



Fulu Holdings Limited 福祿控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2101

2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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1. REPORT DESCRIPTION

1.1 About the Report

Fulu Holdings Limited (the “**Company**”), together with its subsidiaries and consolidated affiliated entities (collectively, the “**Group**” or “**we**”), is pleased to publish its fifth Environmental, Social, and Governance (the “**ESG**”) Report (the “**ESG Report**” or “**this Report**”). We are committed to communicating with all stakeholders on the ESG concepts, work, measures, and performance of the Group in order to understand stakeholders’ expectations and concerns regarding our ESG issues actively respond to their needs, and ensure a sound communication channel with them.

1.2 Reporting Standard

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**Guide**”) set out in Appendix C2 of the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). This Report has been prepared on the basis of the four reporting principles of materiality, quantitative, balance and consistency, and is in compliance with the “comply or explain” provision of the Guide.

Principles	Related Responses
Materiality	The Group communicates with stakeholders through various channels, carries out a materiality assessment to identify ESG issues of materiality to the Group’s development, and discloses them in this Report.
Quantitative	This Report contains all the key performance indicators (KPIs) required by the Guide and we have disclosed the statistical standards, methods, assumptions and/or calculation tools, as well as the sources of conversion factors in the definition section of this Report.
Balance	This Report is based on the principles of accuracy, truthfulness and completeness. It presents the Group’s ESG performance for the Year in an unbiased manner, and avoids inappropriate descriptions that may influence the readers’ decisions or judgments.
Consistency	This Report uses the consistent statistical and KPI reporting methodology as previous years. Any changes to the statistical methodology or KPIs, or any other relevant factors that affect meaningful comparisons, will be clearly stated in this Report.

Readers may refer to Appendix II of this Report: Index to the Stock Exchange’s Environmental, Social and Governance Reporting Guide in this Report for a quick reference. This Report should be read in conjunction with the “Corporate Governance Report” section in the 2024 Annual Report for a full understanding of the Group’s ESG performance.

1. Report Description



1.3 Scope of the Report

The disclosure of this Report covers the performance of the Group's core business for the period from 1 January 2024 to 31 December 2024 (the "**Year**"). The KPIs in the environmental scope cover the main offices of the Group: the Wuhan headquarters office and Beijing office.

1.4 Reporting Language and Access to the Report

This Report is available in both traditional Chinese and English versions. In the event of inconsistency, the Traditional Chinese version shall prevail. The electronic version of this Report is published on the websites of the Company and the Stock Exchange, and readers could view or download this Report on the Company's website (<http://www.fulu.com/>) or the Stock Exchange's website (<https://www.hkexnews.hk/>).

If you wish to receive the printed version of this Report, you may send your request in writing to the headquarters of the Group at 14th Floor, Building B27, Optics Valley Financial Port, No. 77 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, the PRC, to the attention of the Investor Relations Center.

1.5 Approval and Confirmation

The board of directors (the "**Board**") of the Company accepts full responsibility for the contents reported in this Report and has approved and confirmed the contents of this Report.

1.6 Feedback Mechanism

We value your comments and suggestions on this Report and please feel free to contact us by email (IR@fulu.com).

2. ABOUT THE GROUP

The Group was established in 2009 and is a leading digital goods and service provider in China. The Group, with the mission of “providing rich and interesting digital commerce”, has always been committed to serving the most cutting-edge digital consumption needs of paying Internet users, aiming to build digital bridges for upstream and downstream partners to achieve interconnection, connecting a vast number of digital goods brand owners and consumption scenarios, and facilitating efficient circulation and collaborative matching of digital goods. This Year, the Group’s corporate welfare business has been honored to be included in the *Panoramic View of High-quality Digital Transformation Products and Services (2024)* (《高質量數字化轉型產品和服務全景圖(2024)》) released by the China Academy of Information and Communications Technology (CAICT). It has been selected in three core areas: technology development, human resources and cloud services. Our welfare and digital procurement solutions have also been successfully included in the *Cloud Service Technology Solutions Collection (2024)* (《雲服務技術解決方案集(2024)》) by CAICT, demonstrating the continuous progress of the Group’s corporate welfare business in the field of digital technology.

In addition, through exploring innovative marketing plans, business models and product portfolios, we can constantly deliver business surprises for our partners. We help upstream brands in opening sales channels to enhance the efficient circulation of digital goods, while building entitlement scenarios for downstream consumers to boost user activity. Relying on our in-depth insights into the needs of both supply and demand sides of the digital goods chain, the Group can facilitate upstream brands in accurately aligning with downstream consumption scenarios. Our integrated solutions, which spans from the supply of equity goods to technology construction, goods management, daily operations and risk control, can also diversify the consumption scenarios of platforms. In order to better serve customers, we have actively developed specific scenarios based on digital goods services, and provided smart and efficient IT service solutions to meet the actual needs of customers and optimize the allocation of resources. We provide platform participants with a “one-stop” service. This innovative “Aggregation + Service” operation model has won the favor of thousands of partners.

In line with the values of “Unity and Collaboration, Simplicity and Efficiency, Continuous Innovation, and Pursuit of Excellence”, the Group pays attention to the realization of team goals, emphasizes integrity and mutual assistance in cooperation, and is committed to providing professional and efficient services. Meanwhile, we cultivate our employees to become dedicated and responsible professionals and encourage their personal growth and development. We create a comfortable office environment for our employees and organize a variety of activities to attract and retain outstanding talents. In addition, we are always pursuing breakthroughs, focusing on details, and creating value for customers with customer demand as the guide, aiming to become a provider of rich and interesting digital goods and services.



3. SUSTAINABLE DEVELOPMENT

3.1 Board Statement

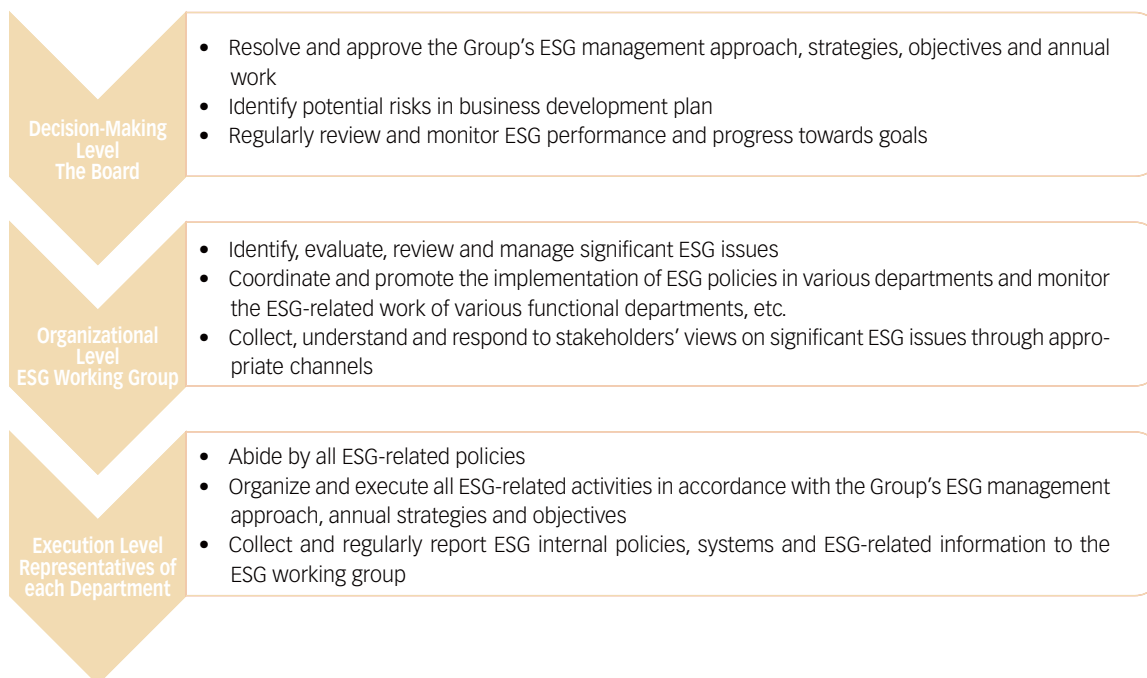
In order to fully integrate sustainable development into the daily operations of the Group, the Group has established a sound ESG governance structure, clearly defining the work responsibilities and scopes of the Board, the ESG working group and each executive department from top to bottom. As the primary responsible party for the Group's ESG governance and sustainable development efforts, the Board is responsible for the overall management of ESG matters, coordinating and supervising the ESG working group and relevant departments to strengthen the implementation of ESG policies and measures. The Board is also responsible for regularly assessing ESG-related risks and opportunities, paying close attention to ESG risks that potentially impact our business operations, and adjusting operating policies in a timely manner in response to changes, so as to ensure the long-term interests of all stakeholders and perform our own social responsibilities. In order to ensure the effectiveness of risk management and internal control systems, the Board is responsible for monitoring and reviewing ESG-related matters to ensure the compliance with laws and regulations. The Board is also responsible for conducting an annual review of ESG-related information. This includes approving material ESG issues at regular meetings, listening to reports on relevant work from the ESG working group, supervising ESG performance, reviewing the content and quality of ESG reports, and examining the annual achievement of ESG goals.

