

QIFU 奇富科技

# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

2023



# About The Report

## Reporting Period

The scope of the Environmental, Social, and Governance (ESG) report covers the period from January 1, 2023, to December 31, 2023.

## Report Objectives

The primary objective of this edition of the Environmental, Social, and Governance (ESG) report is to identify significant sustainable development issues relevant to the company and provide information on how the company mitigates such risks and explores these issues. It aims to better inform stakeholders about the company's social values, strategies, and practices in sustainable development.

## Report Scope

This ESG report considers the importance of sustainable development in the company's operations. As a financial technology company based in Shanghai, China, with its main revenue coming from the Chinese market, this ESG report primarily reflects the performance of the Shanghai headquarters and branch offices in ESG from January 1, 2023, to December 31, 2023.

## Reporting Guidelines

This edition of the ESG report is prepared in accordance with the ESG Reporting Guide (ESG Guide) in Appendix 27 of the Hong Kong Stock Exchange Listing Rules. We use a consistent approach to ensure fair comparison with past data and provide comprehensive and objective disclosure of ESG performance.

## Indicator Selection

This report primarily considers the importance, measurability, balance, and consistency of specific indicators related to key performance disclosures. We will continue to adjust and optimize disclosure indicators in future reports.

Importance: Utilizing stakeholder power - stakeholder models, engagement mechanisms, ESG-related surveys distributed to stakeholders, etc., to identify corporate social responsibility issues that are important or

relevant to the company and stakeholders;

Measurability: Key performance indicators disclosed can be measured;

Balance: Objectively presenting the company's work in environmental, social, and governance aspects in the report;

Consistency: This year's ESG report adopts a consistent data disclosure method with previous years, compares data from different years, and lists changes in statistical methods and key performance indicators.

## Information Sources

The qualitative and quantitative information used in this report comes from publicly available information, internal documents, and relevant statistical data of Qifu Technology Company.

## Referencing

For ease of expression and readability, "Qifu Technology", "the company", or "we" are used in this report.

## Publication Format

The web version of this report can be viewed and downloaded on the Qifu Technology website (<http://www.qifu.tech/>).

## Feedback

This edition of the report aims to provide stakeholders and the public with a comprehensive understanding of the company's corporate social responsibility and corporate values. We welcome your comments and opinions on the report and its contents, as this helps us establish a consensus on corporate social responsibility. Please email your feedback to [pr@360shuke.com](mailto:pr@360shuke.com).



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# 01 Company Overview

Qifu Technology is an outstanding artificial intelligence-driven credit technology service platform in China, using advanced technology to create wealth for society. Qifu Technology adheres to the initial heart of "originating from security, persisting in technology," empowering financial institutions to improve quality and efficiency through intelligent services, AI research and applications, and security

technology. This facilitates the high-quality development of inclusive finance, enabling more people to enjoy secure and convenient financial technology services, and contributing to achieving common prosperity.

QIFU 奇富科技

# The honors received by Qifu Technology in 2023



Awarded the "Consumer Rights Protection Award" for outstanding cases of inclusive finance by People's Daily Online in 2023.



Ranked on the "Double 50" list by KPMG Fintech for five consecutive years.



Recognized as the "Qifu Financial Big Model" in the annual forefront artificial intelligence application cases by Southern Metropolis Daily.



Named one of the top 100 enterprises in the Shanghai software and information technology service industry in 2023.



Awarded the "Best Credit Project in China" in the 2023 China Awards Program by The Asian Banker.



Winner of the "Annual Generative AI Innovation Enterprise" award by Huaxia Times.



Recognized as an "Excellent Blue Team" in the "Panshi Action" industrial and information security practical combat event in Shanghai in 2023.



Accredited as the leading unit for the certification of "Financial Big Model" by the China Artificial Intelligence Industry Development Alliance.



Named one of the "Top Ten Financial Big Model Companies of the Year" in 2023 by Beijing Business Daily.



Awarded a "Donation Certificate" by the Shanghai Disabled Welfare Foundation.



Winner of the "2023 ESG Excellent Case Award" by Huaxia Times.



Recognized for "ESG Innovation Practices in Listed Companies in 2023" by Securities Daily.



Awarded the "2023 ESG Pioneer 60 Annual Social Responsibility Excellence Award" by Jiemian News.



Selected as a co-drafting unit for the "Platform Economy Data Governance Evaluation Guide" by the China Technology Market Association.



Winner of the "Crystal Ball Award for the Most Socially Responsible (ESG) Listed Company in 2023" by Securities Market Weekly.



Winner of the "2023 Outstanding Digital Technology Enterprise" award by Gelonghui.



Recognized as the "2023 ESG Development Influence Enterprise" by Hexun China Financial and Economic Influence List.



Awarded the "Best ESG Innovation Award" by Smart Finance in the listed company selection.



Winner of the "2023 Anti-Fraud Ecological Co-construction Award" by the Internet and Financial Anti-Fraud Alliance.



Selected as the "Best Partner in Supply Chain Financial Technology of 2023" by JD Technology.



Awarded the "Most Socially Responsible Listed Company Award of 2023" by Guangzhou Daily Media Group.



Received the "Annual Cutting-edge Technology Innovation Award" by Caijing in 2023.



# 02 Analysis of Material ESG Issues

In accordance with the HKEX's ESG Reporting Guidelines, the Company has identified material issues that have a significant impact on itself and its stakeholders across a wide range of material issues, in conjunction with internal and external communication and discussion.

# Identification, Evaluation and Prioritization of Material Issues

Following the guidance provided by the Hong Kong Stock Exchange (HKEX) ESG reporting framework and through internal and external communication and discussions, the company has identified substantive issues with significant impacts on Qifu Technology and its stakeholders within a wide range of sustainable development topics. These issues contribute to the development of ESG governance and risk management measures at the company level, ensuring the effective handling of significant concerns raised by stakeholders.

Based on the principle of importance, the company has ranked the identified significant substantive issues using an importance matrix, which has been reviewed and approved by the management. The results are as follows:



## Stakeholder Communication

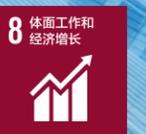
We welcome stakeholders to provide feedback and engage in discussions with our company on sustainable development matters. Over the long term, we maintain continuous and close communication with relevant stakeholders through various channels, including but not limited to regular events, media platforms, and various reports. This is aimed at better understanding their feedback on the current social practices of our company and identifying areas for improvement.

Additionally, we regularly review sustainable development issues related to the environment, society, and governance to ensure compliance with the expectations of relevant stakeholders, market trends, regulatory requirements, ESG guidelines, and matters related to the financial technology sector. The following outlines the concerns of relevant stakeholders and the communication methods:

Stakeholders	Substantive Issues of Concern	Response of Enterprise
Client	Innovation and R&D	Increase R&D investment in product innovation
	Data Governance	Improve customer service quality
	Customer First	Client service Customer complaint handling mechanism
	Intelligent Risk Control	Establish credit risk control system
	Anti-fraud protection	Advocacy and Education Front-end interception
	Inclusive Micro and Small Enterprises	Conduct targeted help
Staff	Employee Rights	Implement scientific employment standards
	Employee Health and Safety	Strengthen safety knowledge education
	Staff Training and Development	Improve relevant training mechanisms
	Employee Compensation and Benefits	Improve the salary system
	Labour Standards	Establish and improve internal system
Shareholder	Corporate Governance	Implement ESG governance
	Compliance Operation	Compliance management system Establish anti-fraud reporting mechanism and policy
Supplier	Innovation and R&D	Establish industry standards and promote industry progress
	Supplier Management	Supplier evaluation and communication Green supplier management
Business Partner	Win-win for both	Conducting sharing and exchange
	Win-win for both	Establish intellectual property protection policies Strengthen training on intellectual property protection
Government and Regulatory Agencies	Win-win for both	Share and exchange
	Compliance and Anti-Corruption Management	Information disclosure
Environmental Organization	Resource Use	Policy formulation and implementation
	Emission Management	Strict management of emissions
	Extreme Weather Response	Implement ecological protection measures
	Green Finance	Promote green products
Community	Community Public Welfare	Participate in public welfare activities
	Poverty Alleviation Charity	Organize poverty alleviation charity assistance
	Carbon Neutralization Program	Supporting policies related to carbon neutralization

# 03 Special Reports

Qifu Technology is actively exploring new avenues in financial technology to better support the development of the real economy. We have deeply ingrained the philosophy of digital technology, striving to permeate the endless power of technology into every corner of the real economy, injecting more vitality and color into the world.



# Highlights of 2023 Data

# 2023



## Inclusive Micro and Small Enterprises (MSEs):

**162.1 billion**

Assisting financial institutions in lending to MSEs

**34.1 %**

Proportion of MSEs loan size.

## Rural Revitalization

**22.14 billion**

Assisting financial institutions in lending to agriculture-related sectors.

**3.752 million**

Cumulative number of farmers served

## Green Finance

**16.05 billion**

Cumulative assistance to financial institutions for loans to environmental protection enterprises

**216 thousand**

Cumulative number of environmental protection enterprises served

**25.96 billion**

Cumulatively assisted financial institutions to issue new energy vehicle owner loans

**175 thousand**

Cumulative number of new energy vehicle owners served.

## Steady Support for Micro and Small Enterprises, for Fully "Backing" Growth

Amidst the current wave of flexible employment, various emerging professions and highly segmented entrepreneurial paths have emerged. Regardless of the emerging formats, the constant factor remains the frequent struggle faced by micro-businesses and entrepreneurs in terms of financial needs. Therefore, identifying micro-users and providing them with corresponding assistance and services has become one of the significant responsibilities of financial technology companies. Qifu Technology has accumulated a large amount of data in various aspects such as micro-enterprise data behavior and industry financial graphs. Based on this, the Qifu Mega Model, born out of this, can understand the behavioral characteristics of micro-enterprises in different industries and establish an overall industry concept based on this understanding. After in-depth understanding of the fluctuations in industry capital flow, marketing, or entry and exit nodes, Qifu Technology effectively reduces the financing threshold for micro-enterprises. At the same time, based on the seven years of past industry experience, Qifu has built a scientifically accurate credit assessment model on the basis of massive data and hundreds of models, significantly reducing the overall financing costs of micro-enterprises.

### ▶ Case: Technological Finance Ignites the 6.18 Stocking Craze

During the 6.18 Shopping Festival, Qifu Technology launched the "Preparedness Ensures Success, Taking the Lead" stocking festival activity through its product matrix, including 360 Borrowing, 360 Micro Loans, and 360 Capital Turnover Flexibility. By offering multiple financial incentives such as interest-free turnover funds and interest coupon discounts, it provided financial support to 5 million micro-enterprises, helping them prepare for the 6.18 Shopping Festival.



**5 million households**  
micro-businesses provide financial support



### ▶ Case: "Business Gold" Wholesale and Retail Special Support Plan

In December 2023, in response to the increasing need for capital turnover in the national wholesale and retail industry, Qifu Technology launched the "Business Gold" Wholesale and Retail Special Support Plan. This plan focused on five provinces with particularly high demand for funds: Guangdong, Zhejiang, Jiangsu, Fujian, and Anhui. By combining the use of interest-free coupons and interest-free months, the plan provided over 50 million RMB in total funding support to 300,000 micro-businesses in industries such as household appliances, textiles, clothing, and lighting. Earlier in November, Qifu Technology had already observed the sharp rise in the "Yiwu-China Small Commodity Index" and anticipated the upcoming peak period of funding for wholesale and retail enterprises. Based on this precise prediction, the company swiftly implemented the "Business Gold" plan, ensuring powerful support for micro-merchants in urgent need of funds in the shortest possible time, achieving efficient capital docking, and rapid deployment.



## Finance for Charity

Qifu Technology has always adhered to the core concept of "finance for good" and is committed to using green financial tools to contribute to green public welfare, making the world warmer and more colorful.

### Case: Rural Assistance Plan

From poverty alleviation to rural revitalization, Qifu Technology has been actively practicing corporate social responsibility. In 2023, Qifu Technology collaborated with Duocun Notes to create the Rural Assistance Plan, aimed at supporting local characteristic industries through the "Internet+ assistance to farmers" new model. In the series of rural assistance plan live broadcasts, Qifu Technology relied on its brand and traffic resources to promote local farmers, farms, factories, and high-quality public welfare agricultural products in areas such as Jixi and Yixian counties in Anhui and Lancang county in Yunnan. This initiative aimed to help good products leave rural areas and enter larger markets, allowing more people to see the value of agriculture, promoting rural revitalization, and enhancing soft power.



### Case: "Micro Light" Handicapped Assistance Program

To support the cause of helping the disabled, Qifu Technology launched the "Micro Light" program in August 2023. This initiative was in collaboration with organizations such as the Jinchang Public Welfare Service Center and the Shanghai Disabled Employment Service Center. Through comprehensive online and offline activities, including public welfare live broadcasts, donations, and employee experiences, the plan fully focused on the practical needs of people with disabilities. It aimed to promote social understanding of disability issues through practical actions, support the dignity, rights, and happiness of people with disabilities, and was recognized by the Shanghai Disabled Welfare Foundation. Through these activities, the "Micro Light" program successfully guided over a million people to pay attention to assistance etiquette and employment entrepreneurship for the disabled. Various types of live broadcast public welfare content were viewed 12 million times, effectively increasing public attention and support for people with disabilities. Additionally, during the plan period, Qifu Technology donated 55 electronic devices and mobile phones to the Jinchang Public Welfare Service Center for use in vocational training and innovation projects for electronic device repair for people with disabilities. This initiative aimed to help people with disabilities master electronic device repair skills and promote their economic independence.



### Case: Grateful to New Era, Empathy for Fuqing" Love Project

At the beginning of 2023, the Finance Bureau of Fuqing City, the Civil Affairs Bureau of Fuqing City, the Social Welfare Center of Fuqing City, and Qifu Technology cooperated to promote a special assistance plan – the "Grateful New Era, Empathy for Fuqing" Love Project. Through targeted assistance and the popularization of care, combined with long-term care and companionship, the project helped disabled children from the Fuqing City Welfare Center to return to society and integrate into society. During the project, more than 60 volunteers from Qifu Technology conducted dozens of sessions of the Children's Assistance Project, providing continuous care for disabled children from the Fuqing City Welfare Center, guiding them to integrate into society, feel grateful to society, and give back to society. This included funding cochlear implant surgery for hearing-impaired children, helping them regain their hearing.



