



百融云创
Bairong, Inc.

A company controlled through weighted
voting rights and incorporated in the Cayman
Islands with limited liability
Stock Code: 6608

BAIRONG, INC. 2022



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This report is the third environmental, social and governance (“ESG”) report (hereinafter referred as “this Report”) released by Bairong Inc. (the “Company”, and, together with its subsidiaries and consolidated affiliated entities, hereinafter referred as “Bairong Inc.”, “Bairong”, the “Group” or “We”), which introduces the specific measures, key practices, highlight cases, and key performance of Bairong Inc. in actively assuming social responsibility and managing its ESG risks and opportunities in 2022. This report is prepared in an objective, standardized, transparent and comprehensive manner with a view to responding to the expectations of stakeholders and fulfilling its social responsibilities more efficiently.

Reporting Period

From January 1, 2022 to December 31, 2022, with some information exceeding this time period.

Reporting Scope

Unless otherwise indicated, Bairong Inc. (including its subsidiaries and consolidated affiliated entities) is considered as the entity in this report.

References

This Report is compiled in accordance with the GRI Standards issued by GSSB and the ESG Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). The disclosure of indicators in this Report can be found in the “ESG Report Guide Content Index” section.

Data Source and Report References

All information data referenced in this report is based on the in-house documentation, statistical reports and financial reports, etc., of Bairong Inc. This report is issued after full review by the Board of Bairong Inc. and no presence of inaccurate records, misleading statements or major omissions will be found in this report.

Basic Reporting Principles

MATERIALITY	Assessment of materiality is used for this report to identify the major ESG issues within the reporting period; the descriptions of important stakeholders and the specific processes of participation by the stakeholders as well as the results obtained have all been properly disclosed in this report.
QUANTITATIVE	Key performances in environment, society and governance by the Company have been fully disclosed, and additional discussion and description of objectives pertinent to the key performances are given to the maximum extent possible in this report.
BALANCE	This report reflects objective facts, and strives to report the Company's performance impartially.
CONSISTENCY	A consistent disclosure approach is used in this report by applying consistent scales for comparable indicators so as to provide more references for performance disclosure.

Monetary Unit

Unless otherwise specified, the monetary amounts included in this report are listed in RMB.

Report Accessibility

Report version: This Report is released in both Chinese and English versions.

Access to the report: This Report is released in PDF format on the following websites, in which stakeholders can click on the relevant documents to review this Report:

Hong Kong Exchanges and Clearing Limited information release web page (www.hkexnews.hk)

The Company's website (www.brgroup.com) at <https://ir.brgroup.com/information/2>

Comments & Feedback

Any comments or suggestions regarding the content of this report or the Company's performance in ESG may be communicated to us via our email at ir@brgroup.com. Any valuable comments and suggestions will help us further improve this report and our ESG performance.

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THE BOARD'S STATEMENT ON ESG GOVERNANCE

The Board of Directors of the Company (the "Board") assumes full responsibility for the Company's ESG strategies and reporting, and is responsible for assessing and analyzing the Company's ESG risks, ensuring that the Company establishes appropriate and effective ESG risk management and internal control system, supervising the progress of ESG work, and regularly reviewing relevant reports. Based on the external economic and social environment and the Company's development strategy, Bairong Inc. regularly evaluates the importance of ESG issues and ensures the integration of ESG concepts into its business strategies through the identification and prioritization of key ESG issues, setting relevant goals and commitments, and monitoring the actual performance. The Company has set up an ESG Working Group with the participation of directors of key departments, such as the Strategic Investment Department, the Human Resources Department, the Administration Department, the Financial Department, and the Legal Affairs Department, etc.. The ESG Working Group reports to the Board and senior management of the Company, assisting them to evaluate and formulate the Company's ESG management policies, supervises the achievement of corporate strategic goals, and improve the ESG performance of the Company. The Company has established a set of ESG performance indicators, taking into account the characteristics of its business operations and setting control targets for environmental dimensions where appropriate. The progress of the ESG-related indicators is reviewed by the Board in conjunction with this Report. This Report discloses in detail the progress and effectiveness of Bairong Inc.'s ESG work in 2022. The Board and all directors of the Company guarantee that there are no false records, misleading statements or major omissions in the contents of this Report, and take individual and joint responsibility for the authenticity, accuracy and completeness of its contents. In the future, Bairong Inc. will continue to adjust the ESG management strategy and implementation approach according to the expectations of stakeholders and the actual operation results, and continuously improve the ESG management and performance of the Company.

MESSAGE FROM CHAIRMAN

Founder, Chairman and
CEO of Bairong, Inc.

Zhang Shaofeng



The digital economy outburst is penetrating deeply into the financial industry in a sweeping fashion. As a navigator in the digital and intelligent service for the financial industry in China, we have always been deeply convinced that long-term accountability and commitment to the industry, environment and even the society constitute the solid foundation in the highly competitive and ever-changing market. It is the foundation of the Company's development to proceed with our journey in empowering with technology, fully identify the demands for digital and intelligent transformation and upgrading from financial institutions, and constantly pursue innovations in science and technology. In the past year, we have been implementing improvement in the management of ESG in an organized manner by following the national strategies in development and serving the overall economic and social situation, so as to create our value, assume our responsibilities and make our share of contributions to the society on a more widened platform.

In the past year, we have been upholding the principles of “green, energy-saving and low-carbon”, continuously assuming our responsibilities. The Company actively conducts climate change assessment to reduce the environmental impact made by the Company with the methods of green office, green data center, etc., at the same time, by empowering with digital and intelligent technology, promotes the operation of financial institutions, assists the green industry to solve the financing problems, realizes the green development of financial services industry with reduced energy cost and improved performance, practices the concept of sustainable development with practical action, to respond to the national “duel carbon” goals.

We have been leading the construction of industry ecology as guided by the philosophy of empowering with technology throughout the past year. With the constantly deepening integration of digital economy and real economy, the Company has always been making innovations, improving various products and technical solutions, to provide support in achieving digital and intelligent transformation, promoting inclusive financing and stimulating technical updating and revolution in the financial industry. With the launch of the Tianmu Plan, we hope to join hands with more partners to explore digital and intelligent transformation and light up the starry night of this innovative field. The cloud-based SaaS platform developed by the Company is benefiting Financial Service Providers (FSP) in their digital and intelligent development, through creatively leveraging AI, cloud computing and machine learning technologies, on the basis of our long-term operation experience with financial institutions and profound understanding and insights about the industry. Based on its research and development advantages accumulated over years and the market demands, we use its proprietary smart AI-powered voicebot (Chatbot) together with the algorithm-driven intelligent marketing middle platform to help FSPs effectively improve their service accuracy and operation efficiency. It is a paragon of our continuous exploration and innovative application of cutting-edge technologies.

We have been proactively undertaking corporate social responsibilities as guided by the philosophy of valuing sharing throughout the past year. Bairong Inc. kept practicing its core values of being “Faithful, Accountable, Practical, Cooperative, Open-minded and Innovative”, seeing the development of employees as its task, implementing the strategy of “solidifying the Company with talents” and constructing the community with a common future for the Company and its employees. We tried to benefit the public while carrying out corporate responsibilities. Through the “Intelligent Voice COVID-19 Control” public-interest program, we kept offering free Intelligent Voice Dialogue Robot services to government agencies, local communities and local disease centers during the COVID-19 pandemic, to support the local epidemic prevention and control and shouldering our responsibilities with real actions.

Traces shine as bright as stars. In the coming new year, Bairong Inc. will embrace partners with an open attitude, engage in digital and intelligent transformation of finance with innovative mindset and products, drive its ESG practice with an accountable corporate culture, facilitate high-quality development of the digital economy with cutting-edge technologies, and stay committed to building the Company into a one-stop enabler that helps FSPs conduct intelligent digital transformation of full-cycle business.

ABOUT US

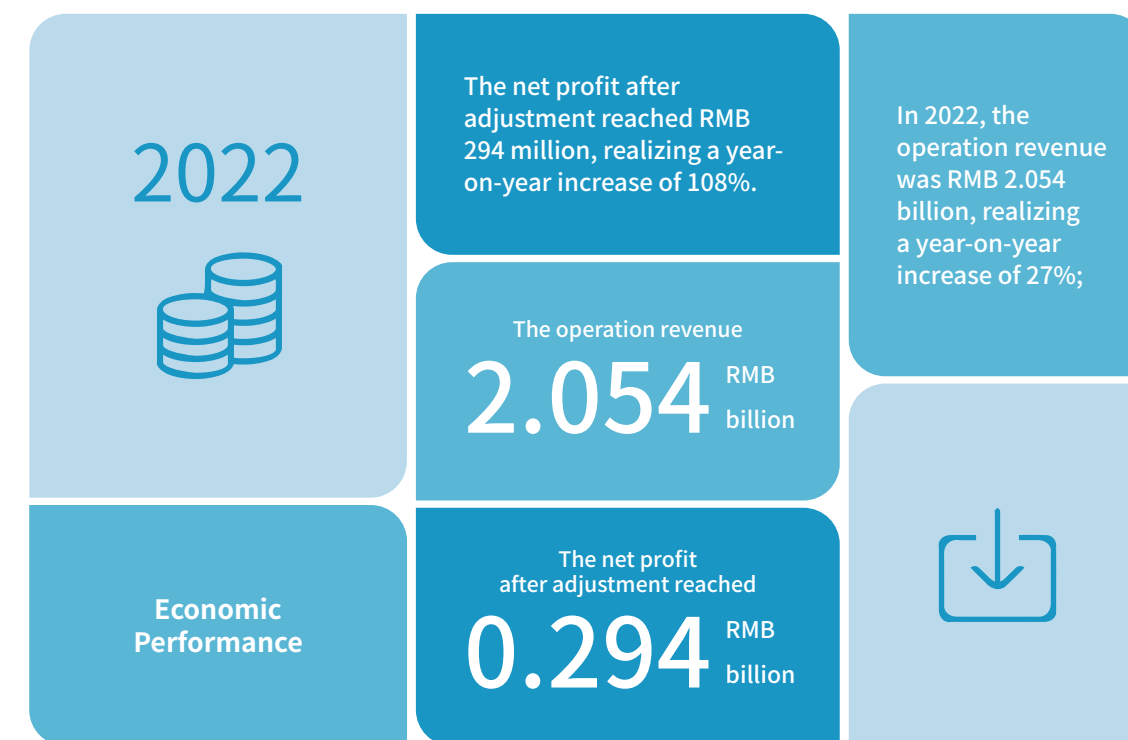
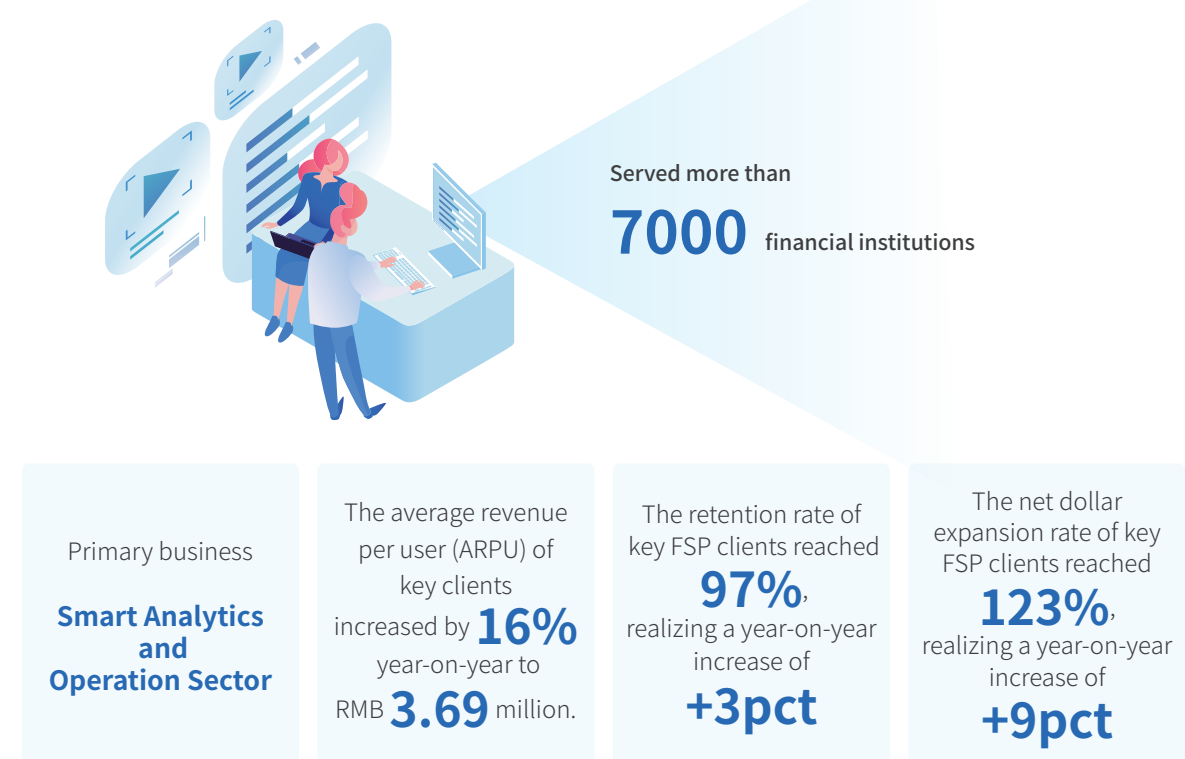
Company Profile



As a leader of digital and intelligent services in the financial service industry in China, Bairong Inc. developed a proprietary cloud-based SaaS platform, which leverages big data, machine learning, cloud computing and artificial intelligence ("AI") to provide FSPs with highly adaptable, secured and reliable technology products and solutions. The product matrix covers smart analytics, smart decision-making, smart operation, equity operation, micro credits, wealth management, marketing & client acquisition, etc.



