



QIFU 奇富科技

QiFu Technology Environmental, Social, and Governance Report 2022

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About The Report

Reporting period

Environmental, Social, and Governance Report 2022

Objectives

This ESG Report aims to identify the material sustainability issues most relevant to the Company, and provide information on how the Company is mitigating the risk and exploring the opportunities presented by them so as to provide our stakeholders with a better understanding of our social values, strategies and sustainability initiatives.

The scope of reporting

The content of this ESG report takes into account the importance of sustainable development of the company's operations. Since the Company is a financial technology company established in Shanghai, China and its main revenue is derived from its business in the Chinese market, this ESG report mainly reflects the ESG performance of the Shanghai headquarters and branch companies during the period from January 1, 2022 to December 31, 2022.

Reporting standards

The Report is compiled based on the Environmental, Social and Governance Reporting Guide, Appendix 27 of the Hong Kong Exchanges and Clearing Limited Listing Rules. We use a consistent methodology to make fair comparisons with historical data and disclose ESG performance comprehensively and objectively.

Indicator selection

The indicators in the Report are selected and elaborated upon following the principles of “materiality, quantitative, balance, and consistency” to disclose Company performance in the material issues. We will

make continuous adjustments and optimization to the disclosure indicators in subsequent reports.

Materiality: QiFu Technology uses the stakeholder right-interest model, stakeholder engagement mechanism and materiality assessment matrix to identify corporate and social responsibility issues that are material or relevant to the Company and its stakeholders.

Quantitative: QiFu Technology embodies the quantitative principle by disclosing measurable key performance indicators.

Balance: QiFu Technology presents its work in environmental, social and governance aspects in a fair and objective manner in this Report.

Consistency: QiFu Technology has adopted a consistent approach to data disclosure, compared the data over the years in the Report, and noted changes in statistical methods and key performance indicators.

Source of information

The qualitative and quantitative information used in the Report is sourced from QiFu Technology Inc.'s public information, internal documents and relevant statistics.

Company name in short

For ease of presentation and reading, “QiFu Technology, Inc.” is also referred to as “QiFu Technology”, “The Company” or “We” in this report.

Form of release

The online version of the Report is available for download on the websites of QiFu Technology, Inc. (<https://ir.QiFu.tech/>).

Feedback

This report aims to provide stakeholders and the public with a better understanding of the company's corporate social responsibility and corporate values. We welcome your comments on this report and its contents, which will help us build a consensus on corporate social responsibility. Please contact us at ir@360shuke.com.



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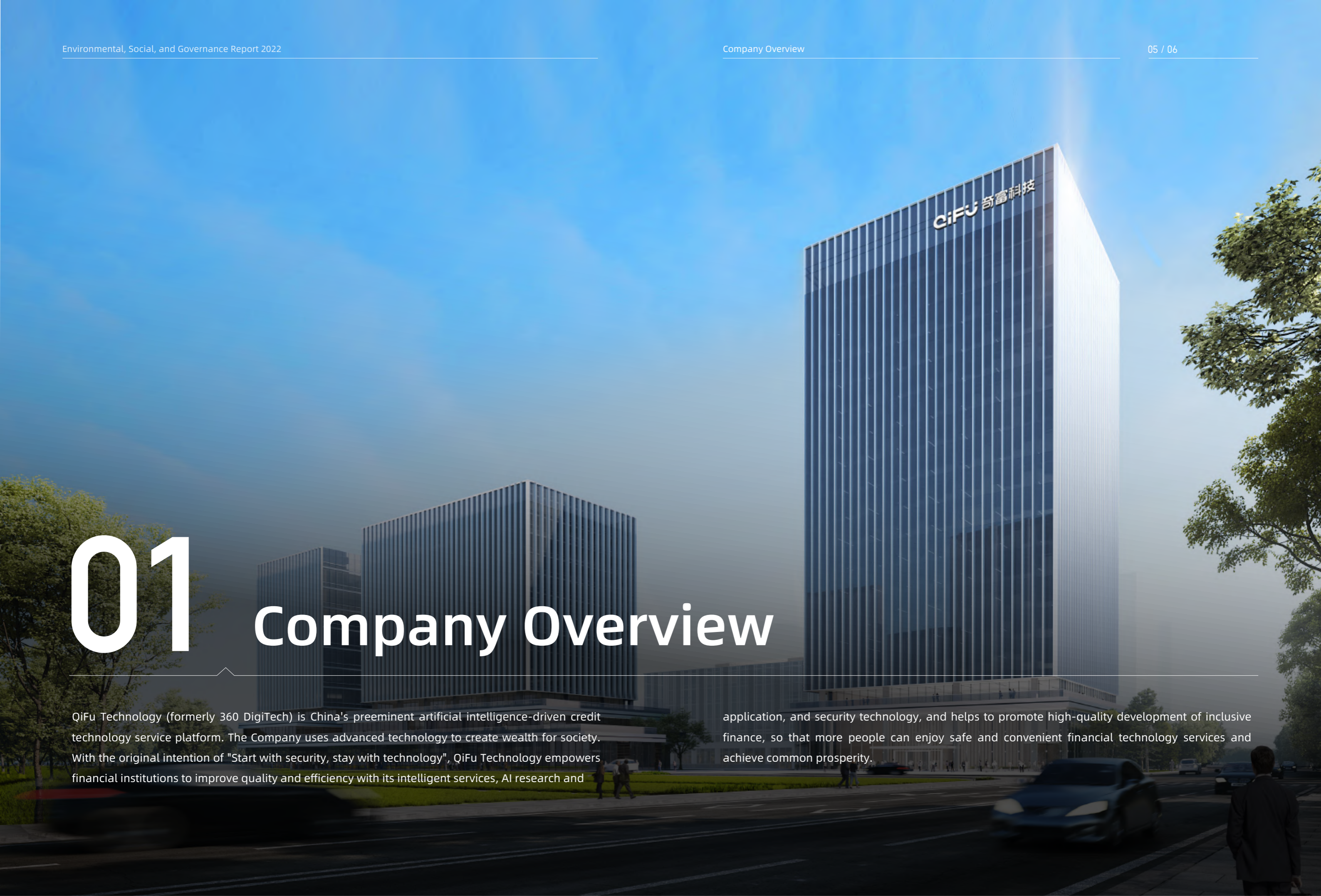
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01 Company Overview

QiFu Technology (formerly 360 DigiTech) is China's preeminent artificial intelligence-driven credit technology service platform. The Company uses advanced technology to create wealth for society. With the original intention of "Start with security, stay with technology", QiFu Technology empowers financial institutions to improve quality and efficiency with its intelligent services, AI research and

application, and security technology, and helps to promote high-quality development of inclusive finance, so that more people can enjoy safe and convenient financial technology services and achieve common prosperity.



Honors of QiFu Technology in 2022



-  Selected as a member of the "Data Security Community Program (DSC)" of the China Academy of Information and Communications Technology

-  Awarded the Jiemian News 2022 [Excellent Financial Award] Product Service Award - Leading Financial Technology Service of the Year

-  Awarded the "Most Valuable Chinese Stock" among listed companies by Zhitong Caijing

-  Awarded the "Most Valuable Chinese Stock" among listed companies by Zhitong Caijing
Awarded the "2022 ESG Excellence Enterprise" in Finance and Economics List in China by Hexun

-  Awarded the "Capital Market Communication Innovation Team" and "Excellent ESG Governance Enterprise" in the annual stocktaking of listed companies by Futu

-  Awarded the Top 20 Best Brand in Consumer Finance by Zero One Think Tank China Retail Finance List

-  Awarded the Golden Award of "2022 Outstanding Social Responsibility Enterprise" by China Investment Network

-  Awarded the "Times Public Welfare Pioneer Award" in the Times Marketing Ceremony by the Times Weekly

-  Selected as one of the "2022 Shanghai Software and Information Technology Service Industry Top 100 High Growth" by Shanghai Municipal Commission of Economy and Informatization

-  Selected as one of the "Innovative Finance List - Outstanding Contribution Platform for Small and Micro Services" by Cover Technology

-  Awarded "the Best Investor Relations Listed Company" by Futu



-  Entered the Postdoctoral Innovation Practice Base in Putuo District

-  Selected as one of the "2022 IDC China FinTech 50" list

-  Signed the Self-Regulation Convention on Personal Information Protection as one of the first enterprises

-  Won the top prize in OCR single task of the ICDAR 2019 SROIE International Competition

-  Joined the "Data Security Promotion Initiative (DSI)" of the China Academy of Information and Communications Technology (CAIC)

-  Became one of the first companies to participate in the "Data Security Management Capability Certification" jointly sponsored by China Academy of Information and Communication Technology (CAIT) Terre Terminal Lab, Security Research Institute and TLC

-  Won the first prize of Asset's annual FinTech Awards for the second consecutive year

-  Obtained ISO 27701 (Privacy Information Management System) Certification

-  Awarded the ESG Enterprise of the Year by The China Times

-  Awarded the first prize of Top 100 Enterprises in Putuo District

-  Ranked on KPMG's "Top 50 Leading Fintech Companies in China" list for the fourth consecutive year



02 Analysis of Material 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 Ranking of Substantive 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. These issues contribute to the development of ESG governance and risk management measures at the Company level and ensure that companies effectively address the significant concerns of stakeholders. These topics help to develop ESG governance and risk management measures at the company level and ensure that the Company effectively addresses the major concerns of stakeholders.

According to the principle of importance, the Company ranked the identified major substantive issues through the importance matrix and passed the review of the management. The results are as follows:

Highly important substantive issues

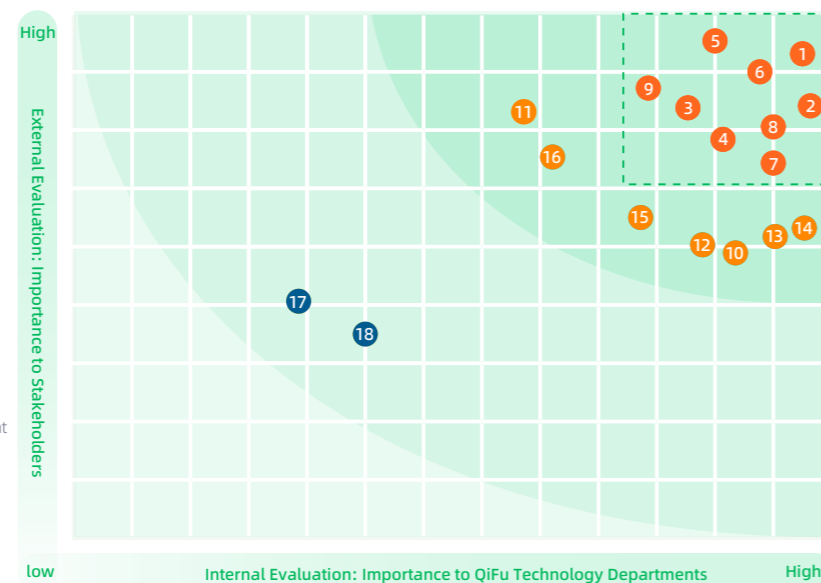
- 1 Compliance Operation
- 2 Product Quality Assurance
- 3 Innovation and R&D
- 4 Intellectual Property Protection
- 5 Privacy & Information Security
- 6 Customer First
- 7 Risk Management
- 8 Data Governance
- 9 Benefit the Small and Micro Businesses

Moderately important substantive issues

- 10 Supplier Management
- 11 Community Public Welfare
- 12 Collaborate with the Industry
- 13 Staff Training and Development
- 14 Employee Health and Safety
- 15 Green Finance
- 16 Emission Management

Minor important substantive issues

- 17 Resource Use
- 18 Response to Extreme Weather



Stakeholder Communication

We welcome stakeholders to provide feedback and exchange with the Company on sustainable development issues. For a long time, we have maintained continuous and close communication with stakeholders through a wide range of channels (including but not limited to regular business activities, media platforms and various reports), in order to better understand their views on the current social practice of the Company, and to gain insight into the deficiencies that need to be improved.

In addition, we regularly review the company's sustainable development practices related to environment, society and governance to ensure that the Company meets the expectations of stakeholders, regulators, and other market participants. The following are the concerns and communication methods of stakeholders:

Stakeholders	Substantive Issues of Concern	Response of Enterprise
Client	Innovation and R&D	Increase R&D investment in product innovation
	Product Quality Assurance	Improve customer service quality
	Privacy & Information Security	Establish data control system Enhance technical strength
	Customer First	Turn customer complaints into front-end risk control Customer complaint handling mechanism
	Risk Management	Establish credit risk control system
	Data Governance	Establish a data control system
	Benefit the Small and Micro Businesses	Conduct targeted help
	Employee Rights	Implement scientific employment standards
	Employee Health and Safety	Strengthen safety knowledge education
Staff	Staff Training and Development	Improve relevant training mechanisms
	Employee Compensation and Benefits	Improve the salary system
	Labour Standards	Establish and improve internal system
	Corporate Governance	Implement ESG governance
Shareholder	Compliance Operation	Compliance management system Establish anti-fraud reporting mechanism and policy
	Innovation and R&D	Establish industry standards and promote industry progress
	Supplier Management	Supplier evaluation and communication
Supplier	Collaborating with the Industry	Green supplier management
	Intellectual Property Protection	Establish intellectual property protection policies Strengthen training on intellectual property protection
Business Partner	Collaborating with the Industry	Share and exchange
	Compliance and Anti-Corruption Management	Information disclosure
Government and Regulatory Agencies	Resource Use	Policy formulation and implementation
	Emission Management	Strict management of emissions
	Extreme Weather Response	Implement ecological protection measures
	Green Finance	Promote green products
Environmental Organization	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
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 Boosting Financial Inclusion, Developing Green Economy

QiFu Technology is exploring more initiatives to serve the real economy through the medium of financial technology. Along the way, we have always kept the original intention of digital technology in mind, committed to transferring technological energy to the real economy without borders to make the world warmer and more colorful.



QiFu Technology is exploring more initiatives to serve the real economy through the medium of financial technology. In the process of empowering finance to the real world through technology, we have accumulated a lot of knowledge about different industries and the real economy. In 2022, we pay tribute to small and medium-sized enterprises, help them grow, practice "fast, accurate, warm and real" services, and inject living water into small and micro enterprises (SMEs). We go deep into the countryside, pair up to help and explore new paths for rural development. We make good use of green financial tools, support low-carbon, and contribute our strength in the field of new energy. Along the way, QiFu Technology has always kept the original intention of digital technology in mind, committed to transferring technological energy to the real economy without borders to make the world warmer and more colourful.



2022

Benefiting SMEs

123.9 billion yuan

Assisting financial institutions to issue loans to SMEs

30.0%

Percentage of micro and small loan size of total consumer loan amount

Rural Revitalization

74.89 billion yuan

Assisting financial institutions to issue loans to farmers

3,438,000

Number of farmers served

Epidemic Relief

410 million yuan

Amount of reductions for clients

2,473,000

Number of people benefiting from client reductions

650 million yuan

Amount of deferred reimbursement

84,000

Number of people benefiting from deferred reimbursements

Green Finance

4.34 billion Yuan

Assisting financial institutions to issue loans to business users in environmental protection-related industries

38,000

Number of companies in the environmental protection industry served

16.35 billion Yuan

Assist financial institutions to issue new energy vehicle loans

150,000 people

Number of new energy vehicle owners served

Targeted Support for SMEs

In March 2022, the People's Bank of China summarized the achievements of China's financial sector in ensuring high-quality development of micro and small businesses, emphasized that financial services for micro and small businesses should be "fast, accurate, warm and real". Since the outbreak of the epidemic, financial technology has made great contributions to ensure the high-quality development of micro and small businesses. In this process, QiFu Technology has broken the shackles of mismatch with digital technology, and through its own practice of financial inclusion, it has better applied "fast, accurate, warm and real" to the real economy by the approach of science and technology, and successfully transferred financial water to micro and small enterprises and other weak links of the economy with precision, truly practicing the mission of science and technology to serve the real economy.



Fast: Making fund access fast

Under the impact of the epidemic, cash flow of small and micro enterprises is even tighter, which makes fast financial support especially important. For financial institutions, a strong risk control system is an important prerequisite to enable users to obtain funds quickly. Relying on artificial intelligence and big data modelling technology, QiFu Technology has established an intelligent risk control system and completed an accurate portrait of micro and small business owners. Based on realizing zero collateral and automatic approval of credit in seconds for small and micro enterprises, it provides convenient technology services for small and micro users. In the post-epidemic era, in response to the policies related to regulatory fee reduction and concessions, QiFu Technology has actively implemented the policy requirements in collaboration with many banks it cooperates with, setting strategies, adjusting parameters, and changing systems in an intelligent and automated manner, which has greatly improved the response speed to clients' demands for relief.

Accurate: Making small and micro products accurate

In the post-epidemic era, the outbreak of the micro and small finance market continues to gain momentum. Facing the situation that clients come from different industries and each has unique cycle characteristics, QiFu Technology helps partner financial institutions to enhance the convenience of application by providing products with appropriate amount, pricing, and term to meet the needs of micro and small users in different fields. QiFu Technology continues to improve its product system and leverage its partner ecology to precisely focus on different market segments. In terms of coverage, the Company unites segmentation forces to carry out sub-regional and sub-industry intensive services to meet the differentiated needs of the new consumer market.

In addition, to establish a standardized multi-level digital ecology, QiFu Technology adopts a comprehensive service model of "Technology Support + Business support", and continuously improves its customization capabilities and channels for empowering financial institutions to accurately distribute for the digital needs of micro and small enterprises with different volumes and needs. On the one hand, QiFu Technology introduces more customized products and services for different industries, regions, and characteristics of business owners. By integrating its related financing services for small and micro enterprises, QiFu Technology provides technological support to small and micro users by technically realizing the multi-dimensional crossover of business qualifications such as tax, ticket, business owner and personal qualifications such as car, house and lifespan. On the other hand, QiFu Technology uses digital means to develop digital marketing strategies for small stores, assisting small and micro businesses to refine and upgrade their operations by helping to promote the platform and linking high-quality traffic, and helping small and micro businesses to achieve ultimate traffic conversion.