### Case: Sunshine Stars • Assistance to Vulnerable Children" Program

In 2023, Qifu Technology collaborated with Paving Stone Youth Public Welfare Organization to conduct dozens of sessions of the "Sunshine Stars • Assistance to Vulnerable Children" program. Qifu Technology employees acted as "technology instructors" and provided digital literacy and programming knowledge enlightenment for migrant children in Shanghai, promoting the popularization of education in the field of technology, bridging the digital divide, and truly transforming acts of love into long-term digital inclusive trials.

In the future, Qifu Technology will continue to use technology to support strugglers and will continue to deepen its involvement in fields such as assisting agriculture, children, the disabled, and anti-fraud propaganda. It will practice social responsibility through practical actions and convey the power of love and hope.





# 04 Corporate Responsibility Governance

Qifu Technology incorporates the governance requirements of sustainable development within the company, considering sustainable development strategy as one of the core competitive advantages.



# Corporate Responsibility Governance

Qifu Technology incorporates the governance requirements of sustainable development within the company, considering sustainable development strategy as one of the core competitive advantages.

Qifu Technology adheres to the requirements of laws, regulations, and normative documents such as the "Company Ordinance" and the "Listing Rules of The Stock Exchange of Hong Kong," and has established a modern organizational structure. Currently, the board of directors consists of nine directors, including four independent directors. The board of directors has established audit, remuneration, and nomination and corporate governance committees, along with corresponding implementation rules, to meet the development needs of the company.

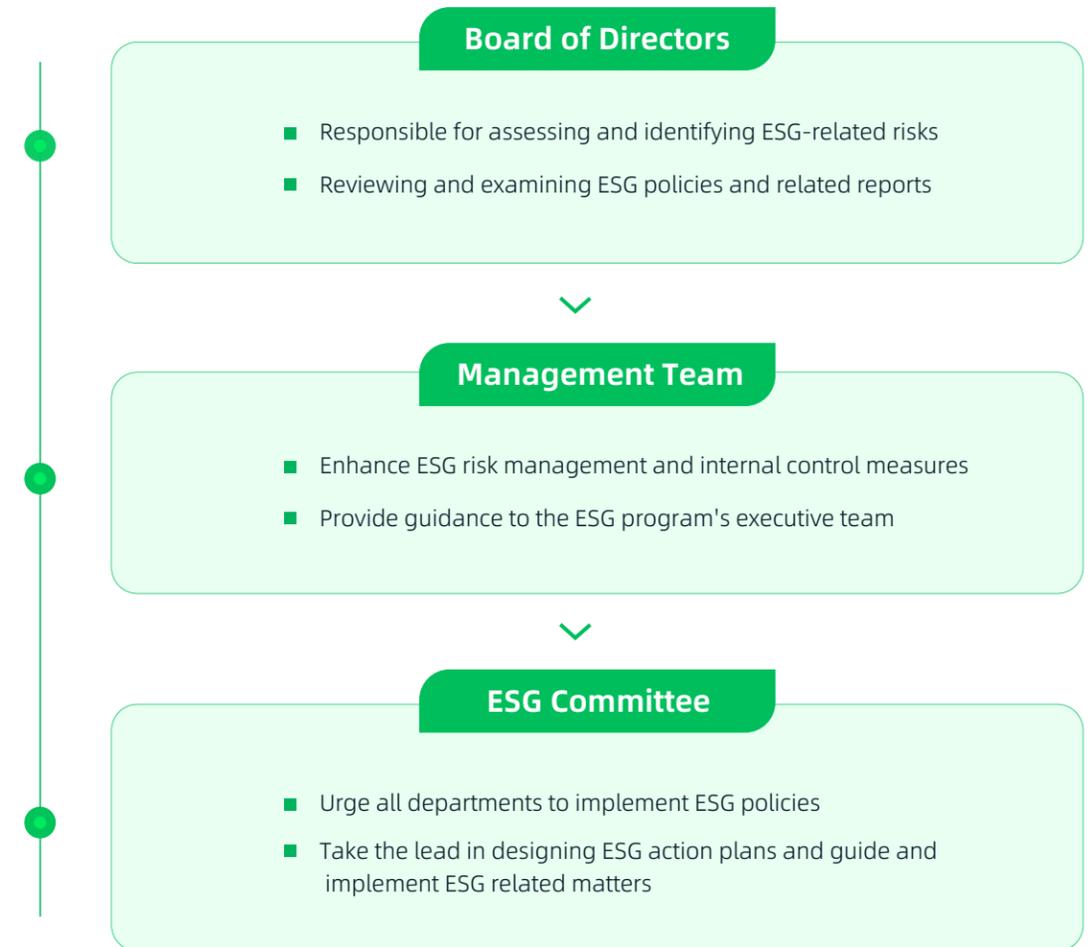
Immediately upon the completion of our secondary listing on the Hong Kong Stock Exchange on November 29, 2022, all the then-outstanding class B ordinary shares with super-voting rights converted into class A ordinary shares on a one-for-one basis. At present, only class A ordinary shares are issued and outstanding and each class A ordinary share is entitled to one vote.

## Board of Directors Members

Name	Age	Gender	Position
Zhou Hongyi	53	Male	Chairman of the Board
Wu Haisheng	41	Male	Chief Executive Officer and Director
Xu Zuoli	55	Male	Chief Financial Officer & Director
Chen Xiaohuan	42	Male	Independent Director
Zhao Dan	44	Male	Board of Directors
Jiao Jiao	43	Female	Board of Directors
Xiao Gang	48	Male	Independent Director
Zhao Fan	69	Male	Independent Director
Yan Yan	66	Male	Independent Director

# Corporate Governance

Qifu Technology integrates the governance requirements of sustainable development within the company, considering sustainable development strategy as one of the core competitive advantages. Our board of directors is responsible for formulating sustainable development strategies and supervising their implementation, committed to building a green office environment, improving resource utilization efficiency, and fulfilling Qifu Technology's responsibilities to shareholders and society. The company has established an ESG Committee to provide guidance for the sustainable development management of the company. The ESG Committee includes various key functional departments, leading the design of ESG action plans, regularly discussing issues encountered during the implementation process, and reporting to the management. Major matters are reported to the board of directors as appropriate.



# Compliance and Anti-corruption Management

Qifu Technology has always adhered to the principles of compliant operations and considers them as the cornerstone of sustainable development. The company strictly adheres to relevant laws and regulations concerning compliance operations, environmental protection, occupational health, and other related regulations in the countries and regions where it operates. We adhere to the principles of honest dedication, law-abiding, fair competition, and integrity in business ethics.

## Compliance and Anti-corruption Management

Qifu Technology strictly complies with the requirements of compliance and anti-corruption, adhering to laws and regulations such as the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Anti-Money Laundering Law of the People's Republic of China. We consider anti-corruption as an important part of the company's culture and values. The Compliance Department conducts routine compliance reviews and risk monitoring, compiles compliance risk lists, organizes compliance advocacy and training, reviews the compliance of internal rules and regulations, products and business processes, and project agreements, actively tracks and implements external regulatory requirements, and escorts the company's legal and compliant operation and steady development.

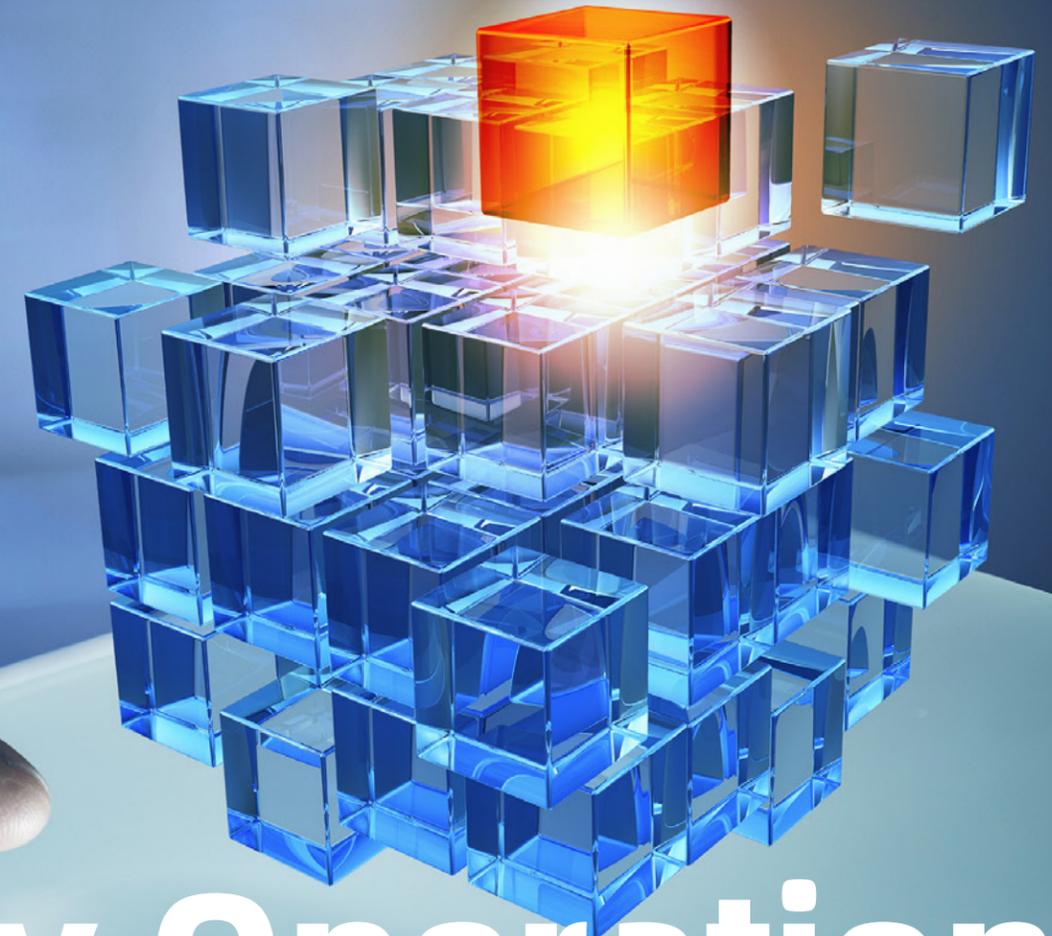
Anti-corruption management has always been a topic of continuous concern for stakeholders including customers and suppliers. Qifu Technology implements a "zero tolerance" standard for corrupt practices and actively advocates for honest and trustworthy business conduct, resolutely resisting various forms of commercial bribery and corruption. Externally, to build a transparent anti-corruption system, we sign special agreements with partners to create a fair and just clean environment. Internally, to avoid the occurrence of corrupt incidents and standardize the management of conflicts of interest, the company revised the "Anti-Bribery Management Regulations", "Gift Acceptance and Handling Regulations", and "Whistleblower Protection and Reward Regulations" in 2023, clarifying requirements for the prevention of bribery, anti-bribery investigations, and handling of bribery behavior, with a total of 27 reported gift declarations. At the same time, we have established reporting channels. If employees find events that violate the rules and regulations, they can report to the company's ethics committee via email, and the ethics committee will conduct independent investigations based on the reported information.

In 2023, we investigated two cases (involving four individuals) of suspected non-public bribery corruption, which have been transferred to judicial authorities. Immediate rectification of related systems and processes was carried out, a total of three problematic suppliers were removed, and the qualification review of eligible suppliers, bid winner score review, and on-site inspections of bid-winning suppliers were strengthened. Continuous practice of corporate integrity culture.

## Advocacy and Training

- Conduct comprehensive promotion of integrity culture to all employees through online anti-corruption training, and full-staff integrity comic propaganda, etc., to promote the company's anti-corruption culture and cultivate a fair and honest corporate culture. In 2023, a total of 12 integrity comic propaganda emails were sent, covering all employees.
- Conduct annual certification training and online exams for the "Integrity and Honesty" values, covering all employees.
- Conduct training on the "Anti-Bribery System" for new employees in 11 sessions, covering all new employees.
- In 2023, a "Ethics Committee" subscription account was newly opened on the company's internal communication software, and propaganda materials will be simultaneously released on multiple channels thereafter.
- In 2023, at the Qifu Technology BPO National Supplier Conference, themed "Joining Hands for Win-win Cooperation with Integrity," we promoted the company's core values of integrity, responsibility, and cooperation, and conducted lectures on corruption, conflicts of interest, and contractual consequences, covering more than 30 outstanding partners and suppliers from across the country.





# 05 Responsibility Operation

As a credit technology platform, we have always focused on how to empower credit risk management through technology.



## Innovation and Research

As a forward-looking credit technology platform, Qifu Technology has always attached great importance to independent research and innovation, adhering to the corporate value of "continuous innovation." We are committed to providing safe, fast, and inclusive financial services to individuals and families through technological innovation, creating a better life. As our CEO, Mr. Wu Haisheng, said:

“As a technology company, our core advantage lies in using innovative technology to create innovative products, services, and business models to solve social problems, create public welfare, and achieve a win-win situation for both business value and social value.”

### ▶ Case: Establishment of Financial Big Model

As a strategic project of the company, Qifu Technology initiated the construction of a big model team, computing power preparation, and technical research and development as early as 2022. In 2023, we continued to strengthen investment and innovation in the field of financial technology, strategically established the big model department, successfully applied advanced technology to multiple business scenarios, achieved good results, and became the leading unit in the domestic financial industry to formulate big model standards.



#### In the field of microfinance services

Qifu Technology built a framework for micro-user identification and industry reasoning using deep learning models and large language models. By finely adjusting the model through user authorization and proprietary business data, the model's understanding ability reached a high level in user identity and industry recognition scenarios. The overall AUC of the micro-identification model exceeds 0.9, identifying an additional 4.5 million micro-identity users such as part-time workers and household micro-users, resulting in a 25% increase in the scale of identified micro-users. Meanwhile, to improve business applicability, Qifu Technology redefined and subdivided industry features based on national industry classification, using the model to re-label client groups, achieving 93.1% coverage of industry information for micro-users and constructing a financial knowledge graph covering more than 900 industries, providing industry labels suitable for credit scenarios for over 24.5 million micro and part-time micro-users in China, facilitating better service for micro-users' fund turnover based on industry characteristics.