As at December 31, 2022, we had served more than 7,000 financial institutions in China. Our clients include all of the six state-owned banks, 12 joint-equity banks, more than a thousand regional banks, as well as major consumer finance companies, insurance companies and a variety of other licensed FSPs.



Corporate Culture



HISTORY

2014

- **2014.3**
The Company was founded and invited to locate in Shijingshan Financial Industry Base
- **2014.10**
Completed the Series A funding led by Hillhouse Capital
- **2014.12**
Approved and granted the Registration Certificate of Commercial Credit Reporting Agencies issued by the People's Bank of China

2015

- **2015.10**
Completed the Series B funding led by Sequoia Capital China

2016

- **2016.1**
Certified as a Level III institution in the National Multi-level Information Security Protection System.
- **2016.6**
Completed the Series B+ funding led by CICC
- **2016.12**
Granted the title of "National High-tech Enterprise"

2017

- **2017.6**
Successfully entered into a strategic cooperation agreement with National Information Center

2018

- **2018.4**
Completed the Series C funding led by CHINA REFORM HOLDINGS CORPORATION LTD.
- **2018.5**
Developed strategic cooperative partnership with Tsinghua University PBC School of Finance
- **2018.9**
Earned CMMI (Capability Maturity Model Integration) Level 3 Certification
- **2018.10**
Selected into the "List of 27 First Batch Comprehensive Credit Service Pilot Institutions" by National Development and Reform Commission

2019

- **2019.2**
Granted the title of "Zhongguancun High-tech Enterprise"
- **2019.4**
Elected as the Vice President of China Association of Small and Medium Enterprise
- **2019.6**
Become a committee member of the Special Committee of Technical Risk Control, Beijing Internet Finance Industry Association
- **2019.7**
Selected as the 2019 Beijing Credit Joint Decision-making and Consulting Agency
- **2019.9**
Passed ISO 9001 (Quality Management System) certification, and ISO 27001 (Information Security Management System) certification
- **2019.12**
Selected into "2019 Innovation Models in China" at China Economic Forum by People's Daily
- **2019.12**
Awarded "High-tech Leader and Demonstration Case for the 13th Five-year Plan" by the Liaowang Institute of Xinhua News Agency

2020

- **2020.5**
Won the Operational Innovation Outstanding Solution Award given by China Banking Association
- **2020.6**
Become a committee member of Beijing Internet Finance Industry Association
- **2020.9**
Obtained the industry's first ISO 27701 (Privacy Information Management System) certification

2021

- **2021.1**
Rated as Honest Enterprise in Beijing for three consecutive years
- **2021.3**
Successfully listed on the Main Board of HKEX
- **2021.4**
Become a member of Payment and Clearing Association of China
- **2021.4**
Become one of the first batch members of "Zhuoxin Big Data" plan by China Academy of Information and Communications Technology (CAICT), Ministry of Industry and Information Technology of the People's Republic of China
- **2021.7**
Awarded the title of "AAA Credit-Rating Enterprise of Beijing" for four consecutive years

2022

- **2022.1**
Become a member of Privacy-preserving Computing Alliance, CAICT
- **2022.1**
Obtained the Huawei Cloud certificate
- **2022.2**
Become a member of Beijing Communication Industry Association
- **2022.11**
Obtained Information Technology - Service Management certification and Security and Resilience certification
- **2022.12**
Obtained the certificate of robust level of Data Management Capability Maturity (DCMM) Assessment Model (Level 3)
- **2022.12**
Granted the title of "National High-tech Enterprise" three times in a row

Business Overview



As a client-centric company, Bairong Inc. insists on empowering finance with technology, upholding the mission of “benefiting the general public with finance” and is set to become a leading provider of digital and intelligent services in the financial industry. We are committed to improving the intelligent digital transformation efficiency of the financial industry, empowering FSPs at multiple dimensions and constructing a digital and intelligent ecology. Our proprietary cloud-based SaaS platform, which creatively leverages AI, cloud computing and machine learning technologies has extended single products into systematic multi-dimensional solutions, enriched monotonous technology-based service scenarios into all scenarios of financial services, and provided multi-cycle customized products, services and solutions in smart analytics and operation, precision marketing, insurance marketing and other sectors.

Business Sectors

Smart Analytics and Operation Services

Through the AI-powered and cloud-native SaaS platform, we offer highly efficient scoring products and user profiling products to FSPs to build smart analytics system, assist decision-making with multidimensional analysis and improve decision-making accuracy. In addition to standard products on queries, we also provide customized solutions by assigning expert teams to conduct on-site interviews and research, thus acquiring hands-on understandings. Also, we provide FSPs with full-cycle operation solutions to assist clients in refined management of existing users. Our professional data analytic capabilities are used to divide users into different groups and approach different groups via our proprietary smart AI-powered voicebot (Chatbot), SMS, app, manual or other methods. We held on to technology capabilities and client demands in 2022. Our official joining into the Huawei Kunpeng Partnership Program signaled the authoritative recognition for our innovative research and development capabilities, in addition to bringing us more possibilities.

Precision Marketing Services

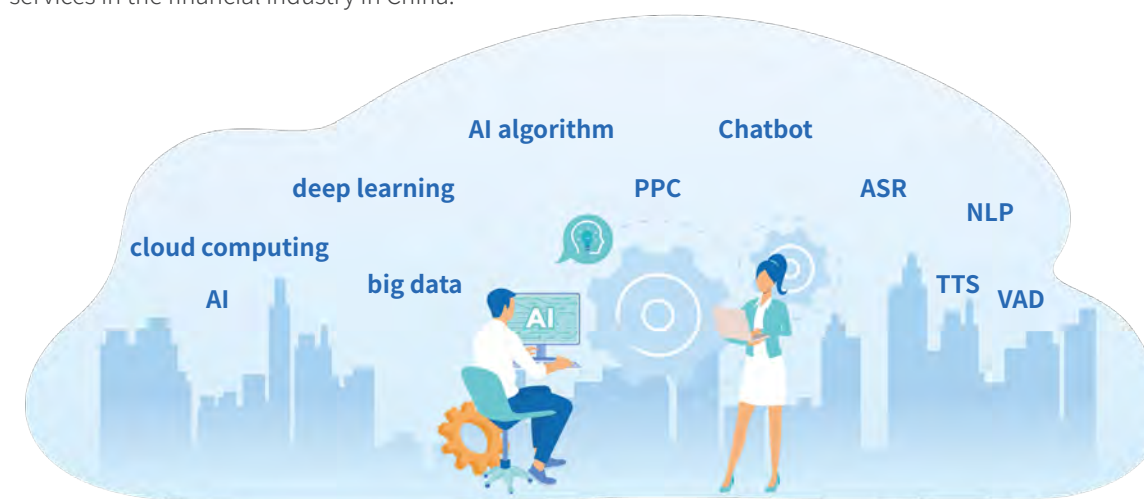
We converge user traffic from multiple channels, and adopt core technologies such as AI and big data to differentiate users based on multi-dimensional profiles. We filter out high-quality users, detect their marketing intentions, and match them with appropriate financial products.

Insurance Marketing Services

Our business is carried through Liming Technology Platform across the whole country, to provide brokers with multiple analytics and data-driven tools that integrate customer relationship management system (CRM), talent management system (TMS) and insurance data solutions (IDS), enabling them to better evaluate consumers, ensure accurate matching between consumer demands and insurance products and improve the efficiency of brokers with higher-than-average personal capacity.

Core Technology

Bairong Inc. has inherited the technology genes of its founding team and achieved a series of extensions and innovations at the end of technological application. Based on the excellent AI application techniques, digital and intelligent capabilities, and creative use of AI, cloud computing, big data, deep learning, AI algorithm, privacy-preserving computing (PPC), natural language processing (NLP), automatic speech recognition (ASR), text-to-speech (TTS) and voice activity detection (VAD) technologies, the Company has become a pioneer that extends and innovates technological application in this field, with its digital technologies and security capabilities highly recognized by authoritative organizations and agencies. Among them, the Chatbot technology (a homologous technology of ChatGPT), independently developed by Bairong Inc., has successfully spun out a series of extended and innovative applications at the technology end. It can precisely recognize human speech, enables millisecond-level voice interaction feedback and achieves extremely high accuracy in ASR. The user operation amount has exceeded 10 million per day and the automatic interaction frequency is over 100 million, becoming a great facilitator for Bairong Inc. to lead the digital and intelligent services in the financial industry in China.



Industry-leading capability of technology application

Solid resources and foundation in vertical domains

Pioneer and explorer of applicable technology innovation

Business Scenarios

Business innovation	technological breakthrough	risk identification
analytics and decision-making	social customer relationship management(SCRM)	penetration in high-frequency scenarios
digital and intelligent management	user activation	customer access and expansion
behavior evaluation	user grouping and monitoring	precision marketing
pre-loan risk control	loan monitoring	post-loan management

Honors & Awards



www.21jingji.com
Digital Transformation
Agency of the Year 2022



CHINA TIMES
Huaxia Organization Investment Forum —ESG
Excellent Enterprise Award



Zhitong Finance and Economics and
Tonghuashun Finance and Economics
The 7th Zhitong Selection of Listed Companies —
The Most Socially Responsible Listed Company



Guruclub Greater China Best Listed
Company Awards 2022
Innovation Award of the Year 2022



THE TIME WEEKLY
The 7th Golden Tangerine Awards of Time
Finance —Technology
Empowered Financial Institutions Award



Hexun
The 20th China's Financial Annual
Champion Awards — Model Listed Company
of Scientific And
Technological Innovation of the Year



China Internet Week
2022 Digital and Intelligent
Transformation Service Award



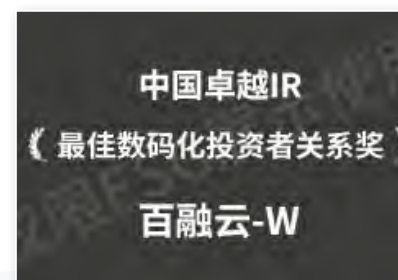
China Internet Week
Bairong Indra Privacy Computing Platform
in the field of finance SaaS —
TOP Ten Innovation Cases of Digital Economy in 2022



Top 30 Fintech Companies from 2021
Zhongguancun Fintech Forum



Beijing Enterprise Credit Evaluation Center
Enterprise of Observing Contracts and
Valuing Credit