Warm: Making financial services warm

The epidemic has exposed the vulnerability of small and micro businesses. To help small and micro clients recover, QiFu Technology has helped financial institutions to launch several solutions to ease the cash flow pressure, such as appropriate interest rate reductions and flexible extension options. Meanwhile, QiFu Technology launched free AI-powered intelligent robots for communities, SME owners and hospitals to complete virus screenings before resuming work. With the cooperation of QiFu Technology and more than 100 financial institutions in partnership, SME clients are recovering rapidly.

In addition, to better serve small and micro users, QiFu Technology has established a team of 1,100 offline advisors covering 23 cities and factoring user service into business assessments to better and more effectively serve the capital and production and living needs of small and micro enterprises. To better help small and micro enterprises to enhance their comprehensive level, QiFu Technology adheres to the concept of "teaching for fun", and has launched various empowerment courses through multiple channels, covering marketing, business model, team building, financial and taxation knowledge, etc. Currently, QiFu Technology has opened 6 major video channels and launched 41 courses.

Real: Benefiting small and micro-users

QiFu Technology helps financial institutions to reduce totalling millions of dollars of interest and fees for small and micro enterprises nationwide through direct interest reduction, rebate, and other methods, sending several warm and beneficial measures for micro and small enterprises. For clients in areas where the epidemic is serious, we reduce their loan costs by issuing interest-free coupons and other activities. For clients who cannot repay their loans in the short term due to the epidemic, we work together with financial institutions to reduce their repayment pressure through deferment, extension, negotiation, and communication on repayment.

In addition, QiFu Technology took the "Double 11" shopping month as an opportunity to carry out the "small and micro enterprises themed service month" in conjunction with financial institutions. In terms of preferential benefits, 30 million yuan of interest-free benefits were granted, covering more than 50,000 micro and small enterprises, with a maximum of 1,000 yuan of interest-free for a single period to benefit the development of micro and small enterprises. This small and micro themed service month is not only an important part of the company's "small and micro assistance plan", but also a continuation of the series of activities of "Billion for Micro" in 2021, which has achieved a new breakthrough in the intensity and coverage of preferences.

For QiFu Technology, helping financial institutions to provide financial support for small and micro enterprises is not only a business content, but also an opportunity and responsibility given by the times. Behind the strong business figures, there is a vivid story with the struggle trajectory of countless small and micro enterprises and individual entrepreneurs.

SME Stories

For QiFu Technology, helping financial institutions to provide financial support for small and micro enterprises is not only a business content, but also an opportunity and responsibility given by the times. Behind the strong business figures, there is a vivid story with the struggle trajectory of countless small and micro enterprises and individual entrepreneurs.

“When we feel difficult, it means that is building momentum, just need to borrow a force, there is the possibility of speed.”

Xiao Song: "I have a travel agency, the hottest time of business is 2016 to 2018, every day is busy, I thought life would get better and better, and it would open a new phase. However, I had a car accident in 2019. The medical treatment and compensation spent all the savings I had. Later, I encountered the epidemic, the travel industry is cold, the business I was once proud of began to go downhill.

In the most difficult time, is the 360 Debit Not help me to tide over the difficulties. Now my life has improved, I also paid back the loan on time from 360 Debit Not, sincere thanks to this platform."



“ A sudden storm always catches us off guard, but as long as we find the right helper, we would have the motivation to start again. ”

Xiao Fu works in wholesale and retail business, his own physical store has been operating for 4, 5 years. He had some stable clients and had signed supply contracts with some institutions. He felt that life had a great future. However, the sudden epidemic gave him quite a shock, the turnover has fallen rapidly. The store got only a few thousand-yuan profits in good days and even lost money when the business is down. He wanted to give up but could not afford to lose the business.

Last year the funds really could not turnover, Xiao Fu tried the 360 Debit Note products, after registration, application, approval, the funds quickly went through the financial institutions to the account. Although the amount was not large but helped the cash flow. The business turned up and became profitable every month. He hopes the epidemic ends soon and everything back to normal.



“ A letter written by a curator of a collection gallery to himself two years ago ”

Hello, Hong:

I know you are quite anxious right now. When you first started in this business, you did not expect it to be so difficult. As we all know in the industry, collectors are the poorest of the rich, they obviously have a lot of valuable collections, but do not have much money in their pockets. It is your wish to build a public welfare red collection in your hometown, but unfortunately, the epidemic has made you strapped, and you are a resilient person who does not want to owe friends money because you fear of embarrassing each other. If you can read this letter, you should be able to see this good news: you made it through. You will find a solution to your problem in a few days. In two years, you have relied on 360 Debit Note to solve the matter of thousands of dollars. Later, with a good reputation, you obtained a higher amount, although the expenses of the collection museum became more and more, but you all smoothly braced over. 360 Debit Note accompanied you through many difficult times, so that your life is more and more at ease. With your responsibility and continuous efforts, now the collection museum has been built, many units come here for party day activities, many young people also come to the venue to visit and learn, the collection museum is well received. Now I tell you this borrowing turnover method, I hope that you are still in the turnaround period, you can go more stable, faster to achieve their dreams. I'll be waiting for you in two years!

This group of micro and small business owners, their love of hard work, dare to break through the story of inspiring, resonant. At the same time, the story also reflects the common difficulties faced by small and micro enterprises. To their most needed financial services, for example, small and micro enterprises financing difficulties, financing expensive problem has always existed. The more troubled they are, the more difficult it is to survive without financial support, the more difficult it is to get a loan, which puts them in a difficult situation. The development of digital technology may become a powerful tool to eradicate this persistent problem. QiFu Technology has always been committed to practicing social responsibility, relying on the leading digital technology to continuously improve the service capacity of small and micro enterprises. With the power of science and technology, QiFu Technology helps the growth of small and micro enterprises, insisting that small and micro enterprises supported by financial institutions can be both "Universal" and "Beneficial".

Assisting In Rural Revitalization

The 20th National Congress report guided the direction of rural revitalization with "Chinese style modernization", requiring the revitalization of rural industries, talents, culture, ecology, and organization to open a new journey of building Chinese style rural modernization. QiFu Technology actively implements the requirements of the 20th National Congress "To comprehensively promote rural revitalization." QiFu Technology implements twinning support, seeks new opportunities for technology-enabled agriculture and rural areas, and plays its own complementary role to traditional financial institutions.



Cultivating Special Industries

To help Luquan County locate differentiated and characteristic development direction according to market demand and its own conditions, QiFu Technology made field visits and conducted in-depth research. During the field visit, the working group visited Yongding Village of Maoshan Town and Huoben Village of Zhongping Town, investigated the bases of flower planting, fruit planting and edible fungus planting, and learned about the local industry and local characteristics. With the financial support of enterprises represented by QiFu Technology, Yongding Village, in accordance with the requirements of "100 counties, 1000 townships, 10,000 villages" rural revitalization demonstration village in the western region, has created a rural tour line around the existing 380 mu kiwifruit plant-

ing base, radiated the development of the rural tour line along Lu Da Road, and created a collection of agricultural products picking experience, camping and leisure, professional fishing. The village has become a demonstration village of agricultural tourism integration and rural revitalization. Yang Guoqiang, Chairman of ESG Committee of QiFu Technology, said that in the future, QiFu Technology will combine local characteristics, increase support for rural tourism such as Bed & Breakfast, picking tours and fishermen's play, help the county layout industrial projects with large volume, excellent quality, strong demonstration drive and high-risk resistance, and realize more complementary advantages of radiation surface.

Helping Revitalize Talent

QiFu Technology believes that talent is an important support for rural revitalization, and the cultivation and support of talent is indispensable for the comprehensive promotion of rural revitalization. In terms of talent construction, based on the skill talents training plan, by the end of 2022, Luquan County will train and manage 7,000 skill talents, covering "Catering and gourmet food, E-commerce promotion, Health care and health maintenance, Cultural interpretation, Rural culture, Transportation and Domestic service "7 fields, laying the foundation of talents for rural revitalization. In the future, QiFu Technology is willing to assist Luquan County in building a professional, differentiated and scenario-based training system and help the local area further expand the coverage of the training system by means of technological innovation.



Leveraging the Advantages of Science and Technology

As a technology-based enterprise, QiFu Technology is committed to empowering through its existing technological advantages and exploring new paths for rural revitalization development. Relying on the unique local climate and soil resources, Luquan County has built new greenhouses and arches to grow economic crops such as kiwi, grapes, Dafeiyan and roses. QiFu Technology's research found that if technical transformation is carried out, the new greenhouses will have higher space utilization, better durability, better labour cost savings and higher production efficiency compared with traditional greenhouses. Also, the digital transformation standardizes crop growth data collection, which is conducive to yield prediction and adjustment of planting strategies. Next, QiFu Technology plans to

send its technical backbone to Luquan County to further study on how to help farmers improve their planting yield and efficiency. In the future, QiFu Technology will continue to deliver advanced ideas and experience to help Luquan successfully get rid of poverty and help consolidate and expand the results of poverty eradication and promote rural revitalization in a comprehensive manner.



Green Loans to Support Low-Carbon Travel

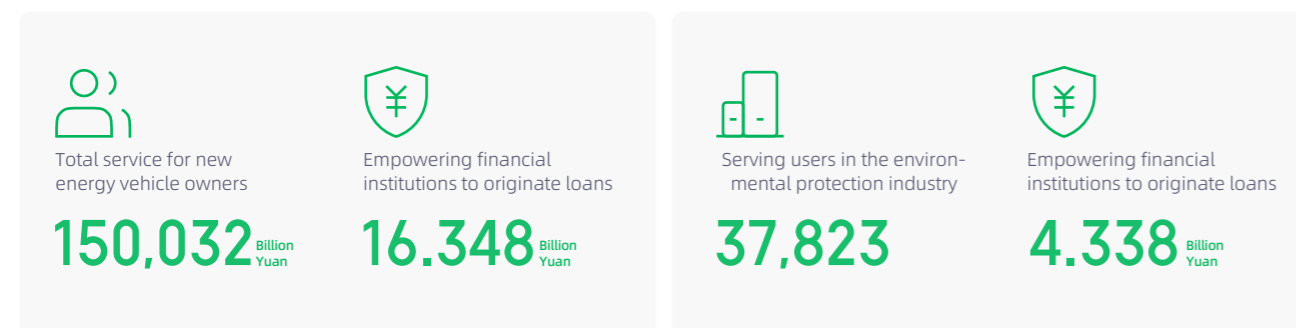
The new energy vehicle industry represents an important direction for national economic transformation and green strategy development. It is also an important force to promote the process of low-carbon transformation of the society. As a representative of financial technology products, QiFu Technology targets the direction of industry assistance and carries out special product design around new energy vehicles. With the ecological concept of "transportation-energy-city" deep integration, QiFu Technology helps financial institutions to increase consumer finance support for the purchase of new energy vehicles and carries out targeted initiatives such as green channels and low-carbon subsidies.

Until December 31, 2022, QiFu Technology has served 150,032 new energy vehicle owners and empowered financial institutions to issue 16.348 billion yuan in loans. QiFu Technology has also served 37,823 environmental protection industry users and empowered financial institutions to issue 4.338 billion yuan in loans.

support for new energy vehicle parts, electric pile production and other enterprises based on providing services for new energy vehicle enterprises. It is understood that the Company will also further strengthen the support for new energy vehicle battery types and energy innovation energy fields.

QiFu Technology believes that new energy vehicles are a powerful tool to reduce carbon dioxide emissions in the global transportation industry on the one hand. On the other hand, they are also a key national support for "Specialized, Refinement, Differential, Innovation" industries. For fintech companies, we should make good use of green finance tools to guide the flow of funds to environmental protection and resource-saving industries.

In addition, to better respond to the industrial development trend, QiFu Technology assisted the cooperative financial institutions to launch a customized green special product - New Source Loan - for enterprises in the national new energy vehicle industry chain as early as July 2021. Based on the relevant business practice in the field of new energy vehicles, the new source loan fully combines the characteristics of the industry and strengthens the



04 Corporate Responsibility Governance

Qifu Technology has integrated sustainability governance requirements within the Company and has made sustainability strategy as one of the core competitive advantages of the Company.



Corporate Responsibility Governance

QiFu Technology, Inc. has established a modern organizational structure in compliance with the requirements of laws, regulations and normative documents including the Companies Ordinance and the Code of Corporate Governance for Listed Companies etc. As of December 31, 2021, the Board of Directors of the Company has 9 directors in total, including 3 independent directors. The Board of Directors has Audit Committee, Remuneration Committee and Nomination Committee, and establish corresponding implementation rules to meet the development demands of the Company.

Board of Directors

Name	Age	Gender	Position
Hongyi Zhou	52	Male	Chairman of the Board of Directors
Haisheng Wu	40	Male	Chief Executive Officer and Director
Zuoli Xu	54	Male	Chief Financial Officer and Director
Xiaohuan Chen	41	Male	Director
Dan Zhao	43	Male	Director
Jiao Jiao	42	Female	Director
Gang Xiao	47	Male	Independent Director
Fu Yongjin	51	Male	Independent Director
Yan Yan	65	Male	Independent Director

Corporate Governance

QiFu Technology has integrated sustainability governance requirements within the Company and has made sustainability strategy as one of the core competitive advantages of the Company. Our Board of Directors is responsible for formulating and overseeing the implementation of our sustainability strategy and is committed to building a green office environment and improving the utilization of corporate resources to fulfil our responsibilities to shareholders and society. The ESG Committee, which includes all key functional departments, takes the lead in designing ESG action plans, regularly discusses issues encountered in the course of work, and reports to management, who in turn escalates significant matters to the Board of Directors as appropriate.



Case: QiFu Technology optimizes the governance level of its two licensed entities

To further optimize corporate governance and establish a sound risk segregation mechanism, in 2022, QiFu Technology focused on two of its licensed entities, Fuzhou Microfinance and Fuzhou Rongdan from the corporate governance level for a focused review and strengthening.

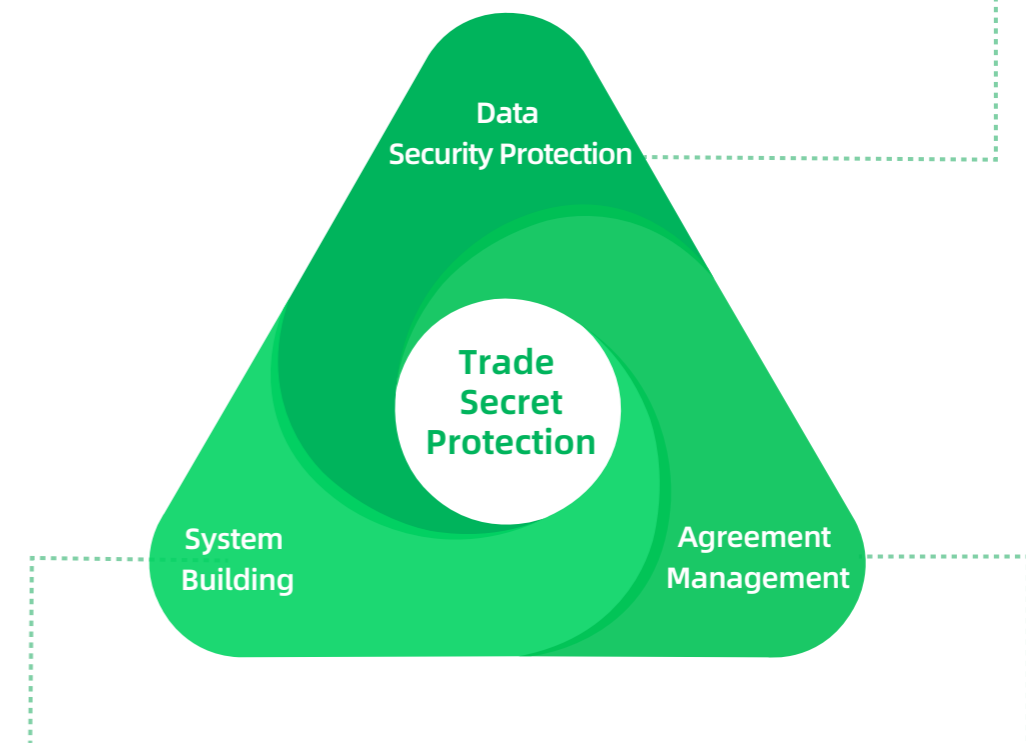
Based on a comprehensive review of the company's organizational structure, QiFu Technology has adopted various initiatives to make the corporate governance structure of each entity more adaptable to the market business model, and then the Company can meet the dual requirements of business development and compliance governance. In terms of initiatives, QiFu Technology reconstructed the organizational management structure and corresponding functions under each entity, such as improved the Company's rules and regulations system, optimized the deployment of office and business systems, and enhanced daily operations. We continued to build a normalized operation mechanism that meets both regulatory requirements and the existing operational reality of the Company, and simultaneously prepared a new office environment and implemented optimal allocation of human resources.

Based on the continuous efforts of Fuzhou Microfinance and Fuzhou Rongdan at the level of corporate governance, they have also effectively contributed to the long-term development of the company's business and won numerous awards. Fuzhou Microfinance and Fuzhou Rongdan have become the only microfinance institutions in Fujian Province that have been connected to the credit system of the Central Bank in recent years. The development of the two entities has become an advanced model for Fuzhou City to attract investment, which have also become major local taxpayers and made outstanding contributions to the local economy. At the same time, Fuzhou Microfinance became the only microfinance company in Fujian Province to receive government regulatory approval to issue ABS and was selected as an advanced case for special research by the local financial organization study of the local People's Bank. The above achievements are the fruitful development of QiFu Technology in the pursuit of efficient ESG governance.

Trade Secret Protection

We attach great importance to compliance and trade secret protection. To prevent the leakage of trade secrets and information security infringement, our company starts from three levels: data security protection, system construction and protocol management. Specific measures are as follows:

- Establish and build security sharing platform, compliance self-examination platform and security answer system to sense potential security compliance risks in real time. Block the flow of non-compliant data in real time with the help of data leakage prevention platform.
- Construct security operation center with the help of monitoring and early warning, emergency response, user behavior audit, data operation audit, and other means, in order to timely capture the occurred risk and follow up disposal and effectively prevent and protect the risk of leakage of company's commercial secrets.