Micro-identification model overall AUC

**0.9** Above

Additional identification of micro-identity users (part-time workers, household micro-users)

**4.5** million

Increase in identified micro-user scale

**25** %

Coverage of micro-user industry information

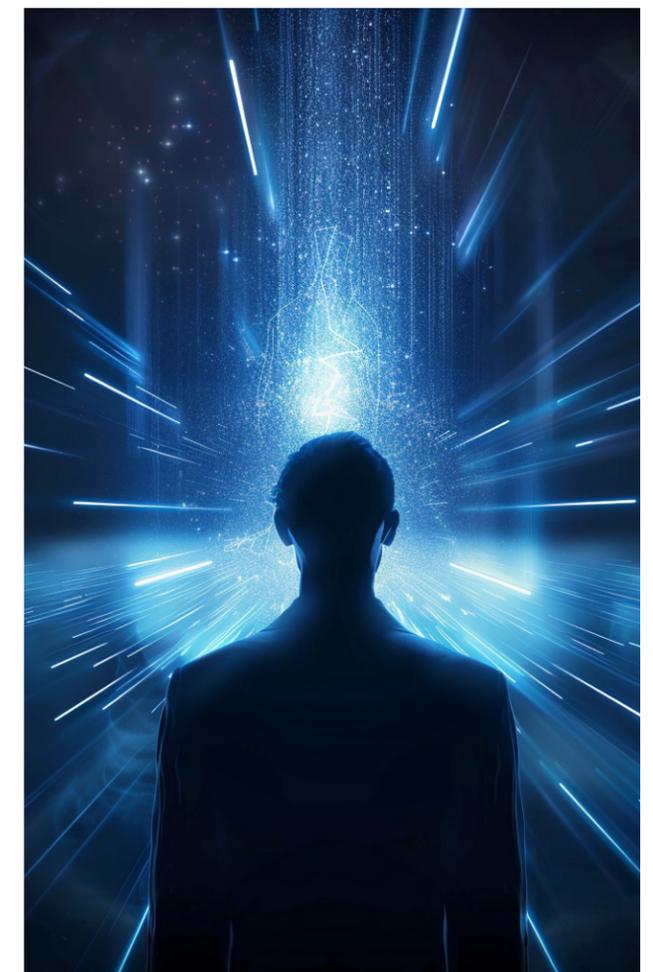
**93.1** %

Number of industries covered by financial knowledge graph

**900** +

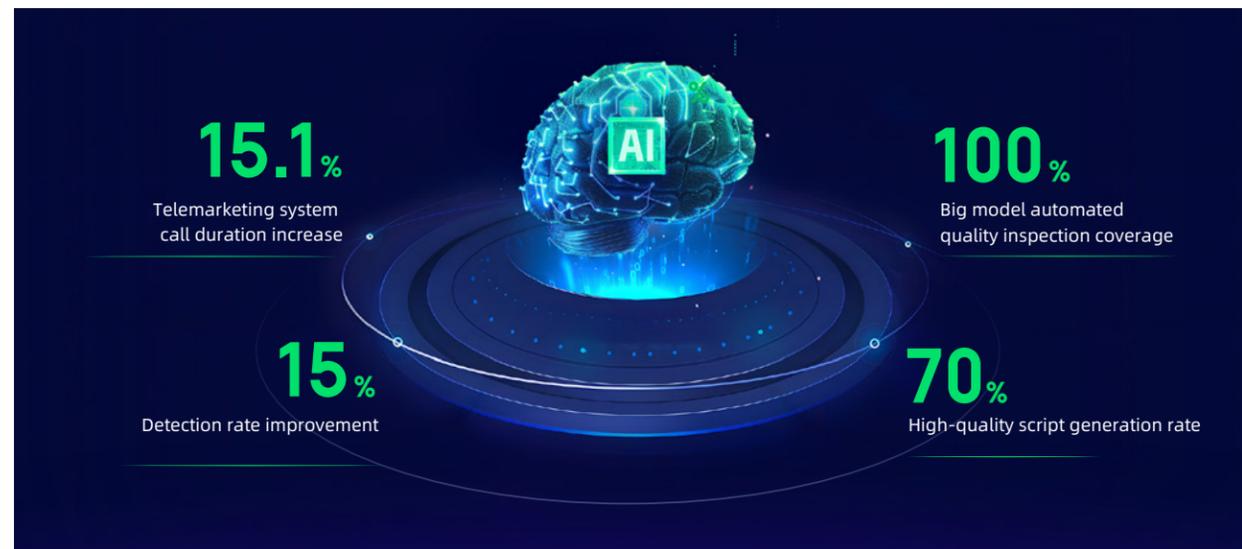
Industry labels covering micro and part-time micro users

**24.5** million



**In the field of intelligent telemarketing**

Qifu Technology used big model technology to reshape financial business dialogue scenarios, training existing telemarketing dialogue systems to help telemarketing robots accurately understand real user needs, thereby improving response authenticity and service professionalism. With the assistance of big model training robots, Qifu Technology's telemarketing system achieved a 15.1% increase in call duration, marking a significant improvement in user conversation experience. Furthermore, in the call quality inspection process, big model automated quality inspection achieved 100% coverage, with a 15% increase in detection rate, significantly improving inspection efficiency. In addition, in the generation of voice robot scripts, the high-quality script generation rate reached 70%, further demonstrating the strong potential of big models in optimizing telemarketing services.



**In intelligent marketing**

big models generate material elements, integrate with manually created materials, and form a large number of advertising materials. Subsequently, big models label the materials and give them multidimensional ratings through AI systems. After channel deployment, the materials with the best data effects are finally obtained. Currently, approximately 70% of image materials are generated by big models, and after labeling and multidimensional rating by big models, advertising deployment is optimized. After applying big models to marketing materials, the customer outreach scale has increased by 21.4%. Meanwhile, in the telemarketing system, semantic analysis and lead mining helped improve the telemarketing lead recognition accuracy to over 98%, while increasing the conversion rate by over 5%. Optimization of credit cost reaches 9%.

**Big model application in smart marketing business processes**

Customer outreach scale increased by

**21.4%**

Conversion rate increase

**5%+**

Semantic analysis and lead mining helped improve telemarketing lead recognition accuracy

**98%**

Credit cost optimization

**9%**

**In terms of research and business analysis**

innovative applications such as Yuzhi AI Expert have been launched to provide professional support for financial product research and data analysis scenarios. This AI expert is the first attempt to apply big models to technology fields such as code development and data analysis, possessing the professional capabilities of research engineers and data analysts. With the help of Yuzhi AI Expert, Qifu Technology has organized and output past achievements in financial technology business, forming a reusable knowledge base for financial technology research and development practices. Yuzhi AI Expert has generated a cumulative total of 20,000 code blocks and 460,000 lines of code, replacing 15% of code writing work with AI. Additionally, Yuzhi's virtual data analysis expert can address various financial business data analysis needs, providing more understandable solutions for financial business data analysis.



**20,000**

Accumulated code blocks generated



**460,000**

Accumulated lines of code generated



**15%**

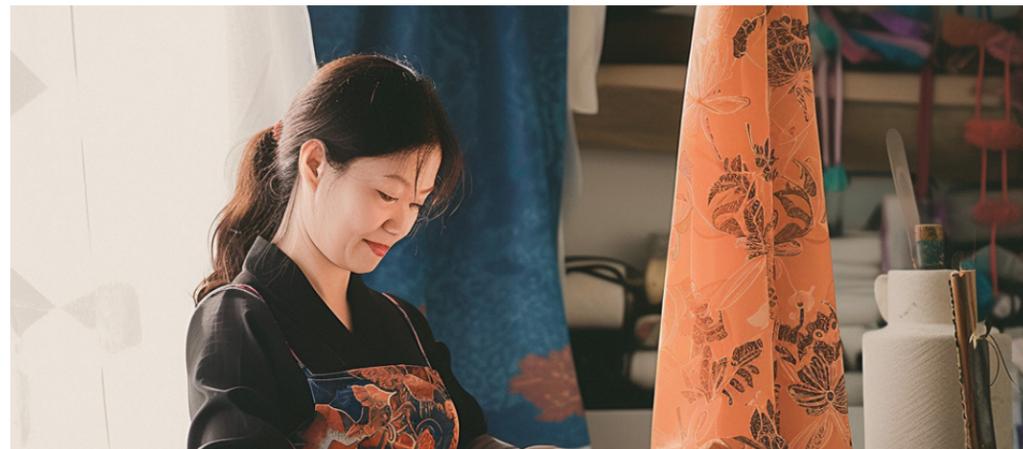
Code writing tasks replaced by AI

For Qifu Technology, the financial big model is not only a tool to help enterprises reduce costs and increase efficiency but also an important role that can create value for users.

**"Perseverance in the face of adversity, lighting up the light of hope with faith"**

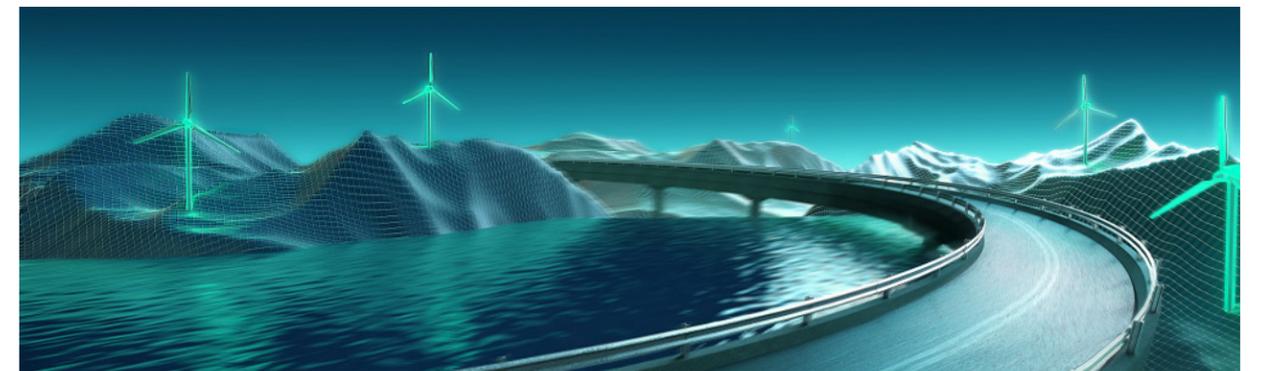
Ms. Qin is the owner of "Xuanci Weaving Workshop," a fabric workshop in a small county in the mountainous area of Fujian Province. Due to a large customer's debt, she was unable to pay her employees' wages on time. As she was rejected for a loan from the bank due to her "blank" credit history and only offered small loans by internet lending platforms. Later, Ms. Qin found 360 Borrowing, a product of Qifu Technology, and after registration, based on the knowledge graph and self-developed large language model, the 360 Borrowing AI engine accurately identified Ms. Qin's identity as a business operator and provided a credit line of 120,000 yuan, solving her urgent need for funds. With the accumulation of data and the improvement of profiles, Ms. Qin's credit limit increased to 200,000 yuan, and she enjoyed preferential interest coupons and convenient loan services automatically provided by 360 Borrowing. This year, Ms. Qin has applied for loans seven times, each time meeting her needs for fund turnover at critical moments.

We hope that the brand of Qifu Technology can surpass mere technological services and become an intimate partner for users, injecting vitality and hope into them, and realizing the mission of financial technology.



**Case: Application of Yushu Big Data Platform**

With the advancement of credit technology, the scenarios of big data analysis are increasing, posing higher requirements for the security, accuracy, and real-time nature of data. At the same time, the surge in the number of users has brought multiple challenges to the business end in terms of delivery efficiency, stability, and user experience. Qifu Technology's Yushu Big Data Platform has emerged this year, aligning core technologies such as DataBricks and Snowflake with international renowned companies, reaching the industry-leading level in terms of computing engine optimization, intelligent diagnosis, and business continuity assurance.



**In terms of computing engine optimization**

the latest architecture of the query engine reduces resource consumption and experience time by 52%; the upgrade mechanism of the unconscious computing engine is equivalent to replacing the engine for a flying aircraft; the latest design of the secondary query acceleration engine allows more than 80% of data analysis scenarios to return query results within 10 seconds.

**In terms of intelligent diagnosis**

more than 85% of system abnormalities can be accurately diagnosed by AI and provide accurate suggestions, and user issues can be resolved immediately; for 30% of abnormal tasks, the system can be automatically optimized and fail self-healing, ensuring an SLA of 99%.

**In terms of ensuring business continuity**

the dual-active core scenarios and disaster recovery design for critical scenarios make the system more resilient. The complex link impact control mechanism enables a more accurate assessment and control of the downstream effects of upstream task changes.

Additionally, the Yushu Big Data Platform not only serves the internal business needs of Qifu Technology but also provides powerful momentum for innovation and upgrade across the entire financial industry. Firstly, by aggregating data assets from various departments, the big data platform forms a panoramic view, which can help financial institutions fully understand their asset layout. Secondly, the big data platform provides comprehensive one-stop development and self-service analysis capabilities, enabling financial institutions to easily explore and deeply analyze data value through visualization, thereby enhancing front-end business capabilities.

## Data Governance

As a leading brand in China's credit technology services, Qifu Technology has always upheld a safety gene since its establishment and regarded data governance as a top priority for business development. By the end of the reporting period, we have passed the Level 3 evaluation of the Information Security Level Protection 2.0, ISO27001 Information Security Management System Certification, ISO27701 Privacy Information Management System Certification, and DSG Data Security Governance Capability Evaluation.