Meanwhile, the Group attaches great importance to its communication with stakeholders, and gains insights into their demands and expectations through various means. The Group has engaged a third-party consulting firm to assist in identifying ESG matters, conducting materiality assessments, and prioritizing the attention to various ESG issues. After reviewing the materiality assessment results, the Board confirmed the material ESG issues of the Group and selectively disclosed them in this Report.

3.2 Structure of ESG Governance

To achieve the sustainable development of the Group, we have integrated social responsibility and ESG concepts into our corporate strategy and ensured their implementation. The Group has continuously optimized its ESG governance structure, which has now covered various levels of the Group, including the decision-making level, the organizational level, and the implementation level. The Board is the highest decision-making body on ESG management within the Group, assuming the responsibilities of the supervision and decision-making of ESG matters. The ESG working group, composed of senior management, represents the organizational level. Authorized by the Board, it is responsible for managing ESG-related work and regularly reporting to the Board on the progress of ESG-related work.

At the implementation level, representatives of various departments are mainly responsible for carrying out and implementing ESG-related management work. They follow the work plans formulated by the ESG working group and monitor the progress of ESG objectives. We are committed to ensuring the implementation of our ESG principles across the organization, in order to steadily achieve our ESG objectives and consistently enhance our performance. The following diagram illustrates the ESG governance structure of the Group and the roles and specific responsibilities at each level within the governance structure:





3.3 Stakeholder Engagement

We are aware that the support and understanding of stakeholders have a profound impact on the sustainable development of the Group. Therefore, we attach great importance to communication with all stakeholders. Through diversified channels, we maintain continuous and close communication with various external and internal stakeholders. The Group expects its performance and actions to be in line with its sustainable development strategies and objectives.

To ensure effective communication this Year, we have adopted various communication methods with different frequencies. We have regular communication with stakeholders and flexibly arrange irregular communication opportunities, actively understand the opinions and suggestions of stakeholders at different levels. We respond to the expectations and concerns of stakeholders through diverse channels, thus continuously enhancing the Group's ESG performance and formulating future development strategies and conducting management work to meet the expectations of stakeholders.

Stakeholder	Requirement and Expectation	Communication and Response
Governments and Regulators	<ul style="list-style-type: none"> • Compliance with national policies, laws and regulations • Promote for local economic growth • Drive local employment • Safe operation 	<ul style="list-style-type: none"> • Regular submission of information • Regular communication with regulators • Examinations and inspections • Onsite inspection
Shareholders	<ul style="list-style-type: none"> • Investment returns • Compliant operations • Rise in company value • Transparent information and efficient communication 	<ul style="list-style-type: none"> • Annual general meetings • Company announcement • Corporate communication, emails, telephone communication and company website • Senior management meeting • Onsite investigation
Partners	<ul style="list-style-type: none"> • Operations with integrity • Fair competition • Performance of contracts by law • Mutual benefits and win-win results 	<ul style="list-style-type: none"> • Reviews and appraisal meetings • Business communication • Exchange and discussion • Engagement and cooperation
Customers	<ul style="list-style-type: none"> • Responsible marketing • Product Responsibility • Customer service management • Operational compliance 	<ul style="list-style-type: none"> • Customer service centre and hotline • Customer opinion survey • Social media platform • Service complaint and return visit
Environmental Groups	<ul style="list-style-type: none"> • Compliance with national policies, laws and regulation • Ecological protection 	<ul style="list-style-type: none"> • ESG information submission • ESG working group

3. Sustainable Development

Stakeholder	Requirement and Expectation	Communication and Response
Industry Peers	<ul style="list-style-type: none"> • Operations with integrity • Fair competition • Performance of contracts by law • Mutual benefits and win-win results 	<ul style="list-style-type: none"> • Strategic cooperation projects • Field visits and reciprocal visits
Employees	<ul style="list-style-type: none"> • Training and education • Employee interests and benefits • Employment compliance • Occupational safety and health • Employment diversity and equal opportunities 	<ul style="list-style-type: none"> • Employee communication meetings • Company newsletter and intranet • Promotion mechanism • Employee opinion survey • Seminars/workshops/lectures • Employee training • Employee activities
Community and the Public	<ul style="list-style-type: none"> • Participate in public welfare • Open and transparent information 	<ul style="list-style-type: none"> • Company website • Company announcement • Social media platform
Supplier	<ul style="list-style-type: none"> • Operations with integrity • Fair competition • Performance of contracts by law • Mutual benefits and win-win results 	<ul style="list-style-type: none"> • Suppliers' management system • Supplier assessment and evaluation • Face-to-face communication • Onsite inspection
Media	<ul style="list-style-type: none"> • Transparent information and efficient communication • Industry scale • Prospects and Competition • Company benefits and employee benefits • Senior management's reputation and perspectives 	<ul style="list-style-type: none"> • Official WeChat public account • Press release • Senior management interview

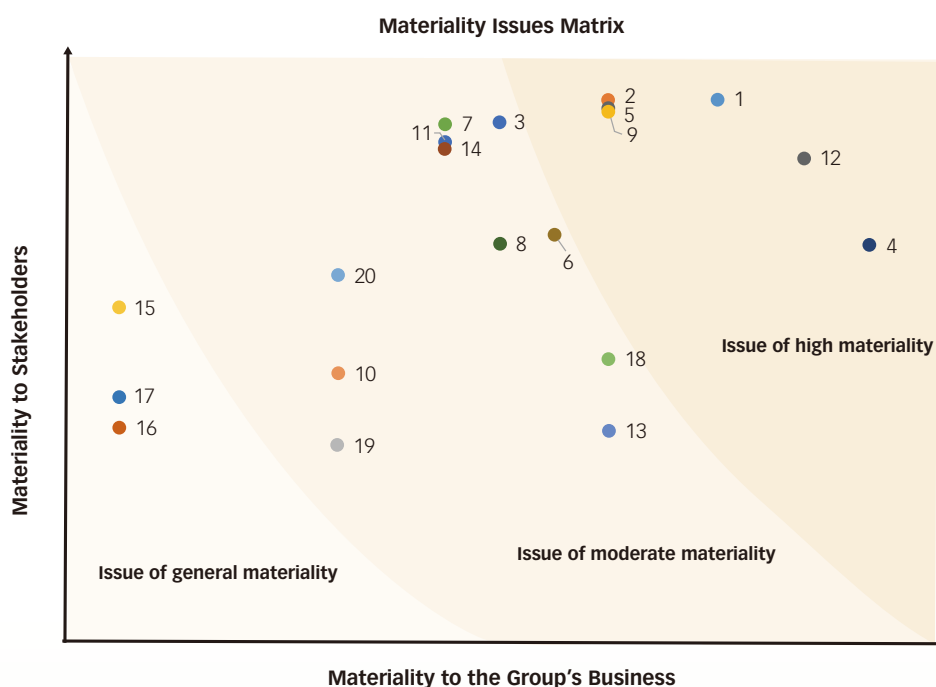


3.4 Materiality Assessment

We conducted a materiality assessment in order to identify the ESG issues that are crucial to our Group's business and its stakeholders and to ensure that future key sustainable development management tasks can be prioritized as important matters. We selected a total of 20 sustainable development issues with reference to the Guide and the materiality map provided by the Sustainability Accounting Standards Board (SASB) and by analyzing the peer benchmarking issue database, established a materiality issue database to evaluate and score the list of ESG issues. The Group prioritized and identified material issues through the analysis of weighted scores, which are listed in the following materiality analysis matrix to reflect their importance.

