly interface with clients, ensuring prompt responses and solutions to customer issues. This year, we received zero complaints regarding our products and services.

Customer Satisfaction Survey

In 2024, Capinfo conducted a customer satisfaction survey, with an effective questionnaire response rate of 98.22% and overall customer satisfaction of 95.12%, achieving the overall customer satisfaction quality goal of $\geq 90\%$, reflecting the high recognition of customers for Capinfo’s services. Based on the survey results, Capinfo quickly took action to rectify the identified issues and promptly followed up with customers to ensure that their feedback was properly addressed.

Key Initiatives for Improving Customer Satisfaction

Improved Communication:

Established a dedicated client service team and streamlined communication channels to proactively address client needs and deliver customized solutions.

Technical Capability Building:

Invested in staff training, strengthened internal performance evaluations, and fostered knowledge-sharing with clients to elevate expertise and service quality.

Innovation-Driven Services:

Leveraged emerging technologies and data analytics to assist clients in digital transformation, aligning services with industry trends.

Customer Privacy Protection

Capinfo strictly complies with relevant laws and regulations, including the *Trademark Law of the People’s Republic of China* and the *Advertising Law of the People’s Republic of China*, formulates *Brand Construction Management Measures*, and continuously optimizes and regulates market promotion activities to ensure that all marketing activities are legal and compliant. In marketing activities, the Company strictly controls the reasonable use of trademarks, images, text, and other materials, implements comprehensive and strict management of marketing materials, ensuring their authenticity, accuracy, and compliance.

Additionally, the Company attaches great importance to information security and customer privacy protection, strictly abiding by relevant laws and regulations such as the *Cybersecurity Law of the People’s Republic of China* and the *Data Security Law of the People’s Republic of China*. Through continuous security construction and governance, the Company improves the information security management system, perfects the responsibilities of the Leading Group for Cybersecurity and Informatization, strengthens the customer privacy protection mechanism, and explores new paths for the protection of customer privacy information security. In 2024, no client privacy breaches occurred.

¹ To Government: customer service oriented towards government clients.

² To Business: customer service oriented towards corporate clients.

4 / DREAMING TOGETHER WITH UNITED EFFORTS

Capinfo adheres to the value concept of “people-oriented”, continuously optimizes the talent management system. We respect and protect the legitimate rights and interests of employees, strive to create a healthy, safe, harmonious, and stable working environment. We continuously improve the employee career development and training system, provide diverse salary incentives and welfare care, to achieve the common growth of employees and the Company.



KEY ISSUES

- ▶ Employee Rights and Interests Protection
- ▶ Occupational Safety and Health
- ▶ Employee Development



ACTION STRATEGIES

- ▶ Protecting rights and interests of employees, building a competitive compensation and welfare system
- ▶ Improving the occupational health and safety management system, safeguarding employees’ physical and mental health
- ▶ Facilitating career development and promotion channels for employees, providing diversified training support
- ▶ Concerning employees’ work and life, organizing diverse employee activities

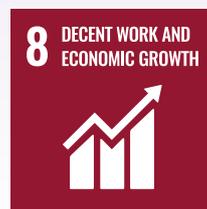


KEY PERFORMANCE INDICATORS

- ▶ Number of on-duty employees: 1,765
- ▶ Women employees account for 33%
- ▶ Rate of work-related fatalities: 0
- ▶ Employee training coverage: 100%
- ▶ Training opportunities offered to employee: 10,844
- ▶ Per capita revenue creation: RMB 870,000



OUR FOCUS ON SDGs



DREAMING TOGETHER WITH UNITED EFFORTS

4.1 PROTECTING RIGHTS AND INTERESTS OF EMPLOYEES

Labor Employment

Capinfo strictly complies with relevant laws and regulations, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of the Rights and Interests of Workers*, the *Law of the People's Republic of China on the Protection of Minors*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, and regulates labor relationship in accordance with the law. We fully guarantee the rights and interests of employees in all aspects such as remuneration and dismissal, recruitment and promotion, working hours, rest time, equal opportunities, diversity, anti-discrimination, and other welfare and treatment. The Company strictly prohibits the employment of child labor and forced labor, or any illegal labor practices. Once any violations are found, we will handle them seriously in accordance with the law, to ensure the equal and free labor rights of employees.

The Company adheres to equal employment and implements a fair, open, and just recruitment policy, resolutely opposes discrimination and prejudice due to gender, ethnicity, religious belief, age, region, disability, and other factors. We resist any form of discrimination in the workplace and are committed to creating a diverse, equal, and inclusive work environment for employees, ensuring that each employee receives due dignity and respect.

In 2024, the Company newly recruited 311 employees, including 281 from social recruitment and 30 from campus recruitment, with a 100% contract signing rate. As of the end of the report period, the Company has a total of 1,765 employees. The situation of employee employment and turnover is as follows:

Employee Employment

	Indicator Name	Unit	2024
By gender	Male	Person	1,181
	Female	Person	584
By age	30 (inclusive) and below	Person	397
	31 (inclusive) to 50 (inclusive)	Person	1,290
	51 (inclusive) and above	Person	78
By position	Technology and R&D	Person	1,284
	Management	Person	396
	Sales	Person	85
By education	Below Bachelor's degree	Person	291
	Bachelor's degree	Person	1,263
	Master's degree and above	Person	211

DREAMING TOGETHER WITH UNITED EFFORTS

Employee Turnover Rate

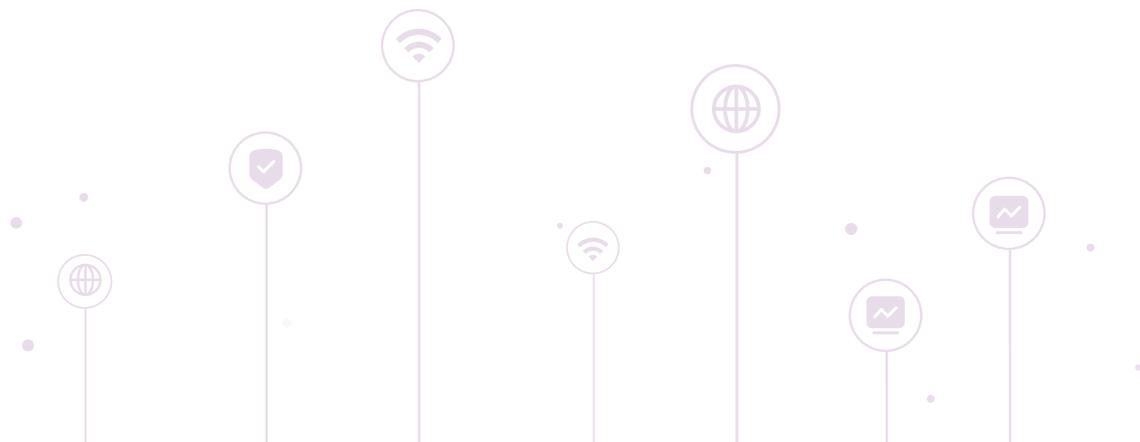
Indicator		2024
Employee turnover rate (%)		10.7%
By gender (%)	Male	10.7%
	Female	10.6%
By age (%)	30 (inclusive) and below	12.3%
	31 (inclusive) to 50 (inclusive)	9.3%
	51 (inclusive) and above	23.8%

Democratic Management

Capinfo continuously deepens the construction of democratic management, establishes and improves collective consultation policy. We effectively guarantee employees’ rights to be informed, participate, express and supervise, respect and support employees’ right to freedom of speech, freedom of association, and collective negotiation in accordance with the law. The Company has established trade union committees, and other organizations. We regularly convene staff congresses to fully listen to and deliberate on major issues concerning the vital interests of employees. This ensures that employees’ demands are effectively reflected and implemented, stimulates employees’ enthusiasm for participating in company affairs. This year, the Company convened the staff congress twice; convened 17 sessions of the Fourth Trade Union Committee, during which 39 items were discussed.