### Establishment of internal system

Qifu Technology has established a very strict data control system, adopting a series of measures including data encryption to ensure data security. Layered protection strategies ensure that data is not only kept from being leaked but also effectively prevent external attack behaviors. The company has established a special data security task force to coordinate the implementation of internal privacy data management and data security regulatory systems. Additionally, to implement security awareness at every grassroots level, Qifu Technology has simultaneously formulated data governance systems such as the "Qifu Technology Data Security Management System," "Qifu Technology Data Classification and Grading Management System," and "Qifu Technology Basic Policy for Personal Information Protection and Data Governance" to standardize the behavior guidelines of various positions within the company.

### Customer Privacy Protection

In 2023, Qifu Technology combined its own financial business characteristics and innovatively realized a trustworthy data platform. This platform includes multiple security strategies such as digital watermarking, privacy data identification, dynamic desensitization, and hierarchical review, achieving multiple protections for user information. Additionally, we have established a secure sharing platform, compliance self-inspection platform, and security questionnaire system to perceive potential security and compliance risks in real-time. Leveraging a data leak prevention platform, we can promptly block illegal data flows. By establishing a secure operations center and utilizing monitoring alerts, emergency response, user behavior audits, and data operation audits, we can capture and follow up on risks that have occurred in a timely manner.



### Combatting Illegal Data Activities

In 2023, Qifu Technology actively participated in the pilot work of electronic identification for anti-fraud in financial apps, actively cooperating with the Ministry of Industry and Information Technology and financial regulatory departments, playing a demonstrative role and helping to comprehensively manage the entire chain of anti-fraud apps, with over 5,000 counterfeit 360 loan apps disposed of cumulatively, promoting the governance of anti-fraud apps.

In terms of counterfeit websites and data leaks, we focused on expanding monitoring coverage and channels this year to cope with the evolution of the black industry. We increased monitoring of counterfeit Weibo and short video accounts, while continuously obtaining circulated data, monitoring over 200 active black-gray channels, investigating over 2,300 data vendors throughout the year, with data leak prevention totaling 420 million yuan.

Additionally, in 2023, we monitored a total of 4.14 million major websites, web pages, and app platforms throughout the year; we banned a total of 7,453 counterfeit products, including our 360 loan apps, Qifu Wallet websites, and apps; and reported 55,799 counterfeit posts and short videos impersonating our customer service on TikTok and Weibo.

Data leak prevention and loss savings annually

**420** million RMB

Active black-gray channels discovered

**200+**

Data vendors investigated annually

**2,300+**

## Emergency Response

We follow the internal "Qifu Technology Emergency Response Management Regulations" to respond to emergency incidents. The management regulations cover mechanisms such as early prevention and warning, rapid response and protection during incidents, and post-incident inventory and analysis. In the event of a security incident, we first allocate it to the corresponding disposal team based on the type and severity of the security incident, report and notify as appropriate, initiate emergency plans, conduct post-incident inventory and analysis, and regularly maintain emergency drill plans. In 2023, the company did not experience any other network security incidents or accidents such as being hacked or encountering trojan viruses.

Furthermore, we provide real-time warnings to users at risk of fraud, reducing user borrowing caused by fraud. Services such as risk reminders, pop-ups after borrowing, and borrowing interception have been added to the app, providing loan reminder and interception services to users approximately 21.8 million times throughout the year, protecting consumer funds of around 315 million yuan.

## Case: Honored as an Outstanding Blue Team Unit in the "Panshi Action" Network Security Attack and Defense Exercise

In the "Panshi Action" network security practical attack and defense event in 2023, Qifu Technology was honored with the title of "Outstanding Blue Team." The event brought together 51 elite attacking teams from various cybersecurity organizations across the country, as well as 160 defending teams from the cybersecurity field in Shanghai, and conducted a "dual track" cybersecurity live attack and defense event that lasted for 10 days. Qifu Technology performed exceptionally well in the group matches during the first 7 days, advancing to the elite competition, and ultimately secured an excellent 12th place finish among the 160 defending teams, demonstrating their outstanding comprehensive defensive capabilities.



## Intelligent Risk Control

Qifu Technology emphasized the latest technological research, introduction, and application in response to the characteristics of online operations and the latest fraud trends. We prioritized the development of data capabilities and absorbed the anti-fraud experience from traditional banks. As a result, the Argus intelligent risk control engine was established, covering high-risk investment business risks such as counterfeit applications and account security, organized fraud prevention, telecom fraud prevention, gambling, and pyramid schemes. This effectively prevented fraud and credit risks in online loan models. In 2023, the Argus intelligent risk control engine continued to exert energy efficiency and achieved significant control results in risk monitoring, early warning, control, and traceability.

### Argus Intelligent Engine IV

Application, smart signing

100%



Credit Approval Automation Rate

97%



Average lending time to completion

Credit approval / Fund disbursement

44s / 39s



Fraud loss rate

2% Below



Risk Decision Rules Deployment

50,000



Machine Learning Models

1,000+



Automated Decision Accuracy

99%



Risk Assessment Features

120,000+



Anti-fraud relationship network nodes

2.4 billion nodes



Anti-fraud relationship edges

164 billion edges



Online daily calculation

110 million times



Plotting first-level / second-level connections

5ms / 40ms



## ▶ Argus Intelligent Risk Control Engine

In terms of counterfeit prevention and account security, we applied the Argus Intelligent Risk Control Engine, resulting in a counterfeit and account loss occurrence rate of less than 0.001 basis points in 2023. There were no significant complaints or risks, thereby safeguarding the basic rights and interests of users. Additionally, Qifu Technology actively participated in the compilation of national standards for Internet identity recognition. In 2023, we became one of the core participating units for the national standard "Technical Requirements for Internet Financial Personal Identity Recognition."

### Application of Argus Intelligent Risk Control Engine

The incidence of fraud and account losses in 2023 was less than

**0.001**BP



## Intellectual Property Protection

Qifu Technology has always adhered to the principle of independent technology research and development and protection of independent intellectual property rights. The company's legal department has established a professional intellectual property management team to handle related affairs, providing the company with in-depth and far-sighted intellectual property strategic planning. We have established a comprehensive intellectual property protection system and fully built a solid intellectual property fortress. We conduct daily training for employees, manage the layout of intellectual property applications, and handle intellectual property disputes, empowering enterprises for sustainable high-quality development and effectively protecting the company's R&D innovation achievements.

## ▶ Intellectual Property Management

In 2023, Qifu Technology formulated the "Academic Paper Publication Management System," which standardized the process management from technical research and development to intellectual property transformation, and then to academic paper publication disclosure. This was combined with the "Intellectual Property Management System" and the "Patent Inventor Reward System," aligned with the company's data security management system and employee management system. Through the establishment of a systematic system, we further standardized intellectual property management and enhanced the industry's technological influence. We adopt multiple measures simultaneously to comprehensively ensure the security of the company's intellectual property:

### In terms of trademark protection

the company continues to improve various product trademark registration and protection mechanisms, establishing a domestic and international trademark protection system. By the end of 2023, we had obtained over 200 registered trademarks both domestically and internationally.

### In terms of patent protection

we focus on technological innovation as a strategic priority, continuously improving innovation quality. By the end of 2023, we had applied for over nine hundred patents, with nearly three hundred authorized patent applications. We conduct multi-level quality audits of relevant legal documents, establish timely communication channels with various business units, closely assist business operations, and protect self-developed achievements such as financial large models, AIGC, Yuzhi AI Expert, Yushu Big Data Platform, Argus intelligent risk control system, Glaucus intelligent marketing system, Lingxi quality middle platform, and ModelRobot self-service AI modeling system throughout the process, transforming substantial innovation points into the company's intangible assets and protecting them with patents. Before the publication of multiple academic papers generated during business research and development, we conducted innovative patent searches on relevant technologies and simultaneously applied for related invention patents for protection, comprehensively safeguarding the legitimate rights and interests of scientific research achievements and independent intellectual property rights.

### In terms of copyright protection

the company holds nearly a hundred copyright registrations, attaching great importance to comprehensive intellectual property protection of technological innovation, brand building, and self-owned copyrights.

## Intellectual Property Training

Qifu Technology provides intellectual property training for various business lines. For ongoing patent projects, the company promptly arranges patent communication meetings, deeply explores innovative points within the projects to form patent materials, ensures the synchronous progress of projects and intellectual property protection, and escorts projects for launch. In addition, the company regularly conducts routine and targeted training and advocacy work for various business lines, including basic patent knowledge, patent technology early warning, product intellectual property risk analysis, basic trademark knowledge, and copyright authenticity propaganda. This helps business teams efficiently understand relevant knowledge and systems, enhances awareness of intellectual property protection, stimulates enthusiasm for creation, clarifies creative goals, and protects innovative achievements.



## Intellectual Property Honors

Through years of technological innovation and independent research and development, Qifu Technology has formed independent innovative intellectual property rights, which have not only effectively promoted the development of Internet financial technology but also won widespread recognition and praise from the government and various sectors of society. During the reporting period, we were awarded the honorary titles of "National Intellectual Property Advantage Enterprise" and "Shanghai Patent Pilot Enterprise" again. Among them, the "National Intellectual Property Advantage Enterprise" was awarded to the Beijing and Shanghai entities carrying different core innovative research and development directions of Qifu Technology.

### Awarded The Honorary Titles Of "National Intellectual Property Advantage Enterprise"

This also marks the first financial technology company in China to be awarded this honorary title in both Beijing and Shanghai simultaneously. This not only signifies the official recognition of our achievements in intellectual property creation, application, protection, and management but also a significant affirmation of the national recognition of our independent research and development capabilities.



### Awarded The Honorary Titles Of "Shanghai Patent Pilot Enterprise"



# 06 Win-Win Cooperation

Qifu Technology is committed to providing assurance and trust to customers. As a leading Chinese internet company driven by data intelligence technology, we promise to deliver excellent customer experiences and sustained high-quality services. We firmly believe that enhancing customer satisfaction is the foremost element in maintaining the quality of professional services. Therefore, we not only value our commitments to customers but also actively fulfill our responsibilities related to consumer rights protection, allowing customers to enjoy high-quality services at reasonable prices.

# Customers First

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## Enhancing Customer Satisfaction

Through various communication channels, we carefully listen to customer feedback, regularly monitor the performance of customer service, and identify areas for improvement. In 2023, we upgraded our customer service system, employing intelligent prediction, routing, and alerts to enhance the efficiency and effectiveness of customer service, achieving a user satisfaction rate of 99.2% for the whole year, with an 87.8% first-time resolution rate for user issues, both showing improvements compared to the previous year, making significant progress in consumer rights protection.

### ▶ Case: Upgrade and Transformation of User Interface

In 2023, we upgraded and transformed the "Consumer Rights Protection" section of 360 Loans. The section is divided into functional and educational areas. The functional area optimizes the user experience by integrating privacy protection and service management into a single functional bar, making the user experience more efficient and convenient. The educational area includes legal regulations, knowledge dissemination, and a special section for case-based risk warnings, where we publish posters on legal regulations closely related to consumer rights protection in financial services, educational videos, and case warnings, reaching a total of 210,000 users.



**8** sessions

Compliance Promotion

**6,600+**

Digitization Technology Support  
Online Document Review for Customers

**92.57%**

Digitization Technology Support  
Intelligent Customer Service Diversion Rate

**27** sessions / **42** issues

Specialized Talent Development  
Internal Consumer Protection Training/Publication Distribution

**2,000+**

Personalized Knowledge Education  
Frontline Promotional Staff

**110** cities

Personalized Knowledge Education  
On/Urban Coverage

**50** million+

Personalized Knowledge Education  
Audience Reach for Courses

**200** thousand

Customer Rights Protection  
Iterations of Anti-Fraud Models

**300** cases

Customer Rights Protection  
Daily Average Recognition of Fraudulent Behavior

**18,478** individuals

Customer Rights Protection  
Active Interception and Dissuasion of Potential Fraudulent Behavior

**75.6** thousand/day

Customer Rights Protection  
Daily Average Consultation Services Provided

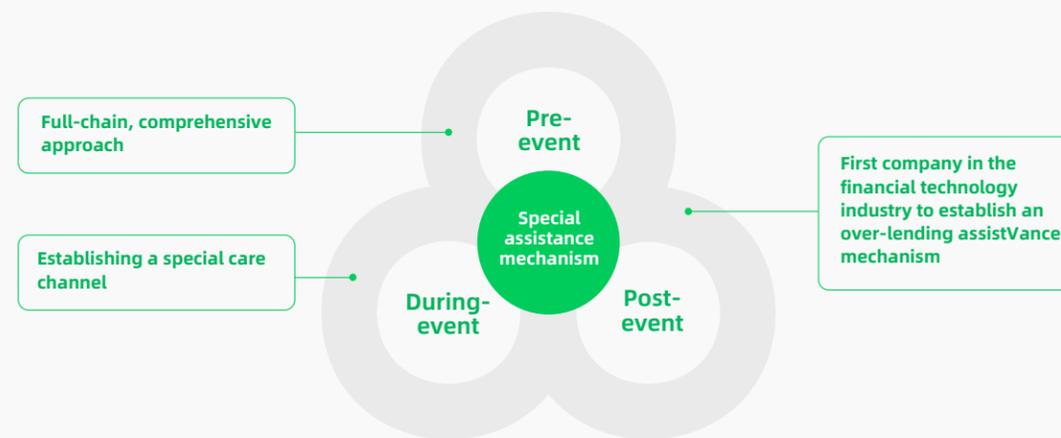
**95.06%**

Customer Rights Protection  
Online Connection Rate per Capita



## ▶ Case: Special Assistance Mechanism

On December 18, 2023, a 3.1-magnitude earthquake occurred in Jishishan County, Linxia, Gansu Province. Following the guidance of the company's ESG sustainable development strategy, we urgently implemented relief measures such as interest fee waivers and credit maintenance to establish a green channel for users in the earthquake-stricken area of Gansu. Additionally, the company established a comprehensive "pre-, during, and post-event" special assistance mechanism, providing a special care channel for consumers, becoming the first company in the industry to establish a transitional lending assistance mechanism.



## 🌿 Safeguarding Customer Rights

Qifu Technology adheres to a service philosophy centered around customer experience, providing a dual guarantee of products and technology to help financial institutions establish multi-dimensional anti-fraud defenses from points, lines, to surfaces, enhancing protection of consumers' property and information security.