As shown in the diagram below, we reviewed the materiality of all issues from two dimensions, namely "materiality to its business" and "materiality to stakeholders", and developed a materiality assessment matrix to summarize the results of materiality assessment, which illustrates the ESG issues of materiality that are identified by internal and external stakeholders.

From the upper right to the lower left are the issues of high materiality, issues of moderate materiality and issues of general materiality. The Board, the ESG working group and the management confirmed the results of the materiality assessments and made different degrees of key disclosure in this Report according to the materiality of issues, which will be taken as a material consideration in developing ESG policies and strategies.



Materiality of ESG Issues	Graphic Serial No.	Material Issues
High materiality	1	Anti-corruption
	2	Operational compliance
	5	Information and privacy security
	9	Customer service management
	4	Intellectual property rights protection
	12	Occupational safety and health
Moderate materiality	3	Supply chain management
	6	Responsible marketing
	18	Energy management
	13	Employment diversity and equal opportunities
	7	Products health and safety
	8	Product responsibility
	10	Training and education
	11	Employee interests and benefits
	14	Employment compliance
	19	Response to climate change
General materiality	20	Social contribution
	15	Waste management
	16	Greenhouse gas management
	17	Water management

Based on the results of the materiality matrix, we will highlight the following five key issues in this Report: “compliant and sound operation”, “providing high-quality services”, “employee benefits and development”, “green office and operations”, and “social welfare and philanthropy”. These areas reflect our priorities and contributions in ESG efforts. Looking ahead, we will continue to identify relevant ESG material issues to maintain consistent and ongoing communication with our key stakeholders.



4. COMPLIANT AND SOUND OPERATION

4.1 Business Ethics and Integrity

The Group fully understands that honesty and integrity are fundamental to the prosperous development of an enterprise. The Group maintains a zero-tolerance stance towards corruption and bribery, and actively fosters a corporate culture and work environment of honesty and trustworthiness by establishing a robust internal anti-corruption mechanism. The Group strictly complies with anti-corruption-related laws and regulations, including but not limited to the *Anti-Money Laundering Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*. Internally, the *Anti-Corruption Business Conduct Code*, the *Management Measures for Anti-Money Laundering*, and the *Accountability Management System for Employees' Violation of Rules and Disciplines* outline the basic behavioral standards that directors, management and other staff must uphold. By advocating integrity, diligence and fairness as our professional ethics, the Group strictly prohibits any misconduct that might harm its economic interests. Employees are required to comply with the regulations on conflicts of interest and report to the legal department any circumstance that may cause conflicts of interest. They are not allowed to abuse their power or exploit their position to obtain money or personal gain from others, including accepting gifts, money, loans, services or any form of compensation from business-related units or individuals.

The Group has established a supervision and reporting mechanism accessible to all employees, suppliers, customers and partners, and the supervision department is responsible for receiving and processing supervision and reporting information. In accordance with the *Monitoring and Reporting System* and the *Employee Reporting and Whistleblower Protection System*, we keep strict confidentiality regarding the identity of complainants and whistleblowers, and protect all personnel involved in accountability investigations throughout the process for employees' violation of rules and disciplines. In the event that any individual under investigation or other employees engage in acts of retaliation, framing or threats against the whistleblower, we will take punitive actions according to relevant regulations. We have established corresponding internal management mechanisms to ensure that employees comply with anti-corruption systems. In the event of related incidents, we will take appropriate measures in accordance with our systems.

In addition, the management of the Group is required to sign the *Letter of Responsibility for Integrity*, which explicitly prohibits any form of commercial bribery and corruption, thereby achieving honesty and self-discipline. If there is any of the aforementioned interest relationship between the management members and a partner in business negotiation, bidding, the signature of contracts and performance of businesses for a partner project, they shall report the interest relationship to the Group in a timely manner and ensure that the interests of the Group and partners are not harmed in any way. Employees will bear relevant legal liability for any behavior that violates all or part of the laws, regulations or the *Letter of Responsibility for Integrity*.

During the Year, in addition to routine business ethics promotion during operations, we invited lawyers to conduct anti-corruption training sessions to promote issues related to the development of a culture of integrity, and distributed the presentation materials to all employees for learning, with the view to enhancing their anti-corruption awareness and strengthening internal anti-corruption efforts. During the Year, a total of 6 directors and 786 employees participated in the one-hour anti-corruption training, achieving a 100% participation rate among both directors and employees. During the Year, one case of corruption litigation against an employee of the Group was filed and concluded, and was handled in accordance with the rules and regulations and the law.

4.2 Data Security Protection

As a provider of digital goods and services, the Group attaches great importance to the protection of data security and information privacy. We strictly comply with industry-related laws and regulations, including but not limited to the *Internet Security Law of the People's Republic of China*, the *Regulations of the People's Republic of China on Security Protection of Computer Information Systems*, and the *Regulations on Personal Information Protection of Telecommunications and Internet Users*. In terms of information security management activities involved in the development of computer application software, the Group has established an information security management system that complies with the GB/T22080-2016/ISO/IEC27001:2013 standard, and shows its *Legal Statement and Privacy Policy* to customers before they use the Fulu Open Platform. Customers are not permitted to use our related products or services unless they confirm that they fully understand and agree to the policy. When platform stores or self-developed applications collect user information, users are required to agree to the relevant agreements, and the use of customer information is limited to the purposes specified in the agreements.

In order to ensure the authenticity of customers' identities and provide security assurance, we will require customers to provide identity information, such as ID card numbers and business licenses for real-name authentication. At the same time, we will take reasonable security measures that comply with industry standards to protect the security of user information provided by customers and prevent unauthorized access, public disclosure, use, modification, damage or loss of user information. Anyone who fails or refuses to provide the above information is not permitted to use the Group's services including transaction, account management and order management, so as to protect customer information. Furthermore, we use encryption technologies and trusted protection mechanisms to better prevent security risks such as phishing websites, fraud, network vulnerabilities, computer viruses, network attacks and network intrusions, enhance the security of customers utilizing services provided by us, our affiliated companies and partners, and protect their personal and property from infringement.

Meanwhile, in order to enhance the employees' awareness of the importance of protecting user information, we implement an access control mechanism to ensure that only authorized persons have access to customer information and that customer consent is obtained before utilizing their information. The Group and all employees must always adhere to professional ethics and are not permitted to disclose or use any customer data without the consent of customers. All employees have the obligation to keep business secrets confidential, so as to protect the rights and interests of customers.

The Group's sound data management system and IT management norms further ensure the data security of the Group and its customers. The Group's database security management system consists of four layers, namely operating system security, database security, database data security, and database object security. The database security control policies at each layer are implemented through the identity verification at each layer. Only after meeting the security requirements of the upper layer system can the next layer be accessed. If each department needs to query data, it is required to submit a query application, which should describe the purpose and business scenarios for using the data and the number of data to be used, etc. Meanwhile, the access to data is subject to completion of the whole approval procedure by responsible persons at different levels according to the data level. Furthermore, we have implemented relevant punishment mechanisms to penalize inquiries that have not been strictly reviewed. In case of intentional leakage of critical information of the Group or infringement upon the interests of the Group, we are entitled to defend our rights through legal channels and demand compensation for relevant economic losses. During the Year, the Group was not involved in or aware of any violation of laws and regulations related to information security and privacy.



4.3 Maintenance of Intellectual Property Rights

The Group has strictly complied with laws and regulations related to intellectual property rights, including but not limited to the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, and established the *Management System for Intellectual Property Rights* and the *Management Measures for Incentives of Intellectual Property Rights* as part of its internal management policies to safeguard its intangible brand assets from infringement. Furthermore, the Group is committed to respecting the trademarks, patents, copyrights and other forms of intellectual property rights of others.

The intellectual property rights management group is composed of designated personnel from the R&D Center, the Human Administration Center and the Legal Affairs Center. It is tasked with the centralized management of intellectual property rights and is responsible for the ordinary management of intellectual property rights. The intellectual property rights management group is also responsible for maintaining and updating intellectual property rights protection policies, collaborating with the intellectual property rights administration department in ordinary and special work, protecting the intellectual property rights-related rights and interests of the Group, preventing the intellectual property rights achievements from being infringed by others, and coordinating the resolution of intellectual property rights disputes.