Capinfo convened the 7th session of the Fourth Staff Congress



DREAMING TOGETHER WITH UNITED EFFORTS

Compensation and Benefits

Capinfo follows the principles of distribution according to work and equal pay for equal work, and has established a fair, reasonable, and competitive compensation and incentive policy. This year, the Company further improved the *Management Policy for Total Salary*, clarified the salary structure of employees, and continuously optimized the wage distribution mechanism guided by job value and individual performance contributions. This aims to attract and retain outstanding talents and stimulate employees' enthusiasm for work.

The Company strictly complies with laws and regulations such as the *Social Insurance Law of the People's Republic of China* and the *Regulations on Housing Accumulation Fund Management*, timely and full pays the five insurances and one fund for employees, to ensure their social insurance benefits in accordance with the law. The coverage rate for employee social insurance is 100%. We adhere to the legal labor time and rest and holiday policy, strictly implement policies such as statutory holidays, paid annual leave, maternity leave, and child care leave, to protect the rights of employees to rest and take holidays. Meanwhile, we also provide employees with company benefits such as meal and transportation subsidies, supplementary commercial insurance, health check-ups, birthday greetings, retirement greetings, holiday greetings, maternity greetings, and employee activities, aiming to enhance the happiness and sense of belonging of employees at work, and provide comprehensive support.

4.2 OCCUPATIONAL HEALTH AND SAFETY

Capinfo always places the health and safety of employees first, strictly abides by laws and regulations such as the *Production Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases*. We establish and improve a comprehensive occupational health and safety management system covering all employees, and obtain ISO 45001 certification to provide a strong guarantee for creating a safe and healthy working environment. The Company established the occupational health and safety representatives for all business units and subsidiaries in 2024, to ensure the effective operation of the occupational health and safety management system. This year, there were no work-related fatalities among employees, and the rate of work-related fatalities remained at zero. The coverage rate of occupational health check-ups was 100%. The relevant data on employee occupation and health safety are as follows:

Occupational Health and Safety

Indicator	2024
Number of work-related fatalities (person)	0
Rate of work-related fatalities (%)	0
Number of work-related injuries (person)	1
Lost days due to work injury (days)	23

DREAMING TOGETHER WITH UNITED EFFORTS

The Company solidly carries out thorough safety production inspections and hidden danger investigations, and takes measures to prevent, control, and eliminate occupational hazards. In the early stage of project construction, we identify occupational health and safety hazards, including 17 hazards such as physical injury, electric shock, and fire. We formulate special solutions for high-risk hazards to effectively prevent the occurrence of safety accidents.



In August 2024, Capinfo conducted the annual large-scale safety production training.

At the same time, the Company attaches great importance to safety culture construction. We enhance employees' awareness and attention to safety through the continuous implementation of diverse safety training and exercise activities, protecting the physical and mental health of employees. In 2024, the Company invested RMB 63,500 in safety training and education, conducted 20 safety production training sessions, with employee participation reaching 1,997 person-times.

 Case

Capinfo held a health training lecture themed "Join Hands to Forge Ahead and Compose a Magnificent Chapter Together"

In December 2024, Capinfo held a health training lecture themed "Join Hands to Forge Ahead and Compose a Magnificent Chapter Together". The lecture invited experts in health and safety education to give in-depth lectures on various aspects, including self-rescue and mutual rescue in emergencies in public places, prevention of sudden cardiac death and chronic diseases, and healthy lifestyles. This training effectively improved the employees' ability to manage their own health and laid a good foundation for better participation in production and operation.



 Case

Capinfo held a mental health training lecture on emotion regulation and stress reduction



In October 2024, Capinfo held a mental health training lecture on emotion regulation and stress reduction. The lecture was presented by Gao Weiling, a senior psychological counselor from the Beijing Youth Legal and Psychological Counseling Center. She popularized mental health knowledge and culture among employees through vivid cases and professional explanations. This training effectively improved the mental health level of employees, enhanced their ability to cope with workplace stress, and provided effective psychological support and assistance to employees.

DREAMING TOGETHER WITH UNITED EFFORTS

4.3 TALENT CULTIVATION AND DEVELOPMENT

Promotion and Performance

Capinfo attaches importance to the construction of a talented team, provides employees with a clear and transparent career development and promotion mechanism. By establishing a career planning sequence of “three channels and six levels”, the Company continuously optimizes and smooths the promotion channels for employees, expanding their development space. The Company adheres to a scientific, democratic, open, competitive, and excellent selection and appointment mechanism, and reasonably plans its talent echelon. We provide a career development platform for employees to realize their self-worth, promote the common development of employees and the Company.

In terms of performance appraisal, the Company continuously optimizes and improves the compensation and performance appraisal policy. We conduct quarterly performance appraisals based on team and individual goals, strictly implement the mandatory distribution of the SABCD five-level assessment. After the performance appraisal is completed, managers at all levels hold performance feedback interviews with employees to complete the performance review and feedback work. This year, the Company’s employee performance appraisal ratio reached 99%.

Training and Development

Capinfo attaches great importance to the career development needs of employees, continuously updates and optimizes the professional training system covering all employees. We increase training investment and management efforts, helping employees enhance their work abilities and self-worth. This year, the Company revised the *Training Management Measures*, comprehensively sorting out the job content, responsibilities, required skills, and knowledge systems for all positions. Meanwhile, we leveraged the resource advantages of the Capinfo Academy, invited a total of 29 industry-known experts and 45 in-house trainers to conduct 150 training courses covering aspects such as enterprise management, professional skills, and confidentiality and safety. The number of training participants reached 10,844 person-times. Through systematic training, the professional knowledge and skills of technical position employees have been significantly improved, and the leadership and team-building capabilities of management position employees have been fully demonstrated. This provided a solid guarantee for the Company’s internal talent echelon construction and sustainability. In 2024, Capinfo’s total training investment for the year amounted to RMB 452,600, with the training hours per employee reached 59 hours. The training coverage rate reached 100% and the annual training satisfaction rate was 96.93%. The employee training situation is as follows:

Employee Training

	Indicator	Training Percentage (%)	Average Training Hours (hour)
By Gender	Male	100	19.95
	Female	100	29.16
By Employee Category	Senior Management	100	29.71
	Middle Management	100	60.98
	Ordinary Staff	100	21.08

DREAMING TOGETHER WITH UNITED EFFORTS



In June 2024, the Company organized training with the theme of "Top Enterprise Talent Management Practices and Innovation"



In July 2024, the Company organized the onboarding training for 2024 new graduates

Case

Capinfo Hosted 2024 Lean Agile Management Thought Training

Agile management is the core step in promoting product transformation strategy, and it is also a key measure to enhance independent software development capabilities and service support levels. In April 2024, Capinfo organized the 2024 Lean Agile Management Thought Training, attracting more than 210 employees to participate. The training invited Lijie Wang, an experienced agile and innovation consultant in the industry and Huawei Cloud MVP, who focused on practical cases in the industry and deeply explained topics such as the integration of agile and IPD models, agile and KPIs and CMMI, demand management, and documentation. This helped the participating employees gain insights and stimulate innovative awareness, and motivated them to continuously learn in their future work, to truly realize the combination of agile concepts and technical practice, thereby promoting the overall technological innovation capabilities of the Company. Through this training, the employees deepened their understanding of agile management, strengthened inter-departmental and cross-team collaboration. This enhanced the Company's ability to respond to market changes, laying a foundation for the comprehensive implementation of agile management in the Company.