### In terms of technology

Qifu Technology has developed the Argus risk control system, Shanghai security situational awareness system, intelligent intelligence system, risk warning API, and established a team for intelligent and manual anti-fraud persuasion and a blacklist system for fraud at Qifu Technology.

### At the product level

the Qifu Technology product team, together with the risk control anti-fraud team and the information security team, has established anti-fraud strategies covering various scenarios, including anti-fraud reminders, anti-fraud popup reminders, and fraud-related warnings, and set up a security classroom anti-fraud zone for users to learn independently. As of December 31, 2023, Qifu Technology has issued 176,217 fraud prevention warnings by phone, intercepted a total of 42,961 victims, and prevented a total fraud loss of 550 million yuan.



176,217

Fraud prevention alerts issued



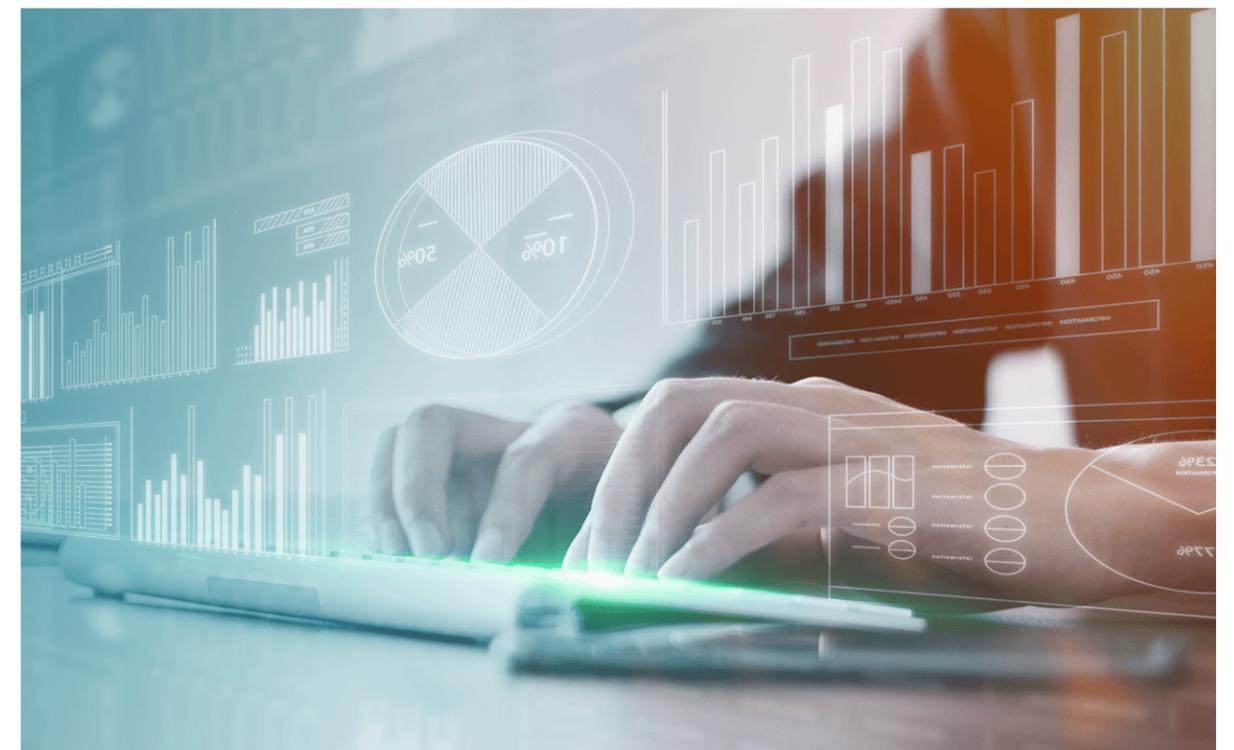
42,961

Total scam attempts intercepted



550million

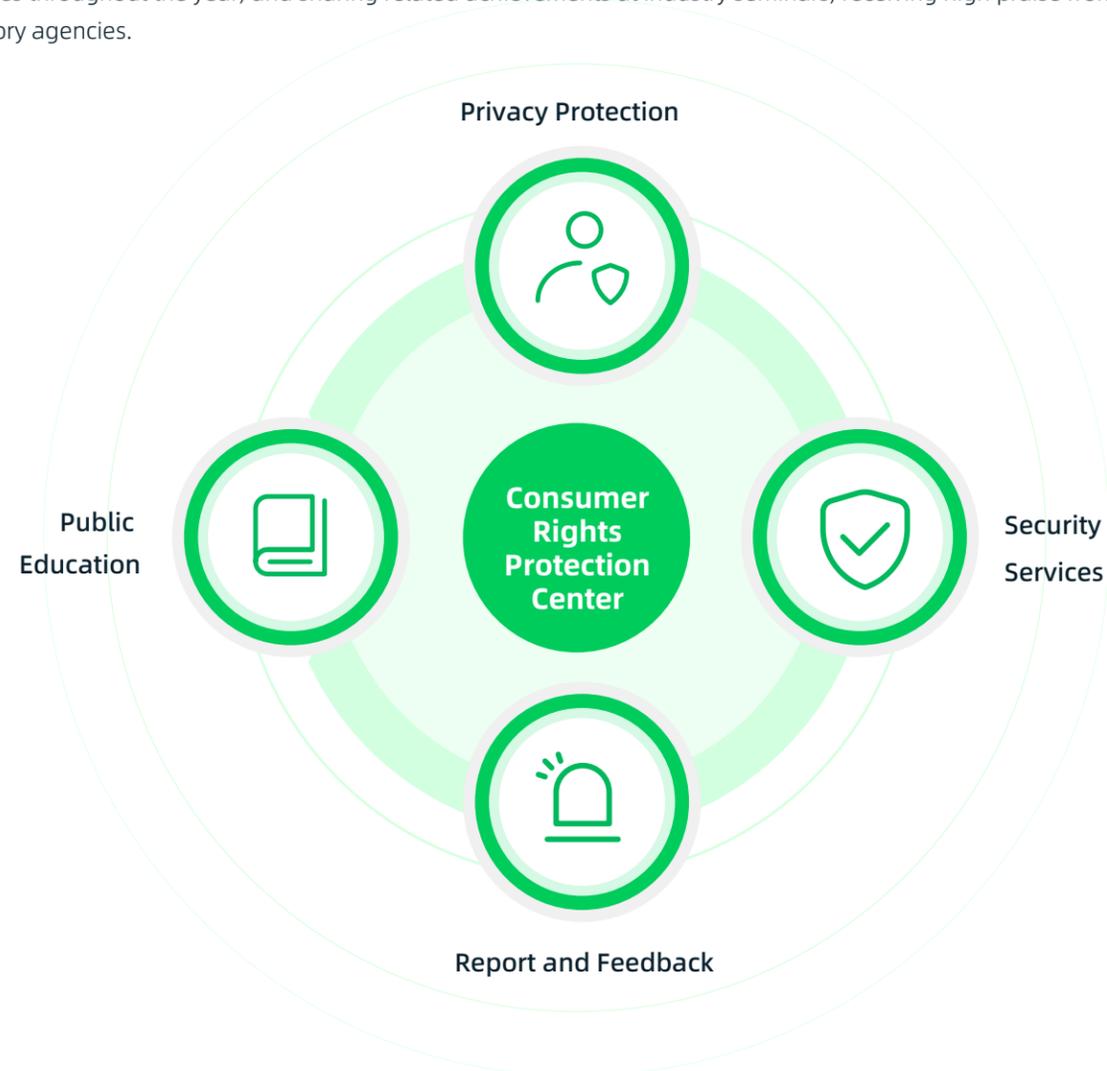
Total monetary loss averted



## Anti-fraud Protection

In the course of many years of operation, Qifu Technology has continuously strengthened its technological exploration in the field of privacy protection. We have pioneered and applied multiple technologies within the industry, intelligently safeguarding customer privacy and security. We strictly adhere to relevant laws, regulations, and regulatory policies in the industry, such as the new Civil Code of the People's Republic of China regarding the protection of personal information privacy rights, and the Personal Information Protection Law of the People's Republic of China released by the National People's Congress.

Additionally, to meet national regulatory requirements and deeply integrate consumer protection concepts, we have newly launched the Loan Consumer Rights Protection Center (Consumer Safety Center). This center provides users with privacy protection, security services, reporting feedback, and popular science propaganda functions. Leveraging the company's "security" genes, we safeguard consumer rights, serving loan users a cumulative total of 150,000 times throughout the year, and sharing related achievements at industry seminars, receiving high praise from regulatory agencies.



## Case: Financial Consumer Rights Protection Education and Propaganda Month

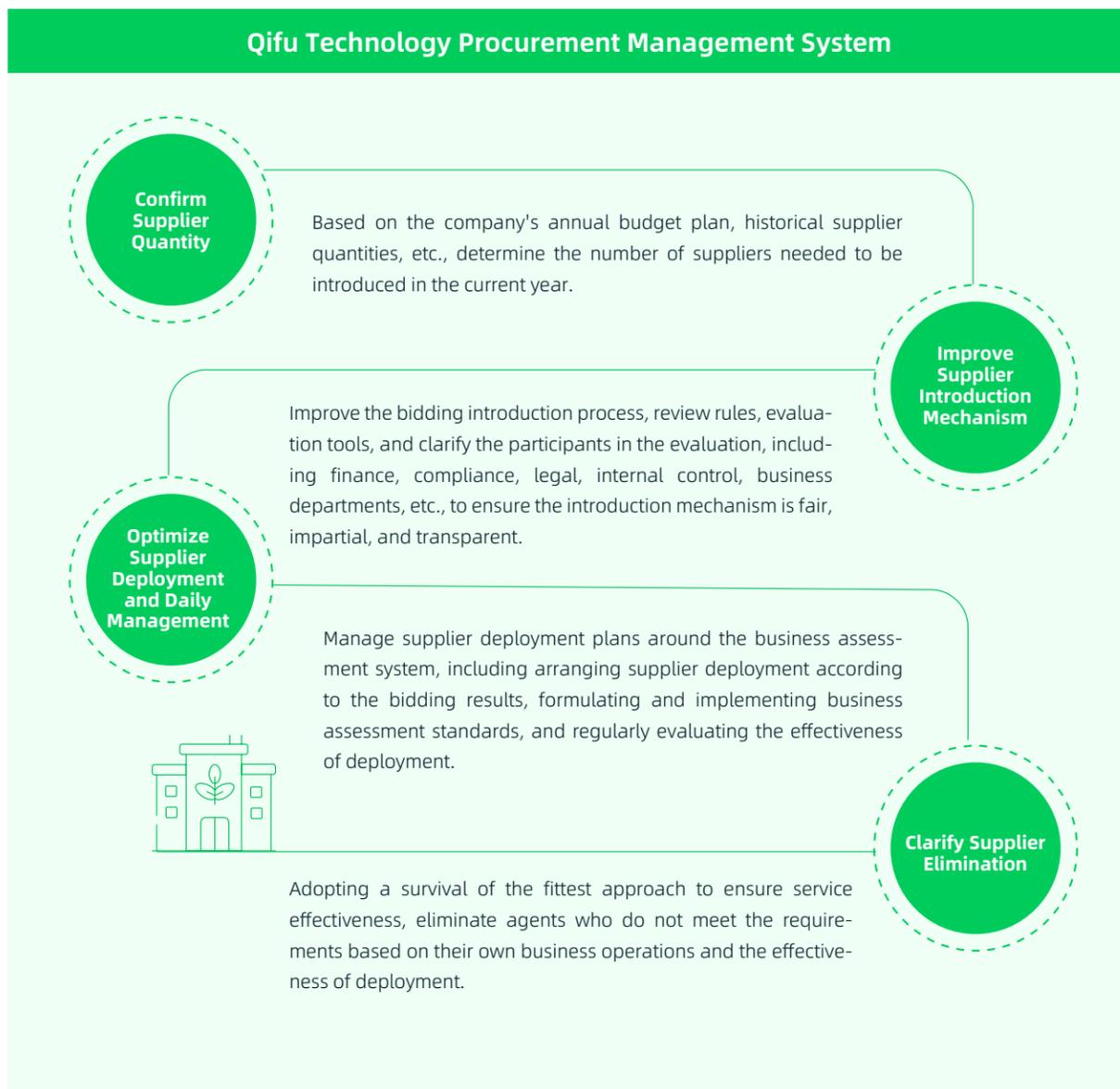
From September 15 to October 15, 2023, the China Banking and Insurance Regulatory Commission, the People's Bank of China, the China Securities Regulatory Commission, and the Cyberspace Administration of China jointly launched the "Financial Consumer Rights Protection Education and Propaganda Month" activity, guiding various financial institutions to focus on educational propaganda in "entering rural areas, communities, campuses, enterprises, and commercial districts."

To effectively improve the financial literacy of people, safeguard the legitimate rights and interests of financial consumers, and create a fair, just, honest, and orderly market environment, Qifu Technology's Consumer Protection Department responded to the regulatory call, closely centered around the theme of "Convergence of Financial Strengths, Creating a Better Life," sinking the focus of education and propaganda, getting close to financial consumers, and focusing on service scenes and high-frequency matters related to daily life, conducting financial education and propaganda through multiple channels and forms. Within the company, Qifu Technology attaches great importance to the construction of consumer protection culture and the cultivation of a consumer protection atmosphere. Posters promoting financial consumer protection education month are placed in various workplaces to create a rich consumer protection culture atmosphere, further strengthening the sense of mission and enhancing employees' awareness of consumer protection and service level.