In order to enhance employees' awareness to protect trademarks and trade secrets, promote corporate technological innovation, protect intellectual property rights, and encourage employees to create inventions and technical papers, the Group has formulated a rewards and punishments mechanism regarding intellectual property rights in accordance with relevant laws and regulations and taking into account the actual situation of the enterprise. Upon joining the Company, employees are required to sign a *Confidentiality Agreement* and a *Non-competition Agreement*, undertaking to keep confidential all data of the Group including resources, operations and technological achievements, so as to protect the intellectual property rights of the Group. As of 31 December 2024, the Group had registered a total of 46 domain names, 150 copyrights, 53 trademarks and 3 patents.

5. PROVIDING HIGH-QUALITY SERVICES

As a leading provider of digital goods and services in the PRC, the Group continues to update its business models and technologies to maintain our leadership in the industry. Regardless of the size of our customers' capital, the Group aims to continuously expand professional marketing plans, business models and product portfolios according to customers' needs and expectations, and provide the highest quality products and all-round services. As the Group is a third-party digital goods and services platform operator, we are not required to recall any products for safety or health reasons during the Year.

During the Year, the Group has been honored with several prestigious awards, including but not limited to "2024 Top 100 Private Enterprises in Hubei", "2024 Top 100 Service Enterprises in Hubei", "2024 Top 100 Enterprises in Wuhan", "2024 Top 100 Service Enterprises in Wuhan" and "2024 Top 100 Private Enterprises in Wuhan". The Group has continued to excel in various aspects such as comprehensive strength, brand influence, professional expertise and market recognition, earning widespread acknowledgment and accolades from numerous institutions for its contributions and achievements in the industry. The table below showcases some of the awards received by the Group during the Year. Moving forward, we will continue to deepen our professional expertise and lead the trend of digital transformation, driving the industry forward with pioneering initiatives.



Hubei Federation of Industry and Commerce – 2024 Top 100 Private Enterprises in Hubei



Hubei Enterprise Confederation, Hubei Entrepreneurs Association – 2024 Top 100 Private Enterprises in Wuhan



Wuhan Enterprise Confederation, Wuhan Entrepreneurs Association – 2024 Top 100 Enterprises in Wuhan, 2024 Top 100 Service Enterprises in Wuhan



Wuhan Federation of Industry and Commerce – 2024 Top 100 Service Enterprises in Hubei



Golden Banner Award – 2024 Human Resources Service Industry Brand Award



NewFlag Award – 2024 Best Solution Award

5. Providing High-Quality Services

5.1 Enhancing Customer Satisfaction

Creating value for customers and shareholders, and providing high-quality services to society and customers with a good reputation have always been the unwavering mission of the Group. We strictly adhere to industry-related laws and regulations, including but not limited to the *E-commerce Law of the People's Republic of China*, the *Regulations on the Protection of Right of Dissemination on Information Networks*, the *Telecommunication Service Specifications* and the *Law of the People's Republic of China on the Protection of Consumers' Rights and Interests*. We have made bipartite cooperation agreements for the purchase and sale of products, moving in the mall, agency services for operation, marketing, promotion and product agency services. Relevant agreements specify particulars of the cooperation, cooperation process, service fees and payment procedures, rights and obligations of both parties, confidentiality, integrity in operation and provisions on intellectual property rights. Additionally, we inform consumers of their rights through updated sales pages and on-page notifications, aiming to protect the interests of both parties and clarify liability for breach of contract. During the Year, the Group has managed a total of over 17 million inbound customer inquiries. Furthermore, in accordance with the GB/T27922-2011 *Evaluation Certification of After-sales Service of Commodities*, Beijing Fulu Fuxi Technology Co., Ltd. ("Fulu Fuxi") has been evaluated and recognized for its service capabilities, achieving a five-star rating and receiving the Five-star After-sales Service Certification.



By reinforcing the sense of responsibility among front-line employees and enhancing their service awareness and sensitivity, the Group effectively lowers the risk of customer complaints resulting from not solving user problems in a closed loop. In order to resolve customer demands in an appropriate manner and protect the legitimate rights and interests of customers, the Group has improved and implemented the *Escalation Standards and Handling Procedures for Customer Complaints*, the *Procedures for Handling Abnormal Business and Emergency* and the *Reverse Investigation and Handling Procedures for Fraud Cases* to enable customer service personnel to effectively handle abnormal situations and follow the standard operations of feedback, handling, follow-up and closed-loop. We are committed to enhancing the service experience for users, striving to timely respond to and promptly resolve customer problems and abnormal situations.

In order to prevent the risks of telecom fraud and money laundering crimes that may be faced by the platform in the course of operation, we focus on the crime patterns in different scenarios and set up a security team by deploying special personnels from the departments such as the Security Center, Government Affairs Center, Legal Center and the business line, and the security team has formulated corresponding risk-control mechanisms within the scope of the Group for different scenarios of B2B and B2C. We have established a comprehensive anti-fraud and anti-money laundering mechanism, and improved specific risk details and operational specifications, and conducted regular training to improve our staff's awareness of anti-fraud and anti-money laundering risks and their ability to respond to emergencies, so as to effectively safeguard our Group's security and stability.

Furthermore, we have also established an anti-fraud investigation and handling mechanism process, managing fund accounts, commodity operation risk control rules, and customer complaint handling. Our customers can lodge complaints through both external and internal channels, the external channels mainly include industrial and commercial platforms and the mayor's hotline, etc., while the internal channels mainly include online consultations with stores, telephone, and the Company's official platform. During the Year, the percentage of overall positive feedback ratings for the customer services of the Group was 94.60%; a total of 1,276 external complaints and 1,279 internal complaints were received, and 100.00% of the complaints were handled; the complaints mainly about their dissatisfaction with products and services provided by us; and the complaints were mainly caused by the special nature of the digital rights products that the return and replacement policy does not apply to them.

5.2 Responsible Supply Chain

The Group has always adhered to a responsible approach in procurement and supply chain management. In accordance with the *Civil Code of the People's Republic of China* and other relevant laws and regulations, we have developed relevant supplier management systems and procurement management requirements, including the *Supplier Management Measures* and the *Procurement Management System*, to implement procurement policies and control procedures in line with the principles of openness, fairness and impartiality. In order to further regulate our supplier management and improve our supplier evaluation system, we have signed the *Commitment Letter for Transparent and Integrity-based Cooperation* with suppliers to avoid unfair competition and protect the interests of both parties. During the Year, the Group has been certified with the ISO28000:2022 Security Management System Standard for the Supply Chain after an evaluation.



When introducing a new supplier, our business personnel are required to have an in-depth knowledge of the overall strength of the supplier from various dimensions such as product or service quality, cost, delivery and service. The evaluation includes but is not limited to its operating status, business scale, authorizations and qualifications (such as official authorization letter or agent qualification), delivery capabilities, product safety, industry advantages, upstream pipelines, after-sales guarantees, technical capabilities, price advantages and financial indicators. Then, we will prioritize selecting companies with stronger overall strength, and obtain their credit information and identity certificate for supplier review. If the supplier adopts the direct charging method, the supplier is also required to provide test interface documentation or technical specifications, and such interfaces will be tested by the R&D Center.

Moreover, all suppliers collaborating with the Group are required to undergo qualification reviews and comprehensive evaluations. Our professional reviewers will conduct a comprehensive evaluation of their qualifications, operating status, delivery capabilities, after-sales guarantees, technical capabilities, price advantages and financial indicators, and give scores for each aspect according to detailed scoring rules. We give priority to suppliers that meet internationally recognized standards or certifications related to environmental and social risk management, and local suppliers or suppliers with close geographical locations or convenient transportation to reduce carbon footprint. Throughout our collaboration with suppliers, we require suppliers to comply with local laws and regulations related to resources and the environment. If suppliers are implicated in any significant negative news or illegal acts related to environmental protection, we will consider lowering their ratings or terminating cooperation. In terms of society, all employees must possess legal work credentials. If suppliers engage in employing child labor and forced labor, fail to provide a healthy and safe work environment for their employees, or involve in a large number of labor disputes with their employees (such as forced labor, unreasonable wages, or gender, race or age discrimination), we will consider lowering their ratings or terminating cooperation. If suppliers are involved in any negative news related to corruption, bribery, extortion, fraud or money laundering, we will consider lowering their ratings or terminating cooperation.