- A number of systems have been established internally, such as Employee Management Manual, Security Employee Punishment Management Regulations, Business System Authorization Management Regulations, Business System Usage Management Regulations, Data Classification Management System, and Computer Equipment Security Management Regulations.

- Before introducing new partners and initiating formal cooperation, the business side is required to sign a confidentiality agreement with the partner and make a commitment to trade secret protection. Meanwhile, an "Anti-bribery" clause is added to the relevant business contract template to strengthen the protection of trade secrets and business ethics.

Compliance and Anti-Corruption

Qifu Technology always adheres to the principle of compliance and considers it as the cornerstone of sustainable development. In conducting various types of business, the Company abides by the regulations of the countries in which it operates regarding compliance, environmental protection, occupational health, and other related laws. We strictly comply with the code of business ethics, and adheres to the principles of honesty and professionalism, compliance with the law, fair competition and honest operation.

Compliance Management

In 2022, the company's Compliance Department continued to monitor the latest trends in external laws, regulations and regulatory policies and was committed to better interpreting the new rules. During the reporting period, the Company completed the interpretation of 16 new regulatory regulations, including The Administrative Measures on Protection of Consumer Rights and Interests of Banking and Insurance Institutions and The Regulations on Management of Internet User Account Information, and provided practical countermeasures and suggested solutions to business departments, effectively guiding business compliance. Meanwhile, the Compliance Department takes the lead in daily compliance review and risk monitoring, forms compliance risk lists organizes compliance promotion and training, reviews the compliance of the company's internal rules and regulations, product and business processes and project agreements, and actively tracks and implements external regulatory requirements to protect the company's compliant operation and sound development in accordance with the law.

Compliance Advocacy

We attach importance to the construction of compliance-related corporate culture. During the reporting period, we have completed 8 issues of compliance-related publicity, covering topics such as financial marketing publicity, Internet loan management regulations, post-loan management regulations, regulatory requirements for small loan companies, and anti-money laundering compliance publicity, with an overall view to strengthening the awareness of compliance management among all staff.

Compliance Training

In 2022, our Compliance Department conducted several special training courses through face-to-face, live or online lectures and question-answering sessions, with topics including but not limited to personal information protection, data security, and compilation of administrative penalty cases, so as to further strengthen the compliance awareness of business personnel and standardize their practice behavior.

Anti-Corruption Management

Anti-corruption management has always been a topic of continuous concern for all walks of life, including customers and suppliers and other stakeholders. Qifu Technology has always implemented a "zero tolerance" standard for corruption, actively promoted honest and trustworthy business conduct, and resolutely resisted all forms of commercial bribery and corrupt practices. Externally, to build a sunny and transparent anti-corruption system, we sign special integrity cooperation agreements with our partners to create a fair and just integrity ecological environment. Internally, to avoid corruption incidents and regulate the management of conflict of interest, we have established systems such as Anti-Fraud Management Regulations, Regulations on Gift Acceptance and Handling and Regulations on Whistleblower Protection and Reward, which clearly define the requirements of fraud prevention, anti-fraud investigation and fraud handling. We have also established a declaration mechanism for employees' gift acceptance declaration and conflict of interest. At the same time, we have set up a reporting channel, so that if we find any incidents that violate the rules of the system and harm the interests of the Company, employees can report them to the company's Ethics Committee by email, and the Ethics Committee will implement independent investigations based on the reported information. In addition, we carried out integrity culture propaganda for all employees of the Company and promoted the company's anti-corruption culture to employees through online anti-fraud training and all-employee integrity cartoon propaganda to cultivate a fair and clean corporate culture. In 2022, we found one concluded disciplinary action and immediately rectified the relevant personnel and departments to continuously practice corporate integrity culture.





05 Responsible Operation

As a credit technology platform, we always focus on improving the level of credit risk control through technology empowerment.



Product Risk Management

With the continuous development of credit technology and the evolving market environment, in order to effectively control risks, we have established an orderly internal risk control system to effectively identify, evaluate, and manage the risks of each loan. Meanwhile, the Board of Directors is responsible for comprehensively assessing and identifying various risk matters and overseeing the company's risk response and the heads of functional departments assess the risks faced in the company's daily operations and control them accordingly in a timely manner in accordance with the relevant requirements of the Board of Directors and the company's policies.


As a technology-driven credit technology platform, we always focus on improving the level of credit risk control through technology empowerment. In 2022, QiFu Technology's application of artificial intelligence technology based on big data and cloud computing in the field of risk control will continue to help improve credit risk management measures and minimize the possibility of risk.

In the business interaction with financial institutions, QiFu Technology has reconstructed Cloudbank, an asset distribution engine, to dynamically analyse elements such as risk pricing, billing models, customer screening, and system capabilities of financial institutions and to classify the financial products that financial institutions can provide, so as to more accurately match the two ends of product supply and capital demand and to improve the matching time and efficiency between individual users and the products of more than 100 financial institutions to the minute level.


Pre-Loan Assessment

In the pre-lending stage, we work deeply in anti-fraud and credit risk assessment with the help of artificial intelligence technology to reduce pre-lending risks and improve operational efficiency.


In 2022, we achieved 100% remote application and signing of transaction documents, and more than 97% of credit approvals were automatically completed by machines, enabling us to assist financial institutions to complete an average of 3 minutes of lending, thus greatly improving user experience and save significant labour costs.



100%
Enables remote application and signing of transaction documents



97%
Credit approval is done automatically by machine



3 minutes
Average Disbursement Time



Anti-Fraud

The first type of fraud risk that companies face in their daily operations is identity forgery. We reduce this risk to less than 0.01% by using artificial intelligence technologies such as face recognition and expression recognition. The second type of fraud risk we focus on is group fraud cases, such as intermediaries, pyramid schemes, or malicious attacks. We mainly use the relationship network technology in AI to solve this type of fraud risk. Each user acts as a node and users can be connected to each other through various relationships such as geographic location, device information, emergency contacts, and social networks to form a complex relationship network. Until now, the relationship network we have built has nearly **150 million** nodes and **2 billion+** edges. Through various artificial intelligence algorithms, including unsupervised algorithms such as tag propagation, community discovery, and anomaly detection, we can quickly locate fraudulent groups and screen new fraudulent techniques, thus reducing the risk of group fraud to **less than 0.2%**

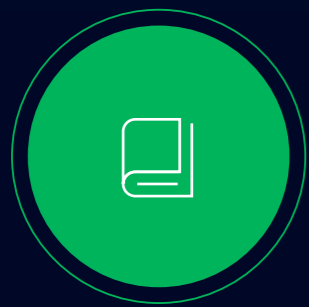
Credit Risk Assessment

In this review stage, we mainly stratify and rate the risk of users to determine interest rates and credit limits. We use a large amount of accumulated user history data, using various supervised and semi-supervised machine learning methods to analyze and learn, so as to develop three major types of models. The first is the **risk model**, which is used to determine the user's credit risk and thus stratification, the highest risk users will be rejected directly, the middle risk users will be given a higher interest rate and a lower amount, while the lowest risk users will be given a lower interest rate and a higher amount. The second is the **willingness model**, which is used to judge users' willingness to borrow and interest rate sensitivity, so as to make fine adjustments in the interest rate range. The third is the credit model, which is used to make fine adjustments in the credit range. We also perform customized modeling for various customer segments, such as by education, credit card borrowing history, etc. In the whole pre-lending stage, we use more than **100** models and more than **10,000** feature dimensions, which help us achieve a higher pre-lending approval rate but a lower non-performing risk ratio compared to the industry.

Empower by AI

In order to guarantee the team to maximize energy efficiency in a limited period of time, to create a set of environmental governance, data construction automation, product quality risk monitoring, and user-oriented quality management tools, LingRhino Quality Center was developed. LingRhino Quality Center takes a series of initiatives to implement key points of the environmental governance module. Among them, LingRhino Quality Center uses one-click microservices to build, deploy and rollback, with a single deployment taking no more than 5 minutes. LingRhino enables intelligent version scheduling, so that parallel testing of multiple versions does not interfere with each other. By providing a complete version list to achieve full automation of the process, LingRhino solves the problem of messy handover deployment of code, SQL scripts and configurations. LingRhino provides rich database and middleware tools, freeing R&D and testing from tedious link configuration and various clients. Based on the above initiatives, the test team can save more time on testing environment management work, focusing more on product requirements testing work, and improving product quality.

With the three core functions including anti-fraud, qualification assessment and risk warning, Argus Engine helps us effectively build user profiles, conduct overall qualification assessment, and detect fraud for each potential borrower, thus effectively helping our partner financial institutions to reduce loan risks.



Deep Learning

Combined with visual risk technology with deep learning, our Argus engine is able to verify the identity of potential borrowers and reject applications that it believes are processed under a false identity, thus providing effective protection against fraud.



Machine Learning

We have programmed large social networks (knowledge graphs) into our Argus engine for fraud detection, which allows us to fully map and infer connections between users to more effectively identify organizational fraud.

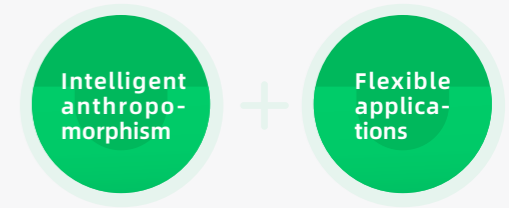
Intelligent Post-Loan Management

In 2022, QiFu Technology's intelligent post-loan management technology in the field of intelligent AI has been driven in the direction of "intelligent anthropomorphism + flexible applications" to promote the automatic identification of special customer groups and accurate access. This year, we achieved a 1.32% increase in recoveries for connected customers by exploring the introduction of sentiment detection to alert potential complaints and adjusting dialling and tactical strategies in a timely manner.

The intelligent AI can understand the user's intention through semantic recognition when it talks to the user. If keywords are recognized, such as affected by disaster (keywords: rainstorm), QiFu Technology will register it as a special case and follow up to give users appropriate interest rate reductions through manual follow-up.

Real-time Monitoring

Our Argus engine can extract the most important information from massive data sets to effectively support the Company. As of the end of the reporting period, the real-time image recognition engine has been updated to the fourth generation, which contains over 2 billion nodes and 64 billion edges, and performs approximately 1.4 million times online calculations per day, drawing first-level connections in an average of 10 milliseconds and second-level connections in an average of 400 milliseconds. With the powerful computation, our real-time screening network can accurately identify risks such as syndicated fraud, multi-platform lending, and default.



Argus Intelligent Engine 4th Generation



2 billion

contained over nodes



64 billion

entries Contains more than borderline



1.4 million

times Online day calculation



10,000+

feature dimensions



10 seconds

Drawing first-level links



400 milli

seconds Drawing secondary links

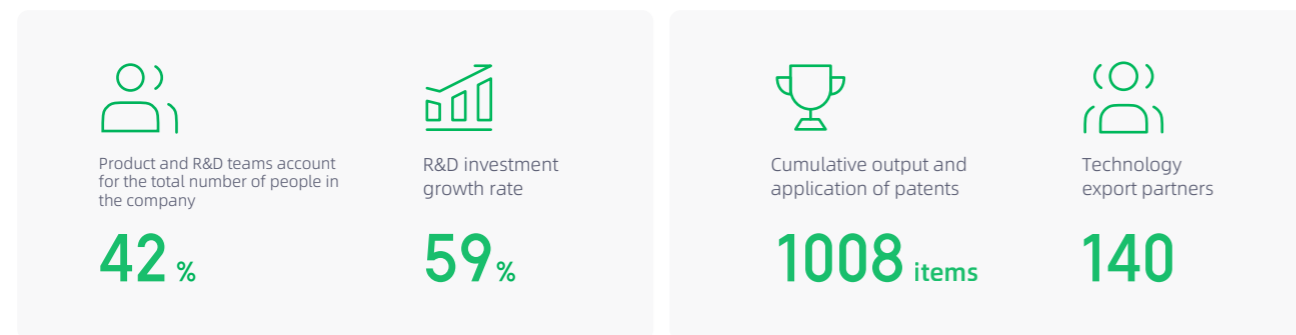
Innovation, Research and Development

As a future-oriented credit technology platform, QiFu Technology has always attached great importance to independent research and development and innovation, upholding the corporate value of "continuous innovation", and always committed to providing individuals and families with safe, fast, and inclusive financial services through technological innovation to create a better life. As our CEO Mr. Haisheng Wu said,

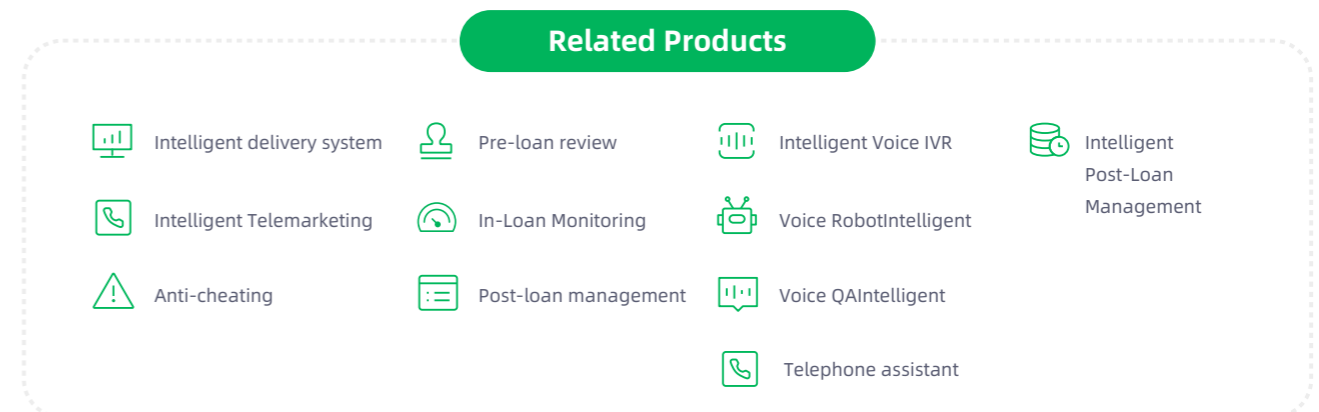
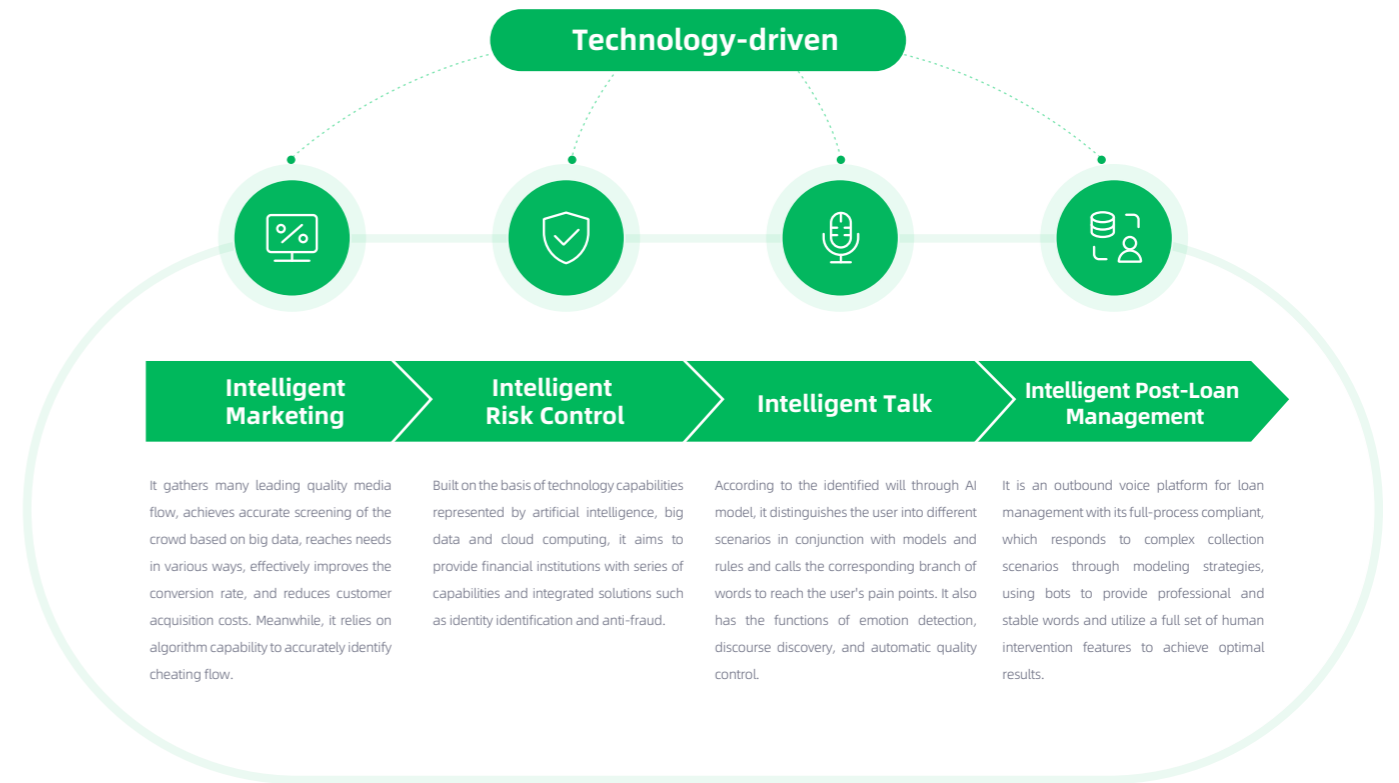
“As a technology company, our core strength is to use innovative technology to create innovative products, services and business models to solve social problems and create public welfare, so as to achieve a win-win situation for both business and social values.”