The 2022 China
Outstanding IR Award for
the Best Digital
Investor Relations



The Executive Director
Member of China
Economic Weekly

ESG STRATEGIES AND MANAGEMENT

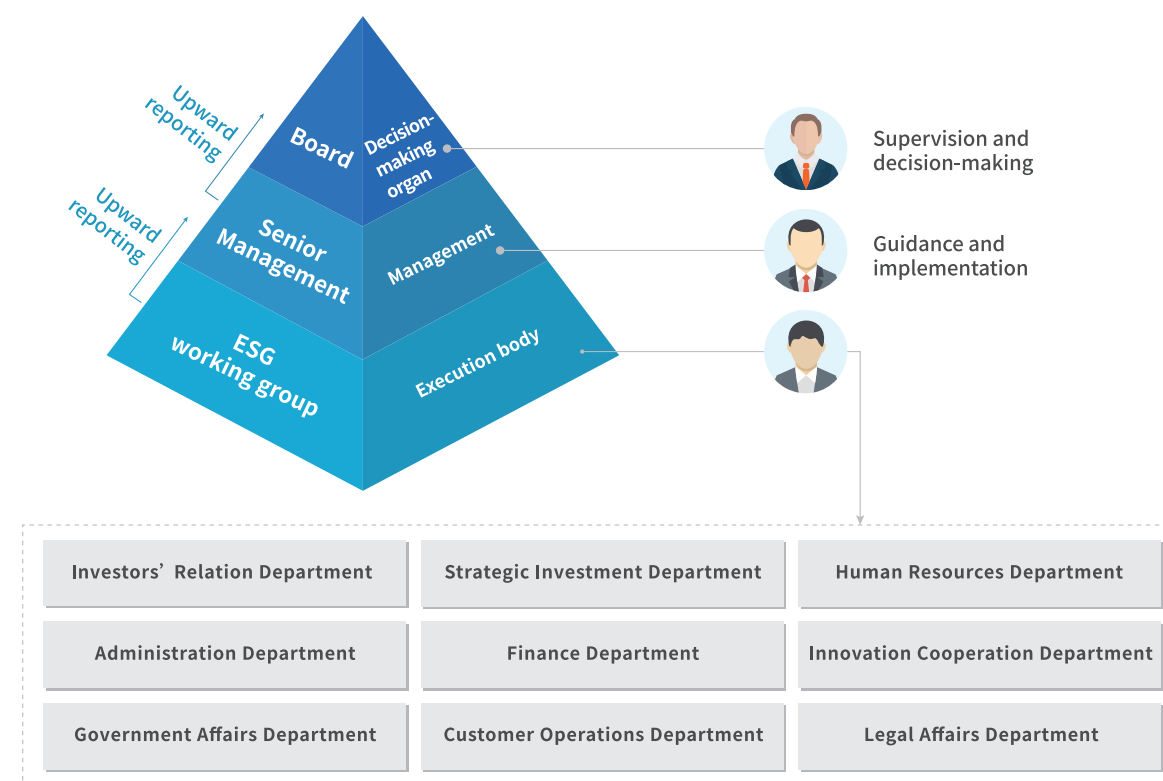
ESG Governance Philosophy



Guided by the very initial mission of “Benefiting the general public with finance”, Bairong Inc. has been actively incorporating the concept of ESG into its strategic goals, organizational structure, business system and routine operations. Focusing on the four major ESG areas of “facilitating financial digital and intelligent transformation, supporting employee and community development, strictly abiding by regulatory compliance and business ethics, and reducing its own environmental footprint”, the Company exercised practical ESG integration from multiple dimensions by relying on its personal capabilities and advantages to achieve corporate high-quality development and constantly create value in the economic, social and environmental sectors, delivering high-level positive contributions to the sustainable development goals (SDGs) as set out by the United Nations (UN) and shaping out a better future together with the stakeholders.

Facilitate Financial Digital Transformation - Specialize in AI technologies - Support financial digital and intelligent transformation - Improve financial service-specific experiences by the general public - Deliver security and reliability for digital finance	  
Support Employee and Community Development - Talent absorption and retention - Perfect employee training system - Provide equal opportunities and implement diverseness - Employee interactions and participation - Execute vigorous public-interest and volunteering services - Invest genuine concerns for the occupational health of employees	  
Implement Regulatory Compliance and Business Ethics - Optimize corporate governance level - Step up overall risk management - Anti-corruption practices and business ethics - Information security and privacy protection	 
Reduce the Company's Own Environmental Footprint - Decrease resource and energy consumption - Advocate the concept of green offices - Practice the principle of green procurement	 

ESG Governance Architecture



Bairong Inc. has established a properly designed top-down ESG governance architecture and formed an appropriate ESG governance system under the joint leadership of the Board, senior management and ESG working group to ensure the efficient execution of ESG activities.

The Board, as the top-level decision-making organ of the Company, proposes strategic planning and system-based policies in environment, society and governance to ensure the effective implementation of relevant policies, and is also fully liable for the disclosure of relevant policies, systems and related information.

The senior management formulates overall plans and provides coordination for the environmental, social and governance activities, executes the various decisions and policies formed by the Board on the ESG activities, constantly improves the ESG management system and supervises the specific execution of the ESG activities.

The ESG working group, as the actual execution body, consists of management from various departments of the Company. It incorporates the ESG activities into the routine departmental business management and operations, carries out ESG information collection, reporting and review on a regular basis, increases the statistical control efficiency and ESG activity performances to provide extensive support in the efficient execution and implementation of ESG activities.

Substantive Analysis



Bairong Inc. carries out close interactions with the stakeholders in its routine operations as directed by the principles of substantiveness, full coverage and proper balancing to comprehensively collect and analyze the priorities and requirements from the stakeholders, then the Company identifies and updates the key ESG issues periodically by fully considering the national policies and key points of high concern in the capital market.

In 2022, the process for establishing substantive issues is described below:

Identification of issues

Identify major trends pertinent to the Company through full industry-based investigation, then identify the 27 material issues under three major categories based on the national policies and key points of high concern in the capital market.



Questionnaire

Conduct questionnaire-based investigations on stakeholders such as primary employees, government institutions, investors, clients and suppliers so as to properly generate comments on the materiality assessment of ESG issues from both internal and external stakeholders.

Analysis of materiality

Perform rational analysis of the results obtained from the questionnaires and produce final materiality matrix of stakeholders by fully considering the relevant national policies and key points of high concern in the capital market.

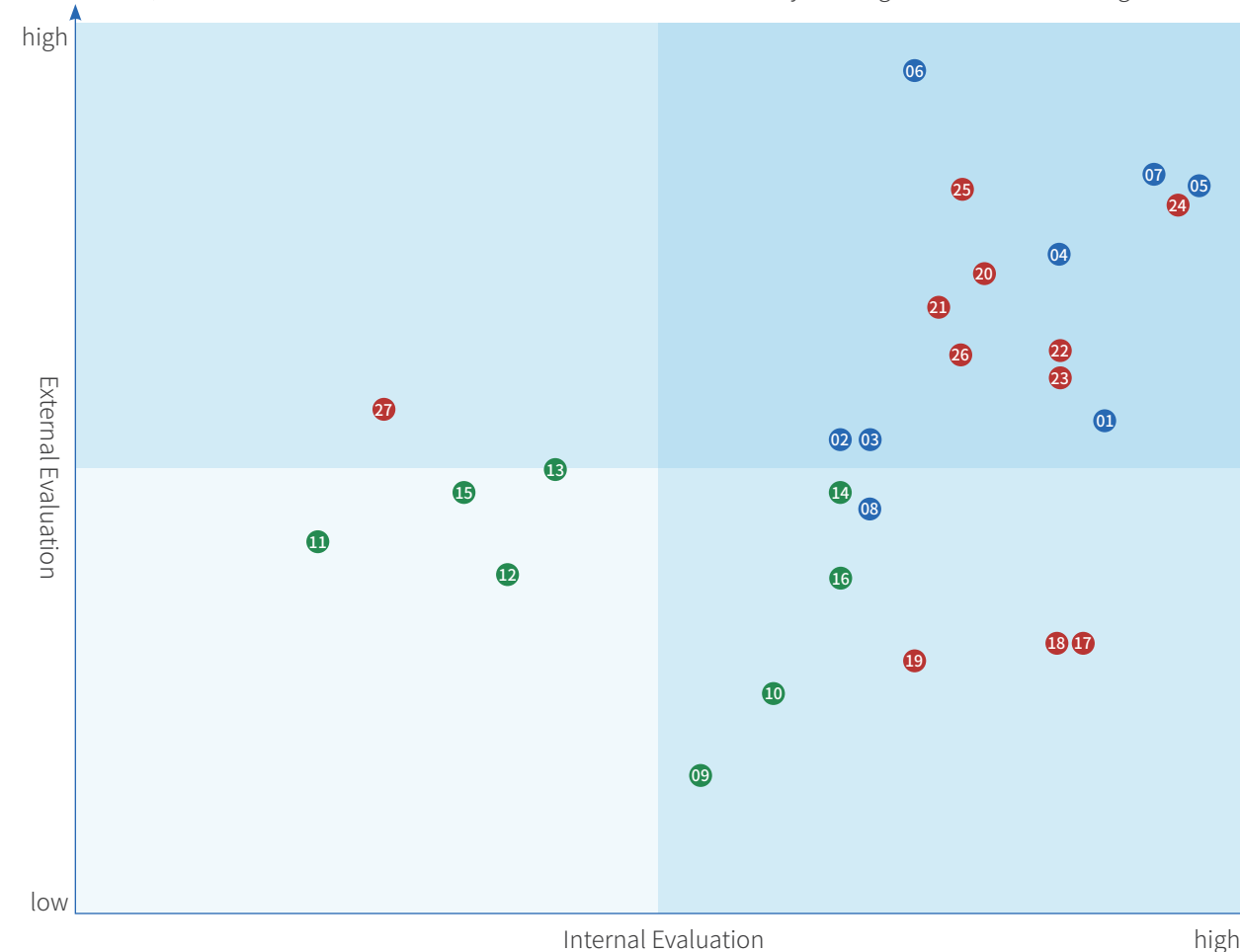


Confirmation by the Management

The management of the Company performs careful perusal and review of the results from the analysis of materiality to finally establish key information to be disclosed in this report, objectives of future ESG management and specific implementation plans.



In 2022, the matrix for establishment of substantive issues formed by Bairong Inc. is shown in the figure below:



Corporate Governance

- 01 Company Governance
- 02 Protection of Shareholders' Rights
- 03 Protection of Investors' Rights
- 04 Risk Control Management
- 05 Compliance Management
- 06 Combating Corruption & Encouraging Integrity
- 07 Economic Performance
- 08 ESG Governance

Environment

- 09 Waste management
- 10 Use of Resource
- 11 Ecological Environment Protection
- 12 Carbon Emission
- 13 Green Operation
- 14 Green Data Centers
- 15 Energy Conservation & Emissions Reduction
- 16 Environmental Management System

Society

- 17 Employment
- 18 Employee Health & Safety
- 19 Employee Career Development
- 20 Product Liability
- 21 Customer Relationship Management
- 22 Technological Innovation
- 23 Intellectual Property Protection
- 24 Data Security
- 25 Supply Chain Management
- 26 Responsible Procurement
- 27 Social Welfare

We will properly disclose the key issues to a greater extent in this report with references to the results obtained from this particular assessment of material issues. We will also use the results from assessment of ESG issues as a guide for the performance of future work in our routine operations so that constant improvements can be accomplished to respond to the expectations of stakeholders better, increase confidence and subsequent cooperation and advance the sustainable development of both the Group and the society.