DREAMING TOGETHER WITH UNITED EFFORTS Case**Capinfo Hosted Product Interaction Design Practical Training**

In December 2024, Capinfo organized a practical training program on product interaction design. A total of 113 employees from various departments and subsidiaries, including product managers, requirement engineers, UI designers, and related positions, participated in the training. The aim was to enhance their professional capabilities in product interaction design, create products with the best user experience, thereby strengthening the Company's product reputation and competitiveness. The training invited senior product experts in the industry to deliver lectures, combining the Company's business characteristics and practical issues. The topics included scenario thinking, information architecture, prototype design, interaction design, and user experience measurement. The lectures helped employees to deeply understand advanced design concepts, master practical tools and scientific methods, and apply them flexibly in their daily work, striving to showcase the charm and value of interaction design in every detail. This training deepened employees' understanding of scenario thinking, improved their practical skills in product interaction design, and provided support for shaping the Company's product innovation culture and independently developing core products.



DREAMING TOGETHER WITH UNITED EFFORTS

4.4 CARING FOR EMPLOYEE LIFE

Employee Care

Capinfo always integrates humanistic care into the daily lives of employees, conveys a warm and harmonious working atmosphere. The Company cares for female employees with sincerity, organizing welfare activities on holidays such as Women’s Day; through events like “Summer Coolness” and “Autumn Scholarship”, we provide coolness and warmth to front-line employees, enhancing their sense of identity and belonging to the Company. In addition, we pay the membership fees for the Inpatient Allowance Mutual Aid Program and the Special Disease Mutual Aid Program for Female Workers for our employees, effectively alleviating the economic burden caused by increased medical expenses and reduced income during hospitalization due to illness or accidents. This allows employees to feel the Company’s care and support. This year, the Company visited and supported 16 employees in difficult life situations and 462 front-line employees.



“Summer Cooling” Welfare Activity



Send holiday greetings to frontline employees before the Spring Festival

Case

Capinfo launched a series of activities for the 2024 Women’s Day themed “Displaying Women’s Excellent Performance and Striving on the Reform Journey”



In March 2024, Capinfo organized a series of activities for Women’s Day themed “Displaying Women’s Excellent Performance and Striving on the Reform Journey” to convey the Company’s blessings to the female employees, creating a warm and joyful festive atmosphere. During the event, the Company invited Director Yan Xie from the Department of Psychology and Behavioral Medicine at Peking University International Hospital to deliver a course on emotional and stress management for female employees. She guided them to correctly perceive stress, detect emotions, accept themselves, and live mindfully. We also held activities such as “Ancient Methods and Incense, Making

Incense Plaques”, Kunqu Opera cultural lecture experience, and intangible cultural heritage accessory making, to allow female employees to experience the charm of traditional culture such as incense and Kunqu. In addition, the Company also organized collective birthday parties, offered flowers to female workers, delivered holiday letters and “Healthy Gifts”, watched dramas and Broadway musicals during the holiday. These activities allowed female employees to fully feel the Company’s care and warmth, enhanced their sense of happiness, achievement and belonging, and motivated them to face work and life with greater enthusiasm and vitality, showcasing the outstanding qualities of women.

DREAMING TOGETHER WITH UNITED EFFORTS

Employee Activity

Capinfo respects employees' hobbies and interests. We enrich their leisure time through a variety of activities, creates a vibrant working and living atmosphere. This year, the Company organized 28 cultural and sports interest activities such as the garden party, agricultural experience, brisk walking, five-a-side football match, table tennis match, birthday parties, and youth dating. These activities helped employees achieve a balance between work and life, enhanced their sense of belonging and cohesion.



Capinfo participated in the 5th Worker's Sports Meet of Beijing State-owned Assets Management Company System



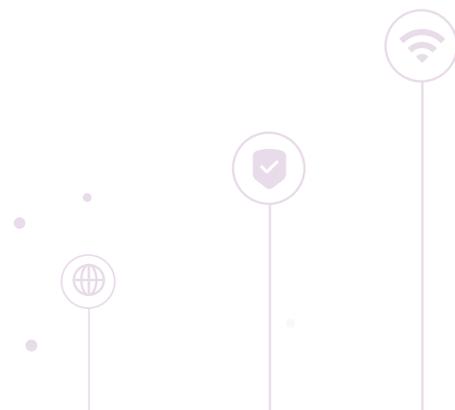
"Rose Books" themed reading activity held at the Beijing City Library in 2024



Capinfo (Medical Health Business Department) Family Day Event



Children's Day "Concentrate Our Hearts, Follow the Party, and Strive Forward in the New Era" Birthday Party



DREAMING TOGETHER WITH UNITED EFFORTS

Case

Capinfo 2024 Carnival Activity for Spring Festival

In February 2024, Capinfo held the 2024 Carnival Activity for Spring Festival. Employees from various office areas gathered to welcome the arrival of the Spring Festival. The Carnival arranged activities such as guessing lantern riddles, writing New Year couplets, cutting window flowers, interactive games, sending out wishes and blessings, and receiving prizes. A New Year's greeting video made by the Company's employees was played, creating a joyful and harmonious festive atmosphere. This Carnival Activity allowed the staff to experience the lively and festive atmosphere of the upcoming Spring Festival. Meanwhile, employees enriched their spiritual and cultural life by actively participating in the activities, enhanced their exchanges and interactions. They showed a vigorous, united, and enterprising spirit, which further strengthened the cohesion and sense of belonging among the employees.



Case

Capinfo 2024 "Unite Our Hearts and Follow the Party, Strive in the New Era" Men's Five-a-Side Football Match



In July 2024, Capinfo held the 2024 "Unite Our Hearts and Follow the Party, Strive in the New Era" Men's Five-a-Side Football Match. The match attracted the enthusiastic participation of more than 60 employees from the Company, forming 6 teams to compete fiercely. The employee players ran energetically on the green field, fiercely competing, demonstrating their high-level competitive skills and the spirit of indomitable struggle. They interpreted the spirit of pioneering and advancing with sweat and enthusiasm. The successful holding of this football match enriched the sports and cultural life of the employees, cultivated a sense of collective honor. The employees relaxed their minds and relieved stress during the competition, not only exercising their physical fitness but also enhancing team cohesion, unity, and collaboration. This showcased a positive and upward spirit and the fighting spirit of unity and struggle.