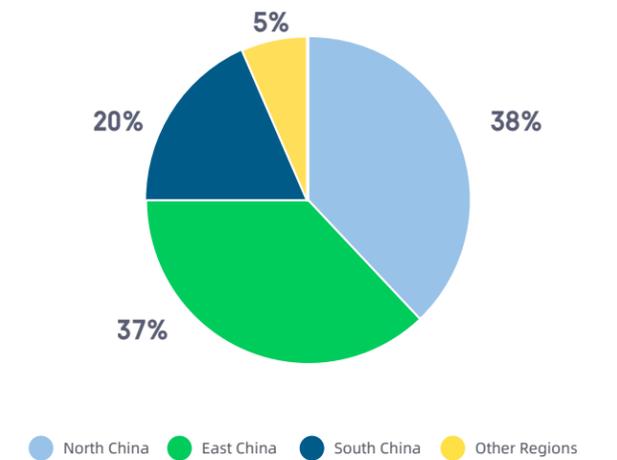
# Supplier Management

The company places great emphasis on supply chain management, establishing the "Qifu Technology Procurement Management System" internally. Based on principles of fairness, impartiality, and transparency, the system clearly defines standardized and regulated procurement procedures and requirements for supplier management. This includes but is not limited to the review and qualification assessment of supplier sources, supplier evaluation/price inquiry, and the standardization of supplier maintenance and elimination. In 2023, we optimized our specific requirements for suppliers through the following procedures:



In 2023, the number of cooperative suppliers in the User Growth Department of Qifu Technology reached 141, with Chinese suppliers accounting for 100%. Qifu Technology has established long-term mutually beneficial cooperative relationships with suppliers providing high-quality services. Through a rich business matrix, reasonable and effective business policies, and rapid response mechanisms, we support the coordinated and healthy development of suppliers in multiple regions. Currently, the proportion of suppliers in North China, East China, and South China accounts for 38%, 37%, and 20% respectively. Additionally, in 2023, by optimizing the automated settlement platform, we shortened the settlement cycle with cooperative suppliers, greatly improving the efficiency of their fund turnover, making cooperation more in-depth and mutually beneficial.

Suppliers Proportion by Region



## Industry Win-win

Qifu Technology understands the importance and driving force of sharing, striving to promote industry win-win cooperation. On the one hand, we maintain an ecological mindset and open attitude, fully linking up with partners to form a multi-party win-win pattern in technology and business; on the other hand, we focus on technology, increase investment from basic research to applied research, practice the responsibility of leading technology companies, continuously broaden the boundaries of technology, and promote the progress of the entire fintech industry. To this end, we jointly compiled the first domestic large-scale model standard for the financial industry with multiple companies, promoting the joint development of the industry; cooperated with 360 Brain to promote the development of large-scale financial industry models; cooperated deeply with Huawei Terminal Cloud Services to promote financial services inclusiveness; and worked closely with JD Supply Chain Financial Technology to inject strong financial power into various types of enterprises.

### ▶ Case: Qifu Technology Leads the Compilation of the First Domestic Large-scale Model Standard for the Financial Industry

Adhering to the cutting-edge concept of open technology, Qifu Technology promotes its own pioneering experience to the industry, condensing it into standards, setting a new benchmark for the exploration of large-scale models in the financial industry. On September 18, 2023, the Trustworthy AI Conference and Nanjing Artificial Intelligence Industry Development Conference was successfully held. As a major participating unit, Qifu Technology, together with more than 40 companies, jointly compiled the first domestic large-scale model standard for the financial industry, "Part 1: Financial Large Model" in "Methods and Applications Assessment for Industry-Oriented Large-scale Pre-trained Models". The formal release of this standard provides important basis and reference templates for the design, research and develop-



ment, application, and subsequent acceptance of large-scale models in the financial industry. As the leading unit in the drafting of the standard, Qifu Technology has successfully developed many large-scale model scene applications closely related to specific financial businesses under the support of large models, covering key business areas such as customer acquisition, operations, risk control, and post-loan services, demonstrating strong development potential and inherent strength.

### ▶ Case: Reached Cooperation with Huawei Terminal Cloud Services to Promote Inclusive Financial Services

On August 4, 2023, Qifu Technology and Huawei Terminal Cloud Services announced comprehensive cooperation at the 2023 Huawei Developer Conference, aiming to closely integrate Qifu Technology's financial technology with Huawei's extensive terminal ecosystem. Through this cooperation, Huawei terminal users will be able to enjoy convenient and secure financial services brought by Qifu Technology, promoting the process of financial service inclusiveness. At the same time, Qifu Technology will also leverage the coverage and influence of Huawei Terminal Cloud Services to reach a wider user base, enhancing brand influence and market competitiveness. Both parties are committed to bridging the key nodes between consumer scenarios and financial services, promoting the recovery and growth of the consumer market, and bringing users a better experience. Zheng Yan, Senior Vice President of Qifu Technology, stated, "We are confident and capable of bringing inclusive and high-quality financial services to all customers of Huawei Terminal Cloud ecosystem." The success of this cooperation marks significant progress for both parties in advancing ecological synergy and enhancing user experience.



**Case: Awarded the Title of Best Partner by JD, Exploring New Paths for Inclusive Micro and Small Enterprises**

On October 25, 2023, at the Supply Chain Financial Technology Conference hosted by JD, Qifu Technology was awarded the title of "Best Partner in JD Supply Chain Financial Technology 2023" for its solid partnership and excellent risk management capabilities, further consolidating its leading position in the field of micro and small financial technology. Through deep cooperation with JD Supply Chain Financial Technology, Qifu Technology has been able to penetrate various links in the industrial chain and accumulate rich data assets. Leveraging advanced artificial intelligence and cloud computing technology, Qifu Technology has significantly enhanced the supply capacity of supply chain finance for financial institutions, injecting strong financial power into various types of enterprises. It is worth mentioning that Qifu Technology's independently developed Argus Intelligent Risk Control Engine has played a crucial role in risk assessment, effectively ensuring comprehensive risk control throughout the loan lifecycle. As of now, Qifu Technology has served more than 9 million micro and small users and will continue to explore new areas of financial technology with partners, promote innovation in micro and small finance, and contribute to the high-quality development of China's real economy.



In 2023, Qifu Technology actively contributed advanced experiences to the industry by participating in the drafting of several industry standards



# 07 People-oriented Approach

We prioritize the cultivation, motivation, and development of our employees, actively implementing policies to attract and retain talents, and creating a favorable working environment and development opportunities to enhance their work experience.

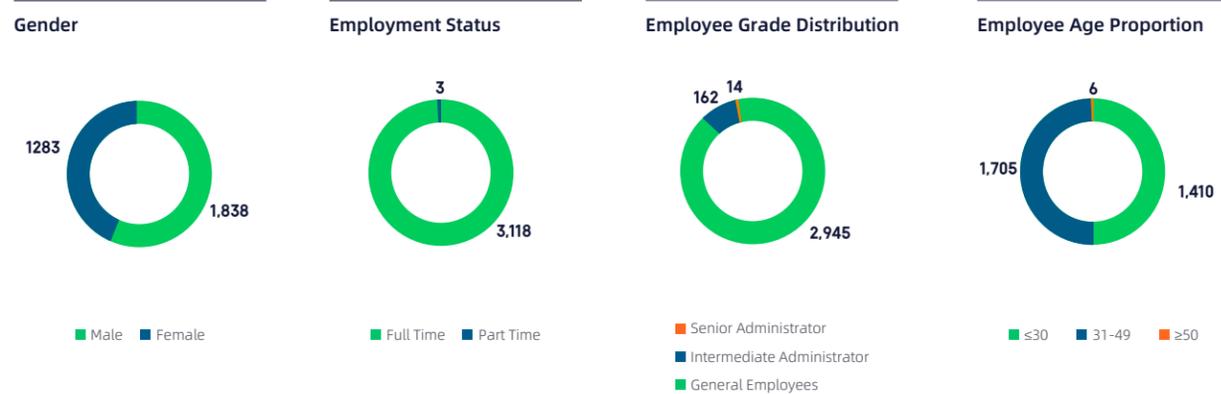


## People-oriented Approach

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Qifu Technology believes that employees are crucial core assets for the company's continuous development and success. As a technology-driven company, we are committed to providing broad development space for more outstanding talents. Within the company, we have established the "Employee Handbook" and "Social Recruitment Process Specification," set scientific standards for employment, training, health, and safety to ensure employees' health and safety, and establish friendly and harmonious employment relationships, aiming to build a talent team that meets the company's culture and strategic requirements. Based on our entrepreneurial and development experience, we have formulated Qifu Technology's unique talent view: self-driven, result-oriented, resilient, positive, and open-minded. Based on this talent view, we focus on the cultivation, motivation, and development of employees, actively implement policies to attract and retain talents, and create a good working environment and development opportunities for employees to enhance their work experience.

In 2023, the total number of employees in the company was 3,121, with male employees accounting for approximately 59% and female employees accounting for approximately 41%. There are currently 3,118 full-time employees, accounting for 99.9% of the total company workforce. Additionally, the company focuses on building a young and high-quality team, with employees under 30 accounting for 45%, who are innovative and brave, adding vitality to the company.



## Diverse Compensation and Benefits System

At the compensation level, Qifu Technology adopts a comprehensive compensation philosophy that reflects employees' value and contributions from multiple perspectives, integrating various incentive methods organically to form a positive bond between the organization and employees, enabling mutual growth for employees and the company. We have established the "Compensation Management System" internally to build a comprehensive employee compensation system, creating a fair, just, transparent, and scientific compensation performance system.

Our compensation system is diversified, consisting mainly of fixed wages, floating wages, allowances, overtime pay, etc. Among them, floating wages are linked to the company and individual performance, promoting employees' attention to the company's development and operating conditions, cultivating employees' sense of ownership, stimulating employee initiative, and promoting organizational efficiency improvement. In addition to regular compensation, we also design various long and short-term incentive methods and conduct scientific compensation management based on labor assessment principles combined with employee performance assessments, following the compensation distribution concept of "paying for positions, abilities, and performance," motivating employees to continuously improve their personal capabilities and grow with the company. We conduct regular external market compensation surveys to ensure that employee compensation is fair internally and competitive externally, ensuring that employees receive reasonable rewards. In addition to fully paying social insurance for employees in accordance with the law, the company also provides additional supplementary medical insurance, holiday gifts, and wedding, funeral, birthday gifts, etc., to enhance employee happiness.



To ensure a balance between employees' work and life and improve work flexibility, we provide flexible working hours for employees to arrange their schedules flexibly. The company provides professional instant communication tools, and employees can choose to work from home when encountering special circumstances, efficiently completing work through convenient online communication systems. In addition to enjoying weekends off, statutory holidays, various holidays, maternity leave, breastfeeding leave, childbirth leave, marriage and funeral leave, etc., employees of Qifu Technology also enjoy one day of paid sick leave per month, allowing employees to seek medical treatment promptly and fully rest.

At Qifu Technology, we have established the 'Employee Care Management Measures' internally to effectively implement employee care initiatives. We provide tangible benefits and cash assistance for employees' weddings, childbirth, hospitalization recovery, severe illness or disability, and other life events. Additionally, considering the objective conditions of workplaces in different locations, we offer various perks such as afternoon tea, cafeteria, contracted fitness

centers, sports clubs, shuttle buses, medical rooms, and first aid kits to create a reassuring and pleasant work environment for our employees.



# "happy work, happy life"

In terms of employee care, Qifu Technology advocates the concept of "happy work, happy life" and create a comfortable working environment through various employee activities. We genuinely care about employees' lives and provide a variety of leisure activities, striving to achieve a balance between work and life for employees, and exerting our best efforts to assist employees and make life more convenient, thus enhancing employee cohesion and sense of belonging.

## Sports Club:

The company consistently focuses on enhancing employee happiness and cohesion. The Employee Sports Club regularly organizes various activities and competitions based on employee feedback.



## Instant Incentive Activities:

The company conducts instant incentive activities quarterly to reward outstanding performance employees with multiple small-scale incentives, enhancing both team benchmarks and employee honor.



## Cultural Theme Activities:

Regular cultural theme activities are planned and conducted (including activities such as Spring Festival outings, International Women's Day celebrations, Teacher's Day events, Programmer's Day celebrations on October 24th, Christmas parties, etc.), allowing employees to fully experience the festive atmosphere and the company's care.



## Special Team Building Activities:

Each team organizes special team-building activities regularly according to its actual operation and management status. Through various colorful and innovative activities, team cohesion is further enhanced to create a more cohesive and effective team.



## Health and Safety Focus

### 1 Ensuring Occupational Safety and Health

Qifu Technology cares about the health and safety of every employee and always prioritizes employee health and safety. The company has established a comprehensive Environment, Health, and Safety (EHS) management system, strengthened EHS organizational structure and management capabilities, clarified EHS assessment indicators, and continuously improved the company's EHS management level and employee awareness. Throughout the business development process, the company consistently adheres to the concept of safety first. Through measures such as organizational construction, strengthening employee health and safety awareness, and establishing health and safety systems, a distinctive culture of health and safety has been formed at Qifu Technology. The company ensures employee occupational safety and health through methods such as organizing employee physical examinations, conducting health promotion activities, organizing safety training, and conducting safety inspections.

### 2 Valuing Employee Physical and Mental Health

The company provides comprehensive health check-up benefits for all employees, organizes annual physical examinations, upgrades the examination packages every year, and invites professional physicians to interpret examination reports and provide shoulder and neck relaxation massages and other employee occupational health care activities. Additionally, the company particularly focuses on the mental health of workplace employees. Through cooperation with the Beijing "Xinqihang Service Center," emotional counseling services are provided to employees to relieve stress and ensure employees' mental health. The company also offers specialized training courses on "Workplace Stress Response and Emotional Management" for colleagues in need, aiming to provide targeted counseling support for post-pandemic and high-pressure team members or those hoping to improve their professional qualities, receiving approval from numerous participants.



## Comprehensive Talent Development Path

The company emphasizes the training and improvement of employees' knowledge, skills, and professional qualities, and has established a mature training system and promotion development mechanism. To this end, we have developed a comprehensive talent development system to enhance employees' self-drive, thinking ability, and problem-solving skills. The company is committed to providing training and development opportunities for employees to maximize their business potential and management capabilities. At the same time, the company advocates for employees to enhance themselves in actual combat, establish learning-sharing mechanisms, and precipitate organizational wisdom. As of the end of the reporting period, our new employee retention rate reached 75%, and the majority of core personnel are talents cultivated internally by the company.

### Employee Training

Qifu Technology adheres to the values of "talent first, knowledge first," emphasizing talent cultivation and development while establishing a comprehensive talent development system to broaden employee career paths. Through various channels and multi-level training programs, we continuously improve our talent pool.