Interactions with Stakeholders



Bairong Inc. stresses interactions with its stakeholders and has established a mechanism for regular interactions with the stakeholders to timely identify high-concern ESG issues by the stakeholders and then provide efficient responses to them. In 2022, the communication between the Company and the interested parties is mainly as follows:

Stakeholders	Expectations	Communication Mechanisms
 Government Bodies & Supervisory Authorities	✓ Honesty and regulatory compliance in business practices ✓ Pay tax in accordance with laws and regulations ✓ Optimize governance structure	✓ Communication meeting with government bodies ✓ Information disclosure and submission ✓ Exchange with supervisory authorities ✓ Regular visit
 Shareholders	✓ Steady growth in performance ✓ Create excellent performance ✓ Honesty and regulatory compliance in business practices	✓ Annual report, interim report and announcement of the Company ✓ Shareholder meeting ✓ Research by investors ✓ Interaction and question-answering on interactive platform
 Customers	✓ Innovative product technology ✓ Guarantee information security ✓ Provide high-quality service ✓ Honesty and regulatory compliance in business practices	✓ Routine communication and question-answering ✓ Customer satisfaction survey ✓ Customer service hotline

Stakeholders	Expectations	Communication Mechanisms
 Employees	✓ Safeguard rights and interests of employees ✓ Boost career development ✓ Care for occupational health ✓ Improvement of compensation and benefits	✓ All-staff meeting ✓ Complaint/Feedback box ✓ Employee satisfaction survey ✓ Cultural activities for employees
 Community	✓ Provide job opportunities ✓ Public-interest and volunteering services ✓ Boost the development of the community	✓ Community visits and exchanges ✓ Promoting financial literacy ✓ Volunteering service activities
 Environment	✓ Deepen energy conservation and emissions reduction ✓ Practice of green business concept ✓ Resource recovery and reuse	✓ Collection and disclosure of environmental performance ✓ Publicity of environmental protection concept
 Suppliers	✓ Cooperation of honesty and integrity ✓ Long-term sound management ✓ Fair trade	✓ Benchmark against review and evaluation standards ✓ Communicate routinely ✓ Advocate green supply

PRACTITIONER OF CORPORATE SUSTAINABLE GOVERNANCE



Bairong Inc. consistently upholds the values of “Faithful, Accountable, Practical, Cooperative, Open-minded and Innovative”, considers fulfilling company governance as the cornerstone for maintaining long-term development, makes serious endeavors to perfect and reinforce the already stable, diverse governance framework, clarifies the functional authorities at each level and establishes a sound decision-making system to ensure that the management has a satisfactory grasp on the business strategies, development goals and their execution so as to constantly step up the Company's competence over governance and risk management. The Company continues its efforts in strengthening the establishment of a compliance system, carries out training and mobilization activities on compliance and business ethics, and embeds principles such as good-faith management in its corporate culture. The Company has provided proper channels for supervision and whistle-blowing, and additionally formed a whistleblower's protection mechanism designed to elicit all-round supervision from both internal and external stakeholders, so as to preclude the overall risk in compliance failure and provide solid guarantee in the long-term robust operation.

- 23 Governance Architecture
- 25 Risk Management
- 28 Regulatory Compliance in Business Practices

GOVERNANCE ARCHITECTURE

Bairong Inc. has developed a fully functioning and effective governance architecture comprised of the shareholders' meeting, the Board, special committee and senior management in strict accordance with HKEX's Code on Corporate Governance, Corporate Governance Report and the relevant regulation described in Listing Rules, and has established an efficient and effective supervision and constraint mechanism. The Company will continue to improve its governance architecture, elevate its governance level so as to maximize the benefits for the investors.

● Board

Handle the policies, strategies and budgeting, internal control and risk management, major transactions, financial data, appointment of directors and other major business items. Four special committees including the Audit Committee, Remuneration Committee, Nomination Committee, and Corporate Governance Committee are set up under the Board.

● Management

Perform duties in implementing the decisions by the Board, guiding and coordinating the routine operation and management of the Company.

In 2022, one shareholders' meeting, two meetings by the Board, two meetings by the Audit Committee, two meetings by the Corporate Governance Committee and one meeting by the Remuneration Committee and one meeting by the Nomination Committee were held respectively.

Diverseness in the Board

The Company has formulated Policy on Diverseness in the Board to specify the means to achieve diverseness in the Board and has practiced the aforementioned policy in its work. A variety of factors (gender, age, cultural and educational background, professional qualifications, skill-specific expertise and relevant experience in the industry) will be fully considered in the review and evaluation of qualified director candidates of the Company. The Nomination Committee carries out periodic discussions and determines measurable goals in achieving diverseness in the Board as appropriate, then provides recommendations on the potential candidates to the Board based on its previously agreed conclusion.

As of the end of 2022, the Board consists of 9 members, namely 3 executive directors, 2 non-executive directors and 4 independent non-executive directors. One of the directors is female. The members of the Board are of diverse backgrounds and have obtained extensive qualifications and academic accumulation in industries including science and technology, financing, investment, accounting; all directors of the Company have sufficiently acquired all the relevant expertise, skill, attainment and experiences necessary for their performance of their obligations so that they are capable of overseeing the major decision-making schemes developed by the management team.

Nomination of Directors and Selection

The Company has developed Director Nomination Policy which describes the rules and predetermined criteria for nomination, so as to ensure that the selection and appointment of every individual director is conducted in a fair, transparent and just way and complies with the provisions set forth in the Articles of Association and relevant governance regulations. The business characteristics, strategies on future development, medium- and long-term planning, structure of the Board and diversified configurations are all considered in the nomination for the Board to set out the prerequisite conditions, professional expertise and skills and overall capabilities required for the selection and appointment of a director.

Nomination of a director

System for nominating candidates is used by the Company and the Nomination Committee formulates and submits the nominee list.

Review of nominee list

- 1) The list will be reviewed by the Board for compliance with the diverse criteria set for gender, age, cultural background and nationality.
- 2) The nominees in the list are of satisfactory character and reputation, have acquired professional qualifications and skills, and have achieved relevant accomplishment and obtained proper experience.

Voting at the Shareholders' Meeting

- 1) Cumulative voting system is used in the election of a director at the Shareholders' Meeting.
- 2) A combination of on-site voting and online voting is used for final decision.

Performance of duties and evaluation

- 1) A work manual for the Board has been prepared for proper reference by the directors.
- 2) Training courses specially designed for the Board are provided on a regular basis to better improve the directors' capabilities in the performance of their respective duties.
- 3) The Board, the members of the Board and the directors are subjected to periodic evaluations of their performance of duties.

Training of Directors

The Company attaches substantial importance to the development of the Board on the professional front, therefore it has been, in accordance with regulatory policy developments and changes, providing training and learning opportunities for the directors by using various approaches such as on-site training, remote training, and distributing reading materials, so that the directors can be actively motivated to invest themselves into the corporate and ESG governance to a greater level, thus performing their respective duties more efficiently, continuing their efforts in improving and maintaining the Company's promising governance performance and level. 100% of the incumbent directors have been receiving their training as scheduled in 2022.

Remuneration and Performance of the Management

A Remuneration Committee has been set up under the Board, with three non-executive directors as its members. In addition to proposing remuneration policy and developing procedures for the Board, the Remuneration Committee also carries out periodic review of the remuneration system and criteria set for the directors and the senior management by taking into relevant factors such as the remuneration level in comparable companies, duties and duration of incumbency, business performance of the Company and potential future risks, then submits the results from their review to the Board for further consideration.

RISK MANAGEMENT

As a response to the regulatory requirements from the authorities, Bairong Inc. has developed a well-designed risk management system and followed the system in conducting its various activities; the Company has been constantly updating its competency in risk prevention and management over the various major sources of relevant risks to escort the high-quality development of the Company via applying high-level risk management.

Risk Management Mechanism

The Company has formulated a guiding document titled Comprehensive Risk Management Measures for conducting its risk management activities, in which the organization framework, system-based procedures, approaches and techniques involved have been specifically described. In its daily work, the Company has made continuous efforts in embedding overall risk management into all its various activities by thoroughly incorporating each individual requirement in the risk management in the corporate management and business processes, so as to provide joint support for the overall goals set for the business and development of the Company.

Risk Management Objectives

- To ensure that risk control is commensurate with the overall goals set for the business and development of the Company and within acceptable range to facilitate the fulfillment of corporate strategic goals;
- To ensure that information communication can be achieved in a veritable, reliable and effective manner both internally and externally for the Company;
- To ensure that relevant laws and regulations are strictly observed and corresponding social responsibilities are fulfilled as required;
- To ensure that the business management is performed effectively to improve the efficiency and results of business activities;
- To ensure that proper plans for handling crisis following the occurrence of various major risks have been formulated by the Company, so that zero major losses is exerted on the Company due to catastrophic risk or human-induced mistakes.

Organizational System of Risk Management

Board	Responsible for the effectiveness of overall risk management activities, including formulation of general goals for corporate risk management, determination of overall corporate risk preferences and risk acceptability, review of results from risk assessment on major matters and response plans.
Legal Affairs Department	Organize all departments to carry out supervision and evaluation of overall risk management, compile and issue report on the supervision and evaluation of overall risk, and report to the management.

Risk Management Process



● Risk identification and categorization

Perform regular review of the Company's key business activities and risks in important management and business processes, and identify the risks that may adversely impact the fulfillment of relevant goals. The main risks for the Company can be classified into five categories: strategic risk, financial risk, market risk, operation risk and compliance risk. Risk information is collected within the Company on a regular basis, upon which a list of risks involving classification and summary by analysis is generated.



● Risk assessment

The Legal Affairs Department organizes relevant departments to develop working criteria, procedures and approaches for risk assessment activities, formulate risk assessment plan, coordinate and direct the departments in properly conducting risk assessment. The possibility of risk occurrences and level of impact from the risks are assessed by using either qualitative, quantitative method or a combination of qualitative, quantitative method so as to clearly identify the major risks for the Company.



● Risk response

Appropriate risk response measures are initiated specifically based on the different properties under risk categorization to reasonably allot manpower and financial resources required for the conduct of risk management. The response measures can be classified into four types of risk aversion, risk reduction, risk transfer and risk tolerance. Inspections are performed as appropriate for the execution of response measures for major risks by relevant departments and corresponding units in the form of on-site interview, questionnaire-based survey, and spot check on vouchers.



● Risk monitoring and reporting

The Company organizes all departments to carry out overall risk management activities, systematically summarize the implementation and results of risk management work, thoroughly analyze the general risk scenario for the Company, and then propose specific recommendations on its risk management work for review by the management of the Company. The Legal Affairs Department mobilizes relevant departments to execute their respective specific rectifications in a timely manner based on the risk deficiencies received from the departments, and the rectification plan is to be verified by the management of the Company.

Construction of Risk Management Culture



Risk management culture forms an indispensable and necessary element for the long-term robust development of the Company on the one hand and it constitutes an integral part for enhancing cohesion among the employees and improving the Company's competitiveness in the industry; in addition, it can support the execution of corporate policies and present a fresh perspective and mindset for risk management by the Company. The Company is committed to forming corporate culture characterized by risk awareness by providing diversified training and carrying out propaganda activities intended to incorporate its risk management culture throughout the corporate governance, help all employees adjust their views on risk management, impart the perception featured by the co-existence of risks and opportunities, giving sufficient importance to the proper implementation of responsibilities over risk management at each position, so as to effectively step up risk management level and qualities of its employees in risk management, thus providing a guarantee for the fulfillment of risk management objectives. For the management staff involved in important management, business procedures and risk control points and business operating staff, the Company has established a system for pre-job risk management training, which is intended to enhance the mastery of risk management concept, knowledge, process and approaches by specific staff through various scientifically designed approaches and means, so that remarkable professional talents in risk management can be fostered and cultural ambience for risk management can be formed.

REGULATORY COMPLIANCE IN BUSINESS PRACTICES

Bairong Inc. has been implementing the requirements set forth in the Company Law of the People's Republic of China, regulations and relevant normative documents, and has fully developed various guidelines and systems including Compliance Risk Management Measures, Data-based Business Compliance System, Financial Compliance System, Information Disclosure Compliance System, Human Resource Compliance System, Operational Compliance System, Business Confidentiality-based System, Operation and Maintenance & Network Security Compliance System. By prioritizing compliant operation according to laws, the Company has fully achieved efficient identification and management of compliance risks through its properly established compliance management mechanism and systems, and made all-round efforts to ensure that the business management by the Company and its staff and its practices are all carried out in strict accordance with the national laws, regulations and guidelines.