5 / EMBRACING SUSTAINABILITY FOR LASTING PROGRESS

Capinfo adheres to green development. We always prioritize ecological civilization construction and pollution prevention, continuously improve our environmental management system. We enhance resource utilization efficiency, and promote green operations. The Company also cultivates a sustainability mindset among employees, contributing to the harmonious coexistence of humanity and nature.



KEY ISSUES

- ▶ Environmental Management
- ▶ Sustainable Operation
- ▶ Climate Change



ACTION STRATEGIES

- ▶ Improve the environmental management system and the efficiency of resource utilization
- ▶ Promote green operation and practice energy conservation and emission reduction
- ▶ Identify and assess climate change risks and formulate coping strategies



KEY PERFORMANCE INDICATORS

- ▶ Project implementation environmental protection satisfaction 100%



OUR FOCUS ON SDGs



EMBRACING SUSTAINABILITY FOR LASTING PROGRESS

5.1 IMPROVE ENVIRONMENTAL MANAGEMENT

Capinfo adheres to the environmental management philosophy of “energy conservation, emission reduction, environmental protection, and advocating green development”. We strictly comply with relevant laws and regulations, including the *Environmental Protection Law of the People’s Republic of China* and the *Energy Conservation Law of the People’s Republic of China*. The Company has formulated and implemented the *Environmental Management Manual* and other policy documents. We continuously identify and update the list of applicable laws and regulations for environmental management system to establish and improve the environmental management system. Meanwhile, the Company actively carries out environmental protection training and dissemination activities to create a positive atmosphere of full participation in environmental protection. This effort drives the continuous optimization of the Company’s environmental management and lays a solid foundation for achieving the goal of green development.

In terms of energy management, the energy consumed by Capinfo mainly consists of purchased electricity. There is no direct consumption of gasoline, diesel, or other similar fuels in daily business operations. Regarding water resource management, the water resources used by Capinfo are primarily for daily operations and production, with the main consumption being domestic water use. There are no water-intensive processes or emissions of nitrogen oxides and sulfur dioxide in the product development and production processes, and thus the impact on local water resources and air quality is relatively low.

In terms of waste management, Capinfo continuously strengthens waste management and strictly complies with relevant national laws and regulations in all aspects, including storage, transportation, and disposal, to ensure the safe and compliant handling of waste, prevent environmental pollution risks, and continuously improve the comprehensive utilization rate.

In 2024, the key performance indicators of Capinfo, including energy and resource consumption, waste are presented as follows.

Key Performance Indicators of Energy and Resource Consumption in 2024

Indicators	Unit	2024
Comprehensive Energy Consumption ³	MWh	7,245.07
Indirect Energy Consumption (Purchased Electricity)	MWh	7,245.07
Per Capita Energy Consumption	MWh per person	4.10
Total Water Consumption ⁴	Tons	2,597.76

³ During the reporting period, our primary operational mode was daily office work, which did not involve direct energy consumption such as company-owned vehicles or diesel generators. Therefore, the main energy consumption was indirect energy consumption caused by purchased electricity. The scope of data statistics includes the following locations: Beijing office areas (including Longfu Office Area, Wan Kai Technology Mid-Platform, Zhongta Technology Mid-Platform, Quantum Chip Seat, Tongzhou Office Area, CapCloud, Capitek, Capinfo Medical Union), Guangzhou Branch, Chongqing Branch, Shanghai Branch, Nanning Office, and Hunan and Hubei Offices.

⁴ Our water use is primarily domestic water consumption during daily office operations. In some operational locations, the use of tap water is shared with other companies through common facilities, making it impossible to measure the usage separately. The scope of data statistics includes the following locations: Beijing office areas (including Zhongta Technology Mid-Platform and Tongzhou Office Area), Guangzhou Branch, Chongqing Branch, and Nanning Office. Considering the principle of materiality and the accuracy of data, water consumption intensity is not disclosed in this report.

EMBRACING SUSTAINABILITY FOR LASTING PROGRESS

Key Performance Indicators of Waste Management in 2024

Indicators	Unit	2024
Total Hazardous Waste ⁵	Tons	0.19
Per Capita Hazardous Waste	Kilogram per person	0.11
Total Non-hazardous Waste ⁶	Tons	4.50
Per Capita Non-hazardous Waste	Kilogram per person	2.55

In 2024, the Company's ISO 14001 Environmental Management System passed both internal and external Audits. The identification of environmental aspects was completed, and the Environmental Aspects Register and the Significant Environmental Aspects Register were compiled. Management programs were also established. Meanwhile, the Company successfully achieved all environmental targets, with a 100% satisfaction rate in environmental protection for project implementation.

5.2 PROMOTE GREEN OPERATION

Capinfo actively integrates the concept of green and low-carbon development deeply into every aspect of daily production and business operations, with a commitment to improving resource utilization efficiency and minimizing the environmental impact of activities. The Company promotes a green office model through measures such as environmental protection publicity and education, posting energy-saving slogans, standardized management of office supplies, and paperless office practices, effectively fulfilling its responsibilities for energy conservation and emission reduction. Additionally, by disseminating knowledge of green environmental protection and the concept of green culture to employees, we enhance environmental awareness and widely mobilize both employees and the general public to take practical actions for ecological and environmental protection. This practices our responsibilities for energy conservation and emission reduction, and contributes to the promotion of green development.

⁵ The hazardous waste mainly consists of toner cartridges procured by the Company, all of which are handed over to third-party recyclers with proper recycling qualifications for disposal.

⁶ Non-hazardous waste mainly consists of daily waste such as copy paper.

EMBRACING SUSTAINABILITY FOR LASTING PROGRESS

In 2024, the key performance indicators of emissions for Capinfo are as follows.

Key Performance Indicators of Emissions in 2024

Indicators	Unit	2024
Total Greenhouse Gas (GHG) Emissions ⁷	Tons CO ₂ e	3,887.70
Indirect GHG Emissions (Scope 2)	Tons CO ₂ e	3,887.70
Per Capita GHG Emissions	Tons CO ₂ e per person	2.20

GREEN OFFICE INITIATIVES

Save Electricity

- **Rational Use of Lighting:** When natural light is sufficient, artificial lighting should be turned off. In office areas, lights should be switched off when people leave to prevent the occurrence of “daytime lights” and “lights that stay on all the time”. Make full use of natural light to reduce unnecessary electricity consumption for lighting.
- **Optimizing Air Conditioning Use:** Use air conditioning reasonably and set the temperature of the air conditioning in office areas appropriately to reduce energy consumption.
- **Turning off Electrical Equipment:** Timely turn off electrical equipment such as computers and water dispensers to reduce standby power consumption.
- **Equipment Upgrade:** Phase out high-energy-consuming equipment and adopt energy-saving devices and technologies to improve energy utilization efficiency.

Save Water

- **Rational Use of Water:** Take drinking water as needed. The use of drinking water for non-drinking purposes is prohibited to avoid wasting water resources.
- **Water Resource Recycling:** Save water and advocate for the secondary use and recycling of water resources to improve the utilization rate of water.
- **Timely Maintenance:** Turn off water taps immediately after use and promptly address issues such as dripping or running water, as well as any leaks or overflows, to ensure the proper operation of water facilities.