We have set up a strong innovative R&D team to help financial institutions connect hundreds of millions of Internet users through technology output empowerment and development of various technology projects to achieve the integration of capital and technology, improve the efficiency of financial services, and solve the problems of difficult and expensive financing.

In 2022, we continued to strengthen investment and innovation in the field of financial technology, with a product and R&D team accounting for 42% of our total headcount, an R&D investment growth rate of 59%, cumulative output and application of 1,008 patents, and over 140 technology export partners.



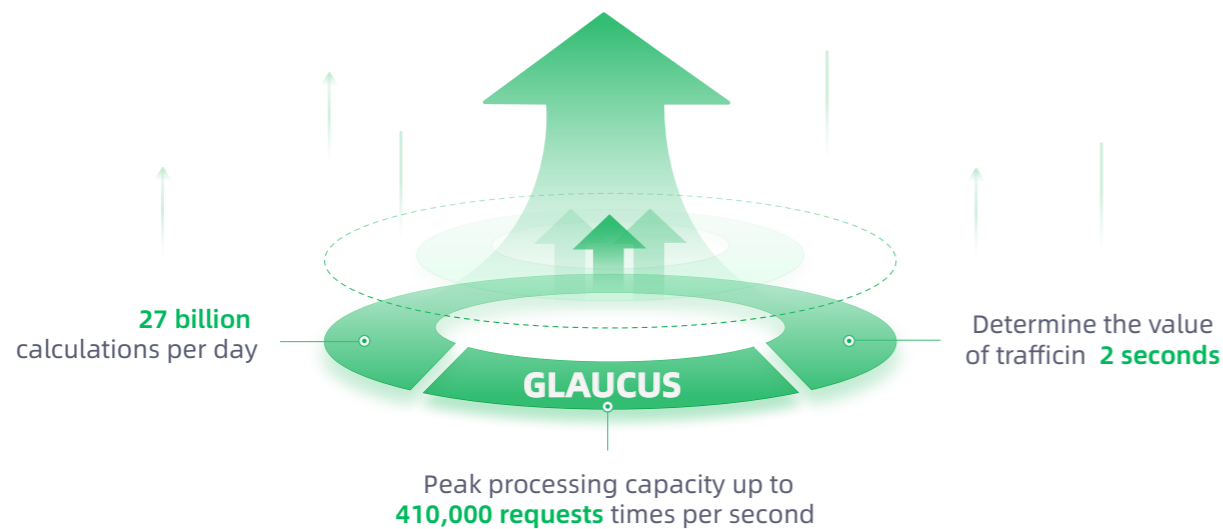
At present, the Company has developed a complete business system from intelligent marketing, intelligent risk control to intelligent operation, and intelligent post-loan management, which is completely data-driven and adopts a variety of cutting-edge intelligent technologies to cover the whole life cycle of users.



Case: GLAUCUS Growth Engine was selected as one of the "Star River" cases

In January 2023, the "5th Data Asset Management Conference" was successfully held. At the conference, the organizer announced the 6th Galaxy case, and Glaucus Growth Engine was awarded as the "Industry Data Application Benchmark Case", becoming the only fintech case selected.

Glaucus Growth Engine aims to help traditional financial institutions solve the problems of online business development and digital transformation. With superior AI and big data capabilities, Glaucus Growth Engine has access to 95% of the whole network traffic in China and has carried out in-depth cooperation with mainstream media platforms and cell phone manufacturers. Glaucus Growth Engine can perform 27 billion calculations per day. It can quickly determine the value of traffic, the competitiveness of traffic and the most suitable creative for traffic within 2ms and return the bid coefficient and creative ID to the media, with the peak reaching 41w requests per second. Meanwhile, it has super learning ability, which can realize real-time model self-iterating once per hour, real-time feedback of user behavior to business layer, and offline model iteration cycle control in one day. It also has the ability to automate exposure management, which can fine-tune account bids and automatically support and shut down account plans according to market and account changes.



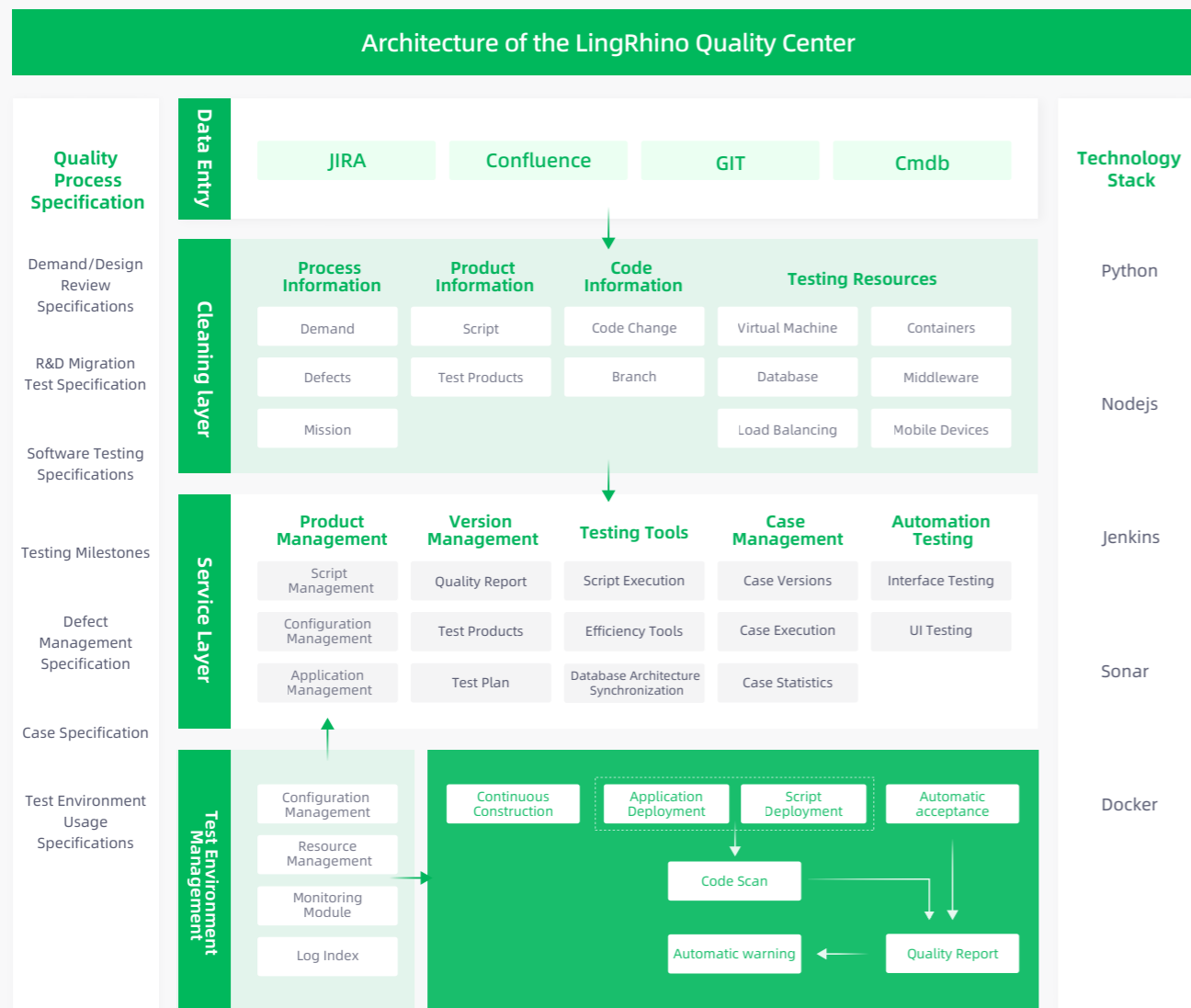
Case: LingRhino Quality Center

The LingRhino Quality Center is an open technology platform developed by QiFu Technology, with the goal of "effective integration of quality and technology", which solves the key problems of resource management, service management, and risk monitoring in test environment management in one fell swoop, supporting frequent requirement handover and deployment by developers while ensuring stable test environment availability. Meanwhile, LingRhino Quality Center actively promotes process decoupling, builds an open data factory, and promotes quality visualization, continuous tracking, and analysis of version quality, which greatly improves the efficiency of product development and testing, and lays a solid foundation for agile testing and rapid product iteration. By the end of the reporting period, the number of regular service deployments and architecture builds released through LingRhino Quality Middle Platform testing exceeded 180,000, with an average of 150+ systems to be tested and released for each regular release and more than 150,000 service deployments, and a system defect removal capability higher than 99.9%.



Improve focus on product quality

In order to guarantee the team to maximize energy efficiency in a limited period of time, to create a set of environmental governance, data construction automation, product quality risk monitoring, and user-oriented quality management tools, LingRhino Quality Center was developed. LingRhino Quality Center takes a series of initiatives to implement key points of the environmental governance module. Among them, LingRhino Quality Center uses one-click microservices to build, deploy and rollback, with a single deployment taking no more than 5 minutes. LingRhino enables intelligent version scheduling, so that parallel testing of multiple versions does not interfere with each other. By providing a complete version list to achieve full automation of the process, LingRhino solves the problem of messy handover deployment of code, SQL scripts and configurations. LingRhino provides rich database and middleware tools, freeing R&D and testing from tedious link configuration and various clients. Based on the above initiatives, the test team can save more time on testing environment management work, focusing more on product requirements testing work, and improving product quality.



Customize modules to create a data factory with open technology

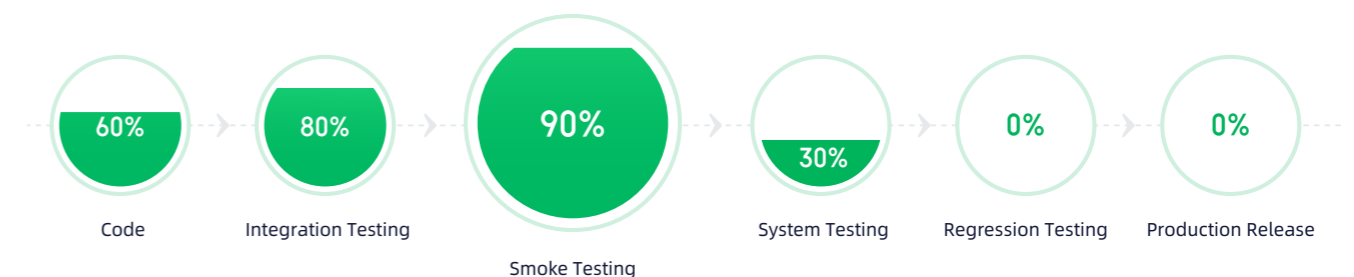
LingRhino Quality Center is a technically open platform where each user can use the open and modular development model to build customized tools to provide automated technology and scenario testing for R&D and testing teams, which is an important manifestation of technical openness. The modular design and flexible and free version release mechanism allow each user to customize their own tools and continuously improve and optimize them on this basis. By the end of 2022, the number of testing tools designed, developed and maintained by users has reached 170+.

Build a use case library to form a team knowledge legacy

LingRhino Quality Center management test cases always adhere to the concept of "managing test cases like code, maintaining continuously, forming a knowledge system for continuously passing on. LingRhino Quality Center research and development create a basic use case library, so that the management of test cases can achieve automatic consolidation of the version baseline, and quality traceability. Meanwhile, LingRhino Quality Center has proposed the concept of test case reuse rate to reduce the redundancy of test cases and repeat writing work, which greatly improves the efficiency of writing version test cases.

Visualize quality to optimize and improve the testing process

Thanks to the high degree of data centralization LingRhino Quality Center has implemented a custom report module with high degree of freedom and visualization. Each team can design different quality data reports according to the team's own situation and users can quickly set variables to get beautiful visual reports that provide important metrics. It also provides continuous tracking and analysis of the quality of iterative versions, improves the efficiency and traceability of the testing process, and helps teams to effectively carry out quality visualization. In addition, LingRhino Quality Center has carefully built a quality pipeline, which can be customized to present each required test node according to the needs of each team. Through the quality data model, the quality status of each product is measured through layers of filtering and the product score gives suggestions and guidance to the quality team to anticipate the risk.



Data Governance

As a leading credit technology service brand in China, QiFu Technology has been upholding the security gene since its inception and has made data governance a top priority in its corporate development. As of the end of the reporting period, we have passed the Information Security Level Protection 2.0 Level 3 Assessment, ISO27001 Information Security Management System Certification, ISO27701 Privacy Security Management System Certification, and DSG Data Security Governance Capability Assessment.

Case: Qifu Technology Actively Promotes The Rectification Work Of Credit Reporting Business

Based on regular reporting and communication with financial management departments, QiFu Technology has been actively exploring with licensed credit reporting institutions on the corresponding rectification plan and promoting the implementation of the plan in a high priority order. As of the end of December 2022, the personal credit reporting business reform has been completed as scheduled.

Information Security

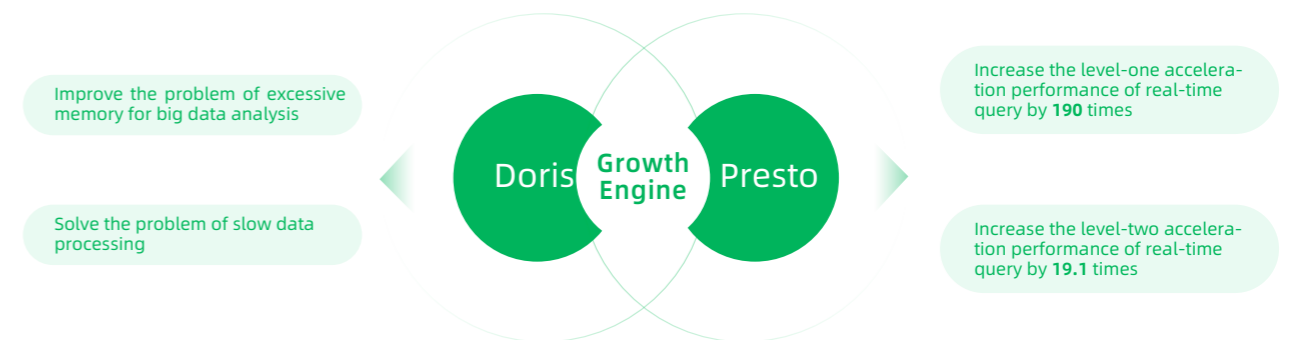
QiFu Technology has established a very strict data control system, taking a series of measures including data encryption to ensure the security of data. Layers of protection strategies make the data well protected from external attacks while ensuring that it is not leaked. The company has set up a special working group on data security to coordinate and promote the implementation of internal privacy data management and data security regulations and systems. Meanwhile, in order to implement security awareness to every grassroots position, QiFu Technology has simultaneously formulated data governance systems such as QiFu Technology Data Security Management System, QiFu Technology Data Classification and Grading Management System, and QiFu Technology Personal Information Protection and Data Governance Basic Policy to regulate the code of conduct for each position in the company.

In terms of security technology, QiFu Technology is also continuously increasing its investment to improve information security capabilities. In the cooperation between QiFu Technology and external organizations involving data interaction, the Company pioneered the hierarchical ensembles risk control model system, which not only breaks through the dichotomy of privacy and availability in federal learning technology, but also ensures that each customer's information can be stored safely under the premise of correct usage.

Data Optimization

The continuous development of credit technology has arisen various big data analysis scenarios. For credit technology platforms, these new scenarios impose more stringent requirements on data security, accuracy, and real-time. Meanwhile, the exponential growth in the number of users also imposes multiple pressures on the business end in terms of delivery efficiency, stability, and user experience.

In 2022, we completed the landing application of Apache Doris in Yushu big data analytics in multiple scenes. Unlike the most widely used real-time data warehouse scenario on the market, our development of "Doris + Presto acceleration engine (at both second and multiple level)" alleviates the problems of high memory occupation and slow data processing for big data analytics. With Doris, our real-time query primary acceleration performance is 190 times higher and secondary acceleration performance is 19.1 times higher, improving the efficiency of real-time data analysis.



We have clear requirements for the selection of big data computing engine, including outstanding data writing performance, query response at second-level, compatibility with standard SQL protocol, excellent table association query performance, support for rich data models, low operation and maintenance complexity, active community and business friendly, and exclusion of legal risk.

In March 2022, we conducted two months of research and testing on Apache Doris, a database that meets the above characteristics, and completed the tuning for business scenarios by creating a mechanism for dynamic switching of multi-level query engines after several adaptations. The application of Doris has enabled us to make a qualitative leap in our data processing and analysis capabilities. Doris supports highly concurrent real-time query scenarios and high-throughput complex analysis scenarios. To improve query performance, QiFu Technology's self-developed multi-stage accelerated query engine supports the mechanism of dynamic switching, which can do automatic query engine (including Doris, Presto, Spark, and Hive) routing and failover for the current query by identifying the meta information. By placing Doris on top of the upper layer of data warehouse in Hive, we can directly reuse the data lineage, enabling low-cost query acceleration for specific scenarios, without using Doris clusters to generate new tables.

Data Application

In terms of data application, our database contains a large amount of relevant and reliable information and rich data dimensions. Through machine learning and other means, we are able to discover statistical patterns and group characteristics in quantitative data, providing effective decision support for data application. QiFu Technology desensitizes all confidential information, during which technical personnel do not have access to the original data, further protecting data security.

IT Audits

The Company regularly conducts IT audits. Internally, the Company regularly conducts security audits of sensitive authority accounts and operation log audits to solve internal security problems by monitoring abnormal operation behaviors. Externally, the Company regularly accepts IT audits, ISO certification audits, equal assurance inspections, DSG assessments from third-party audit teams to fully protect our information, network, and data security.

Emergency Response

We respond to emergency events in accordance with our internally prepared QiFu Technology Emergency Response Management Regulations. The management regulations cover mechanisms such as prevention and warning beforehand, rapid response and guarantee during the event, and inventory and analysis afterwards. In the event of a security incident, we first assign the corresponding disposal team according to the type and level of the security incident, and report and notify the incident as appropriate. At the same time, we start the emergency response plan, conduct inventory and analysis afterwards, and regularly maintain the emergency drill program. In 2022, the Company has not been hacked or encountered other network security incidents and accidents such as Trojan horse virus.