Compliance Management Principles



Comprehensiveness

Compliance management entails all the operations of the Company, all departments and all staff within the Company, and is incorporated throughout all the links including decision-making, execution, supervision and feedback; and compliance management is fully reflected in decision-making mechanism, internal control and business process.

Effectiveness

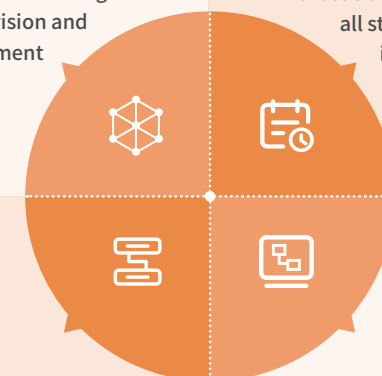
The Board and the management are obligated to observe the relevant systems for compliance management and advance the effective execution of the aforementioned systems by all staff. Any conduct or individual found in violation of the relevant systems for compliance management will be held accountable as per relevant regulations.

Independence

The head of compliance and compliance management department are independent from others and shareholders, directors and senior management are not allowed to issue any instructions against the pre-specified responsibilities and procedures or interfere with their work; and the directors, supervisors, senior management and all departments of the Company are under obligation to provide support and sufficient cooperation for the activities of the head of compliance and compliance management department, and shall not set restrictions or obstructions in performing their duties.

Initiative

All departments and all staff of the Company are highly encouraged to seek compliance support, proactively execute compliance system, identify and control the compliance risks in their practices actively during the conduct of business management and actual practices; any unlawful act, violation or compliance risk hazard found shall be reported to the head of compliance in a spontaneous and timely manner.



Compliance Management System

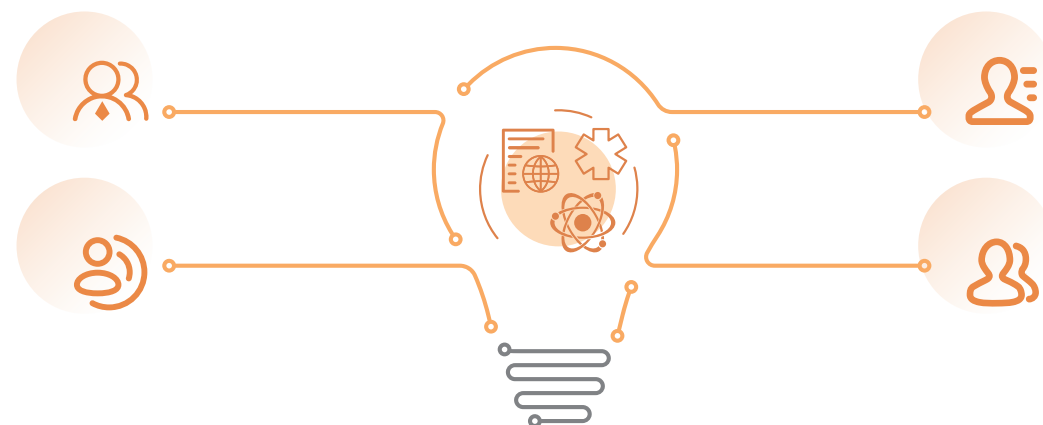


● The Management of the Company

Review and approve the Company's compliance policy, fundamental systems and compliance risk management report; carry out assessment of the effectiveness of compliance management, urge to address issues found in compliance management; appoint and appraise staff involved in compliance management, and set up direct communication mechanism for the head of compliance.

● Chief Financial Officer (CFO)

Direct the Legal Affairs Department to improve the management architecture, follow the compliance management procedures and provide cooperation and support for staff involved in compliance management; implement compliance policy to ensure that any violation found is reported and rectified in a timely manner and conduct investigations; and ensure the submissions to the regulatory authorities and self-regulatory organizations are not subjected to any falsification.



● Head of Compliance

Formulate the basic system of compliance management and other compliance management systems of the Company; organize compliance review of the Company's rules and regulations, major decisions, new products and new business plans; organize compliance training and provide compliance consultation; timely report the illegal acts or compliance risk hazards identified; and supervise and handle complaints and whistle-blowing against violations of laws and regulations.

● Compliance Management Department

Prepare compliance management system according to the laws, regulations and regulatory policies; carry out regulatory dynamic monitoring to assess the effect of regulatory requirements on the Company's compliance management; initiate various compliance encouraging activities and training; compile and submit compliance report; perform compliance risk assessment, compliance review, compliance check, management of conflict of interest, etc.

Observation of Business Ethics



Bairong Inc. strictly abides by relevant laws and regulations such as the Company Law of the People's Republic of China, Anti-unfair Competition Law of the People's Republic of China, Anti-monopoly Law of the People's Republic of China and Interim Provisions on Banning Commercial Bribery and maintains strong opposition to corruption and strictly bans corruption. The Company considers "Honesty and Trustworthiness" as the core of its corporate cultural value and business management principles, requiring all directors, the management and its employees to exemplify themselves by practicing honesty, integrity and down-to-earth efforts and strives to create a clean and honest atmosphere. Furthermore, the Company continues its investment in improving the relevant systems and management mechanisms by standardizing the employees' code of conduct in the Employee Handbook to provide guidance for the employees in their actual practices, and by providing highly specific descriptions of compliance, integrity and violation whistle-blowing to closely oversee and preclude the occurrence of corruption.

Anti-corruption and commercial bribery

The Company adheres to the principle of honest operations, and is committed to creating a satisfactory working atmosphere featuring integrity, immersive pioneering, and compliance with laws and regulations. To prevent corruption, the Company has established an effective anti-corruption and anti-commercial bribery management system which lists "corruption and bribery" as the immediate problem in the corporate redline conducts to convey highlighted cautionary message, and therefore has developed the Integrity

& Compliance Policy. The Company has continued to strengthen the internally controlled compliance mechanism, supervised its employees in executing honesty and trustworthiness and guided its employees in resisting corruption to maintain the healthy development of the Company. For the members of the Board, the management and primary staff, the Company has specially collected and collated various regulations and codes on anti-corruption, vigorously arranged training on anti-corruption and business ethics so as to enhance the employees' awareness in anti-corruption, honesty and integrity. The Company has formulated specific control strategies for key areas with potential corruption hazard through its compliance monitoring mechanism and executed these strategies in actual business activities and processes. Meanwhile, the Company has proactively conducted compliance review and compliance check pertinent to anti-corruption and commercial bribery, then investigated, reported and addressed the identified corruption hazard in a timely manner in the form of regular or unscheduled inspections. In 2022, zero case of corruption has been identified within the Company. Training on anti-corruption has been successfully given once.

Training on anti-corruption has been successfully given once.



Intellectual property protection

The Company strictly abides by relevant laws and regulations, including but not limited to Trademark Law of the People's Republic of China, Patent Law of the People's Republic of China, Copyright Law of the People's Republic of China, Anti-unfair Competition Law of the People's Republic of China, etc., and has formulated the Management System for Intellectual Property of Bairong, including Patent Rights Management System, Trademark Rights Management System, Computer Software Copyright Management System, etc. The Company records relevant work involving intellectual property rights, and determines the ownership of intellectual property creations. By protecting its own intellectual property and strengthening intellectual property management, it encourages creativity and innovation, and helps promote the sound development of the industry. The Company stipulates that employees must protect the Company's intellectual property, and value and respect the intellectual property of others. It is encouraged to report violations of intellectual property rights of Bairong Inc. through the Company's whistle-blowing and complaint channels, so as to better safeguard the legitimate rights and interests of the Company's intangible assets.



Anti-unfair competition

The Company strives to create a fair and free competition environment, and is committed to entering into fair and honest transactions with customers, suppliers and competitors, observing the market competition order and safeguarding the rights and interests of various market entities and consumers. Acts of unfair competition will have adverse impact on the reputation and market environment of Bairong Inc. Employees of Bairong Inc. shall abide by local competition laws wherever they operate. For acts in violation of commercial ethics, the Company will, depending on the seriousness of the case, give penalties of varying degrees including warnings, demerits, dismissal, fines in accordance with the Employee Handbook, Measures for Management of Penalties for Company Employees as well as other rules and regulations, cancel the options granted, and transfer those suspected of committing crimes to the judicial authorities for further handling in accordance with the law.



Supervision and whistle-blowing

The Company encourages its employees to expose and report various corrupt practices found and has a proper Integrity Violations Whistle-blowing Policy in place. The Company has formed the "Bairong Integrity Team" composed of heads of the Human Resources Department, the Legal Affairs Department and the Finance Department, to process the acceptance and investigation of reports of violations of the integrity and compliance system; it independently exercises the right of investigation, and has the power to have interviews with any employee. No department or individual may interfere with or restrict, purposefully refuse or obstruct its investigation. The department or individual under investigation shall ensure the authenticity of the material submissions. The "Bairong Integrity Team" will provide strict confidentiality for all information providers and information provided during its acceptance of reports and investigation. The Company has established various whistle-blowing channels such as mailboxes and email addresses (Reporting email address: compliance@brgroup.com, tousu@brgroup.com) with an objective of encouraging reporting of violations and dishonest acts by its employees, and provides full protection for the employee reporting the violations or employees involved in or assisting in conducting the investigation to prevent the occurrence of unfair retaliation or treatment.



Protection for whistle-blowers

The Company highly encourages its employees to report violations or suspicious acts, and will execute all possible proper measures to maintain confidentiality of the identity of the goodwill whistle-blowers. We respect every whistle-blower, and resolutely safeguard the interests of the whistle-blowers. Any retaliation against any whistle-blower in good faith or assists in the investigation is strictly prohibited. The goodwill whistle-blowers or employees may choose to report to the Company in time in case that they have been subjected to any forms of retaliation, and the Company will conduct thorough investigations of these retaliation immediately on learning such information, then handle them properly. Any retaliation will be subject to disciplinary action and, in serious cases, dismissal.



LEADER OF DIGITAL AND INTELLIGENT FINANCIAL SERVICES



The Guiding Opinions of the General Office of the China Banking and Insurance Regulatory Commission on the Digital Transformation of Banking and Insurance Industries made by China Banking Regulatory Commission was officially launched.

Bairong Inc. has also entered the stage when SaaS providers' technological support for FSPs' digital transformation are growing exponentially. In 2022, Bairong Inc.'s investment in research and development reached 18%, with 48% of employees engaged in R&D. We tried to empower FSPs' digital and intelligent transformation with cutting-edge technologies, providing clients with customized financial solutions, develop brand-new intelligent marketing scenarios and help FSPs improve their inclusive financial service capabilities.

- 35 Facilitating Digital and Intelligent Transformation
- 38 Boosting the Development of Inclusive Finance
- 39 Exploring Cutting-edge Technologies

FACILITATING DIGITAL AND INTELLIGENT TRANSFORMATION

Wealth Management Solutions



For clients in banking, fund and securities industries, services are packed in digital, modular and scenario-based manner to cover the full cycle of wealth marketing scenarios. Marketing resources and wealth management products are matched flexibly from the perspective of business, so as to help FSPs finish their marketing tasks conveniently and rapidly, build leading customer service capabilities while reducing costs and improving efficiency. Reducing costs and improving efficiency will enable banks to provide products with higher service value at lower service cost, improve the quality, efficiency and accessibility of banking services, and help financial institutions create more room for development in the industry.

Case The wealth management solution for an FSP

- **Objective of the solution:**To increase the payroll service retention rate

- **Contents of the solution**

Digital insights

Providing user profiles and dividing users to different groups and layers precisely. Developing a marketing model with big data to access users precisely.

Smart strategies

Helping users with product selection, offering event-based, model-based, journey-based and other types of strategies, according to the preferences of different customer groups.

Content operation

Designing SMS messages, pitches, AI Chatbot pitches and content on WeChat for company operations to be delivered to customers and service rhetoric based on industrial experience.

Agile iteration

Combining successful marketing techniques accumulated in real-time operation with the client's internal standards to evaluate, iterate and optimize the marketing strategies.

- **Features of the solution**

User profiles were produced by multi-dimensional modeling; users were divided into groups and operated separately based on their different tags, rules and strategies, with their values mined deeply. Smart marketing strategies were generated based on our profound industrial experience and big data processing capabilities to ensure precise access of customers.