⁷ During the reporting period, we did not have “Scope 1” greenhouse gas emissions caused by gasoline, diesel, or other direct energy sources. Therefore, our total greenhouse gas emissions were entirely from “Scope 2” emissions, which are indirect emissions resulting from purchased electricity. The calculation of greenhouse gas emissions was presented in carbon dioxide equivalents (CO₂e) and was based on the emission factor for electricity published by the Ministry of Ecology and Environment of the People’s Republic of China in the *Electricity CO₂ Emission Factor for 2022*.

EMBRACING SUSTAINABILITY FOR LASTING PROGRESS

Improve Office Efficiency

- **Promote Paperless Office:** Fully implement paperless office practices to reduce paper usage.
- **Optimize Procurement Management:** Improve the electronic procurement management platform to reduce resource consumption and enhance procurement efficiency.
- **Reduce Non-essential Travel:** Advocate for the reduction of unnecessary business trips and encourage the use of telephone conferences, video conferences, and other remote communication and collaboration methods to lower energy consumption and carbon emissions.

Waste Equipment Disposal

- **Designated Responsibility:** A specialized department is in charge of the disposal of used information and office equipment to ensure proper handling of these devices.
- **Reduce Non-essential Resource Use:** Actively promote the reduction of single-use items and encourage employees to use reusable office supplies to minimize resource waste.
- **Centralized Recycling:** Establish centralized collection points for used batteries within the Company to ensure they are properly disposed of and prevent environmental pollution from batteries. At the same time, waste toner cartridges and ink cartridges, which are hazardous waste, are collected and handed over to third-party recyclers with proper recycling qualifications for disposal.

Office Equipment Management

- **Standardized Management:** Develop and improve systems for the allocation, procurement, and distribution of office supplies. Assign specific individuals to manage these processes to ensure the rational distribution and use of office supplies.
- **Promotion and Guidance:** Strengthen the promotion of the rational use of office supplies, encouraging employees to conserve resources and improve resource utilization efficiency.



Reminder to save paper



Post electricity-saving slogans



Paper is used for double-sided printing



Tips for garbage classification

EMBRACING SUSTAINABILITY FOR LASTING PROGRESS

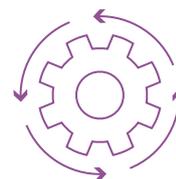
5.3 COPING WITH CLIMATE CHANGE

With the increasing severity of global climate change, Capinfo keenly recognizes the potential impacts of climate risks on its operations, financial performance, and long-term sustainability. Therefore, the Company actively identifies and assesses climate-related Risks and formulates corresponding strategies to mitigate their potential negative impacts.

Climate-related Risks		Response Measures
Physical Risks	Acute Risk	Extreme weather events or natural disasters (such as typhoons, heavy rain, and floods) may cause damage to the Company's data centers and office facilities, thereby affecting business continuity.
	Chronic Risk	Climate change (global warming, rising sea levels, etc.) can lead to shortages of resources and energy.
Transition Risks	Policy and Legal Risk	Facing the significant challenges posed by climate change, the government's regulation in areas such as environmental emissions and environmental information disclosure will become increasingly stringent. Companies may incur increased compliance costs in order to meet these regulatory requirements.
		<p>Improve the emergency response mechanism and regularly organize emergency drills to ensure rapid business recovery in the event of extreme weather.</p> <p>Adhere to green operation, improve energy efficiency and reduce energy consumption.</p> <p>Actively respond to the national 'dual-carbon' strategy, pay attention to the introduction and updating of relevant laws and standards, and timely adjust our operation strategy.</p> <p>Strengthen internal management to ensure compliant operations.</p> <p>Enhance communication and cooperation with government departments.</p>



EMBRACING SUSTAINABILITY FOR LASTING PROGRESS



Climate-related Risks		Response Measures
Transition Risks	Technology Risk	<p>In order to cope with the challenge of climate change, the industry is continuously witnessing the emergence of new green technologies and energy-saving solutions. Failure to promptly adopt and implement these new technologies may result in operational and financial losses or adverse impacts for the Company.</p> <p>Continuously monitor the dynamics of cutting-edge technologies and promote the innovation and application of green technologies.</p> <p>Establish cooperative relationships with research institutions and universities to jointly develop new technologies.</p> <p>Strengthen employee training to enhance their awareness and application capabilities of new technologies.</p>
	Market Risk	<p>Investors and customers' demand for green and low-carbon services is increasing. If Capinfo fails to provide services that meet the requirements in a timely manner, it may impact its market share.</p> <p>Promote product and service innovation to develop green products and services that meet market demands.</p>
	Reputation Risk	<p>Poor performance or inadequate disclosure in addressing climate change may attract the attention of the public and media, leading to negative media coverage.</p> <p>Enhance ESG information disclosure and transparency management to timely announce the Company's efforts and achievements in addressing climate change to the public.</p> <p>Actively participate in social public welfare activities to improve the Company's image and reputation in society.</p>

6 / EMPOWERING PARTNERS FOR MUTUAL BENEFIT

Capinfo continuously improves the supplier management system, strengthens the lifecycle management of suppliers, actively empowers suppliers, and jointly builds a responsible value chain with suppliers, partners, and other sectors of the industry with a responsible attitude, creating a strategic ecosystem for win-win cooperation and creating value together.



KEY ISSUES

- ▶ Supply Chain Management



ACTION STRATEGIES

- ▶ Continuously deepen supplier management and cooperation, building a responsible supply chain
- ▶ Participate in industry exchanges and cooperation, jointly creating value



KEY PERFORMANCE INDICATORS

- ▶ The scheduled delivery rate of the purchased product: 100%
- ▶ On-time service request processing rate: 100%
- ▶ Total number of suppliers: 931



OUR FOCUS ON SDGs



EMPOWERING PARTNERS FOR MUTUAL BENEFIT

6.1 BUILDING A RESPONSIBLE SUPPLY CHAIN

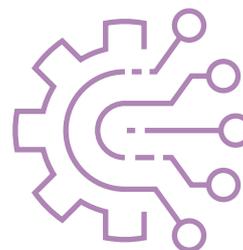
Capinfo is committed to building a transparent, efficient, and sustainable responsible supply chain system. By formulating regulations such as the *Supplier Management Measures* and *Detailed Implementation Measures for Supplier Management*, it comprehensively regulates the whole life cycle management process of suppliers from access, evaluation, management to withdrawal. We help suppliers improve their compliance operation and responsibility performance, jointly shaping a responsible value chain ecosystem. At the same time, we strengthen cooperation and communication with local suppliers, working together to achieve win-win development. In 2024, Capinfo had 931 suppliers, achieved a 100% on-time delivery rate for purchased products and processed service requests promptly with a 100% success rate

Suppliers by Region

Indicator Category	Indicator Name	2024
Suppliers by Region	Total Number of Suppliers	931
	Beijing	730
	Outside Beijing	201
	Domestic	925
	Overseas	6

Supplier Access

Capinfo strictly controls the supplier registration process to ensure that the relevant regulations comply with current laws and industry consensus. The Company adopts various methods including pre-purchase price comparisons, competitive negotiations, and bidding processes to select qualified suppliers, followed by legally binding procurement contracts. All suppliers must sign the *Capinfo-Trust E-Procurement Management Platform Enterprise User Registration Agreement*, committing to uphold legal and ethical standards, fulfill confidentiality obligations, meet data compliance and occupational safety requirements, and respect intellectual property rights. In 2024, Capinfo signed 1,656 procurement contracts and purchase orders.