We have designed a variety of training courses tailored to different groups of employees, including new employees, grassroots employees, reserve talents, technical experts, emerging leaders, and core managers. These training programs aim to enhance the comprehensive abilities of employees at all levels. The training content covers leadership and comprehensive skills enhancement, compliance, patent protection, fraud prevention, relevant business knowledge, and institutional training, providing comprehensive learning opportunities for employees in different positions.



### ▶ New Employee Onboarding Training

In 2023, the monthly offline training sessions for new employee onboarding were conducted, featuring invited core management to share their insights. Simultaneously, training sessions on corporate culture promotion, risk control, internal audit, and other professional knowledge were organized, including interactive sessions such as case studies. This comprehensive training approach earned a satisfaction score of 97 out of 100 in the survey among the new employee training attendees, indicating the recognition of the well-organized and effective onboarding training.



## ▶ Committee Special Shares

A total of 36 training/empowerment sessions were conducted (12 at the company level, 6 at the committee level, 10 interdepartmental at the channel level, and 8 within departments at the channel level).



## ▶ Performance Management System

The company has established a closed-loop performance management system aimed at internally implementing a goal-oriented performance management mechanism. It guides employees through the entire performance management process, including goal setting, performance review, self-assessment, evaluation, feedback, and improvement, to enhance team management capabilities and achieve Qifu technology's strategic goals while also improving employees' individual abilities. Performance evaluations are conducted mid-year and at the end of each year, utilizing a full-360-degree assessment approach, strictly adhering to performance management principles to ensure a comprehensive, objective, and fair evaluation of employees.

### Open, Fair and Impartial

Fully disclose the criteria, procedures, methods and time of appraisal, adopt the same appraisal criteria for similar appraisal subjects. Meanwhile, conduct objective discussions or sunlights on performance targets and results to ensure the transparency and credibility of performance management.

### Suitability

The company has the right to adjust the assessment plan in a timely manner in accordance with the company's operating conditions and management needs, and the implementation details of the assessment shall be subject to the specific plan.

### Dynamic Target

Performance goals are updated through regular performance reviews, and the performance management process revolves around dynamic performance goals.

## The Five Principles of Performance Management

### Objectivity

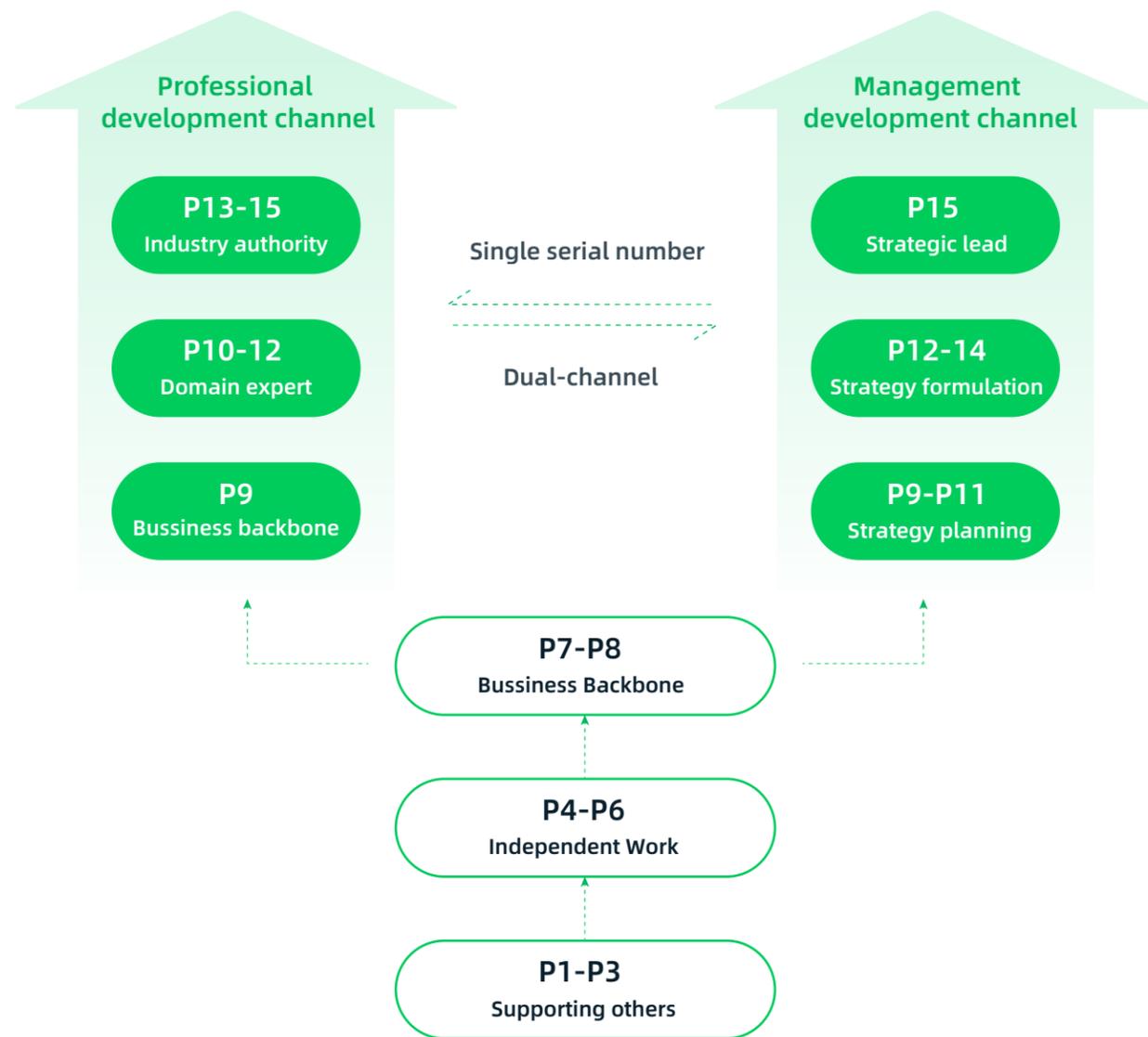
In the process of performance management, insist on objective facts and contributions as the basis for evaluation/assessment and avoid uncritical subjective assumptions/private emotions from influencing the assessment results

### Contribution Enhancement

Performance goals focus on creating value for the company or improving work and require individuals to build on their existing work contributions and to improve working criteria or try new ways of working.

## Performance Management System

Qifu technology has formulated the "Qifu technology Promotion Management System," emphasizing equal opportunities in employee promotion. The company respects employees' career development plans, providing dual-channel development paths. Employees have the opportunity for promotion every year, based on past performance, development potential, personal capabilities, cultural values, etc. Through promotion counseling and defense sessions, employees can be promoted with higher responsibilities.



## Protection of Employee Rights

Qifu technology strictly adheres to labor laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, etc. It has also established and implemented a series of internal regulations such as the Employee Handbook, Welfare System, Performance Appraisal Management Measures, Compensation Management System, etc., to fully protect employees' rights and interests. Qifu technology strictly follows national and local social security mechanisms, signs labor contracts with employees, pays social insurance, housing provident fund, ensures paid annual leave, marriage leave, maternity leave, paternity leave, sick leave, bereavement leave, home leave, etc., to effectively safeguard employees' legal rights and interests. The company ensures that all employees hired are of legal working age, resolutely eliminating the employment of child labor and forced labor. If any cases of child labor or forced labor are found, strict measures will be taken according to relevant procedures, and those involved will be severely punished. During the reporting period, the company did not engage in any illegal employment of child labor or forced labor in any region.

Qifu technology adheres to the principles of equality and diversity in employment, strives to create an inclusive corporate culture, supports comprehensive and merit-based employment standards, guarantees employees' equal employment rights, firmly opposes employment discrimination, and does not discriminate against employees based on religion, nationality, race, gender, age, marital status, etc., thereby safeguarding employees' equal employment and promotion opportunities. If employees' rights are violated, we are willing to communicate and negotiate with employees to protect their legitimate interests with practical actions.

Furthermore, based on an open and inclusive value system, we highly respect the opinions and suggestions of every employee, establishing various communication channels for them to express their thoughts. In addition, we have set up an anonymous suggestion box for employees to freely voice their opinions. Additionally, we conduct an annual employee satisfaction survey and analyze the results to address employees' primary concerns.



# 08 Proud of Green

Qifu technology adheres to the green environmental protection concept of harmonious coexistence between humans and nature, emphasizing the environmental impact during operations and establishing a comprehensive EHS management system. The company rationalizes the use of clean energy, effectively addresses climate change, and continuously advocates for low-carbon office practices. It actively engages in environmental protection activities to effectively reduce the company's impact on the surrounding environment.



## Resource Usage

Qifu technology strictly complies with relevant environmental protection laws and regulations, such as the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, and the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution. In terms of emission reduction, energy conservation, water conservation, and waste reduction, the company has set practical and feasible environmental goals to effectively reduce greenhouse gas emissions as well as the use of energy and water resources, aiming to minimize the impact of operational activities on natural resources. Additionally, the company strives to create green office spaces, promote green office and lifestyle practices, and advocate for green products and services to fulfill its commitment to green operations, thereby continuously expanding its corporate influence in green environmental protection.

### Resource Usage

Qifu technology follows the relevant provisions of the Energy Conservation Law of the People's Republic of China, establishes an internal emission reduction system, strengthens energy management in office areas, comprehensively reduces resource consumption, enhances employees' awareness of emission reduction, and significantly reduces electricity consumption. In 2023, there was a substantial reduction in total electricity consumption, and a decrease of 18.1% in electricity density compared to the previous year.

Resource Consumption Category	Unit	Total
Gasoline	MWh	52.2
Total Electricity Consumption	MWh	1276.2
Per Capita Electricity Consumption	MWh per person	0.41

### Water Resource Consumption

In terms of water usage, Our water consumption is already at a relatively low level, and the goal is to maintain this normal level of water usage in the future. Therefore, we strictly adhere to laws and regulations such as the "Law of the People's Republic of China on the Prevention and Control of Water Pollution" and the "Regulations on Urban Drainage and Sewage Treatment," and strengthen water conservation awareness among employees during daily operations. We promote the company's annual water-saving objectives to employees and replace various water appliances with water-saving models whenever possible. In 2023, the company achieved significant results in water conservation, with a total water reduction of 21,606 tons compared to the previous year, and a decrease in water density by 25.6%.

Resource Consumption Category	Unit	Total
Total Water Consumption	Tonnes	62,634
Per Capita Water Consumption	Tonnes per person	24.21

## Emission Management

Our company, primarily a financial enterprise focused on low energy consumption and minimal pollution, does not involve industrial wastewater, exhaust gases, air pollutants, or the consumption of packaging materials. We strictly comply with laws and regulations such as the "Law of the People's Republic of China on the Prevention and Control of Air Pollution" and the "Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution," establishing a standardized emission management system. We use environmentally friendly materials in our operations, set and regularly review environmental emission targets, and strive for sustainable environmental development.

### Greenhouse Gas Emissions

Regarding pollutant gas emissions, our operations have no significant environmental impact. However, the company still generates greenhouse gases through gasoline consumption and purchased electricity. Therefore, we have implemented various measures to reduce greenhouse gas emissions.

Resource Consumption Category	Unit	Total
Scope 1	Metric tons of CO2 equivalent	14.35
Scope 2	Metric tons of CO2 equivalent	1383.61
Total Greenhouse Gas Emissions	Metric tons of CO2 equivalent	1397.96
Per Capita Greenhouse Gas Emissions	Metric tons of CO2 equivalent per person	0.45

### Harmful and Non-harmful Waste

In accordance with the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste" and the "National Hazardous Waste List" implemented by our company, waste is classified and disposed of accordingly. Recyclable paper is centrally collected, and toxic waste is handled by designated personnel. Ink cartridges, ribbons, toners, used batteries, and office computers are centrally collected and disposed of. Since our business does not involve significant industrial manufacturing activities, we do not generate large amounts of hazardous waste. Our hazardous waste mainly consists of used batteries, while non-hazardous waste includes household garbage and office paper consumption waste. During the reporting period, our company did not violate any laws or regulations related to environmental protection.

Resource Consumption Category	Unit	Total
Hazardous Waste	噸Tonnes	0.04
Non-Hazardous Waste	Tonnes	503.04
Total Waste Emissions	Tonnes	503.08
Per Capita Waste Emissions	Tonnes per person	0.16

# Green Business

## Green Office

The company is fully aware of its social responsibility for environmental protection and resource conservation. We actively explore green management models to achieve our business goals and sustainable development scientifically. We strictly adhere to national and industry-related environmental protection laws and regulations, implement green and low-carbon development concepts in daily operations, and improve environmental performance in energy saving, water conservation, and waste reduction. In 2023, the company made the following efforts:

### Energy and Water Conservation

Strictly monitor the use of electrical facilities such as lighting and multimedia, turning off lighting and multimedia devices during non-office hours, and use induction lights, LED energy-saving lamps, or introduce natural lighting through glass curtain walls for illumination.

Select high-performance variable frequency chillers and pumps to improve energy utilization efficiency.

Use water-saving sanitary ware in office areas, conduct regular inspections of sanitary ware and valves in areas such as toilets and tea rooms to prevent water equipment from leaking.

Introduce weak current intelligent control systems and install time-controlled switches on landscape lighting fixtures to reduce lighting energy consumption.

Adjust air conditioning system operating parameters in a timely manner, maintain low-temperature operation during the heating season at night, encourage the closure of air conditioning equipment in office areas and non-key areas under suitable temperature and seasonal conditions, and use natural ventilation more, avoiding unnecessary energy consumption.

### Green Office



- Promote double-sided printing of documents, set up waste paper bins, and effectively reuse waste paper.
- Continuously improve the approval process integration based on the OA office platform and practice intelligent office management.
- Encourage the purchase of new energy vehicles and encourage employees to use public transportation.