Consumer Finance Solutions



Consumer finance plays an important role in promoting financial services to the real economy. For a long time, consumer credit products have been faced with the problems of long loan cycle, low loan efficiency, serious homogenization, insufficient innovation ability, etc., which restrict the long-term development of consumer finance. Bairong Inc., based on its experience in technological areas like AI, cloud computing and big data and the long-term profound understandings and insights of the industry, provides FSPs with full-cycle digital and intelligent services covering marketing and customer acquisition, smart analytics and operation, loan monitoring and post-loan management, to support the upgrading, iteration and optimization of consumer finance business, facilitate the management efficiency improvement of these business, effectively reduce business costs and benefit all-round rapid development of business. Adopting consumer finance solutions to tap existing user value and empower financial institutions can indirectly stimulate consumption, thus helping to promote effective social supply.

Case The consumer finance solution for an FSP

- **Objective of the solution:**To dig the values of existing users

- **Contents of the solution**

Customer analysis

Extracting users' characteristics based on user tags and segmenting user groups. Conducting full-cycle management through clustering analysis and digging the values of existing users.

Marketing access and result feedback

According to the settings of AI Chatbot pitches, customized strategies for approaching users from different customer groups are realized, and the feedback on operation results are collected and analyzed to iterate these strategies.

Marketing campaign design

Designing customized marketing and promotion campaigns for different user groups that have varied preferences on products, rights and interests, access channels, time and budget management.

User identification

Based on operation results, supplementing new tags to the tags of underlying users, so as to provide new dimensions for user analysis, presenting a more comprehensive user portrait.

- **Features of the solution**

Different user access strategies, such as smart AI voice model, were designed on the basis of user group analysis, to access target users efficiently and dig the values of existing users. Operation results were leveraged to enrich the tags for user group analysis so that a close-circuit management was formed in this consumer finance solution.

Automobile Finance Solutions



Automobile consumption is a great tool to expand domestic demand and promote consumption. Under the strategy of domestic circulation, automobile consumption will play an important role, which will create a good market environment for the development of automobile finance. Bairong Inc. integrates the three dimensions of “people, automobiles and businesses” in the full-cycle management solution of automobile credit financing that spans two channels, “B+C” (business customers and individual customers as the target groups of risk control management), and works synchronously on three aspects, “precision marketing, full-cycle customer management and digital transformation”. An FSP-centered all-dimensional system has been built over the whole business process to improve our digital and intelligent capabilities to empower business, tap the market potential, accelerate the pace of automobile finance digital transformation from many aspects.

Case



The financial solution for an automobile company

● Objective of the solution

To improve the automobile company's intelligent financial risk control capabilities

● Contents of the solution

Building an anti-fraud and credit evaluation system

Analyzing behavioral characteristic tags of a large amount of users to extract common behavioral characteristics of fraudulent conducts, and identify and produce overall output of the users' fraud risks using big data modeling and complex network mapping. Building an automatic review and approval system based on historical credit information of users to further improve the efficiency.

Building a decision-making engine system

The decision-making engine consisted of functional modules like information center, business product management, model center and risk reporting, constructing a core deployment platform for automatic risk control for the client.

Devising future strategic blueprint

Implementing full-cycle management of the loan risk control system with digital, intelligent, integrated and real-time features, to enhance the risk control capabilities.

● Features of the solution

A huge amount of multi-dimensional data were provided to the client. A complete anti-fraud and credit evaluation system was designed on the basis of user group characteristics, which was supported by decision-making engine functions, enabling the client with a full set of automatic risk control capabilities.

BOOSTING THE DEVELOPMENT OF INCLUSIVE FINANCE

Reducing the service cost of inclusive finance through digital technology is an important means of developing inclusive finance. Bairong Inc. has proactively explored and participated in the construction of a “governance + technology + finance” ecological chain to innovate the credit service model for small and micro businesses, and support financial institutions to improve the capacity for serving MSMEs. Bairong Inc. cooperated closely with government agencies and FSPs, undertook the construction of several credit service platforms, gave a full play to its advantages in empowering financial credit business and designing and developing intelligent risk control engines to improve the credit levels of small and micro businesses on our platforms and effectively solve the information asymmetry between banks and businesses. Bairong Inc. is committed to playing the leading role of cutting-edge technologies and helping financial institutions accurately meet the financial needs of inclusive groups and improve the efficiency of inclusive financial services by enabling banks to carry out inclusive finance, innovating products and service modes, expanding risk control application scenarios, etc.

Case



The inclusive finance solution for an FSP

● Objective of the solution: To help the FSP identify user risks effectively

● Contents of the solution



Providing risk control products

Offering multi-dimensional data, including credit information and public opinions of small and micro businesses for risk control review of their loans.



Joint modeling

Joining modeling on the basis of Bairong Inc.'s data to generate customized rating products for pre-loan and loan risk control management.



Modeling counseling

Building a small and micro business credit model system, providing training of machine-learning-based modeling methods and enabling service, sending the client modeling methodology documents and other materials.

● Features of the solution

Data-based multi-dimensional data mining was conducted to generate customized risk control products targeted at small and micro businesses to effectively identify implicit risks and enhance the client's risk control capabilities.

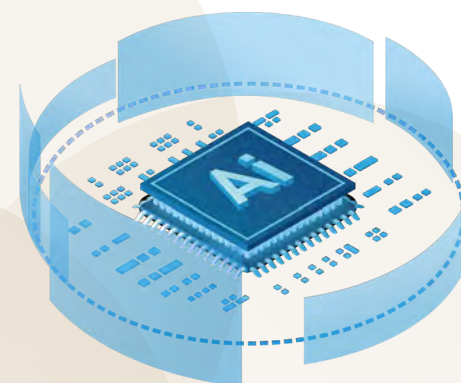
EXPLORING CUTTING-EDGE TECHNOLOGIES

Bairong Inc. Artificial Intelligence Laboratory



The Bairong Inc. Artificial Intelligence Laboratory has spent efforts in intelligent speech interaction, natural language processing and natural language understanding (NLP & NLU), knowledge graph, AutoML and deep learning for many years and achieved several patents. It has been devoted to exploring AI application in financial scenarios, empowering digital and intelligent innovation and transformation of FSPs and boosting the development of inclusive finance. Up to 2022, we have acquired 32 patents, 13 among which belong to the AI sector.

In the domain of intelligent speech interaction, the first-generation E2E-based test-to-speech (TTS) system, independently developed by the laboratory, has satisfactorily made human-machine interaction possible by using cutting-edge in-depth learning technology, allowing for the conversion from basic texts into natural and fluent voices in a real-time manner and delivering a 95% resemblance to authentic human voices, thus representing a state-of-the-art level in artificial intelligence.



In the domain of NLP & NLU, the Chatbot conversation system developed by the laboratory is a real-time understanding system developed under the same transformer framework of ChatGPT and based on a deep mining of spoken dialogue patterns and a summary of semantic categories. The accuracy of the speaker's voice identification reaches 99%, rendering a smooth man-machine communication and enhanced interaction experience.

In the domain of machine learning, the laboratory launched an automatic machine platform "ORCA", which can be flexibly deployed locally or on the cloud, to equip FSP clients with capabilities to develop AI models rapidly and efficiently. The ORCA platform integrates algorithm principles with engineering practice

and experience to perform automatic "one-stop" machine learning, therefore, is capable of whole-process modeling from data preparation, model development training, model evaluation to model deployment. ORCA has undertaken over 10 billion model-based reasoning services. It can increase the reasoning performance of a machine learning model (TPS) by an average of above 300%, increase the reasoning performance of a complex model by 700%, and shorten the time for model testing and deployment by above 50%.



The self-developed intelligent marketing middle platform of Bairong Inc. jointly driven by Chatbot and algorithm is a combination of several cutting-edge technologies and industrial insights capable of man-machine coordination. It helps FSPs with credit card user activation, wealth marketing and customer maintenance, and effectively improve their service accuracy and operation efficiency.

Bairong Inc. Industry Research Institute



Pivoting on the financial industry, Bairong Inc. Industry Research Institute scientifically decompose development rhythm, demands and capability growing stages of FSPs' business against their grand digital and intelligent development strategy. The Institute focuses on piling up practical experience in the financial industry on the basis of a win-win mindset and professional services, in order to always contribute to the industry open and shared technological experience and communication.

In 2022, the Liaowang Institute and Bairong Inc. Industry Research Institute jointly published Intelligence Entering the Second Half - Bank Digital Transformation White Paper (2022), shedding light upon the digital transformation of banks as the essence and patterns of financial and technological development are grasped, with vivid practice of many banks illustrated on the basis of the current macroeconomic situation.



PROVIDER OF QUALITY PRODUCTS AND SERVICES



As a navigator in digital and intelligent services for the financial industry, Bairong Inc. takes its products and services as its hardcore cornerstone, and attaches great importance to the quality of products and services. Starting from its very original intention, the Company has been investing strenuous hard work into perfecting its every single product and service to the smallest details in excising technical innovations based on the customer's demand, aiming to deliver well-thought and superior products and services.

- 43 Ensuring Quality of Products and Services
- 43 Promoting After-sales Service and Technical Support
- 44 Improving Measures for Management of Business-specific Incidents
- 45 Safeguarding Information and Privacy Security

ENSURING QUALITY OF PRODUCTS AND SERVICES

With a rigorously designed product quality management system in place, Bairong Inc. implements a standardized launching process for all its products to have strict control over each link and ensure the stable quality of the products. For the products and services launched online, Site Reliability Engineer (SRE) are readily available to ensure the accessibility of products and services, and they have configured real-time monitoring for important technical and business variables; the SRE team will provide prompt technical support in cases of any variables beyond the normal threshold or significant abnormal trend observed. In addition, the SRE team carries out routine inspections and maintenance for the network and apparatus on a regular basis so as to perform troubleshooting at the earliest.



Information Technology
- Service Management
certification

Satisfaction Survey showed that the overall customer satisfaction rate exceeded 95%, among which the satisfaction of service attitude and response speed was up to over 97%, and most customers expressed extraordinary satisfaction with the products and services provided by Bairong Inc.