EMPOWERING PARTNERS FOR MUTUAL BENEFIT

Supplier Registration Process

Supplier Selection: Evaluates potential suppliers through preliminary assessments, re-evaluations, and comparative analyses of bid quotations. Reviews suppliers' historical performance records and operational practices.

- **Qualification Requirements:** Service suppliers must provide ISO 27001 information security certification and CNCERT Class-A cybersecurity emergency service qualifications., while equipment suppliers must provide certifications such as ISO 9001 Quality Management System and ISO 20000 Information Technology Service Management System certifications.
- **ESG Preferences:** Prioritizes green suppliers in select procurements (e.g., suppliers of recyclable printing paper, eco-friendly sanitary products, reusable plastic items, and sustainable office furniture).
- **On-site Investigations:** Actual on-site investigations will be conducted on the working environment, equipment warehouse, personnel configuration, and other aspects of some suppliers.

Supplier Registration: Finalizes contracts through negotiations that align expectations on deliverables, acceptance criteria, and project specifications. Formal agreements are executed upon mutual agreement.

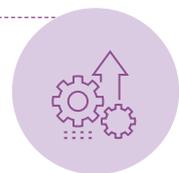
Supplier Evaluation

The Company enforces a strict supplier evaluation system. All new suppliers not listed in the *Supplier Directory* must undergo an initial evaluation. Those who passed the initial evaluation are designated as provisional suppliers and subject to annual re-evaluations to update the *Supplier Directory* accordingly.

Supplier Re-evaluation System

The Company headquarters (branch) will evaluate the performance of suppliers via the Order Evaluation Module of the e-procurement platform, focusing on delivery quality, timeliness, pricing fairness, information security, service satisfaction, environmental practices, and health/safety compliance.

The Company procurement department will evaluate the performance of suppliers through the Performance Evaluation Module, analyzing contract adherence and pricing competitiveness.



The Company legal compliance department will review the legality of suppliers' qualifications via the same module, identifying potential risks and providing mitigation recommendations.

EMPOWERING PARTNERS FOR MUTUAL BENEFIT

Supplier Management

Capinfo strengthens the process management, deliverables acceptance, and post-evaluation of external suppliers to ensure supply chain stability. To effectively avoid the risks of purchasing and non-compliance brought by poor-quality suppliers, we conduct a joint review of key information including the supplier's corporate background, historical performance, online credit, and bank credit. We also engage in detailed communication with referrers to verify project details, product specifications, and referral rationale, ensuring comprehensive documentation. Suppliers that have entered the inventory are categorized and tiered for management, with regular evaluations to update their status.

In 2024, the Company further advanced its e-procurement management platform, optimizing system stability and workflow efficiency. This digital transformation enables electronic supplier profiles, contract archiving, and online approval processes, enhancing procurement transparency and strengthening data governance capabilities.

Blacklist Management

The Company has placed the following suppliers on the blacklist and immediately terminated their cooperation:

Fraud and Dishonesty:

Submitting false documentation, price misrepresentation, or other actions harming company interests.

Contract Breach:

Unable to fulfill contract commitments and refuse to take legal responsibility.

Legal and Credit Risk:

Qualification deficiencies, poor credit history, or major legal disputes.

Business Ethics Violation:

Severe violation of business ethics, such as bribery, collusive actions, etc.

EMPOWERING PARTNERS FOR MUTUAL BENEFIT

Supplier Empowerment

Capinfo drives supplier informatization and data governance, continuously optimizing the “Supplier Hub” to address core concerns and challenges faced by suppliers. The Company has developed and published guidelines such as the *Supplier Classification Directory and Corresponding Supplier Nature Explanation* and *Guidelines for Including Winning Suppliers in Public Bidding* to streamline operations on the e-procurement platform. Regular on-site visits to supplier facilities ensure compliance with ethical and regulatory standards, fostering stronger compliance awareness, self-management, and accountability among suppliers.

We actively encourage suppliers to adopt eco-friendly practices and produce sustainable products, advancing green and low-carbon development across the supply chain. For IT equipment procurement and cloud services, Capinfo mandates environmental awareness training for all employees and requires suppliers to establish waste management protocols for compliant disposal. For waste products and materials generated during the delivery and installation process, we arrange for special personnel to recover or dispose of them, committed to conveying the green environmental protection concept to suppliers.

In 2024, Capinfo forged a collaborative strategic ecosystem, has completed agreement signing with several strategic partners, successfully convened the “Ecosystem Partner Conference”, established communication mechanisms with manufacturers, and held over ten product training sessions throughout the year.

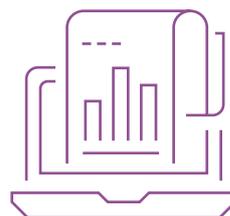


Supplier Garden

EMPOWERING PARTNERS FOR MUTUAL BENEFIT



Ecosystem Partner Conference



6.2 PROMOTING INDUSTRY DEVELOPMENT

Guided by the principle of "Collaboration for Mutual Success", Capinfo leverages its resource advantages and industry expertise to mobilize synergies across industry-academia-research ecosystems. We drive collaborative success throughout the industrial chain, strengthen strategic alignment with sector development, and jointly contribute to the construction of a global benchmark city for digital economy in the capital.

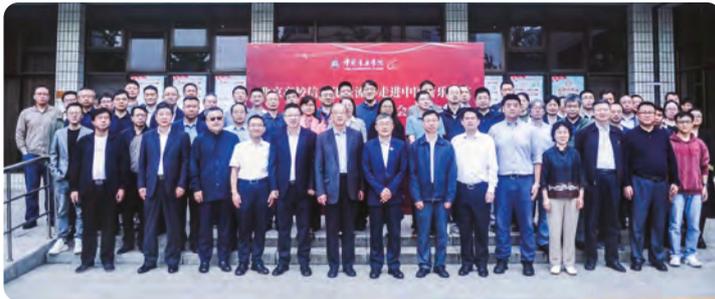
- ◆ --- Capinfo serves as the chairman unit of the Beijing Digital Intelligence City Working Committee
- ◆ --- Capinfo becomes the first working unit of the Beijing Municipal Data Standardization Technical Committee
- ◆ --- Capinfo becomes a data broker of the Beijing International Big Data Exchange
- ◆ --- Capinfo serves as the vice chairman unit of the Metaverse Professional Committee of the China Electronics Chamber of Commerce
- ◆ --- Capinfo serves as the vice president unit of the Information Technology Service Branch of the China Electronics Standardization Association
- ◆ --- Capinfo participates in drafting the Group Standards of the Beijing Electronics Chamber of Commerce

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EMPOWERING PARTNERS FOR MUTUAL BENEFIT



Capinfo shares cutting-edge data tech innovations at 2024 Global Data Technology Conference



Capinfo joins art universities' IT development seminar, boosting smart campus solutions via advanced tech

Case

Capinfo & Huawei, Beiming jointly hold digital ecology construction partner training and exchange meeting

In 2024, on July 24th, Capinfo, Huawei Technologies Co., Ltd., and Beiming Software Co., Ltd. jointly held a training and exchange meeting on the theme of "Digital World, a Touch Away" for the construction of the digital ecology partners. During the event, Capinfo focused on promoting the digital foundation solution based on the Kunpeng processor, as well as the Capinfo-Huawei credible data space solution.