### Waste and Reduction Management



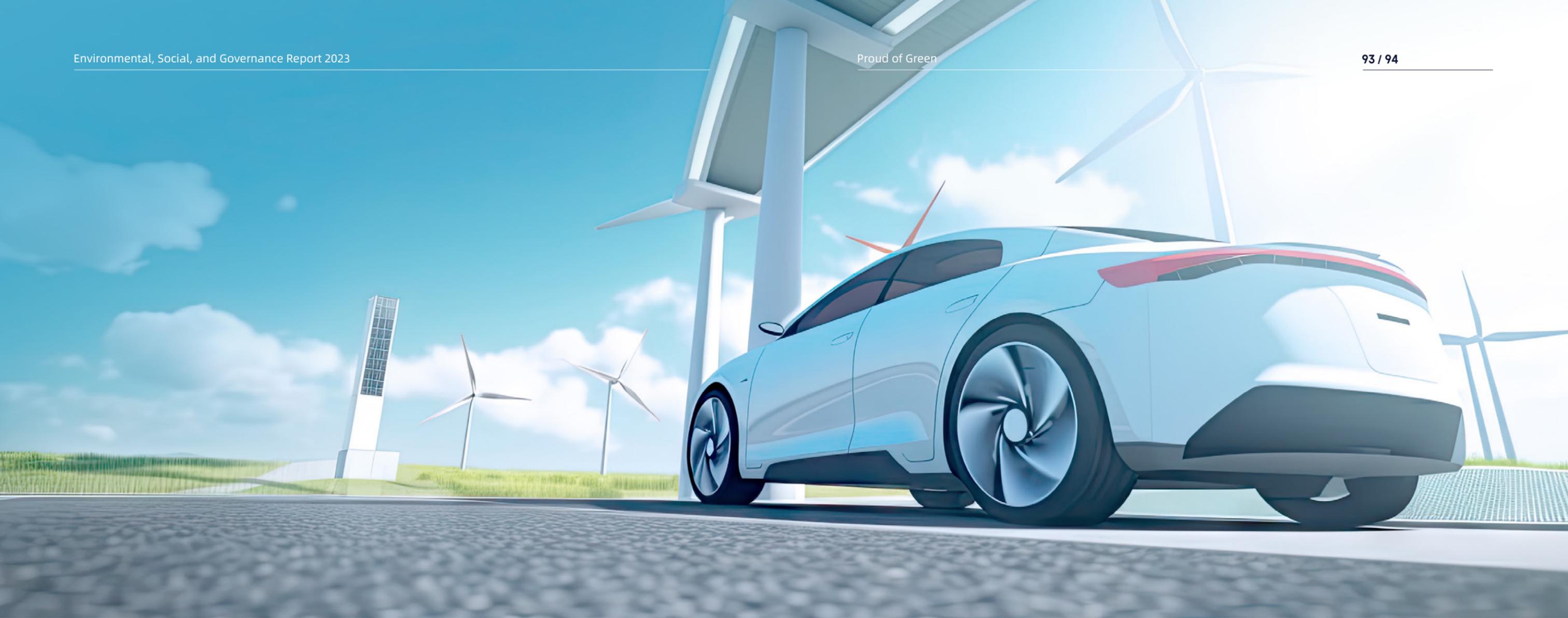
- Use classified trash bins in office areas and transport collected classified trash to property garbage recycling stations for classified processing.
- All hazardous waste is uniformly collected by qualified recyclers, including waste toners, ink cartridges, and batteries generated by office printing equipment, ensuring that 100% of hazardous waste is compliantly processed.

### Green Decoration



- Use green and environmentally friendly materials in the interior design of office buildings, regularly monitor indoor air quality in office buildings, and create a comfortable and green working environment for employees.





## Assist environmental protection enterprises

In addition to serving individual consumers, Qifu Technology also provides specialized services for environmental protection enterprises. As of the end of 2023, Qifu Technology has empowered financial institutions with technology and has cumulatively injected a total of 16.05 billion yuan in loans into 216,000 environmental industry enterprises. These environmental industry enterprises include renewable energy, clean technology, waste treatment, energy conservation, and emission reduction, among other areas. The special funds are used to help companies upgrade their technologies, improve production efficiency, reduce resource waste, and environmental pollution, actively promoting sustainable development.

 **216,000**  
Cumulative number of environmental industry enterprises supported

 **16.05 billion yuan**  
Cumulative loan amount injected into environmental industry enterprises

Furthermore, in 2023, Qifu Technology continued to increase its support for the purchase of new energy vehicles through consumer finance, implementing measures such as green channels and low-carbon subsidies. As of the end of the reporting period, we have assisted financial institutions to issue 25.96 billion yuan of new energy vehicle owner loans in total and served a total of 175,000 new energy vehicle owners. We have always believed that new energy vehicles are not only powerful tools for reducing global transportation industry carbon dioxide emissions but also key areas of "specialization and innovation" supported by the country.

### Increased consumer finance support for the purchase of new energy vehicles

Cumulative new energy vehicle owner loans facilitated by financial institutions

**25.96 billion yuan**

Cumulative number of new energy vehicle owners served

**175,000**

## Promotion

Qifu technology has formulated the "Qifu technology Promotion Management System," emphasizing equal opportunities in employee promotion. The company respects employees' career development plans, providing dual-channel development paths. Employees have the opportunity for promotion every year, based on past performance, development potential, personal capabilities, cultural values, etc. Through promotion counseling and defense sessions, employees can be promoted with higher responsibilities.



The company actively focuses on climate change issues, identifies the risks and opportunities that climate change brings to its business, formulates actions to address climate risks, and fully explores opportunities. Our climate change risks mainly include extreme weather events caused by climate change. Our climate change opportunities mainly include developing green and low-carbon products to enhance industry competitiveness and corporate operational efficiency, as well as applying green and environmentally friendly technologies in data centers to reduce corporate operating costs in the medium to long term.

The company has established a special working group and management mechanism to deal with climate change, formulated emergency plans for various emergencies, clarified the responsibilities of various departments in emergency response, and ensured that emergency rescue work can be carried out orderly in emergency situations. In addition, the company conducts regular emergency drills to continuously verify and improve the emergency response capabilities of various departments, enhance employees' crisis response awareness, and reduce environmental pollution risks.

In terms of coping with extreme weather, we assess the impact of extreme weather conditions on our operations, formulate targeted wind prevention plans, flood prevention plans, snow prevention plans, earthquake and lightning disaster prevention plans, clarify emergency event handling responsibilities and emergency reporting procedures, and stipulate the content and frequency of daily drills to minimize the impact of extreme weather on operations or asset losses.



# 09 Appendix

Content Index of ESG Guide



Aspect	Description	Location
<b>A. Environment</b>		
<b>Aspect A1: Discharge</b>		
<b>General disclosure</b>	Information relating to waste gas and greenhouse gas discharge, sewage to water and land, hazardous and non-hazardous waste generation, etc.: (a) Policies; and (b) Comply with laws and regulations that have a significant impact on issuers	Emission management
<b>A1.1</b>	Types of emissions and respective emissions data.	Emission management
<b>A1.2</b>	Direct (Scope 1) and Energy Introduction (Scope 2) greenhouse gas emissions (in tonnes) and (where applicable) intensity (e.g. per unit of production volume, per facility).	Data statistics
<b>A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data statistics
<b>A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data statistics
<b>A1.5</b>	Description of emission targets devised and steps taken to achieve the targets.	Emission management
<b>A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, targets devised for wastes reduction and steps taken to achieve the targets.	Emission management

Aspect	Description	Location
<b>Aspect A2: Resource Use</b>		
<b>General disclosure</b>	Policies on the effective use of resources including energy, water and other raw materials.	Resource utilization
<b>A2.1</b>	Direct and/or indirect energy consumption (e.g. electricity, gas and oil) by type in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Data statistics
<b>A2.2</b>	Total water consumption and intensity (e.g. per unit of production volume, per facility).	Data statistics
<b>A2.3</b>	Description of targets devised for energy use efficiency initiatives and steps taken to achieve the targets.	Resource utilization
<b>A2.4</b>	Description of whether there is any issue in sourcing water, targets devised for water use efficiency initiatives and steps taken to achieve the targets.	Resource utilization
<b>A2.5</b>	Total packaging material used for finished products (in tonnes) and, where appropriate, with reference to per unit produced.	Data statistics

Aspect	Description	Location
<b>Aspect A3: Environment and Natural Resources</b>		
<b>General disclosure</b>	Policies on minimizing the issuer’s significant impact on the environment and natural resources.	Emission management
<b>A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emission management
<b>Aspect A4: Climate Change</b>		
<b>General disclosure</b>	Policies on identification and mitigation of significant climate related issues which have impacted, and those which may impact, the issuer.	Green business
<b>A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green business

Aspect	Description	Location
<b>B. Society</b>		
<b>Aspect B1: Employment</b>		
<b>General disclosure</b>	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti discrimination, and other benefits and welfare on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Protection of Employee Rights  Diverse Compensation and Benefits System
<b>B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	Data statistics
<b>B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Data statistics
<b>Aspect B2: Health and Safety</b>		
<b>General disclosure</b>	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.	Health and Safety Focus
<b>B2.1</b>	Number and rate of work-related fatalities in the past 3 years (including the reporting year)	Health and Safety Focus
<b>B2.2</b>	Lost days due to work injury.	Data statistics
<b>B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety Focus

Aspect	Description	Location
<b>Aspect B3: Development and Training</b>		
<b>General disclosure</b>	Policies on improving employee’s knowledge and skills for discharging duties at work. Description of training activities.	Comprehensive Talent Development Path
<b>B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior and intermediate management).	Data statistics
<b>B3.2</b>	The average training hours completed per employee by gender and employee category.	Data statistics
<b>Aspect B4: Labor Code</b>		
<b>General disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	Protection of Employee Rights
<b>B4.1</b>	Description of measures to review employment practices to avoid child and forced labor.	Protection of Employee Rights
<b>B4.2</b>	Description of steps taken to eliminate the situation when discovered.	Protection of Employee Rights
<b>Aspect B5: Supply chain management</b>		
<b>General disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Supplier Management
<b>B5.1</b>	Number of suppliers by geographical region.	Supplier Management
<b>B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supplier Management

Aspect	Description	Location
<b>B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supplier Management
<b>B5.4</b>	Description of practices used to promote environmental preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supplier Management
<b>Aspect B6: Product responsibility</b>		
<b>General disclosure</b>	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	Data governance
<b>B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Data statistics
<b>B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Customer first
<b>B6.3</b>	Description of practices relating to observing and protecting intellectual property rights	Intellectual property protection
<b>B6.4</b>	Description of quality assurance process and recall procedures.	Intelligent Risk Control
<b>B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Compliance and anti-corruption

Aspect	Description	Location
<b>Aspect B7: Anti-corruption</b>		
<b>General disclosure</b>	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.	Compliance and anti-corruption
<b>B7.1</b>	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.	Compliance and anti-corruption
<b>B7.2</b>	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Compliance and anti-corruption
<b>B7.3</b>	Description of anti-corruption training provided to directors and staff.	Compliance and anti-corruption
<b>Aspect B8: Community investment</b>		
<b>General disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests.	Finance for Charity
<b>B8.1</b>	Focus areas of contribution (e.g. education, environment, labor needs, health, culture and sports).	Finance for Charity
<b>B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	Finance for Charity

## Data statistics table

Index	2023	2022
<b>Emission</b>		
Total Greenhouse Gas Emissions (Scope 1 & Scope 2) (tons)	1,397.96	1,268.11
Direct Greenhouse Gases (Scope 1)	14.35	14.16
Indirect Greenhouse Gases (Scope 2)	1,383.61	1,253.95
Total GHG emissions per employee (tons/employee)	0.45	0.58
Total Hazardous Waste Discharge (tons)	0.04	0.01
Total hazardous waste emissions per employee (tons/employee)	0.00	0.00
Total non-hazardous waste discharge (tons)	503.04	462.09
Total non-hazardous waste emissions per employee (tons/employee)	0.16	0.21
<b>Water consumption</b>		
Water consumption (tons)	62,634	84,240
Total water consumption per employee (tons/employee)	20.07	38.31
<b>Energy consumption</b>		
Total energy consumption (thousands of kWh)	1,328.40	1,620.95
gasoline	52.20	62.93
electricity	1,276.20	1,558
Total energy consumption per employee (thousands of kWh/employee)	0.43	0.74
<b>Packaging Materials</b>		
Total amount of packaging material used in finished products (tons)	Not applicable	Not applicable

Index	2023	2022
<b>Employee</b>		
Total	3,121	2,199
<b>Gender</b>		
Female	1,283	946
Male	1,838	1,253
<b>Status of employment</b>		
Full-time	3,118	2,195
Part-time	3	4
<b>Age</b>		
Below age 30	1,410	1,100
Age 30 to 50	1,705	1,093
Above age 50	6	6
<b>Regional distribution</b>		
China	3,121	2,199
Out of China	0	0
<b>Employment category</b>		
Senior management	14	14
Middle management	162	140
General staff	2,945	2,045
Employee turnover rate	20%	19%

Index	2023	2022
<b>Gender</b>		
Female	19%	19%
Male	20%	18%
<b>Age</b>		
Below age 30	21%	23%
Age 30 to 50	15%	14%
Above age 50	0%	14%
<b>Regional distribution</b>		
China	20%	19%
Out of China	/	/
Lost Days Due to Work Injury	0	0
Lost Days Due to Work Injury per person	0	0
<b>The Percentage of Employee Training</b>		
<b>Gender</b>		
Female	91%	90%
Male	92%	91%
<b>Employment category</b>		
Senior management	49%	50%
Middle management	97%	96%
General staff	100%	100%

Index	2022	2021
<b>Average hours of training completed per employee</b>		
<b>Gender</b>		
Female	6.33	6.03
Male	7.01	5.63
<b>Employment category</b>		
Senior management	3.00	2.22
Middle management	12.62	12.26
General staff	7.00	5.46
<b>Suppliers Proportion by Region</b>		
East China	52	9
South China	28	7
Central China	7	1
North China	54	35
Northwest China	0	0
Southwest China	0	0
The percentage of products sold or shipped that need to be recalled due to safety and health reasons	Not applicable	Not applicable
The number of corruption litigation cases filed against the company or its employees that have been raised and resolved	2	1

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