Intellectual Property Protection

In order to ensure the continuous promotion of innovation, we focus on the protection of our intellectual property (IP) rights and patents. Our Legal Department is responsible for handling IP-related matters, including formulating and implementing our IP strategy and planning, establishing an IP risk management system, preventing IP and patent-related risks, managing the implementation of patent layout, mining, and application management, and assisting in IP-related litigation when necessary.

Intellectual Property Management

The management of intellectual property of QiFu Technology includes internal management and external management. Internally, we strictly abide by our internally formulated Intellectual Property Management System and Patent Inventor Reward System to standardize intellectual property and patent management. We also set up mechanisms to maintain and safeguard intangible assets and actively safeguard our core rights and interests in patents, trademarks, copyrights, and trade secrets. We also actively carry out internal promotional activities and team building and set up innovation incentives to continuously stimulate the innovation enthusiasm of our team. Externally, we conduct a complete patent layout in terms of external attorney management, external publicity activities, and government relationship maintenance.

We took multiple initiatives to fully secure the company's intellectual property rights. For trademark protection, we continue to improve the trademark registration and protection mechanism for each product and implement the compliant use of brand licensing business. Meanwhile, we actively implement the brand licensing mechanism with the Group and establish a joint prevention mechanism for brand trademark licensing and infringement together with the Group's legal affairs. For patents, we focus on the technological innovation with a focus on quality, conduct multi-level quality review of legal documents, and transform the substantive business innovation into the company's intangible assets accumulation and patent protection. For copyright, we strictly control patent development, application, and shelf to actively prevent the infringement risks arising from piracy and external regulations.

During the reporting period, we were recognized by the Beijing Intellectual Property Office as a "Beijing Intellectual Property Model Company", recognizing QiFu Technology's success in intellectual property awareness, investment in research, number of patents, and application. Meanwhile, the innovative patent provided by our business line has won the excellent prize in 2022 China-Haidian High-Value Patent Competition. This is one of our solid steps forward in the innovation and protection of high-value patents.



2022 China-Haidian High-Value Patent Competition



The Certification of Beijing Intellectual Property Model Company

Intellectual Property Training

Qifu Technology provides intellectual property training to all business lines. For ongoing patent projects, the Company arranges patent communication meetings in a timely manner to deeply explore the innovation points within the project to form patent materials, ensuring the synchronization of the project and intellectual property protection, and escorting the project online. The Company regularly holds patent training meetings on different topics to answer the R&D team's questions on patents and to help the R&D team understand patent knowledge and related systems efficiently.



Patent Training Discussion

Anti-Piracy

Qifu Technology resolutely resists software piracy and actively monitors infringing applications on the Apple App Store and Android app markets such as Xiaomi, Huawei, Samsung, VIVO, and OPPO that counterfeit the company's products.

Customer Privacy Protection

Over years of operation, Qifu Technology has continuously strengthened its technological exploration in the field of privacy protection. The company is the first in the industry to propose and apply a number of technologies to intelligently protect customer privacy and security. We strictly comply with industry-related laws, regulations, and policies, such as the protection of personal information privacy in The New Civil Code of the People's Republic of China and The Law of the People's Republic of China on the Protection of Personal Information issued by the National People's Congress.

As a technology-driven credit platform, Qifu Technology has been exploring the use of technology to protect data processing security and user privacy security and has applied new technologies and models such as artificial intelligence and big data to aspects including compliance, risk control, and user experience, forming a technology and product matrix with independent intellectual property rights. Meanwhile, Qifu Technology has pioneered the development of a risk control model system based on the hierarchical ensembles of federated learning. Through the design of three aspects of design including data protection, federated hierarchical ensembles, and data source truncation design, Qifu Technology highlighted the application value of the system, promoting the practice of privacy protection in technology innovation in the Fintech industry.

Case: Hierarchical and Federated Learning

The Company has self-researched a set of privacy computing technology called "Hierarchical and Federated Learning", a mainstream privacy computing technology. To solve the problem of high learning cost of traditional federation learning technology, Qifu Technology Privacy Protection and Secure Computing Research Institute takes the lead in trying to split multi-party learning into two-party learning, which reduces the learning cost while maintaining the learning effect. This development breaks the problem of data islands and preserves customer privacy protection and data compliance, ensuring multiple parties to share information and to reach data cooperation and win-win situation without acquiring the original personal data.



Based on Qifu Technology's continuous efforts in the field of privacy protection, in 2022, despite of the ISO27701 Privacy Information Management System certification issued by SGS, our privacy computing platform passed the 7th batch of Trusted Privacy Computing Evaluation of CAICT and obtained the certificate of "Multiparty Secure Computing Foundation Capability".



06 Win-Win Cooperation

We not only value our commitment to our customers, but also actively fulfill our responsibilities related to our partners. We are committed to giving back to the community, contributing to community development and improving the quality of life.



Customer First

QiFu Technology is committed to providing assurance and trust to our customers. As a leading data intelligence technology-driven Internet company in China, we are committed to providing a superior customer experience and high-quality service. We always believe that improving customer satisfaction is the first element in upholding professional service quality, so we not only value our commitment to our customers, but also actively fulfill our responsibilities related to consumer protection and allow our customers to enjoy high quality services at reasonable prices.

Customer Operation

Facing the development demand of the financial industry from rough to refined, QiFu Technology relies on its advantages in new technologies such as big data, cloud computing, artificial intelligence and blockchain to achieve accurate customer acquisition. We refined operation through a more scientific credit system, a more efficient audit process and a more complete risk control system.

In terms of accurate customer acquisition, we reduce ineffective exposure to identify high-value users from many users, QiFu Technology tries to find the optimal solution through four links: traffic selection, traffic identification, customer acquisition expression and efficient conversion. On this basis, QiFu Technology also proceeds to build cross-channel placement and regulation capabilities, constantly improving the completeness, timeliness, and accuracy of its own data. We also enhance the identification capability of its model and build a monitoring system from traffic changes in media to internal detailed operations. By the end of the reporting period, Glaucus, the second-generation growth engine built by QiFu Technology, has helped the Company improve its core user acquisition capabilities by 40% and optimize customer acquisition efficiency by 30% across its information flow.



Flow Selection and Identification

With our own modeling capabilities, we connect the data of the three parties including business data, risk data and media data to provide a basis for judging accurate users, while providing real-time feedback to reduce ineffective exposure and thus improve customer acquisition efficiency.

Customer Acquisition and Conversion

We optimize our own materials and strategies to enhance the attractiveness to users and thus improve the customer acquisition effect. According to statistics, 350 placement strategies are operated online every day and 200 AB tests are conducted.

In terms of refined operation, for the huge user system and multi-dimensional user needs, QiFu Technology splits users into enough user groups and formulates operation strategies accordingly. At the same time, we realize the interpolation of operation strategies, through continuous splitting and interpolation to finally form a complex tree-like structure to achieve better interaction with users, which eventually leads to effective conversion and lays the foundation for user operation.

Quality Service

We are committed to providing responsible and transparent products and services to our customers, implementing internal rules and regulations related to consumer protection, and providing guidelines for business operations. During the reporting period, we leveraged our strengths in security technology to upgrade our consumer protection efforts and built a "five-tiered" consumer protection system that is "refined, professional, digital, intelligent and personalized". We will continue to protect the legitimate rights of consumers and maintain social stability.

Specialized Talent Development

Based on the needs of the team at all levels, organize internal consumer protection training, trigger various publications, popularize consumer protection knowledge, and train professional consumer protection personnel.

Refined Operation Management

Established the Financial Consumer Rights Protection Committee and the Consumer Rights Protection Department to strengthen the construction of consumer protection in terms of organization, structure and work allocation, and to implement refined operational management.



Digital Technology Assurance

Build platforms such as consumer protection audit platform, complaint work order system and information security platform to digitally empower and explore new paths for consumer protection and promote digital transformation of consumer rights protection.

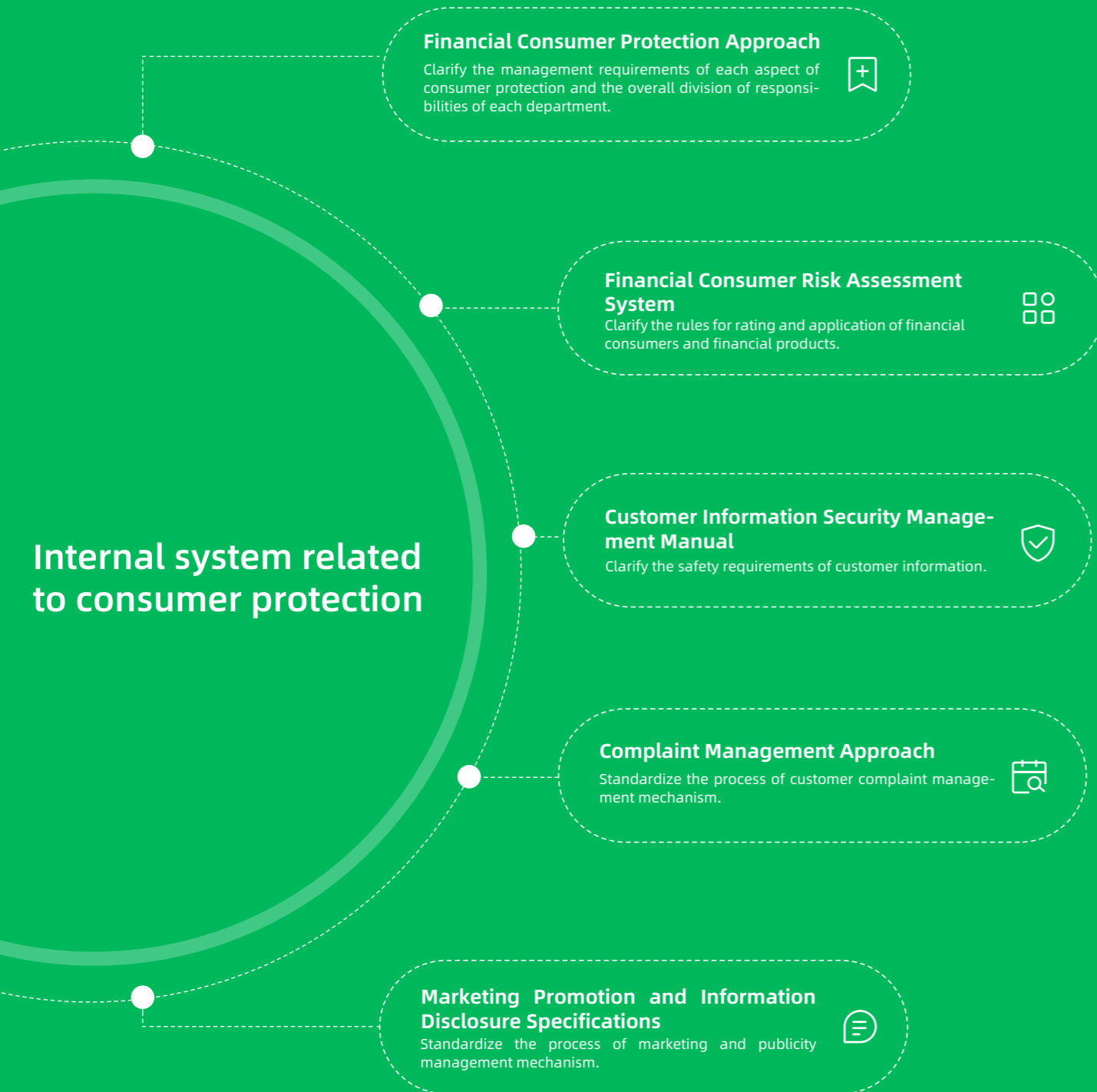
Personalized Knowledge Education

Use technology to fully expand online and offline education and publicity channels, enrich education and publicity scenarios, and enhance the sense of access and security of customers of all ages and circles.

Intelligent Consumer Protection Services

Upgrade consumer risk interception, phone interruption and other functions to provide consumer protection measures throughout the business process

In terms of "refinement" of operation management, the Company has established the Financial Consumer Rights Protection Committee as the highest decision-making body for consumer protection work, guiding the deployment direction of consumer protection work and laying the strategic foundation for refinement of operation. In addition, the Company has established the Consumer Rights Protection Department as a dedicated department for consumer protection, taking the lead in establishing and improving a number of internal regulations related to consumer protection, clarifying the division of labor among various departments and providing the institutional basis for consumer protection work.



In the area of "professional" personnel training, the Company attaches great importance to the culture and atmosphere of consumer protection, and regularly conducts internal training and activities. In terms of "digital" technology, the Company gives full play to its advantages and supports the whole process of consumer protection with its technological strength, building an online auditing system and a complaint management system, realizing 100% pre-vetting and post-monitoring of content to ensure that all aspects of complaint handling are recordable, searchable, and traceable. In terms of "intelligent" consumer protection services, the Company digitally empowers the entire process of consumer protection business based on its AI voice robot interaction experience to guard the safety of consumer rights and interests. In terms of "personalized" knowledge education, the Company releases financial knowledge education content through multiple channels to enhance users' financial awareness and financial quality.

Specialized Talent Development	Digital Technology Assurance	Personalized Knowledge Education
<p>27 Internal customer protection training</p>	<p>700+ Online review of customer matching materials</p>	<p>2,000+ Online review of customer matching materials</p>
<p>3 Internal customer protection training</p>	<p>66% Complaint efficiency improvement</p>	<p>110 Complaint efficiency improvement</p>
<p>42 Publications issued</p>	<p>92.6% Publications issued</p>	<p>5,000 million+ Publications issued</p>

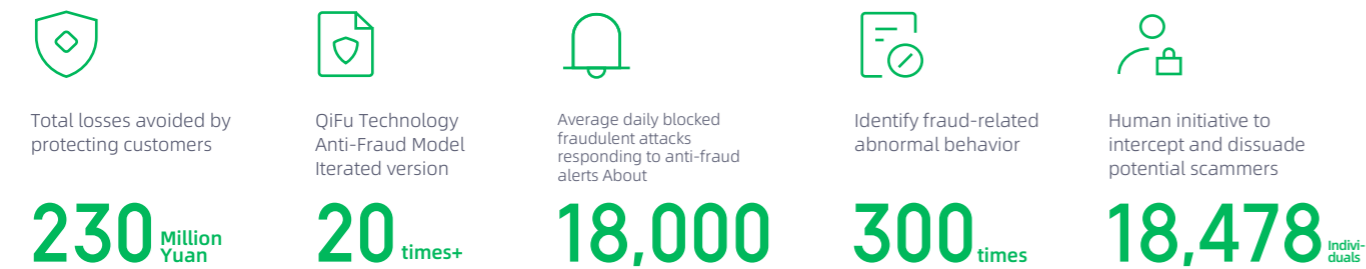
Enhance Customer Satisfaction

In 2022, we upgraded our customer service system with intelligent pre-judgment, intelligent routing, and intelligent warning to improve the quality and efficiency of our customer service and achieve efficient interaction with users. These measures resulted in a 98.6% customer satisfaction rate and a one-time resolution rate of 88.9%, both of which improved compared to the previous year, and made significant progress in the protection of consumer rights.

The company's Consumer Rights Protection Department actively improved its consumer protection system and set up a consumer protection assessment mechanism, incorporating the assessment results into the company's comprehensive performance appraisal system and human resources management system. In addition, the Company opened a direct line for important complaint channels, targeted to improve the acceptance rate and resolution efficiency of important complaint calls, and explore new ways of consumer protection.

Safeguard Customer Rights

QiFu Technology adheres to the service concept of customer experience as the centre, and helps financial institutions build a multi-dimensional anti-fraud defence line from point to whole through the dual guarantee of products and technology. At the technology level, QiFu Technology has created Argus wind control system, SHANHAI security situational awareness system, intelligent intelligence system, risk warning API, and established a blacklist system. At the product level, QiFu Technology's product team has established an anti-fraud strategy covering the whole domain scenario, including anti-fraud alert announcements, anti-fraud pop-up reminders, fraud-related blocking warnings and other ways. The team has also set up a security classroom anti-fraud area for users to learn on their own. As of the end of the reporting period, QiFu Technology has completed manual active interception and dissuasion of 18,478 potential fraud victims, protecting customers from losses of 230 million RMB in total. QiFu Technology's anti-fraud model has been iterated for more than 20 times, blocking fraudulent attacks, and responding to anti-fraud alerts about 18,000 times a day on average, and identifying more than 300 abnormal behaviours involving fraud.



During the reporting period, we actively regulated the company's marketing and promotion, banned false, tricky and deceptive marketing, and protected consumers' right to information. We incorporated the concepts of "rational consumption and reasonable borrowing" into our marketing campaigns to guide consumers to make rational decisions. In addition, the Company also conducted several promotional and educational activities on rational consumption and reasonable lending, and the related financial literacy articles were read by more than 100,000 people.

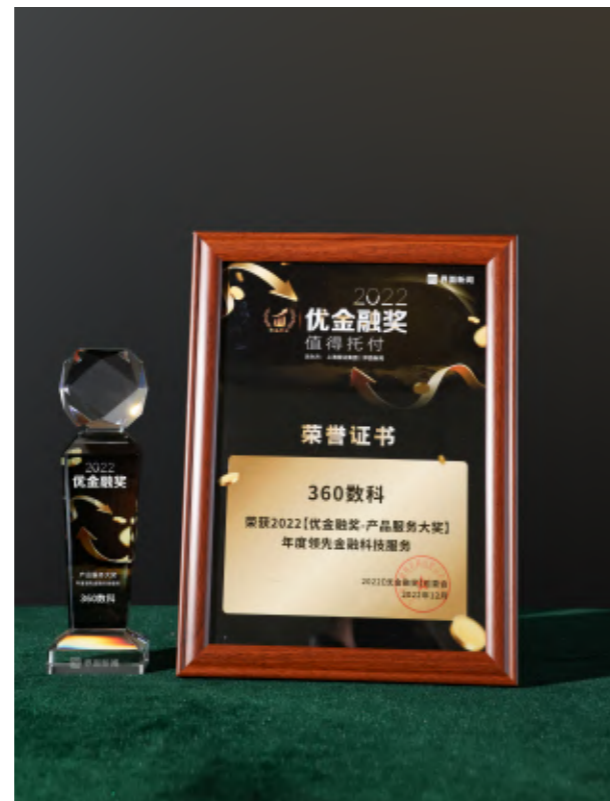


Case: QiFu Technology won the 2022 [Excellent Financial Award] Product Service Award - Leading Financial Technology Service of the Year

On December 20th, 2022, Shanghai Press Group Interface News held the 2022 "Excellent Finance Awards" ceremony at Shanghai Center and officially announced the winners of this year's awards. In this highly anticipated annual award for the financial industry, financial institutions, and enterprises from the fields of banking, insurance, securities and funds, trust, capital management, financial technology, wealth management, mobile payment, etc., won the annual awards for their annual market performance and industry influence. Among them, QiFu Technology was awarded the Product Service Award - Leading Financial Technology Service of the Year for its excellent performance in the industry.