Focusing on the core track of the data element industry, the successful holding of this exchange meeting is another important achievement in the Company's reform and development work and market-oriented transformation.

EMPOWERING PARTNERS FOR MUTUAL BENEFIT

Case

Capinfo Leading Forum — Focusing on information technology innovation, helping state-owned enterprises achieve digital transformation

On July 26, 2024, Capinfo and Beijing Property Exchange jointly hosted the “IT Application Innovation Forum: Accelerating Digital Transformation and Collaborative Innovation for State-Owned Enterprises”. Centered on the theme “Empowering Intelligence with Cloud and Data, Shaping a Smart Future”, the forum brought together over 120 participants, including IT directors from State-Owned enterprises, executives of tech firms, industry experts, and R&D representatives, to discuss collaborative strategies for advancing State-Owned enterprises’ digital transformation.



During the event, Capinfo unveiled major collaborative achievements with partners and facilitated cross-sector synergies to integrate industry, academia, and research. The forum served as a dynamic platform for fostering partnerships and building a mutually beneficial innovation ecosystem to support Beijing’s self-driven technological advancement.

Capinfo always adheres to the concept of open cooperation, actively joins hands with industry partners, gives full play to the synergistic effect of “1+1>2”, and promotes the digital transformation of city-owned enterprises in a high-quality and stable manner.

Case

Capinfo held the 2024 annual meeting of the Smart City Digital Economy Expert Advisory Committee and the Ecological Partnership Conference, and a number of reform achievements attracted attention



On December 13, 2024, the annual meeting of the Smart City Digital Economy Expert Advisory Committee and the Ecological Partnership Conference was held in Beijing. The conference is an annual grand event with significant influence in the fields of smart city and digital economy, and it is also a high-end platform for “government-enterprise-academia-research” dialogue and cutting-edge technology discussion.

The conference highlighted Capinfo’s journey as a municipal state-owned enterprise reform pilot, showcasing first-year milestones in organizational and operational innovation. It reinforced the Company’s role in sharing reform experiences and driving industry-wide transformation.

By deepening collaboration with ecosystem partners, Capinfo leveraged its expertise and strategic networks to foster new models of self-reliant, secure, and collaborative development in cybersecurity, data governance, and localized technological innovation.

7 / EMBRACING RESPONSIBILITY WITH WARMING HEARTS

Capinfo adheres to the sharing of development achievements with society, actively fulfills corporate social responsibilities. We continuously carry out public welfare activities, pass on love and warmth through practical actions to promote the improvement of social well-being. At the same time, we actively respond to the national rural revitalization strategy, give full play to the advantages of information technology to help build beautiful rural villages.



KEY ISSUES

- ▶ Social Responsibility



ACTION STRATEGIES

- ▶ Participate in public welfare and volunteer service activities, practice corporate social responsibility
- ▶ Deeply promote targeted assistance work, support rural development and construction



KEY PERFORMANCE INDICATORS

- ▶ Assistance Investment⁸: RMB 156,400



OUR FOCUS ON SDGs



⁸ Refers to the funds invested by the Company in the field of rural revitalization through community investment.

EMBRACING RESPONSIBILITY WITH WARMING HEARTS

7.1 ENGAGE IN PUBLIC WELFARE

Capinfo always adheres to the philosophy of “emphasizing both devotion and development”, actively fulfills social responsibilities and obligations in public welfare while pursuing high-quality corporate development, sincerely giving back to society. The Company encourages employees to participate in volunteer activities, care for and help vulnerable groups in society. We convey care and warmth to contribute to building a harmonious society. This year, employees from multiple departments voluntarily participated in community volunteer activities, donation activities, and social welfare projects.



Technology Platform
Community Volunteer
Activities

Case

“March Volunteer Month, We Are in Action” The CapCloud Youth League Branch and the Capinfo Technology Platform Youth League Branch jointly carry out a themed league day activity.

In March 2024, the CapCloud Youth League Branch and the Capinfo Technology Platform Youth League Branch jointly organized a theme league day activity at the Haidian District, Beijing, Garden Road Street New Era Volunteering Service Station themed “March Volunteer Month, We Are in Action”. The aim is to promote the Lei Feng spirit, practice the volunteer spirit of “devotion, love, mutual assistance, and progress”, to inspire young employees to assume new missions in the new era. During the activity, volunteers wore blue vests and red armbands, took turns to guard the waste sorting bins. They provided waste sorting guidance, traffic guidance, information consultation, and other volunteer services to passers-by and nearby residents. At the same time, they carried out activities such as blood pressure measurement and book reading. With their busy and determined figures, they interpreted the “Lei Feng spirit” of the new era and displayed the spirit state and social responsibility of young employees who are willing to take on challenges. In the future, we will continue to promote the combination of volunteer service activities and social needs, contribute to the sustainable development of enterprises and society with a more practical working style.



EMBRACING RESPONSIBILITY WITH WARMING HEARTS

7.2 PROMOTING RURAL REVITALIZATION

Capinfo actively responds to the national rural revitalization strategy, supports rural economic and construction development. We continuously increase support for assisted areas through a variety of assistance measures, to promote the realization of social common prosperity. This year, we purchased consumption assistance products from the supply and cooperation areas in Changzhi, Shanxi, a region supported and cooperated with by Beijing, supported the income increase of villages with weak collective economy through targeted assistance, and carried out regular condolence for funerals and marriages. The total assistance investment⁹ is RMB 156,400.

In the process of targeted assistance to the Tai Shang Village in Qingshui Town, Mentougou District, the Company takes “union assistance to agriculture” as the starting point, adopts measures such as consumption assistance to agriculture, paired assistance, and supporting the creation of industrial highlights, to ensure the assistance results are realized and effectively benefiting the villagers. We are committed to building a rural revitalization model that focuses on both “blood transfusion and hematopoiesis”, injecting vitality into high-quality rural development.

Case

“Plant a grain of millet in spring, and reap ten thousand grains in autumn.” Capinfo participated in the second Agricultural Culture Festival in Qingshui Town Tai Village

In April 2024, Capinfo and the targeted assistance village - the Tai Shang Village in Qing Shui Town, Mentougou District, Beijing, jointly held the second Agricultural Culture Festival. It aimed at supporting the development of rural agricultural culture and further stimulating the economic vitality of the targeted assistance village. During the event, company leaders and employees immersed themselves in the agricultural cultural experience. They spontaneously adopted farmland in the cultural base, and personally engaged in farming and labor. Under the guidance of the local villagers, we deeply planted and cultivated in the “small vegetable garden”, learning planting skills. Through this agricultural experience, the cadres



and staff deeply understood the hardship of agricultural labor and the joy of harvest. They comprehended the connotation of agricultural culture, recognized the practical significance of assisting rural revitalization with actual actions. At the same time, the Company also visited the economic organization of the village - Juxing Lan Cooperative’s planting base. We learned about the cultivation process of economic crops such as Lingzhi and mushrooms, and provided suggestions for the development of rural economic industries. This contributed wisdom and strength to the local economic and cultural development.

⁹ Refers to the funds invested by the Company in the field of rural revitalization through community investment.