5. Providing High-Quality Services



In addition, we actively advocate green purchase, prioritizing the purchase of recyclable or environmentally friendly products. During the Year, the Group had a total of 2,586 suppliers, which consist of digital goods suppliers and physical goods/service suppliers from Mainland China and Hong Kong. All the above suppliers implement the supplier practices of the Group. The number of suppliers by geographic areas is as follows:

Geographical regions	Number of suppliers
Northern China	609
Eastern China	957
Southern China	390
Central China	339
Northwestern China	62
Northeastern China	63
Southwestern China	165
Other geographical regions (Hong Kong)	1
Total	2,586

6. EMPLOYEE BENEFITS AND DEVELOPMENT

We deeply understand that the thriving growth of an enterprise relies on a united, collaborative and professional workforce. Therefore, attracting and retaining talents is a crucial part of the Group's sustainable development strategy. We attach great importance to nurturing employees' talents, striving to provide a comfortable and safe working environment and a fair and equitable development platform for employees, while closely monitoring their health and benefits. We strictly abide by employment-related laws and regulations, including but not limited to the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and the *Provisions on Prohibition of Child Labor*. We have also formulated internal policies such as the *Employee Handbook* and the *Employee Code of Conduct* to ensure the implementation of good employment practices in the workplace and to promote a harmonious and inclusive work environment.

As of 31 December 2024, the Group had a total of 792 employees, of which 389 were male and 403 were female. The composition of the employees of the Group is as follows:

Employment indicators	2024 Number of employees
By gender	
Male	389
Female	403
By age	
Under aged 30	268
Aged 30–50	523
Over aged 50	1
By geographical region	
Northern China	197
Eastern China	75
Central China	366
Southern China	51
Northwestern China	103
By employment category	
Short-term contract/part-time employees	39
Full-time junior employees	371
Full-time mid-level management	335
Full-time senior management ¹	47

¹ The disclosure of senior management in the 2024 Annual Report includes only core executives, therefore, the data differs from here.



6.1 Equal Employment

The Group has always adhered to the principles of fair competition and merit-based recruitment. By issuing the internal *Recruitment Management Measures*, we clarify the division of responsibilities of human resources center and related departments, thereby enhancing the efficiency and quality of recruitment to meet the diverse talent needs of the Group. The Group's main channels of employee recruitment are campus recruitment, internal recommendation, personal recommendation and online recruitment platform. Each hiring department is required to complete an annual recruitment plan based on the budget for the next operating year and its staffing requirements and job vacancies. After approval, the recruitment plan will be organized and implemented in the next year. Meanwhile, we have also developed the *Internal Recommendation Reward System*. Qualified referrers (including all regular employees and interns of the Group and outsiders) can recommend candidates for full-time and internship positions at the Group. By implementing this system, we encourage employee referrals and help the Group recruit talents.

The Group's anti-discrimination stance applies to all employee activities and human resources matters, including recruitment, promotion, job transfer, awards and trainings. During recruitment, the Group focuses on the alignment of candidates' professional capabilities with the relevant positions, respects the diversity of candidates and undertakes to prohibit any form of discrimination or bias based on age, race, gender, geography, religious beliefs or family status during the recruitment process. The Group does not tolerate any intentional concealment or deception by candidates regarding their education background, work history, professional skills and marital status. Before joining us, candidates are required to provide identification documents, relevant certificates and work experience for the verification of their ages. We will not hire anyone under the age of 16. If misuse of child labor is found, we will immediately remove children from work and conduct an investigation to identify loopholes and implement remedial measures to prevent the recurrence of similar incidents.

The Group strictly prohibits forced labor and implements a standard working hour system, stipulating that employees shall work no more than 8 hours per day. Saturday, Sunday, and statutory holidays are designated as non-working days, unless for employees on shift schedules, so as to protect their rights and freedoms. If overtime is unavoidable, we will compensate employees for their hard work by converting the overtime into vacation time and reimbursing their transportation expenses for the journey home. If a rest day coincides with a public holiday, a compensatory day off will be granted on the following day. In addition, the Group has also developed the *Resignation Management-related System*, which sets out the procedures for resignation, termination of employment relationships and dismissal. If employees tender their resignations, we will arrange for relevant personnel to meet with them to find out the reasons for their resignations, and the department head will arrange the transition of responsibilities. During the Year, the Group was not involved in or aware of any violation of laws and regulations related to employment and labor practices, prevention of child labor and forced labor.

6. Employee Benefits and Development

As of 31 December 2024, the turnover rate of the Group is 38.07%². The employee turnover rate of the Group by different categories is as follows:

Turnover rate indicators ³	2024 Percentage (%)
By gender	
Male	38.14
Female	37.99
By age	
Under aged 30	49.91
Aged 30–50	29.59
Over aged 50	0
By geographical region	
Northern China	34.11
Central China	7.52
Eastern China	80.37
Southern China	33.77
Northwestern China	22.56

6.2 Remuneration and Benefits

The Group is committed to providing its employees with competitive remuneration and promotion opportunities. We formulate and implement the *Performance Assessment and Management Measures* to assess the work performance of each employee in an objective and comprehensive manner in line with the three principles of “fairness, impartiality and openness, team orientation, and hierarchical classification”. The annual performance appraisal results and rank evaluation results of employees will serve as the basis for salary adjustments. At the same time, we will also promote or demote employees according to their performance appraisal results, business development plans and vacancies, and give priority to internal promotion over external recruitment, so as to provide employees with a clearer and more transparent development path. To maintain effective internal communication, the Group has established an internal network platform that facilitates communication between employees and management.

² During the Year, the Group optimized individual projects to better achieve its business strategies, and at the same time adjusted its workforce, resulting in a higher level of staff changes, which in turn led to a slight increase in the turnover rate.

³ The calculation of turnover rate for the Year is $\text{Employee turnover rate} = \frac{\text{Total number of departed employees during the Year under the category}}{(\text{Total number of departed employees during the Year under the category} + \text{Number of employees at the end of the Year under the category})} \times 100\%$. Moreover, the turnover rate does not include employees who leave during the probationary period.

6. Employee Benefits and Development



Employees are entitled to lawful rights to take vacations. The leave arrangements for statutory holidays (including New Year's Day, Spring Festival, Tomb Sweeping Day, Labor Day, Dragon Boat Festival, Mid-Autumn Festival and National Day) shall be implemented in accordance with relevant national regulations. In addition to statutory holidays, the Group also provides employees with various types of leave, including personal leave, marriage leave, maternity leave (including miscarriage leave), paternity leave, breastfeeding leave, annual leave, work-related injury leave, sick leave and funeral leave. Furthermore, according to local regulations in China, the Group also makes contributions to the social insurance funds for its employees, including contributions to basic endowment insurance, employment injury insurance, maternity insurance, basic medical insurance, unemployment insurance and housing provident funds. We contribute to employee benefit plans based on certain percentages of employee compensation costs.

Moreover, the Group pays great attention to the physical health of its employees and work-life balance. During the Year, to safeguard employees' health and enhance their awareness and understanding of their personal health conditions, we continued to provide free annual physical examinations for our employees. We also provided marriage and childbirth cash gifts, illness allowances, birthday and holiday benefits, New Year red envelopes, and overtime transportation subsidies, etc., to show our care for our employees. On International Women's Day, under the theme "Fiery Female Power, Sizzling Life Passion", we organized multiple activities and distributed gifts for all female employees, along with hosting a public welfare lecture on women's health. Through these International Women's Day activities, we not only promoted female power and our cultural values but also highlighted the Group's special care and support for female employees.



International Women's Day Activities

6. Employee Benefits and Development

In addition, the Group's subsidiaries regularly organize a variety of team-building activities, including but not limited to "Christmas Party", "New Year Red Envelope Event", "Charity Hike on Qionglong Mountain", "Go All Out, Stay Cool – 2024 Fulu Supercharged Dopamine Sports Day", "Fulu Fulu 2024 Management Team-Building Event" and "Mission Hills Frisbee Team-Building Activity", which have effectively enhanced interpersonal relationships among employees, strengthened team cohesion and a sense of belonging to the company, and successfully integrated the Group's values and strategic objectives into the team-building initiatives.