PROMOTING AFTER-SALES SERVICE AND TECHNICAL SUPPORT

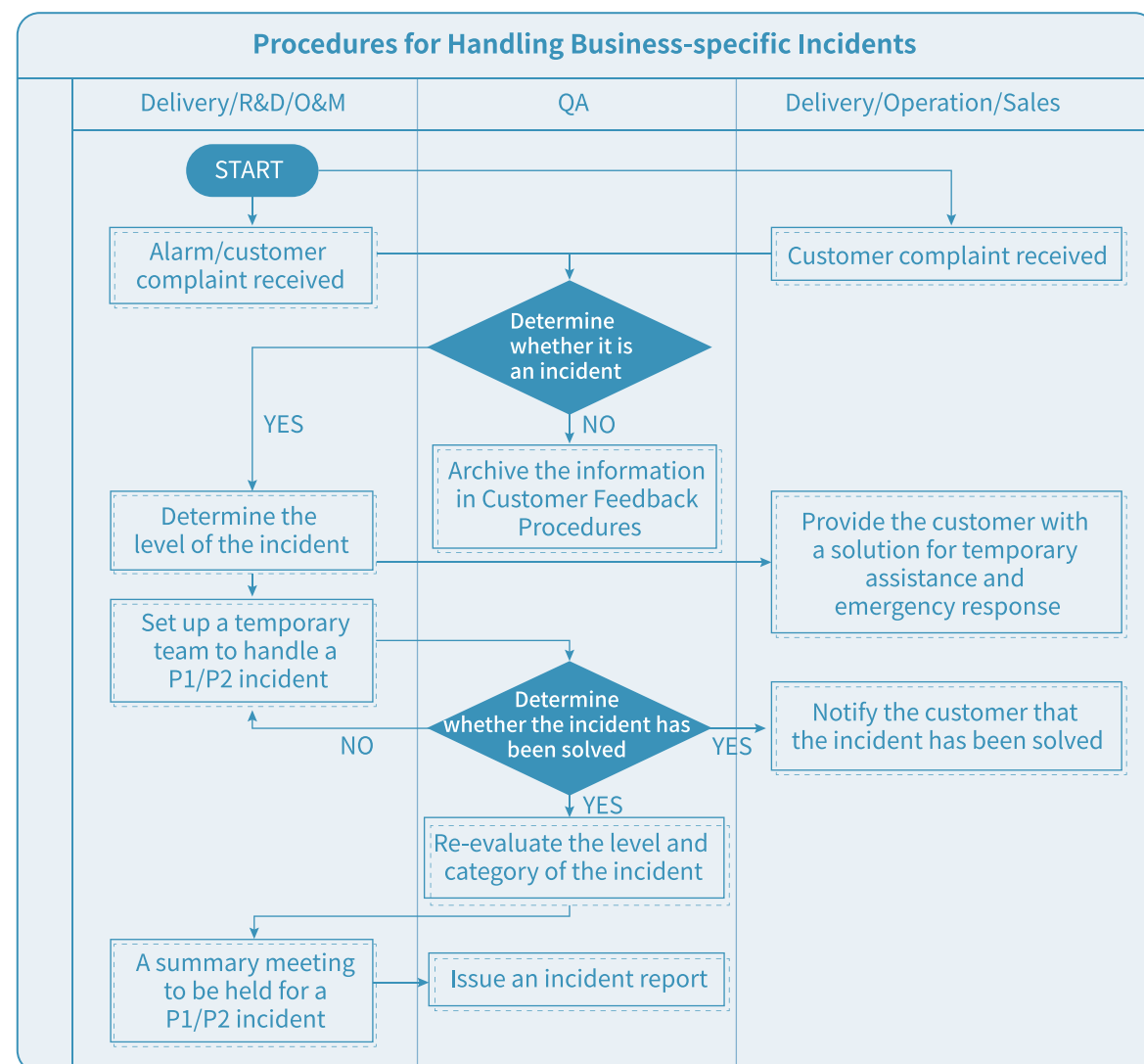
During collaboration with its customers, Bairong Inc. provides 24/7 online real-time response services and formulates a variety of support plans, including regular follow-up visits, telephone- and email-based consultation, on-site service, etc., to provide free aftersales service and technical support to its customers.

Questionnaire-based survey is performed for the customers, and three major aspects of the practicality of the Company's products, the satisfaction for the service level and the stability of the system are included in the survey. Among the aforementioned three aspects, satisfaction with customer service covers service attitude, response speed, professional level, problem-solving ability and technology docking experience, which basically entails all products and services provided by the Company and high-profile items from the customers. All of this is intended to actively respond to the customers' demands, widen the product range, and develop more high-quality products for general markets and industries. The 2022 Customer

IMPROVING MEASURES FOR MANAGEMENT OF BUSINESS-SPECIFIC INCIDENTS

Bairong Inc. defines an incident as a business-specific incident that causes complaints from customers or business personnel due to abnormal business, services or products of the Company induced by online environmental problems. The incidents can be classified into eight subclasses according to the specific root cause, namely, hardware failure, system failure, design defect, process defect, liability incident, third-party service failure, program bug, and security incident, and each subclass of incident is divided into five different levels of P0-P4 according to the severity.

The Company has assigned various roles and their corresponding responsibilities for the processing of the specific incident. The Quality Assurance (QA) team organizes incident review, determination of incident level and liability, collection and payment of incident-induced fines, incident announcement, incident follow-up and rectification. The responsible person of the incident provides support and cooperation for the investigation of the incident, processes incident or customer complaint, and implements rectification measures. Personnel involved in the incident attend the incident review and provide support in the implementation of rectification measures. Customer operations staff perform acceptance, information transfer, supervision of execution and reporting of incident-derived complaints, provide solutions and address the issues effectively for the customers.



SAFEGUARDING INFORMATION AND PRIVACY SECURITY

Information Security Management System

The Company actively receives supervision from relevant parties, adheres to integrity-based management and has been consistent in integrating privacy protection principles, philosophies and approached into corporate management, and is committed to perfecting scientific and technological services that emphasize information security and customer experience. The Company has developed management systems such as Information Security Management Regulation of Bairong Inc.(V1.0) and Management System for Information Classification and Confidentiality of Bairong (V2.0) according to Cybersecurity Law of the People's Republic of China and nationally recommended standards of Personal Information Security Regulation and Guide to the Implementation of Data Security Categorization and Classification, to fully standardize its information security management system.

Privacy and Data Security Protection

In order to improve the capabilities in managing privacy information security and effectively protect users' privacy, the Company contracted professional third-party organizations to assist the Company in the construction of the ISO 27701 Privacy Information Management System, and became the first AI & big data application company in China to obtain the ISO/IEC 27701: 2019 certification issued by the China Quality Certification Center, taking the lead in completing the expansion from the information security management system to the privacy management system, thus fully covering the privacy information security management activities related to consulting services for financial risk control technology and commercial credit reporting business. The Company has established regulations to protect the personal information of its business partners in a transparent, legitimate, necessary and locally lawful way to avoid accidental or illegal destruction, loss, tampering or unauthorized disclosure or access.



ISO 27001
Information Security
Management System



ISO 27701
Privacy Information
Management System

Information Security Culture Construction

The Company issues a "Bairong Security Journal" on a monthly basis to disseminate the information security concept, improve the awareness of information security protection, lay the ideological foundation of information security for serving customers, and provide a fundamental guarantee of information security for creating high-quality products and services.



Bairong Security Journal

UNDERTAKER OF CORPORATE SOCIAL RESPONSIBILITY



Bairong Inc. has been investing constant input in fully respecting and safeguarding the rights and interests of its employees through creating an equal, comfortable, secure and loving workplace. The Company focuses on the concerns and requirements of the stakeholders while providing constantly updated scientific and technological services, adheres to the people-oriented philosophy, effectively protects the legitimate rights and interests of its employees, and builds a growth platform for its employees; the Company proactively participates in public service programs, carries out voluntary service activities to make its share of contribution to the harmonious development of the society.

- 49 Practicing People-oriented Philosophy
- 60 Creating A Responsible Supply Chain
- 62 Contributing to the Society with Gratitude

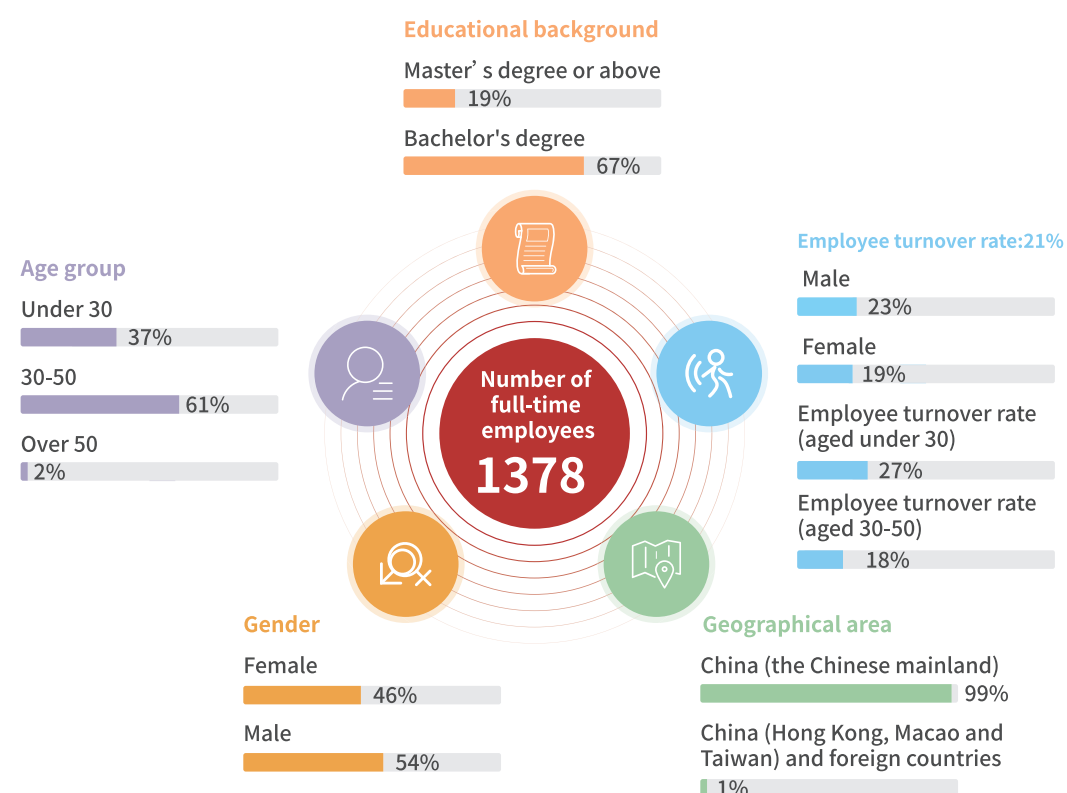
PRACTICING PEOPLE-ORIENTED PHILOSOPHY

Guided by the “people-oriented philosophy”, Bairong Inc. has been persistently executing the principle of fair and just employment, attaches extra importance to employee training and development by establishing a diversified talent system. In the future, Bairong Inc. will continue to advance its talent-based development strategies to foster and expand its talent crew; the Company will continue to practice the core values of “Faithful, Accountable, Practical, Cooperative, Open-minded and Innovative”, consistently seek and enter into cooperation with impressive partners to jointly shape a satisfactory prospect featuring pioneering innovation, inclusiveness and mutual benefit.

Increase Talent Absorption

Establishment of A Diversified Talent System

The Company has been constantly recruiting talents of various backgrounds and with mastery of different industry skills, as guided by the principles of “open selection, equal competition and merit-based selection” so as to construct a diversified employee system. We have been injecting new blood into our business and constantly optimizing our employee structure to better adapt to the Company's development needs and prepare a sufficient number of talents for business expansion of the Company. To this date, the Company has successfully gathered elites from major financial institutions, well-known Internet companies and international consultation companies.



Recruitment Policy

To standardize the recruitment and employment procedures of the Company, ensure the selection and employment of outstanding talents and prepare high-level reserve forces for the Company's long-term development, the Company has formulated and strictly implemented the Recruitment Management Measures in accordance with relevant laws and regulations such as the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China to ensure the integrity and compliance of the internal governance system.

Standardized Procedures

The recruitment activities are performed on a “unified policy and level-based management” basis according to the organizational characteristics of the Company. The Human Resources Department formulates a unified recruitment and employment policy for strict observation by each department, branch and office in their specific operation and management.

HR Department process

Recruitment policy

- Formulation and management

Recruitment needs

- Inform various departments to propose and submit their respective needs on recruitment
- Review the recruitment needs
- Develop recruitment plan and form budget on expenses

Execution of recruitment

- Develop and maintain recruitment channels
- Review and release recruitment information
- Screen resumes, arrange interviews, implement interview by HR, feedback and follow-up of interview results
- Arrange physical checkup, background investigation and comprehensive assessment for risk assessment
- Formulate document on intent of recruitment, execute communications with candidates and issue letter of appointment

Business Department process



Recruitment policy

- Suggestion and implementation



Recruitment needs

- Propose and submit needs on recruitment as appropriate



Execution of recruitment

- Define organization framework and business details of the department
- Compile job descriptions and qualifications required
- Screen and give feedback on resumes, carry out professional interviews and provide feedback on interview results
- Suggest appropriate remuneration package and rank for to candidates

Various Channels

In active response to the national calls, the Company supports steady employment, eliminates any obstructions in online and offline recruitment channels, and ensures the openness and transparency of recruitment information. Recruitment is performed by the Human Resources Department in accordance with the approved recruitment needs using campus-based form and social form.

Campus Recruitment

- On-site college career fair
- Internship
- Campus recruitment program
- Mutual-selecting college career fair

Social Recruitment

- Online recruitment
- On-site job fair
- Internal employee referral
- Headhunting channel
- Labour outsourcing and Labour dispatching
- Internal recruitment and rotation
- Others (industry forums, salon events, etc.)