EMBRACING RESPONSIBILITY WITH WARMING HEARTS

Case

“Strengthening Unity through Party Building, Striving for New Chapters through Collaboration” - Capinfo Medical Union Party Branch and the Huairou District Medical Insurance Bureau’s targeted assistance village Si Dao Xue Village Party Branch jointly carried out a themed party activity

In July 2024, Capinfo Medical Union jointly organized a themed party activity with the Medical Insurance Bureau of Huairou District, Beijing, and the designated assisting village of Siudaocun, in order to deeply implement the important spirit of rural revitalization and comprehensively improve the intelligent and convenient level of medical services in rural areas. During the event, we visited the comprehensive cultural center, rural library, and village health care center of Siudaocun in the Manchu Town of Laogoumen, Huairou District, and gained an in-depth understanding of the local customs and medical status. Capinfo Medical Union emphasized the experience of “Credit Medical Care” in terms of digital and intelligent construction, practical application, and promotion. We conducted in-depth discussions and exchanges around the local medical and health conditions, service system, and how to jointly improve the level of medical service technology. By sharing experience and analyzing business issues, we seek solutions for rural medical care, effectively promoting new models of innovative medical services in Huairou District. We helped to achieve the goals of convenience, benefits, and public welfare for the people, and enhanced the medical experience, laying a healthy foundation for rural revitalization.



FUTURE OUTLOOK

The high-quality and sustainable development of a company requires long-term accumulation and steady progress. Looking ahead, Capinfo will revolve around the Company's "14th Five-Year" strategic plan and reform and development goals, deeply integrating ESG principles into key areas of work such as independent innovation, system stability, product development, and regional expansion. With concrete actions, the Company will drive comprehensive progress in environmental, social, and governance aspects. By providing higher-quality products and services, Capinfo will contribute to the development of the data industry and the construction of Digital China. We will write a new chapter of high-quality development for the Company.



STANDARD INDEX

INDEX OF THE SEHK ESG

Subject Areas	Disclosure Requirements	Remarks
Governance Structure		
—	<p>A statement from the Board containing the following elements:</p> <p>(i) a disclosure of the Board's oversight of ESG issues;</p> <p>(ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and</p> <p>(iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</p>	About the Report Board Statement
Reporting Principles		
—	<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>	About the Report
Reporting Boundary		
—	<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>	About the Report

STANDARD INDEX

Subject Areas	Disclosure Requirements	Remarks
Environment		
A1: Emissions	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	5.1 Improve Environmental Management
	<p>A1.1 The types of emissions and respective emissions data.</p>	<p>Due to the feature of the Company's business, gas emissions are not a material aspect for the Company's operations. Therefore, A1.1 is not applicable.</p>
	<p>A1.2 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	5.1 Improve Environmental Management
	<p>A1.3 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	5.1 Improve Environmental Management
	<p>A1.4 Description of emissions target(s) set and steps taken to achieve them.</p>	5.2 Promote Green Operation
	<p>A1.5 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.</p>	5.2 Promote Green Operation

STANDARD INDEX

Subject Areas	Disclosure Requirements	Remarks
Environment		
A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	5.1 Improve Environmental Management
	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).	5.1 Improve Environmental Management
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5.1 Improve Environmental Management
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	5.2 Promote Green Operation
	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.	5.2 Promote Green Operation
	A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Due to the feature of the Company's business, which does not involve the production of physical products, so A2.5 is not applicable.
A3: The Environment and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources.	5.1 Improve Environmental Management
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.1 Improve Environmental Management

STANDARD INDEX

Subject Areas	Disclosure Requirements	Remarks
Social		
B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4.1 Protecting Rights and Interests of Employees
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	4.1 Protecting Rights and Interests of Employees
	B1.2 Employee turnover rate by gender, age group and geographical region.	4.1 Protecting Rights and Interests of Employees
B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.2 Occupational Health and Safety
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.2 Occupational Health and Safety
	B2.2 Lost days due to work injury.	4.2 Occupational Health and Safety
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.2 Occupational Health and Safety

STANDARD INDEX

Subject Areas	Disclosure Requirements	Remarks
Social		
B3: Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.3 Talent Cultivation and Development
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.3 Talent Cultivation and Development
	B3.2 The average training hours completed per employee by gender and employee category.	4.3 Talent Cultivation and Development
B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4.1 Protecting Rights and Interests of Employees
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	4.1 Protecting Rights and Interests of Employees
	B4.2 Description of steps taken to eliminate such practices when discovered.	4.1 Protecting Rights and Interests of Employees
B5: Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	6.1 Building a Responsible Supply Chain
	B5.1 Number of suppliers by geographical region.	6.1 Building a Responsible Supply Chain
	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.	6.1 Building a Responsible Supply Chain

STANDARD INDEX

Subject Areas	Disclosure Requirements	Remarks
Social		
B5: Supply Chain Management	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.1 Building a Responsible Supply Chain
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.1 Building a Responsible Supply Chain
B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.1 Comprehensive Quality Management 3.3 Providing Quality Services
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to the feature of the Company's business, which does not involve the production of physical products, so B6.1 is not applicable.
	B6.2 Number of products and service related complaints received and how they are dealt with.	3.3 Providing Quality Services
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	2.2 Protection of Intellectual Property Rights
	B6.4 Description of quality assurance process and recall procedures.	3.1 Comprehensive Quality Management
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.3 Providing Quality Services

STANDARD INDEX

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Subject Areas	Disclosure Requirements	Remarks
Social		
B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.3 Anti-corruption and Integrity Construction
	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.	1.3 Anti-corruption and Integrity Construction
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.3 Anti-corruption and Integrity Construction
	B7.3 Description of anti-corruption training provided to directors and staff.	1.3 Anti-corruption and Integrity Construction
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.	7.1 Engage in Public Welfare
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7.1 Engage in Public Welfare 7.2 Promoting Rural Revitalization
	B8.2 Resources contributed (e.g. money or time) to the focus area	7.1 Engage in Public Welfare 7.2 Promoting Rural Revitalization
Climate Related Disclosure		5.2 Promote Green Operation 5.3 Coping with climate change

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2. Innovating to Shape the Future	
3. Prioritizing Customers to Create Value	
4. Dreaming Together with United Efforts	   
5. Embracing Sustainability for Lasting Progress	   
6. Empowering Partners for Mutual Benefit	 
7. Embracing Responsibility with Warming Hearts	   

FEEDBACK FORM

Dear Readers:

Thank you for reading this Report during your busy day. There are inevitable deficiencies in the reporting preparation. We hereby hope to listen to your comments and suggestions so as to continuously improve our report and promote our social responsibility.

1. Your overall assessment of this Report:

Very Good Good Average Poor Very Poor

2. Your opinion on the structure of this Report:

Very Good Good Average Poor Very Poor

3. Your opinion on the layout design of this Report:

Very Good Good Average Poor Very Poor

4. Your opinion on the readability of this Report:

Very Good Good Average Poor Very Poor

5. Your opinion on the quality of social responsibility information disclosed in this Report:

Very High High Average Low Very Low

6. What are your comments or suggestions on this CSR report or our performance?

How are you related to CAPINFO COMPANY LIMITED?

The Government Shareholder Customer Employee

Partner Media The Community/Public Other

You may mail the above feedback form to the following address:

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Fax: (8610) 82358550

CAPINFO

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