Wuhan Fulu – Christmas Party



Wuhan Fulu – New Year Red Envelope Event

6. Employee Benefits and Development



Go All Out, Stay Cool – 2024 Fuxi Supercharged Dopamine Sports Day



Charity Hike on Qionglong Mountain



Fulu Fuxi – 2024 Management Team-Building Event



Spring Team-Building Activities



Mission Hills Frisbee Team-Building Activity

6.3 Employee Training and Development

The Group is committed to the people-oriented philosophy and recognizes the inseparable link between employee growth and corporate development. As such, we focus on nurturing high-quality talents, striving to progress alongside our employees by providing diverse learning and training opportunities to unlock their potential and support their career advancement. The Group has implemented the *Employee Training Management System* and established a comprehensive training system known as “Fulu Seven-Level Procedures”, which provides tailored training course for each employee group based on the three training lines of newcomer culture, departmental professional capabilities and cadre management, so as to help them achieve greater growth and accelerate the professional training of cadres and talents.

Upon joining the Group, new employees are required to complete onboarding training and pass relevant assessments within three months. As employees progress in their roles, we provide role-specific training programs to enhance their business and management capabilities. During the initial stages of program, design and development, we ensure the training programs are authentic, objective, and scientific grounded by analyzing performance data, gathering employee feedback, and reviewing work cases. After the training, we conduct satisfaction surveys and make adjustments based on employee feedback to continuously improve the programs. In addition, the Group has established the *Internal Trainer Management Measures* to guide the enhancement of employees’ job capabilities in alignment with the operation, management and business development needs of the Group. We provide reward points or cash rewards for internal trainers who have participated in course development, course review and teaching. These trainers are evaluated across three levels, namely internal trainer, advanced internal trainer and chief instructor. The internal trainer with the highest points in the Year will win the “Chief Lecturer of the Year” award.

During the Year, the Group organized a variety of internal training programs covering areas such as safety, legal compliance, integrity, and professional skill enhancement. We also offered targeted trainings for various participants, including new employees and business departments. To enhance the professional skills of our employees, the Group conducted numerous marketing training sessions through a combination of in-person and online formats. The training topics included promotional strategies for the Dragon Boat Festival, summer gift catalogs, Mid-Autumn Festival gift catalogs, winter warmth campaigns, Lunar New Year promotions (Year of the Snake), as well as the overall framework and logic of condolence plan PPTs and new online activities for the Mid-Autumn Festival. Furthermore, we also encourage employees to actively participate in external seminars and sharing sessions to enrich their professional knowledge.

6. Employee Benefits and Development



Photos of Employee Training

The specific statistics for the Group's training for the Year are as follows:

Training indicators	2024	
	Average training hours per employee (Hour) ⁴	Percentage of trained employee (%) ⁵
By gender		
Male	7.44	100.00
Female	7.44	100.00
By employment category		
Short-term contact/part-time employees	0.76	100.00
Full-time junior employees	5.32	100.00
Full-time mid-level management	4.62	100.00
Full-time senior management	10.22	100.00

⁴ The calculation of average training hours per employee for the Year is Total training hours of employee under each category/ Number of employees under each category.

⁵ The calculation of percentage of trained employees for the Year is Trained employees under each category/Number of employees under each category × 100%.

6.4 Occupational Health and Safety

To safeguard the health of our employees and create a safe and comfortable working environment, the Group strictly adheres to all relevant occupational health and safety laws and regulations. We have established a comprehensive and efficient safety system, overseen by dedicated personnel responsible for promptly reporting workplace accidents, illnesses, and other incidents, as well as informing employees about safety inspections and other related matters. In the event of a work-related injury, we will conduct a thorough investigation to identify the root causes.

In the office, we always remind employees to maintain a strong sense of safety awareness. In addition, the Group conducts regular inspections of electrical safety in the office, such as checking for overloaded power strips and ensuring no sundries are placed near electrical equipment, and make timely improvements. The Human Resources Center also conducts occasional spot checks to ensure energy shutdowns after working hours. In order to prevent any accidents, we will also clean up spilled liquids and debris in a timely manner. At the same time, smoking is strictly prohibited in the workplace to enhance fire safety awareness.

In the past three years (including the Year), the Group was not subject to potential risks of occupational diseases, and there were no significant health and safety accidents or work-related deaths in the Group. During the Year, the Group has not incurred any loss of working days due to work-related injuries.



7. GREEN OFFICE AND OPERATIONS

As a responsible enterprise, we recognize the importance of addressing the environmental impact of our operations while expanding our business. We are committed to integrating resource conservation and environmental protection into every aspect of our business operations. We are dedicated to collaborating with our partners to promote green and sustainable practices, achieving synergistic development of economy, environment and society. During the Year, we strictly complied with local environmental laws and regulations, including but not limited to the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*. The Group closely monitors activities that may have a potential environmental impact during business operations and assesses their effects on the surrounding environment, so as to fulfill the environmental protection responsibility and obligation of the Group.

During the Year, the Group was not aware of any environmental-related violations. The Board and management reviewed the established environmental targets. Due to the rapid growth of the Group's business, it is challenging to predict changes in environmental data, and collecting sufficient data to set specific quantitative targets may take several years. In 2025, the Group aims to maintain or gradually reduce its energy consumption intensity, water consumption intensity, greenhouse gas emission intensity and waste generation intensity. In 2024, due to a reduction in office space, the Group achieved an overall decrease in total greenhouse gas emissions, total non-hazardous waste generated, total energy consumption and total water consumption. However, the water consumption intensity, greenhouse gas emission intensity and energy consumption intensity slightly increased, primarily due to a decrease in the number of employees during the Year. However, the non-hazardous waste generation remained unchanged. Therefore, we will review the progress of our environmental goals once the business development level stabilizes, ensuring the successful achievement of our set objectives.

7.1 Carbon Emission Reduction

During our operations, the Group has implemented a series of measures to reduce greenhouse gas emissions, aiming to minimize the negative impact on the environment. The Group's greenhouse gas emissions are categorized into direct emissions (Scope 1) and indirect energy emissions (Scope 2). Firstly, we provide a convenient online travel platform, encouraging employees to use telephone or video conferences and other remote working methods to avoid unnecessary business travel. For unavoidable business travels, we prioritize direct flights to reduce the environmental impact associated with transfers and air transportation. In addition, we encourage employees to commute via public transportation or carpooling, so as to reduce the potential carbon emissions from daily commuting.

As a provider of digital goods and services, we are primarily engaged in office business, which does not involve exhaust gas emissions related to fuel combustion. During the Year, the Group did not use any official vehicles, resulting in no exhaust emissions. Should official vehicles be used in the future, we will also conduct regular vehicle inspections, including but not limited to maintenance of mechanical components, adjustment of emission systems and optimization of fuel efficiency. We will ensure that vehicles are maintained in optimal condition to minimize emissions and resource wastage. Meanwhile, we will continue to focus on and refine our carbon emission management strategies, closely evaluating the measures our Group has implemented to conserve energy and reduce emissions. For more details on related initiatives, please refer to the section headed "Use of Resources" in this chapter.

7. Green Office and Operations

During the Year, we conducted a greenhouse gas inventory at our offices in Wuhan and Beijing. The summary of greenhouse gas emissions is as follows:

Greenhouse gas emissions ⁶	Unit	2024
Total greenhouse gas emissions	tCO ₂ e	293.86
Scope 1 – direct emissions	tCO ₂ e	0.00
Scope 2 – indirect energy emissions	tCO ₂ e	293.86
Intensity of greenhouse gas emissions	tCO ₂ e/employee ⁷	0.45

7.2 Waste Reduction

The Group is committed to collecting and disposing of waste in a lawful and appropriate manner to minimize the adverse environmental impact of its operations. Non-hazardous waste generated by the Group primarily originates from daily office activities, including office paper and office waste, which are centrally collected and disposed of by the property management companies of the respective office parks. To minimize resource waste, we strive to reuse office supplies such as envelopes, folders and file cards within our office environment. For other items, we avoid using disposable and non-recyclable products whenever possible, prioritizing recyclable toner cartridges, ink cartridges, and purchasing printing paper and tissues made from recycled materials. We also use replaceable pen refills to reuse pen barrels, avoiding the disposal of entire pens. As for hazardous waste, such as scrapped computers, we engage computer service providers to collect and recycle them, ensuring proper handling and disposal. Moreover, we conduct regular evaluations of material usage in our daily operations to prevent excessive inventory. During the Year, the Group achieved a 100% recycling rate for hazardous waste.

We actively encourage employees to conserve resources, reduce unnecessary waste generation, and enhance their awareness of waste classification, fostering a corporate culture with strong environmental consciousness and efficient waste management. For instance, to minimize paper usage, we encourage employees to utilize electronic communication technologies for information dissemination and to use e-cards during holidays. For documents that must be printed, we advocate for black-and-white printing, use double-sided copying, and make full use of single-sided printed paper for notes or drafts. Additionally, we regularly monitor paper usage and printing volumes to track consumption and implement improvement measures when necessary, such as setting printing limits for users and reducing paper thickness.