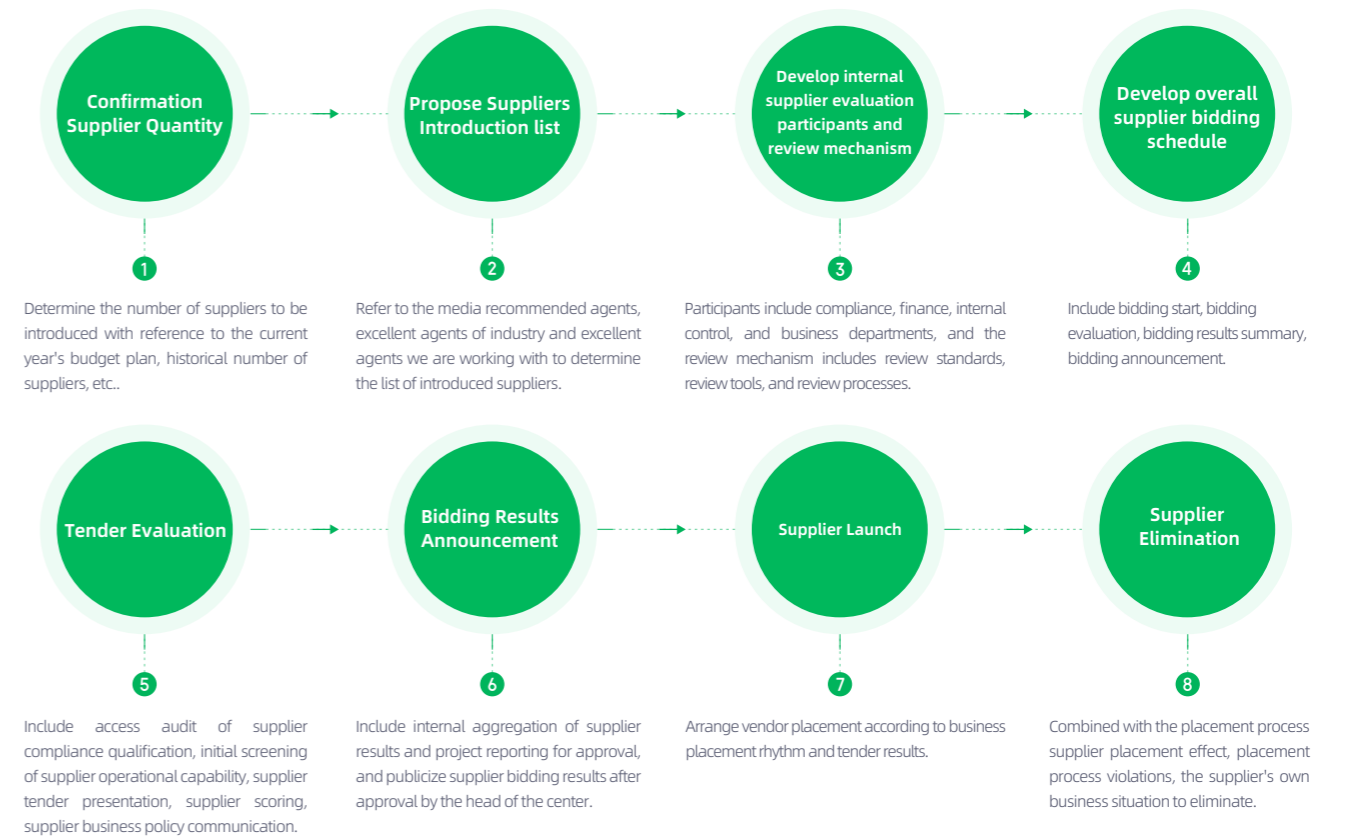
In the new era of intelligent wave and digital economy, QiFu Technology, with its Internet security gene

and data intelligence technology, has been cultivating the financial industry, using AI and cloud computing to help financial services, making financial services more equal and efficient to benefit every dream struggler and driving the industry to serve the real economy. As a leading financial technology enterprise and anti-fraud pioneer, QiFu Technology uses machine learning and AI intelligent analysis to make real-time risk intelligence decisions and timely dissuasion based on information security and intelligent anti-fraud technology means. By the end of the reporting period, QiFu Technology has achieved more than 5,000 police and enterprise linkages with effective traceability, Argus intelligent risk control engine reached 40,000+ strategy rule numbers, 200,000+ user data dimensions, and the overall credit cost of users was reduced by 20%.



Supplier Management

The Company attaches importance to the management of supply chain and has established an internal Procurement Management System to clarify the standardized process to be followed in procurement and the requirements for supplier management, including but not limited to the regulation of supplier sources, supplier qualification review, the number of suppliers for bidding/quotation, and the maintenance of supplier database. The specific requirements are as follows:



In 2022, the number of QiFu Technology's partner suppliers reached 184, with 100% of suppliers from China, with the largest number of suppliers from North China, accounting for 42%. QiFu Technology not only establishes long-term mutually beneficial relationships with suppliers, but also supports small and medium-sized suppliers by providing access convenience and the same pricing policy, which currently accounts for 84% of small and medium-sized suppliers.

In the selection of suppliers, QiFu Technology also considers the suppliers' initiatives in social responsibility and environmental management, whether they use environmentally friendly materials as much as possible, and whether they have obtained the corresponding system certification. For significant deficiencies, the company adopts a one-vote veto as a way to urge suppliers to make more efforts in social responsibility and environmental governance. For example, in the procurement of consumables, we try to strike a balance between environmentally friendly products, user-friendliness and price.

Giving back to the community

Awarded the Golden Award of "2022 Outstanding Social Responsibility Enterprise" by China Investment Network

We are committed to giving back to the community, contributing to community development and improving the quality of life, and striving to be a good corporate citizen in the society. The Company actively encourages and supports various social development initiatives by participating in various charitable activities and promoting the concept of corporate social responsibility across the enterprise. During the reporting period, the Company was awarded the 2022 Outstanding Socially Responsible Enterprise by the Investment Times for its outstanding performance in socially responsible governance and precise poverty alleviation. In 2022, we donated a total of RMB 1 million to society, supported the employment of 5.8 million people, and actively assumed the social responsibility of corporate citizenship.



Awarded the Golden Award of "2022 Outstanding Social Responsibility Enterprise" by China Investment Network

Case: Community Credit Promotion

On June 14, 2022, to popularize credit knowledge in the community, QiFu Technology launched a series of education activities on the theme of "Credit for the People, Universal Benefit and Win-Win". The campaign adopts a combination of online and offline methods, releasing credit promotion flyers and holding seminars offline, and releasing credit themed promotional charts and other materials online. Later, through online quizzes and questionnaires, the campaign deepens consumers' awareness of developing good credit consumption habits and preventing credit scams.



Off-line activity site



Industry Win-Win

The Company understands the importance and driving force of sharing and strives to promote win-win situation in the industry. On the one hand, we maintain an ecological mindset and an open mentality, fully linking partners to form a win-win situation in technology and business; on the other hand, we base on technology, increase investment in basic research to application research, and promote the progress of the whole financial technology industry. To this end, we have launched the "Smart Building Program" to promote technology exchanges and break down industry barriers, as well as technology open days to share operational achievements and empower the whole industry. In addition, we also cooperate with the government to build a "Post-doctoral Innovation Practice Base" to inject new vitality into the growth of technology.

Case: "Smart Building Program", Building a Learning Organization with Technology Partners

In May 2022, QiFu Technology launched the series of activities of QiFu Technology Parlor - Smart Building Program, which jointly creates technology application and sharing sessions with top experts in the financial technology industry. sharing sessions. The event is mainly for developers, technical leaders, project managers, architects and other IT technicians, and each event is held by several technical experts from QiFu Technology together with outstanding industry companies or enterprise technical partners to share technology. Since the opening of the meeting room, external experts from China UnionPay, China Unicom, Piovan and others have shared their expertise in data risk analysis, merchant and industry development analysis, big data and modeling technology, and interpretation and application of invoice data. In the future, leading companies from the industry such as e-commerce, artificial intelligence technology providers and intelligent analysis and decision service providers, will be guests of the conference room to share their industry insights in the fields of data capability, risk control capability, privacy computing and data modeling, and jointly promote the progress of the industry and technology. In the future, leading companies from the industry, such as e-commerce, artificial intelligence technology providers, intelligent analysis and decision-making service providers, will be guests of the conference room to share their industry insights in the fields of data capability, risk control capability, privacy computing and data modeling to jointly promote the progress of the industry and technology. In the future, leading companies from the industry, such as e-commerce, artificial intelligence technology providers, and intelligent analysis and decision-making service providers, will be guests in the meeting room to share their industry insights in the fields of data capability, risk control capability, privacy computing and data modeling. All of us will finally work together to promote the progress of the industry and technology.

Case: Industry Collaboration on Cutting-Edge Technology Innovation

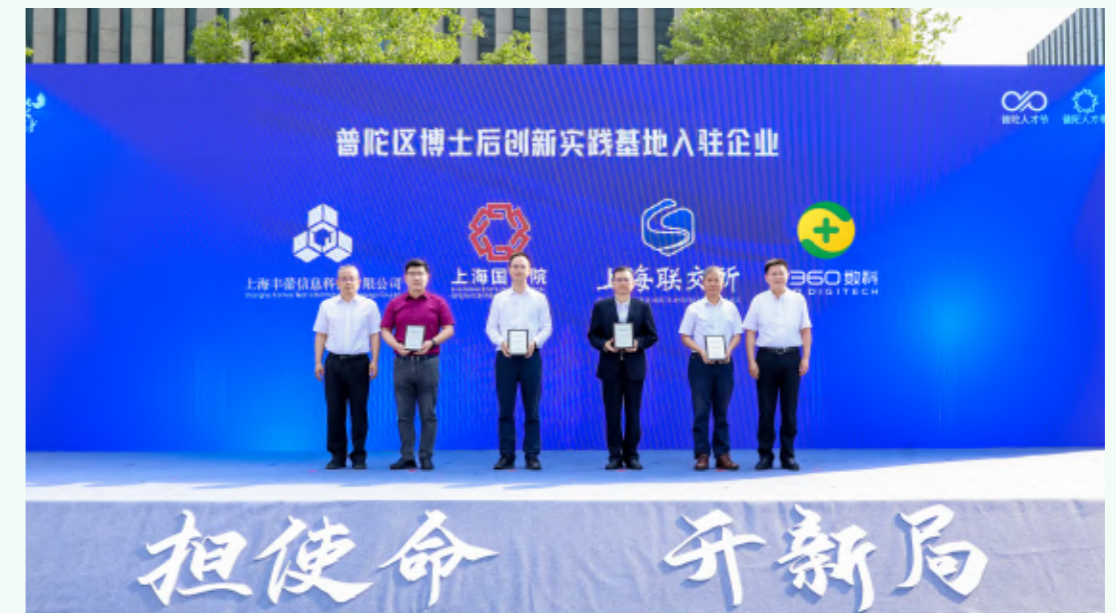
In August 2022, QiFu Technology held the From Reengineering to Empowerment - 2022 Technology Open Day in Beijing, comprehensively showcasing the company's refined operational achievements in the whole aspect of financial technology business, presenting the technological evolution of QiFu Technology from a market connector to a process reengineer, and looking forward to its development direction of becoming an industry enabler. The event showcased the evolution of technology from market connector to process reengineer. Wang Jiping, CTO of QiFu Technology, made an industry outlook and said, "If we only act as practitioners, we are only 1 in the industry, but if we become an industry enabler, we can go from 1 to 100 and let the technology release more energy. The only way to break the bottleneck of growth and usher in the second curve of development is to reconstruct the value chain with technology and gradually open our technical capabilities to empower the whole industry".



Awarded the Golden Award of "2022 Outstanding Social Responsibility Enterprise" by China Investment Network

Case: Collaboration between government and enterprises to build a talent highland

In October 2022, QiFu Technology was officially settled in the "Postdoctoral Innovation Practice Base" in Putuo District, Shanghai. As one of the leading financial technology companies in China, QiFu Technology is committed to building a talent highland through the collaboration between government and enterprises, while providing support for Shanghai's economic development and actively participating in the construction and cultivation of high-level talents in Shanghai. Relying on the base's strong scientific research strength and perfect industrial support, QiFu Technology will provide the best talent development environment and living guarantee for the incoming doctors and provide intellectual support for building a world-class city cluster. In the future, QiFu Technology will also play its own strengths in the new base, build a high-level R & D innovation platform, and further play its advantages in technology content, market competitiveness and growth potential, injecting new momentum and vitality for Shanghai and even national research and innovation.



QiFu Technology was stationed at "Postdoctoral Innovation Practice Base" in Putuo District, Shanghai

07 People Oriented

We focus on the cultivation, motivation, and development of our employees, actively implement relevant policies to attract and retain talent, and create a good working environment and development opportunities for our employees to enhance their work experience.

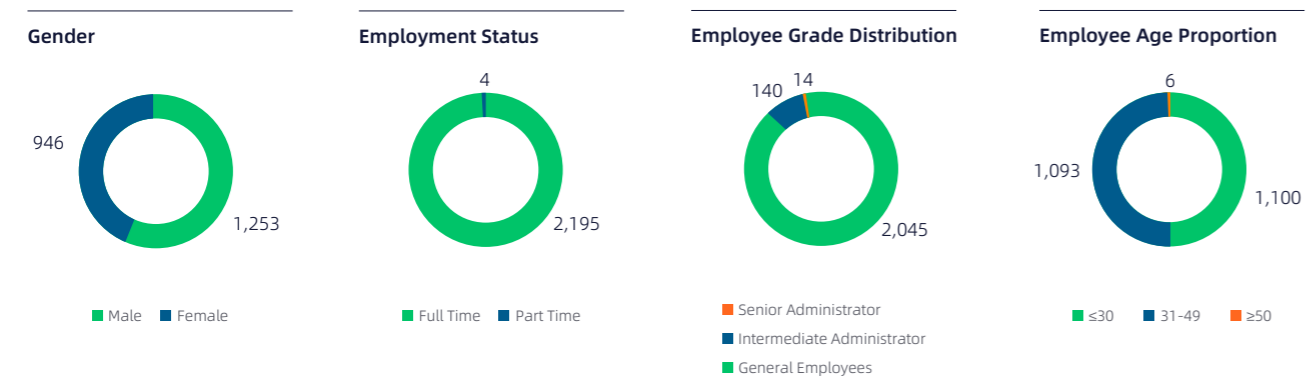


People Oriented

QiFu Technology believes that our employees are the core assets that are critical to our continued growth and success. As a technology-driven company, we are committed to providing a wide range of development opportunities for more talented people. QiFu Technology has developed an internal Employee Handbook and Social Recruitment Process Specification, set up scientific employment, training, and health and safety standards to ensure healthiness and safety of employees, and to create friendly and harmonious employment relationships, and to build a talent pool that meets the company's cultural and strategic requirements. Based on our entrepreneurial and development experience, we have summarized the unique talent concept of QiFu Technology: self-driven, result oriented, positive, and open-minded. Based on this view of talent, we focus on the cultivation, motivation, and development of our employees, actively implement relevant policies to attract and retain talent, and create a good working environment and development opportunities for our employees to enhance their work experience.

In 2022, the Company has a total of 2,183 employees, of which approximately 57.0% are male and 43.0% are female. The total number of existing full-time employees is 2,179, accounting for 99.8% of the company-wide workforce. In addition, we focus on building a young and high-quality team, and the proportion of young employees is increasing, with 50.0% of employees under the age of 30, who are bold in innovation and breakthroughs, adding vitality to the company.

In 2022, the Company has a total of 2,199 employees, of which approximately 57.0% are male and 43.0% are female. The total number of existing full-time employees is 2,195, accounting for 99.8% of the company-wide workforce. In addition, we focus on building a young and high-quality team, and the proportion of young employees is increasing, with 50.0% of employees under the age of 30, who are bold in innovation and breakthroughs, adding vitality to the company.



Diversified Compensation and Benefits System

QiFu Technology adopts a total compensation concept that reflects the value and contribution of employees from multiple perspectives. QiFu Technology organically integrates a variety of incentive methods to form a positive bond between the organization and employees, so that employees and the company can achieve common growth. QiFu Technology has formulated the Compensation Management System within the enterprise, with a view to build a perfect employee compensation system and create a fair, just, transparent, and scientific compensation and performance system.

Our compensation system is diversified. In addition to the regular salary, we also design various long-term and short-term incentives and other methods. Through periodic salary reviews, we conduct scientific salary management under the principle of distribution according to work and combined with employee performance appraisal. According to the market situation, we follow the salary allocation concept of "pay by position, pay by ability and pay by performance" to motivate employees to continuously improve their personal ability and grow with the company. Through regular research on external market salaries, we ensure that employees' salaries are fair to each other internally and competitive externally, to ensure that employees are reasonably rewarded. In addition, besides paying social insurance in full according to the law, the company also provides additional supplementary medical insurance, holiday gifts, birthday gifts and benefits for weddings and funerals to enhance the happiness of employees.