⁶ Only GHG emissions for Scope 1 (direct emissions) and Scope 2 (indirect energy emissions) were calculated, based on the requirements of KPI A1.2 in the Guide.

⁷ The number of people covered by the environment scope covers all the staff working at our offices in Wuhan and Beijing.

7. Green Office and Operations



During the Year, the non-hazardous waste and hazardous waste generated in the Group's offices in Wuhan and Beijing were as follows:

Waste	Unit	2024
Non-hazardous waste⁸		
Total office and domestic waste generated	Metric ton	62.93
Intensity of office and domestic waste generated	Metric ton/employee	0.10
Hazardous waste⁹		
Total hosts generated	Set	73
Total displays generated	Set	75
Total laptops generated	Set	19
Total projectors generated	Item	5

7.3 Resource Conservation

Due to the Group's business nature as a third-party digital goods and services platform operator, its primary resource consumption is primarily associated with electricity, water, and paper used during daily office operations. The packaging materials utilized by the Group are sourced from third-party manufacturers, so that our operations do not involve any in-house production of packaging materials.

To optimize energy use efficiency and conserve resources, the Group consistently adheres to streamlined operations. We have implemented various measures to integrate environmental protection concepts into daily operations, actively communicating the importance of environmental conservation to employees and enhance their environmental awareness, so as to practice the principles of energy saving, waste reduction at the source, rational resource utilization and green office, to actively fulfill the social responsibility of corporate sustainable development.

⁸ The Group's generation of non-hazardous waste is estimated on the basis of day-to-day operations.

⁹ Hazardous waste generated by the Group is calculated on an actual basis. The increase in hazardous waste this Year is due to the disposal of old assets.

Energy saving

By implementing various energy management measures, we have effectively improved the energy efficiency across the Group. For lighting equipment, we have installed independently controllable light switches in different office areas and motion sensors in less frequently used spaces to manage lighting needs more efficiently. Additionally, we have opted for high-efficiency lighting fixtures, appropriately reduced the number of lights, and regularly cleaned lighting installations to minimize energy consumption while improving illumination effectiveness. Furthermore, we have managed lighting fixtures through trade-in programs, thereby further conserving resources and costs.

For air conditioning equipment, we choose units with energy efficiency labels. We prioritize the maintenance of air conditioning systems, regularly cleaning filters, and conducting inspections, repairs, or replacements of components such as pressure gauges, pressure hoses, and air compressor connectors to reduce the likelihood of refrigerant leaks. These measures ensure proper operation, improve energy efficiency, and extend the equipment's lifespan. Additionally, we enhance employees' energy-saving awareness by placing energy-saving reminders in various areas, prompting them to turn off lights and electrical equipment in corresponding zones after work to conserve energy.

For electronic equipment, in addition to purchasing products with energy efficiency labels, the Group consolidates multiple servers into a single higher-capacity server and adopts cloud server and cloud computing solutions to reduce energy consumption and save more office space. We conduct monthly electricity usage statistics to monitor power consumption and implement appropriate improvement measures when necessary. During the Year, the Group's energy consumption at our offices in Wuhan and Beijing was as follows:

Energy use	Unit	2024
Total energy consumption	MWh	547.64
Direct energy consumption – vehicle fuel ¹⁰	MWh	0.00
Indirect energy consumption – purchased electricity ¹¹	MWh	547.64
Intensity of energy consumption	MWh/employee	0.85

Water conservation

As a third-party digital goods and services platform operator, the nature of our business determines that we do not generate or discharge any industrial wastewater. Our primary water usage comes from daily office operations, and domestic sewage is discharged into the municipal sewage network for treatment. By implementing various water-saving measures, we have effectively monitored and controlled the use and management of water resources to ensure their rational utilization and compliance with relevant environmental regulations. We have posted water-saving reminders in all restrooms to enhance employees' awareness of water conservation. Additionally, we regularly conduct leakage tests and check water meter readings to identify and address any hidden leaks, ensuring the integrity of the water pipe system. If any leaks are detected, we will immediately arrange for repairs and inspections to prevent water wastage. In the future, we will continue to focus on the sustainability of water resources and continuously improve our water management measures to reduce our environmental impact. During the Year, we encountered no issues related to water usage.

¹⁰ During the Year, the Group did not use any official vehicles.

¹¹ Electricity data is based on the actual electricity usage of the Group.



During the Year, the water consumption of the Group was as follows:

Water consumption ¹²	Unit	2024
Total water consumption	m ³	4,745.00
Intensity of water consumption	m ³ /employee	7.35

7.4 Responding to Climate Change

The Group is acutely aware that climate change not only poses diverse climate risks to business operations across various industries but also has irreversible long-term impacts on the global environment and human health. Therefore, as a company committed to the concept of green and low-carbon development, we actively identify potential physical and transitional risks associated with climate change and strive to support and participate in activities aimed at mitigating and adapting to climate change, with the goal of fulfilling our corporate social responsibilities, implementing the national targets of achieving carbon peaking by 2030 and carbon neutrality by 2060.

Based on the climate risk assessments we have conducted, we have identified and analyzed the physical and transitional risks that could potentially impact our Group's business operations. In terms of physical risks, natural disasters such as earthquakes, extreme high temperatures, lake flooding and urban flooding may cause server interruption and failure, system or network failure, and the office may need to be temporarily closed and may be affected by a power cut or sudden power failure. To mitigate these physical risks and avoid or reduce losses caused by adverse weather conditions resulting from climate change, we have established relevant emergency management systems to improve the ability of employees to respond to emergencies, and designated appropriate personnel to address climate-related risks. Furthermore, in order to improve energy efficiency and reduce unnecessary energy consumption in our daily operations, and achieve emission reduction targets, we encourage our employees to save energy in their daily office activities, implementing low-carbon operations from the ground up.

In terms of transitional risks, we will continue to review policies, regulatory updates, scientific and technological developments and market trends in the world and operating regions, regularly assess and manage climate-related risks that may have a financial impact on the Group's business, and take corresponding measures.

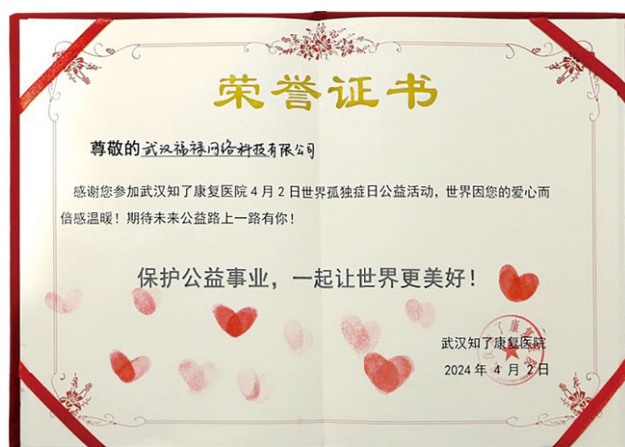
¹² The water consumption data is based on the actual water consumption of the Wuhan office of the Group.

8. SOCIAL WELFARE AND PHILANTHROPY

The Group actively shoulders corporate social responsibility and leverages its technological advantages to participate in charitable projects and public welfare activities. We respond to national calls to fully support rural revitalization and corporate consumption assistance initiatives. Additionally, we encourage employees to participate in public welfare and volunteer activities, collaborating with partners to contribute to social development.

We focus on meeting the product needs of customers under poverty alleviation program, aiming to foster the overall advancement of poverty alleviation efforts and impoverished regions. We also hope to educate and raise awareness among our employees, enhancing their sense of social responsibility. Leveraging our technological expertise and supply chain advantages, we have facilitated poverty alleviation collaborations between over 70 companies and more than 50 regions. To date, we have successfully promoted the sales of over 300 products, enabling them to reach broader markets.

Additionally, we pay attention to the physical and mental health of children with autism. April 2 is the “World Autism Awareness Day” designated by the United Nations. This Year, we participated in a large-scale charity donation event themed “Lifelong Services, Comprehensive Care” organized by Wuhan Zhile Rehabilitation Hospital (武汉知了康复医院). We dispatched four employees to visit the hospital, contributing a total of 8 hours. During this event, we donated materials including books, caring toys, and teaching aids to the hospital. These materials will be used to support the training and rehabilitation of children with autism, helping them improve their social and cognitive skills through games and interactions. The Group is dedicated to working alongside our employees and society to deliver genuine care and warmth to children with autism and their families.



Autism Awareness Day Charity Donation Event

Looking ahead, we will continue to participate in various social welfare activities, striving to become a trustworthy and excellent enterprise, make positive and long-term contributions to the sustainable development of society and collaborate with all stakeholders to build a better future.

APPENDIX I: SUMMARY OF SUSTAINABLE DEVELOPMENT DATA

The following is a summary of sustainability information of the environmental scope for the Year:

Environmental scope	Unit	Quantized value of 2024
Air emissions		
Nitrogen oxides (NO _x)	kg	0.00
Sulfur oxides (SO _x)	kg	0.00
Particulates (PM)	kg	0.00
Greenhouse gas (GHG) emissions		
Direct GHG emissions (Scope 1)	tCO ₂ e	0.00
Indirect GHG emissions (Scope 2)	tCO ₂ e	293.86
GHG emissions in total (Scopes 1 and 2)	tCO ₂ e	293.86
GHG emissions per capita (Scopes 1 and 2)	tCO ₂ e/employee	0.45
GHG emissions per square meter (Scopes 1 and 2)	tCO ₂ e/square meter	0.03
Waste generated		
Hazardous waste		
Total hosts generated	Unit	73
Total displays generated	Unit	75
Total laptops generated	Unit	19
Total projectors generated	Piece	5
Hosts generated per capita	Unit/employee	0.11
Displays generated per capita	Unit/employee	0.12
Laptops generated per capita	Unit/employee	0.03
Projectors generated per capita	Piece/employee	0.01
Non-hazardous waste		
Total office and domestic waste generated	metric ton	62.93
Total office and domestic waste generated per capita	metric ton/employee	0.10
Paper consumption		
Paper consumption	kg	7,782.50
Paper consumption per capita	kg/employee	12.05
Energy consumption		
Total energy consumption	MWh	547.64
Vehicle fuel consumption	MWh	0.00
Purchased electricity consumption	MWh	547.64
Intensity of energy consumption	MWh/employee	0.85
Water consumption		
Total water consumption	m ³	4,745.00
Water consumption per capita	m ³ /employee	7.35

Appendix I: Summary of Sustainable Development Data

The following is a summary of information on sustainable development of the Group in the social subject area for the Year:

Social subject area	Unit	Quantized value of 2024
Number of employees		
Total number of employees	No. of people	792
Number of employees by gender		
Male	No. of people	389
Female	No. of people	403
Number of employees by employment category		
Short-term contract/part-time employees	No. of people	39
Full-time junior employees	No. of people	371
Full-time mid-level management	No. of people	335
Full-time senior management	No. of people	47
Number of employees by age group		
Aged below 30	No. of people	268
Aged 30–50	No. of people	523
Aged above 50	No. of people	1
Number of employees by geographical region		
Northern China	No. of people	197
Eastern China	No. of people	75
Central China	No. of people	366
Southern China	No. of people	51
Northwestern China	No. of people	103
Employee turnover rate³		
Total employee turnover rate	%	38.07
Employee turnover rate by gender³		
Male	%	38.14
Female	%	37.99
Employee turnover rate age group³		
Aged below 30	%	49.91
Aged 30–50	%	29.59
Aged above 50	%	0.00



Social subject area	Unit	Quantized value of 2024
Employee turnover rate by geographical region³		
Northern China	%	34.11
Central China	%	7.52
Eastern China	%	80.37
Southern China	%	33.77
Northwestern China	%	22.56
Occupational health and safety		
Number of work-related fatalities (2022, 2023 and 2024)	No. of people	0
Rate of work-related fatalities (2022, 2023 and 2024)	%	0.00
Lost days due to work injury	Day	0
Development and Training		
The percentage of employees trained by gender⁵		
Male	%	100.00
Female	%	100.00
The percentage of employees trained by employment category⁵		
Short-term contact/part-time employees	%	100.00
Full-time junior employees	%	100.00
Full-time mid-level management	%	100.00
Full-time senior management	%	100.00
The average training hours of employees trained by gender⁴		
Male	Hour	7.44
Female	Hour	7.44
The average training hours of employees trained by employment category⁴		
Average training hours per short-term contact/part-time employee	Hour	0.76
Average training hours per full-time junior employees	Hour	5.32
Average training hours per full-time mid-level management	Hour	4.62
Average training hours per full-time senior management	Hour	10.22

APPENDIX II: INDEX TO THE STOCK EXCHANGE'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Indicators		Sections
A. Environmental scope		
A1: Emissions	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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
		7. Green Office and Operations
	A1.1	The types of emissions and respective emissions data.
		7.1 Carbon Emission Reduction Appendix I: Summary of Sustainable Development Data
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
		7.1 Carbon Emission Reduction Appendix I: Summary of Sustainable Development Data
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
		7.2 Waste Reduction Appendix I: Summary of Sustainable Development Data
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
		7.2 Waste Reduction Appendix I: Summary of Sustainable Development Data
	A1.5	Description of emission target(s) set and steps taken to achieve them.
		7. Green Office and Operations 7.1 Carbon Emission Reduction
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.
		7. Green Office and Operations 7.2 Waste Reduction

Indicators			Sections
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.2 Waste Reduction 7.3 Resource Conservation
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	7.3 Resource Conservation Appendix I: Summary of Sustainable Development Data
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7.3 Resource Conservation Appendix I: Summary of Sustainable Development Data
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7. Green Office and Operations 7.3 Resource Conservation
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	7. Green Office and Operations 7.3 Resource Conservation
	A2.5	Total packaging material used for finished products (in tonnes) and, where appropriate, with reference to per unit produced.	The packaging materials utilized by the Group are sourced from third-party manufacturers, so that our operations do not involve any in-house production of packaging materials.
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The impact of the Group's business on the environment and natural resources is remote.
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The impact of the Group's business on the environment and natural resources is remote.
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.	7.4 Responding to Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	7.4 Responding to Climate Change

Indicators			Sections
B. Social subject area			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	6. Employee Benefits and Development
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	6. Employee Benefits and Development Appendix I: Summary of Sustainable Development Data
	B1.2	Employee turnover rate by gender, age group and geographical region.	6.1 Equal Employment Appendix I: Summary of Sustainable Development Data
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.	6.4 Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	6.4 Occupational Health and Safety Appendix I: Summary of Sustainable Development Data
	B2.2	Lost days due to work injury.	6.4 Occupational Health and Safety Appendix I: Summary of Sustainable Development Data
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.4 Occupational Health and Safety

Indicators			Sections
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.3 Employee Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.3 Employee Training and Development Appendix I: Summary of Sustainable Development Data
	B3.2	The average training hours completed per employee by gender and employee category.	6.3 Employee Training and Development Appendix I: Summary of Sustainable Development Data
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	6.1 Equal Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	6.1 Equal Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Equal Employment
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.2 Responsible Supply Chain
	B5.1	Number of suppliers by geographical region.	5.2 Responsible Supply Chain
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	5.2 Responsible Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.2 Responsible Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.2 Responsible Supply Chain

Indicators			Sections
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, labeling and privacy matters relating to products and services provided and methods of redress.	5. Providing High-Quality Services 4.2 Data Security Protection
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Given the Group's business nature as a third-party digital goods and services platform operator, product shipping services are provided by third parties and there are no products that need to be recalled for safety and health reasons.
	B6.2	Number of products and service related complaints received and how they are dealt with.	5.1 Enhancing Customer Satisfaction
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.3 Maintenance of Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	Given the Group's business nature as a third-party digital goods and services platform operator, the Group does not involve in quality assurance process and products recall procedures.
	B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	4.2 Data Security Protection

Indicators			Sections
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 the prevention of bribery, extortion, fraud and money laundering.	4.1 Business Ethics and Integrity
	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.	4.1 Business Ethics and Integrity
	B7.2	Description of preventive measures and whistle blowing procedures and how they are implemented and monitored.	4.1 Business Ethics and Integrity
	B7.3	Description of anti-corruption training provided to directors and staff.	4.1 Business Ethics and Integrity
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	8. Social Welfare and Philanthropy
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	8. Social Welfare and Philanthropy
	B8.2	Resources contributed (e.g. money or time) to the focus area.	8. Social Welfare and Philanthropy