To ensure the work-life balance and increase the flexibility of our employees, we provide flexible working hours for our employees to arrange their work flexibly. The company provides professional instant communication tools. In case of special circumstances, employees can also choose to work from home and complete their work well through a convenient online communication system. In addition to enjoying weekends, annual leave, various holidays, maternity leave, breastfeeding leave, wedding and funeral leave and other statutory holidays, employees of QiFu Technology also enjoy one day of paid sick leave per month, so that employees can seek medical treatment and take sufficient rest in time.



From the perspective of employee welfare, QiFu Technology has formulated the Employee Care Management Measures within the company to effectively implement employee care work. We provide personal welfare and cash care to employees in the areas of marriage, childbirth, hospitalization, rehabilitation, serious illness and disability, etc. According to the objective conditions of workplaces around the world, we also provide employees with many benefits such as afternoon tea, canteen, contracted gym, sports club, shuttle bus, infirmary, small medicine box, etc. to create a reassuring and pleasant working environment for employees.



Club Activity



Large Group-building Activity



Motivation Interactive Scene



Resumption Ceremony

Focus on Health and Safety

QIFU Technology cares for the physical and mental health and safety of employees and strives to create a healthy and safe working environment for them. We protect the occupational safety and health of our employees by organizing medical check-ups, health promotion activities, safety training and safety inspections. We provide medical check-up benefits for all employees, organize regular annual medical check-ups, and upgrade medical check-ups packages every year. In addition, the Company pays special attention to the psychological health of employees and cooperates with Beijing "Heart Enlightenment Service Center" to provide emotional counselling services to help employees relieve stress and protect their psychological health. The Company has set up a special training course "Workplace Stress Management and Emotion Management" for employees in need. The course is aimed at people with high occupational stress or employees who wish to improve their professionalism to carry out emotional management guidance. A total of 35 employees participated in the online learning, and the training received an average score of 4.75 out of 5 from the participants, which was approved by many participants.

During the Covid epidemic, the company adjusted relevant epidemic prevention measures in real time according to national policies and formulated the Epidemic Protection System internally. For example, the company conducted temperature tests for returning employees and recorded their body temperature in real time, arranged internal inspection process, arranged daily inspection in the morning and afternoon, and carried out comprehensive disinfection and sterilization of the office. To prevent the spread of the epidemic and alternate infections, the company implemented staggered meals and distributed daily hygiene materials such as masks and disinfectant for employees. In daily office, offline meetings for more than ten people were prohibited in the meeting room and online meetings were promoted. After the implementation of covid19 under Category B management, the company still allocates specific office areas in each workplace, keeping one person per seat or spaced seating. In the office area, the company allocates non-washable gels, alcohol wipes, N95 masks, lemon tablets and effervescent tablets for employees to choose. To ensure environmental safety, the company keeps windows open and ventilated throughout the day. Also, daily cleaning and disinfection are carried out on time.



Case: Employee Care during Epidemic

In April 2022, the serious epidemic pressed the pause button on Shanghai. QIFU Technology paid close attention to the situation of the epidemic, and actively joined hands with supply units to purchase more than 20 tons of vegetables, fruits, meat, eggs, noodles, and other living materials in Yunnan Province, and loaded them onto trucks overnight to Shanghai to distribute the epidemic prevention and vegetable gift packages to all employees to ensure the health and safety of employees and their families. On April 26th, the first-round of 1750 material distribution was completed.

In addition, to strengthen the staff's confidence in fighting against the epidemic, to do a good job of solid support, and to tide over the difficulties with the staff, the Company issued living allowance to the employees in Shanghai with their salaries and distributed additional compensation to the confirmed and close contact personnel. The total value of staff care was more than 2 million yuan. In this action, QIFU Technology has practiced the original intention and mission of caring for employees and demonstrated the social responsibility and commitment of the company.



Well Talent Development Path

We have built a mature training system and promotion development system by focusing on the training and improvement of employees' professionalism. To this end, we have developed a comprehensive talent development system to improve employees' self-drive, thinking power and problem-solving ability. In the process of staff development, QiFu Technology follows the "181 principle", which is 10% of newcomers' training and mentorship, 80% of practical training and 10% of sharing and precipitation. The company is committed to providing training and development opportunities for its employees to help them maximize their business potential and management talents. At the same time, the company advocates employees to improve themselves in the real world and establish a learning and sharing mechanism. From the beginning of their employment, employees will go through development paths including new employee landing, practical training, sharing and precipitation, value creation, performance management, promotion, and development to achieve self-improvement and grow together with the company. As of the end of the reporting period, the retention rate of our new employees reached 86%, and most of our core staff is composed of talents trained internally by the company itself, and members who have experienced the rapid development and expansion of the company for more than five years account for 40% of the total core staff.

New Employee Landing

The company welcomes and values every partner who chooses to join the company and helps new employees integrate smoothly into the team through the care of New Employee Landing. The company's leader and HRBP will communicate with new employees on a regular basis to ensure that any problems encountered during the integration period are identified and resolved in a timely manner. The company also provides each new employee with informative new employee training, providing detailed explanations of the company's business, organizational culture, rules and regulations, and benefits, s



Case: New Employee Orientation Training

The company conducts 1-2 training sessions per month for new employees to help them quickly integrate into the company's culture, fully understand their job responsibilities and improve their work efficiency. Among them, the online courses include information security, OKR introduction, financial consumer protection and other related contents, and the offline courses include the company's business products, cultural values, rules and regulations (HR, administration, finance) and other business knowledge. The training has been recognized by many new employees in terms of fun, growth and participation.



Practical Training

The company believes that 80% of human growth comes from practice. Based on this concept, the company provides practical rather than general training courses for employees. In terms of leadership, the company provides employees with management fundamentals based on the company's core goal management tool, OKR. In terms of professionalism, the company invites top-performing employees internally and industry experts externally to share their experiences and inspire them to reflect and improve. In addition, to realize knowledge precipitation and inheritance, the company has also established a learning platform, allowing employees to reasonably plan their learning path according to their own abilities and time schedule.



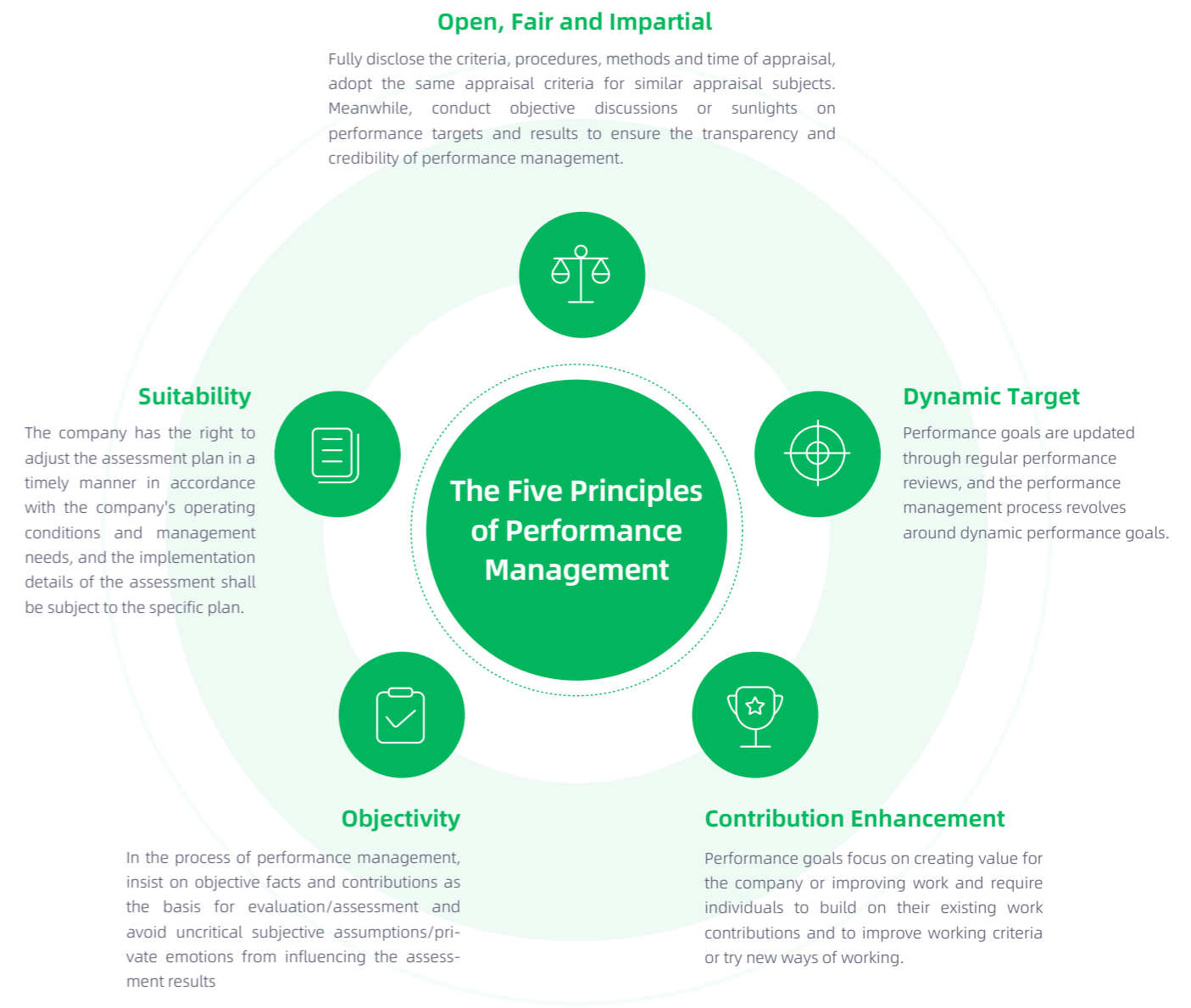
Share To Sink

We deeply understand the importance of knowledge sharing and are eager to internalize it. That's why the company organizes two cross-departmental industry sharing sessions every month to cultivate employees' business sense and insight. The company wants to help employees gain a deeper understanding of company development and user needs.



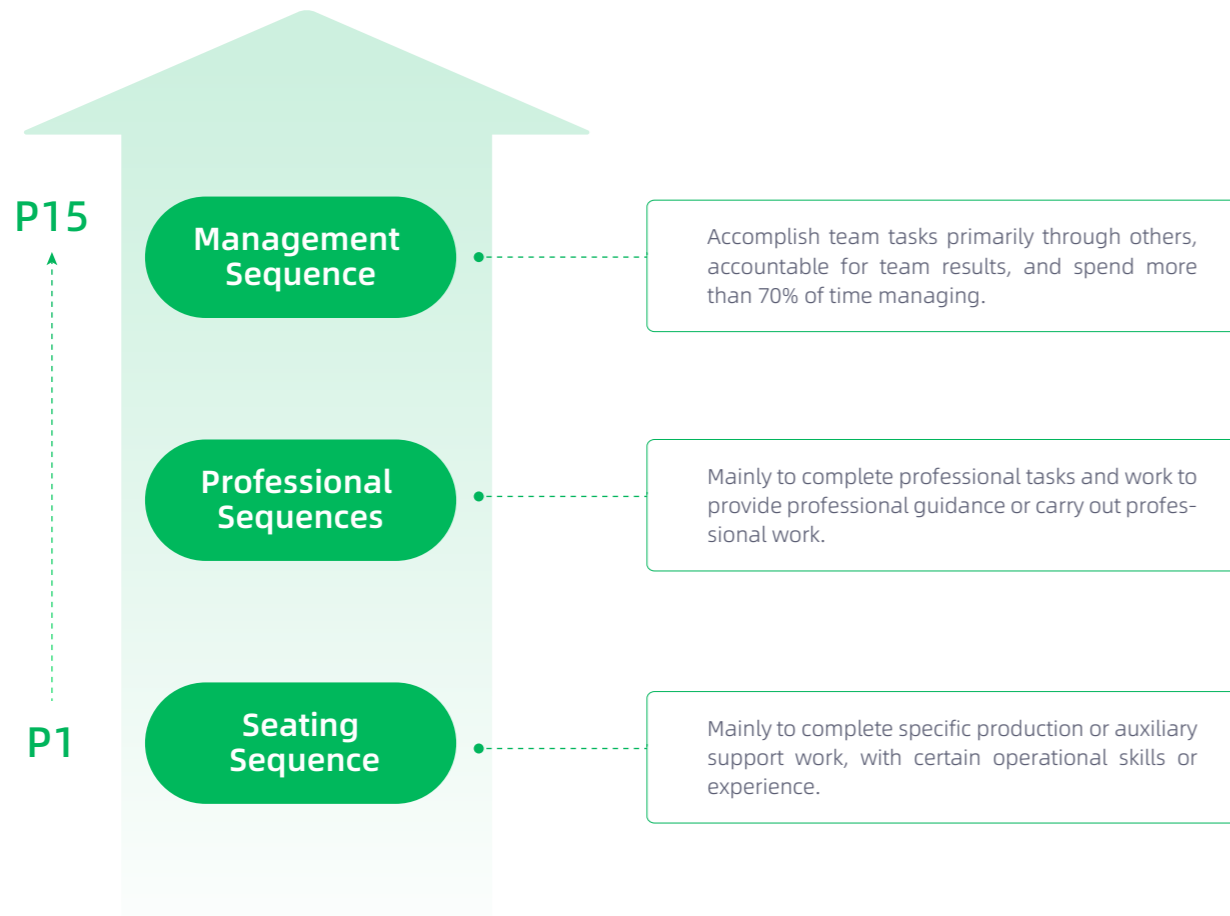
Performance Management System

The company has established a closed-loop performance management system, aiming to implement a goal-oriented performance management mechanism internally and achieve a win-win situation in performance management by guiding employees to participate in the whole process of performance management, including goal setting, performance review, self-evaluation, appraisal, performance feedback and improvement, etc. Our performance evaluation is carried out in the middle and end of each year, using a 360° assessment of the whole staff, strictly following the principles of performance management to ensure a comprehensive, objective, and fair assessment of employees in a multi-dimensional manner.



Promotion

QiFu technology has established the "QiFu Technology Promotion Management System", which emphasizes on equal opportunity in employee promotion. Every year, the company conducts promotion counselling and promotion assessment to examine whether employees can be promoted, considering their past performance, development potential, personal ability and cultural values.



Rotation Mechanism

We have established a rotation mechanism in some departments, to give employees the opportunity to learn about the work procedures and contents of other organizations and positions. On the one hand, it enhances communication, understanding, coordination and cooperation between departments and positions, thus improving work efficiency, and on the other hand, it expands employees' vision, cultivates their comprehensive ability, and helps them become complex talents.

Upholding Employee Rights

QiFu Technology insists on equality and diversity in employment, strives to create an equal and inclusive corporate culture, and encourages employees to put forward different ideas and suggestions. In addition, the company attaches importance to protecting the legal rights of employees, does not treat employees differently, and prohibits the use of child labor and forced labor. We comply with national regulations and local government requirements, and actively implement a parental leave system to protect the legitimate rights and interests of our employees. The company also strictly abides by the Labor Law and other regulations and actively protects the legal rights of employees in any form. If the rights and interests of employees are damaged, we are willing to communicate and negotiate with them and take practical actions to effectively protect their legitimate interests. During the reporting period, the Company did not have any incidents of violation of laws and regulations related to the employment of child labor or forced labor.

What's more, with the value of openness and tolerance, we respect every employee's suggestion and have established various communication channels to allow employees to express their ideas. In addition, we have also established an anonymous suggestion box for employees to express their opinions freely, and every year we conduct employee satisfaction surveys and analyze the results to address the main issues of our employees.



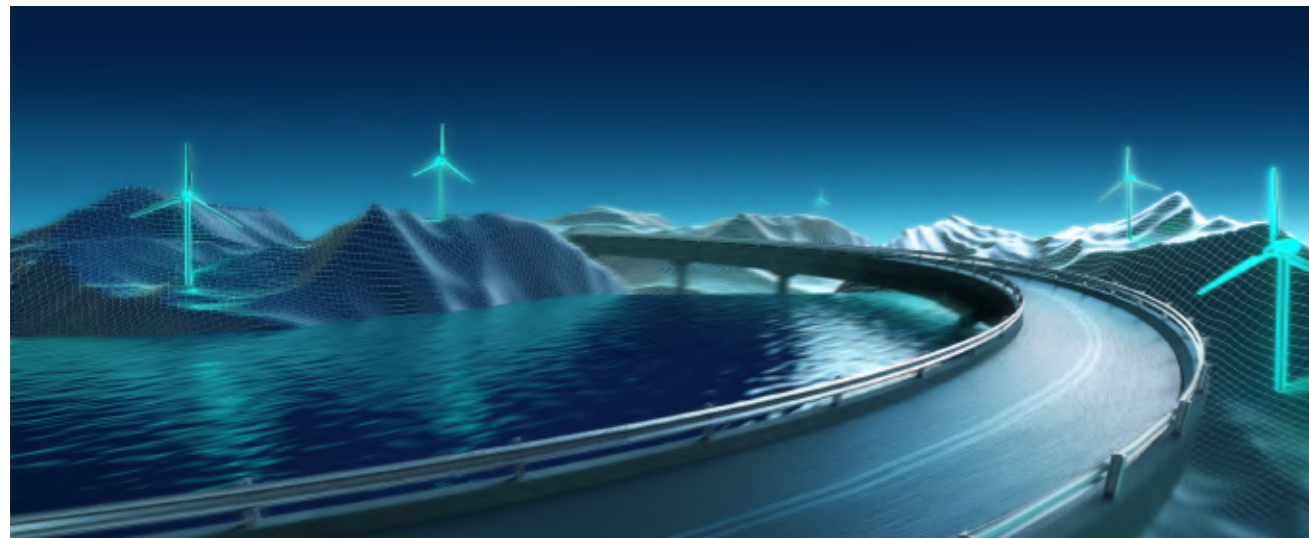
08 Proud of Green

Qifu Technology upholds the green concept of harmonious coexistence between human beings and nature, attaches importance to the environmental impact in the operation process, builds a perfect EHS management system, makes reasonable use of clean energy, effectively responds to climate change, continues to advocate the concept of low-carbon office, and actively carries out environmental protection activities, thus effectively reducing the impact of the company's operation on the surrounding environment.



Proud of Green

QiFu Technology upholds the green concept of harmonious coexistence between human beings and nature, attaches importance to the environmental impact in the operation process, builds a perfect EHS management system, makes reasonable use of clean energy, effectively responds to climate change, continues to advocate the concept of low-carbon office, and actively carries out environmental protection activities, thus effectively reducing the impact of the company's operation on the surrounding environment.



Resource Utilization

Energy Consumption

Energy is an important material basis for national economic and social development. The resources we consume mainly include electricity, gasoline, paper and water. In compliance with the relevant provisions of the law of the people's Republic of China on energy conservation, we have formulated the Internal system for emission reduction of QiFu Technology within the Company, established an energy-saving responsibility system, strengthened energy-saving management in office areas, comprehensively reduced resource consumption and improved employees' awareness of emission reduction, so as to reduce carbon footprint and resource waste.

Resource consumption category	Unit	Total
Gasoline	MWh	62.93
Electricity consumption	MWh	1,558.02
Power density	MWh / employee	0.71

In 2022, QiFu Technology has implemented a series of energy-saving measures, the total energy consumption decreased by about 15% compared to the previous year. We are aimed to further complete energy conservation and emission reduction on the basis of maintaining the previous energy consumption level:

Advocate Paperless Office

Promote double-sided printing and use single-sided wastepaper for informal documents.

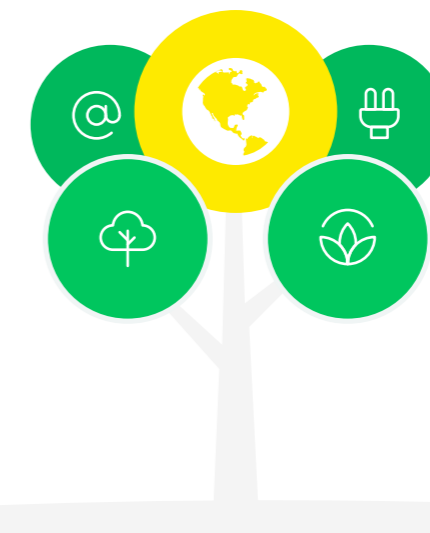
Encourage employees to prioritize the use of email, intranet and other electronic means to communicate and distribute information.

Reduce Wasteful Behavior

Release water conservation related policies (e.g. turn faucets down, do not leave water on, report repairs promptly, etc.)

Release energy saving and consumption reduction initiatives and publicity.

Security guards patrol to turn off lights.



Improve Resource Efficiency

Set air conditioning temperature limit to practice power saving and low carbon.

Replace barrels of drinking water with direct drinking machines to improve water efficiency.

Set power-saving parameters on computers, printers and other equipment, and advocate turning off lights in conference rooms after use and disconnecting power-using equipment from the Internet after work to reduce energy consumption.

Green Office

Promote the use of office supplies on demand and set up shared stationery corners in some offline workplaces.

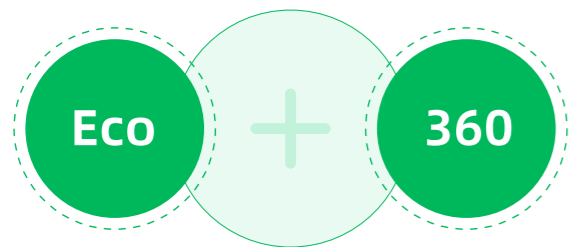
Reduce battery consumption and try to use reusable charging devices.

Security guards patrol to turn off lights.



Enhance Customer Satisfaction

In 2022, the headquarters building of QiFu Technology started construction in Shanghai, with the concept of "Eco+360" to create a representative green building in the region. During the construction process, the Company took multiple initiatives to achieve low-carbon construction in all aspects.



In terms of water resources utilization, the Company actively responds to the requirements of "sponge city". By adopting various effective low-impact development technologies, taking LID technology transformation as the entry point, and combining green roofs, rainwater reuse facilities, permeable paving, and other designs, we control rainwater comprehensively from the source, paving, and end, in order to achieve reasonable use of rainwater resources and to improve the water environment. The total annual runoff control rate is expected to achieve 70% and the annual runoff pollution control rate of 50%. In terms of energy use, the whole building is simulated by wind and thermal environment to achieve the maximum natural ventilation and lighting with a hybrid ventilation system. In addition, from the perspective of long-term application, the installation of solar water heating system will further reduce the carbon emission of the building. In terms of lighting, the building's outdoor glass wall is made of highly translucent material, which makes reasonable use of natural light while insulating the temperature and heat. Meanwhile, the indoor lighting adopts light-sensing mode and human rhythm adjustment measures to reduce light energy consumption.





1.5

Energy use efficiency indicators are lower than the industry average

60%

Energy use efficiency indicators are lower than the industry average

Case: Low Carbon Transformation of QiFu Technology Data Center

In 2022, QiFu Technology has completed the low-carbon transformation of its data center in Beijing and Zhengzhou, helping the Company reach its goal of building an environmentally friendly data center with operational characteristics.

In terms of equipment usage, QiFu Technology adopts a large number of energy-saving devices to improve energy efficiency and to reduce carbon emissions by means of stepped utilization of natural cooling sources, self-use of waste heat recovery in machine rooms, and dynamic adjustment of control strategies. Currently, the data center has achieved an effective integration of the cooling source system with the air conditioning system, saving a lot of water and electricity. According to statistics, the company's PUE (energy use efficiency) index has reached 1.5, which is lower than the industry average. In terms of data processing, QiFu Technology takes three layers of differentiation measures for data storage and uses different energy-consuming machines and media to store data for high, medium, and low frequency computing needs, thus reducing the performance consumption of data storage as a whole. According to statistics, 60% of the company's current data is low-frequency computing data, which greatly reduces the center's energy consumption. In terms of data usage, QiFu Technology Data Center adopts dynamic scaling technology for the servers of business operation to achieve daily-level computing resource redistribution, so that more resources are used in the peak of business volume and less resources are used in the low peak of business volume, thus avoiding resource waste, reducing resource consumption, and achieving the overall goal of energy saving and environmental protection.

Water Consumption

In terms of water use, the Company uses the tap water supplied by the municipal government and has not encountered any problems in terms of water source. Our water consumption is already at a low level, and we aim to maintain a normal water consumption level in the future. Therefore, we strictly abide by the law of the people's Republic of China on the prevention and control of water pollution, the regulations on urban drainage and sewage treatment and other laws and regulations, strengthen the publicity of water conservation for employees in the process of daily operation, publicize and implement the company's annual water-saving objectives to employees, and replace all kinds of water-saving devices with water-saving models as far as possible.

Resource consumption category	Unit	Total
Total water consumption	Tons	84,240.00
Water consumption density	Tons / employee	38.31

Emission Management

The Company is a financial enterprise focusing on business office efficiency with low energy consumption and light pollution. Therefore, it does not involve the discharge of industrial wastewater, waste gas and air pollutants and the consumption of finished product packaging materials. We strictly abide by the law of the people's Republic of China on the prevention and control of air pollution and other laws, use environmental protection materials in the operation process, formulate and regularly review environmental protection emission targets, and strive for environmentally sustainable development.

Greenhouse Gas Emissions

In terms of pollutant gas emissions, our operations have no significant impact on the environment. However, the Company still produces greenhouse gases due to the consumption of gasoline and purchased electricity. Therefore, the Company has implemented a number of measures to reduce greenhouse gas emissions to demonstrate our determination to maintain environmentally sustainable development.

Resource consumption category	Unit	Total
Scope I	Ton carbon dioxide equivalent	14.16
Scope II	Ton carbon dioxide equivalent	1253.95
Total greenhouse gas emissions	Ton carbon dioxide equivalent	1268.11
Greenhouse gas emission density	Ton CO2 equivalent / employee	0.58

Hazardous and Harmless Waste

The company classifies the wastes and disposes them according to different types. For recyclable paper, we implement centralized and unified recycling. Since the company's business does not involve any industrial manufacturing activities, it does not produce a large amount of hazardous waste. In the future, we will continue to reduce the waste generated by business operations in a responsible manner. During the reporting period, the Company did not violate laws or regulations in any aspect related to environmental protection.

Resource consumption category	Unit	Total
Hazardous waste	Tons	0.01
Harmless waste	Tons	462.09
Total waste discharge	Tons	462.10
Waste discharge density	Ton /employee	0.21

Proud of Green

Carbon Neutralization Program

Since the introduction of the national dual carbon goal, QiFu Technology has been working on its own operations and product design. QiFu Technology has formulated the Carbon Neutralization Program internally and committed to accelerate the realization of the 3060 strategies. The program is based on a four-step strategy of conducting carbon emission surveys, strengthening internal green governance, increasing the focus on green finance, and improving carbon inclusion, and is committed to implementing all the work under the carbon neutrality target in a step-by-step manner.

Conducting Carbon Exclusion

Based on the mapping of annual carbon emissions, we will effectively identify emission reduction measures and develop a neutralization pathway. Currently, the key work being carried out by the Company includes defining emission boundaries, confirming consolidation methods, identifying emission sources, and acquiring emission data and emission factors.

Strengthening Green Governance within the Enterprise

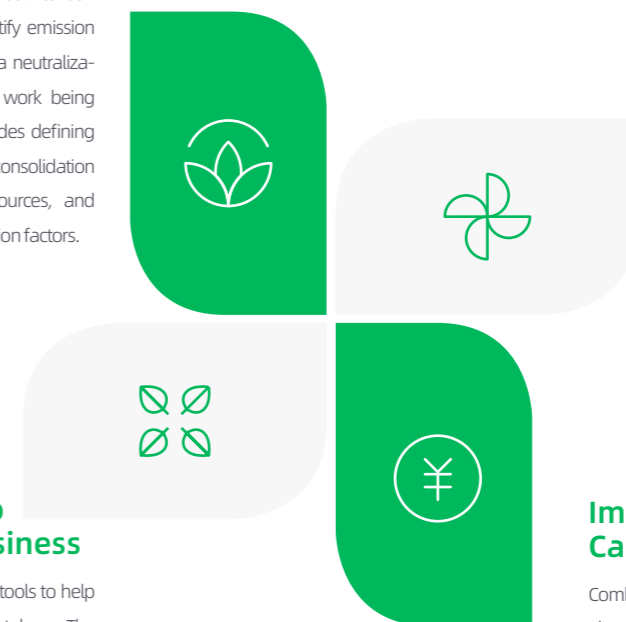
Based on the mapping of annual carbon emissions, we will effectively identify emission reduction measures and develop a neutralization pathway. Currently, the key work being carried out by the Company includes defining emission boundaries, confirming consolidation methods, identifying emission sources, and acquiring emission data and emission factors.

Increase the Tilt to Green Finance Business

Make good use of green financial tools to help green finance move into the fast lane. The Company has launched a number of products such as forestry and agriculture loans, new energy vehicle loans and new source loans to guide the flow of funds to environmentally friendly and resource-saving industries and achieve the goal of energy conservation and emission reduction in the financial activity link.

Improving Carbon Inclusion

Combined with "Carbon Inclusion" and other elements, we design "green finance" products and incorporate carbon elements in our products and other products to promote emission reduction actions in four areas, including credit, consumption, insurance and funds, and at the same time, strengthen carbon neutral publicity on product pages to achieve "spillover effect" by influencing users.



Case: QiFu Technology Low Carbon Healthy Running Festival

In August 2022, QiFu Technology has launched a low-carbon running festival and the first Happy Run for all employees in Beijing Olympic Forest Park. The theme of the event is "Green Summer, Run for the Future", organized by the ESG Committee of QiFu Technology, to convey the concept of environmental protection through a green and healthy running race in a fun and educational way. Runners could participate in the activities at fixed points to collect environmental protection logos or invite passers-by to complete the low-carbon challenge to popularize the concept of green and healthy living. The successful implementation of this activity not only responds to the company's determination to implement the 3060 strategy, but also is an important reflection of the company's firm implementation of the Carbon Neutralization Program.



Climate Response and Ecological Environment

Based on the nature of our business, QiFu Technology has not caused any direct and significant impact on the environment and natural resources during its business operations. The Company has established emergency response plans for various emergencies and defined the responsibilities of each department in emergency response to ensure that emergency response work can be carried out in an orderly manner in emergency situations. In addition, the Company conducts relevant emergency drills from time to time, so that the emergency response capability of each department is continuously verified and improved, and the awareness of employees in crisis response is strengthened to reduce the risk of environmental pollution.

Green Finance

In order to firmly implement the Carbon Neutralization Program and accelerate the response to the national dual carbon target, QiFu Technology fully utilizes its advantages in data security and makes good use of green financial tools through artificial intelligence, big data risk control, and other technologies to promote the implementation of products in the field of green consumption. During the reporting period, the Company has launched several products, such as forestry and agriculture loans and new energy vehicle loans, to help relevant fields achieve the goal of energy conservation and emission reduction in the financial activities, guide the flow of funds to environmentally friendly and resource-saving industries, improve the company's green governance system, and implement corporate ecological and environmental protection responsibilities.



Improve corporate green governance system



Implementation of corporate responsibility for environmental protection



08 Appendix

Content Index of ESG Guide



Aspect	Description	Location
A. Environment		
Aspect A1: Discharge		
General disclosure	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
A1.1	Types of emissions and respective emissions data.	Emission management
A1.2	Total GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data statistics
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data statistics
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data statistics
A1.5	Description of emission targets devised and steps taken to achieve the targets.	Emission management
A1.6	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
Aspect A2: Resource Use		
General disclosure	Policies on the effective use of resources including energy, water and other raw materials.	Resource utilization
A2.1	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
A2.2	Total water consumption and intensity (e.g. per unit of production volume, per facility).	Data statistics
A2.3	Description of targets devised for energy use efficiency initiatives and steps taken to achieve the targets.	Resource utilization
A2.4	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
A2.5	Total packaging material used for finished products (in tonnes) and, where appropriate, with reference to per unit produced.	Data statistics

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

Aspect	Description	Location
B. Society		
Aspect B1: Employment		
General disclosure	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, 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.	Safeguarding employee rights Compensation and benefits
B1.1	Total workforce by gender, employment type, age group and geographical region.	Data statistics
B1.2	Employee turnover rate by gender, age group and geographical region.	Data statistics
Aspect B2: Health and Safety		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health & Safety
B2.1	Number and rate of work-related fatalities in the past 3 years (including the reporting year).	Health & Safety
B2.2	Lost days due to work injury.	Data statistics
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health & Safety

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

Aspect	Description	Location
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management
B5.4	Description of practices used to promote environmental preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management
Aspect B6: Product responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Responsible operation
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Data statistics
B6.2	Number of products and service related complaints received and how they are dealt with.	Customer first
B6.3	Description of practices relating to observing and protecting intellectual property rights	Intellectual property protection
B6.4	Description of quality assurance process and recall procedures.	Product risk management
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Compliance and anti-corruption

Aspect	Description	Location
Aspect B7: Anti-corruption		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Compliance and anti-corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Compliance and anti-corruption
B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Compliance and anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Compliance and anti-corruption
Aspect B8: Community investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests.	Community
B8.1	Focus areas of contribution (e.g. education, environment, labor needs, health, culture and sports).	Community
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community

Index	2022	2021
Emission		
Total Greenhouse Gas Emissions (Scope 1 & Scope 2) (tons)	1,268.11	1,296.40
Direct Greenhouse Gases (Scope 1)	14.16	14.46
Indirect Greenhouse Gases (Scope 2)	1,253.94	1,281.94
Total GHG emissions per employee (tons/employee)	0.58	0.61
Total Hazardous Waste Discharge (tons)	0.01	0.12
Total hazardous waste emissions per employee (tons/employee)	0.00	0.01
Total non-hazardous waste discharge (tons)	462.09	877.56
Total non-hazardous waste emissions per employee (tons/employee)	0.21	0.41
Water consumption		
Water consumption (tons)	84,240.00	93,600.00
Total water consumption per employee (tons/employee)	38.31	43.96
Energy consumption		
Total energy consumption (thousands of kWh)	1,620.95	1,907.92
gasoline	62.93	69.92
electricity	1,558.00	1,838.00
Total energy consumption per employee (thousands of kWh/employee)	0.74	0.90
Packaging Materials		
Total amount of packaging material used in finished products (tons)	Not applicable	Not applicable

Index	2022	2021
Employee		
Total	2,199	2,129
Gender		
Female	946	910
Male	1,253	1,219
Employee type		
Full-time	2,195	2,179
Part-time	4	5
Age		
Below age 30	1,100	1,212
Age 30 to 50	1,093	883
Above age 50	6	34
Regional distribution		
China	2,199	2,129
Out of China	0	0
Employee level		
Senior	14	19
Intermediate	140	133
General	2,045	1,977
Employee Turnover	19%	26%

Index	2022	2021
Gender		
Female	19%	23%
Male	18%	28%
Age		
Below age 30	23%	29%
Age 30 to 50	14%	23%
Above age 50	14%	0%
Regional distribution		
China	19%	26%
Out of China	/	100%
Lost Days Due to Work Injury	0	0
Lost Days Due to Work Injury per person	0	0
The Percentage of Employee Training		
Gender		
Female	90%	73%
Male	91%	72%
Staffing level		
Senior	50%	45%
Intermediate	96%	96%
General	100%	71%

Index	2022	2021
Average Hours of Employee Training per person		
Gender		
Female	6.03	4.06
Male	5.63	4.00
Staffing level		
Senior	2.22	1.41
Intermediate	12.26	9.58
General	5.46	3.72
Number of suppliers by region		
Eastern China	9	67
South China	7	33
Central China	1	2
North China	35	82
Northwest Region	0	6
Southwest Region	0	5
Percentage of total product sold or shipped subject to recall for safety and health reasons	Not Applicable	Not Applicable
Number of concluded corruption lawsuits against companies or company employees	1	0