Equal & Fair

The Company adheres to the principles of open selection, equal competition and merit-based recruitment, strictly follows the recruitment management discipline, and bans any acts that undermine the recruitment management discipline, such as accepting kickbacks, commissions or other transactions from external recruitment agencies. The Company also performs recruitment in strict accordance with the prescribed procedures to ensure the fairness of recruitment.

The head of recruitment and relevant employees involved are required to maintain the Company's image in the recruitment process, present an appropriate demeanor, reach conclusions based on actual facts and deal with each candidate in a fair and just manner in each step of recruitment.

Any of the acts found in the head of recruitment and relevant employees involved in the recruitment will be subjected to administrative sanctions:

01

Those who violate the Company's recruitment principles and practice favoritism and malpractice;

02

Those who disclose the wage for each position set in the Company without authorization and give a commitment on wages for the candidates;

03

Those who perform recruitment activities outside their own permitted permission of recruitment;

04

Those from a department in need of recruitment who interact with any in-service employee in private without going through the Human Resources Department;

05

Employees who interact with any department in need of recruitment in private without going through the Human Resources Department;

06

Those who perform acts in violation of the Recruitment Management Measures.

Clearly-defined Work Plan

To ensure the desired conduct of our recruitment activities, the Company has formulated a proper Annual Recruitment Work Plan to clarify the objectives, principles, strategies, assignments, resources required, work rhythm and evaluation indicators of the annual recruitment, so as to fully coordinate all departments of the Company in jointly accomplishing the annual recruitment work as required.

Remuneration Structure

A broadband remuneration system is used by the Company for the purpose of maintaining the continuous healthy development of the Company and better motivating the initiative level of the employees so as to balance internal management flexibility with external competitiveness. Therefore, the Company has specifically developed Remuneration and Welfare Management System to achieve the scientific, standardized and reasonable management of remuneration.

● Remuneration-based investigation

Bairong Inc. developed an improved remuneration system through conducting market-based remuneration investigation so as to better address the external competitiveness and internal level of fairness and deliver individualized remuneration based on actual circumstances.

● Principles of remuneration system

The remuneration system developed by Bairong Inc. is based on four dimensions of market, position, job qualifications and performance.

Employee Welfare

Bairong Inc. has formulated the Welfare Management System to standardize welfare management work in accord with actual conditions. To attract and retain more outstanding talents and improve employee welfare, the company provides the following welfare for staff in addition to the stipulated statutory welfare:

Supplementary medical insurance programs

Covering traffic accidents (self-driving), severe illness, death caused by disease.

Gender friendly

The Company provides nursing rooms to attend to the needs of female employees.

Food service

The Company provides overtime meals and snacks free.

Others

birthday parties, holiday gifts, physical examinations, etc.

In addition, various activities and events are organized each year to enhance the cohesion of the Company and employees' sense of belonging to the Company.

● Case: Celebration of the Founding Anniversary of the Company

Eight years hand in hand, all for a better future. All members of the Company gathered online to celebrate the 8th founding anniversary of Bairong Inc. and shared their stories on the corporate cultural values.



● Case: Team-building activities





Safeguard Rights and Interests of Employees



Attendance and Vacation Management

To better establish a legal and compliant internal governance system and fully protect the legitimate rights and interests of every single employee, the Company has formulated and implemented the Attendance and Vacation Management System, which serves as an important basis for remuneration verification, remuneration calculation, welfare and benefits, employee rewards and punishments, etc.

Labour Standards

The company strictly abides by the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China and other relevant laws and regulations, and treats employees fairly with promotion and salary adjustment, forbids all forms of discrimination, including but not limited to discrimination based on race, nationality, religion, gender, age or marital status, and strictly prohibits any form of child labor and forced labor. The Company fully respects the freedom and collective bargaining rights of each employee, and actively advocates for employees to integrate their diverse backgrounds into the corporate culture, be inclusive, and seek common ground while reserving differences.

Care for Employee Health

With the health and safety of its employees as the top priority, the Company absolutely allows no acts that may damage or compromise the health and safety of the employees; and the Company makes sufficient efforts to provide a safe workplace, exercises appropriate safety measures in accordance with applicable laws, regulations and safety codes to eliminate any potential hazards.

- The Company arranges physical examinations for its employees on a regular basis as a specific measure for attention to the mental and physical health of the employees.
- The Company contracts professional facilities to carry out cleaning, maintenance and disinfection on the public areas of the Company, such as large-sized landscape, walls, carpets, green plants and the entire office space.
- Pandemic management: The Company has developed Bairong's Guide Book on Emergency Responses to Workplace Epidemic Prevention and Control in Bairong Inc. is to simulate different scenarios and form corresponding plans as an effort to effectively prevent and control the occurrence and spread of COVID-19 within the Company in a timely manner, standardize the emergency handling of the pandemic, and ensure the regular progress of the Company's production and operation.
- In addition, the Company has also formulated Fire Safety System and Emergency Plan to popularize routine fire precautions at workplaces, fire safety knowledge and fire safety management system for employees, and has established emergency plan for fire evacuation and escape.
- Mental health support for employees: To help the employees invest themselves into their work and life in a physically and mentally healthy state during the COVID-19 pandemic, Bairong Inc. has thoughtfully formed "useful tips on maintaining mental happiness" to help them ease off anxiety, mental disturbance, anxiousness, and maintain a positive and optimistic attitude.

Indicator	Unit	2022	2021	2020
Occupational injuries/deaths	person	0	0	0
Rate of occupational deaths	%	0	0	0
Number of working days lost due to occupational injuries	day	0	0	0
Number of workplace accidents	—	0	0	0
Coverage of physical examinations and medical records	%	80	88	86

Facilitate Employee Development



Talent Cultivation

Bairong Inc. has been stressing employee development as an important part, and makes continuous efforts to construct a broad platform with great potentials for achieving development, so as to advance the progress of the Company with the growth of the employees by realizing mutual development and mutual improvement of the employees and the Company. The Company develops Training Management System as the basis for the implementation and management of employee training within the Company to improve the qualities of the employees, enhance the employees' competence in performing their duties and their understanding of the corporate culture, enrich their knowledge and skills in a planned way, give full play to their potential capabilities, and establish pleasant interpersonal relationships.

Type of training

Internal training: New employee orientation training; courses on general internal skills; improvement of on-the-job capabilities; Bairong sessions.
External training: Study for obtaining professional titles; advanced studies on dispatch, etc

Training requirements

The results obtained in the training examination are recorded in the individual performance appraisal as one of the important bases for becoming a regular employee from probation period, promotion (demotion) and job transfer.

Internal lecturer system

Training courses are formulated and implemented by heads of various departments, outstanding cadres from various positions, professionals of functional departments or employees with extensive operation skills and strong communication skills, based on the Company's development requirements, business strategy, management and sales needs.

Training frequency and duration

Training is performed at least twice for each department, with focuses on business skills for the Sales Department and functions for functional departments; training is given in the form of lectures or discussions for no less than 1 hour.

Case	2022 Algorithm Competition of Bairong Inc.
	With the constant transformation and upgrading of the financial industry in using digital and intelligent technologies, identification and prediction of relevant risks by means of algorithms has been widely used in the retail credit field. Against this backdrop, Bairong Inc. held the 2022 Algorithm Competition to provide a platform for the algorithm brains to display their skills, exchange ideas and views, have in-depth discussions based on actual business scenarios, with a view to resolving the actually encountered challenges in the business scenarios by gathering various technical talents of the Company. A total of 111 spontaneously employee-formed teams participated in this competition. Three teams were finally selected each for first prize, second prize and third prize after intense hard work and progressive elimination for over one month, and an amount up to RMB 540,000 was granted to the winners in this competition. 

Indicator	Unit	2022	2021	2020
Employee training coverage	%	100	100	100
Level of management				
Senior management employees	%	100	100	100
Middle management employees	%	100	100	100
Primary employees	%	100	100	100
Times of employee training	times	357	246	143
Total training expenditure in the year	RMB 10,000	60.3	51.2	44.7
Average length of training per employee	hour	76.8	65.9	65.1
Gender				
Male	hour	70.7	60.8	60.3
Female	hour	82.9	73.1	72.8
Level of management				
Senior management employees	hour	120.6	115.1	110.2
Middle management employees	hour	80.3	84.5	82.5
Primary employees	hour	60.2	58.8	58.7

Development Path

To reinforce human resources groundwork and formulate key basis for talent recruitment, remuneration management, skills training, performance management and employee career planning, the Company has developed the Bairong Inc. Job Architecture to provide employees with an open and transparent promotion pathway, which lays down the conditions for promotion, and motivates employees to pursue personal growth for the creation of a more open and fairer workplace environment.

“H-shape dual-pathway growth” system

management and professional dual growth pathways for the choice of employees during their career development paths.

Transparent career ladders



Incentive Plan

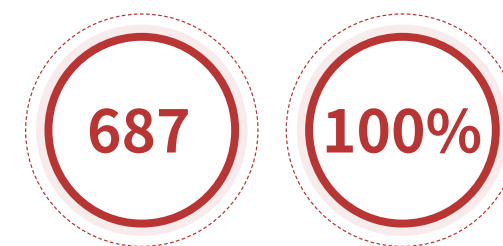
The Company has established employee incentive management systems, combining long-term and short-term incentives, monetary and non-monetary incentives. We advocate for a culture that is conducive to excellent performances and agreement to the Company's vision to keep, attract and motivate our employees, improve workplace morale and exploit their potential. To champion corporate culture, award individual employees and teams with outstanding performance, the Company has formulated the Incentive Plan and its associated rules which set out the reward system and ensured fairness and equity.

CREATING A RESPONSIBLE SUPPLY CHAIN

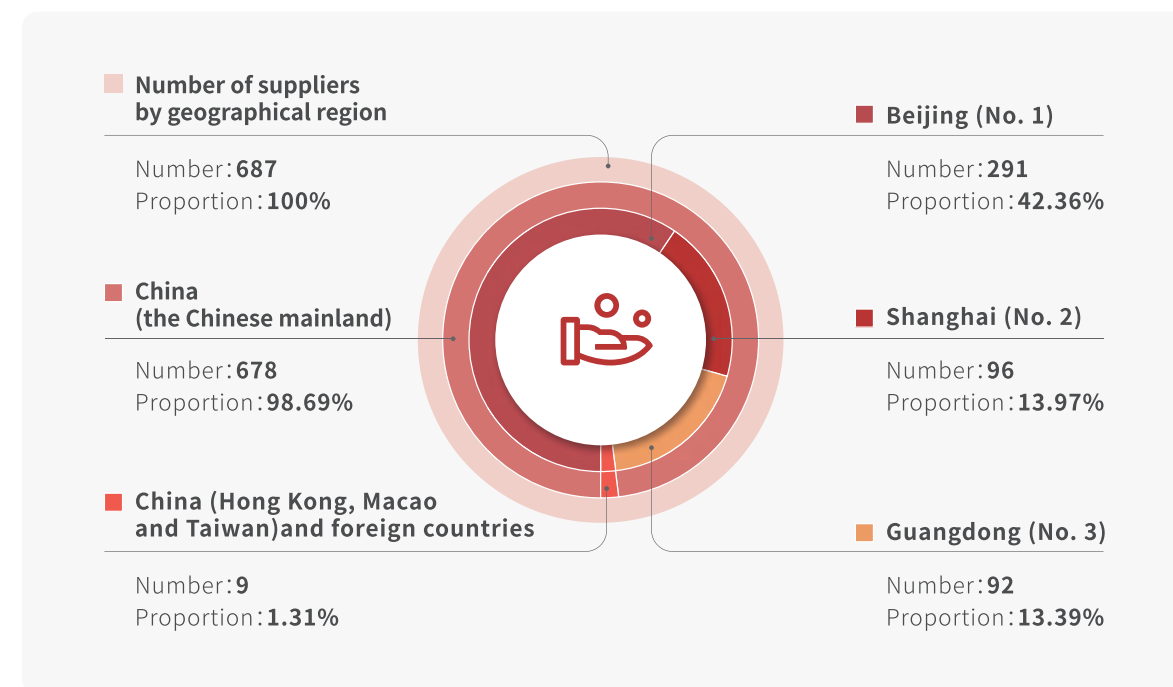
Suppliers Management

Bairong Inc. is committed to building a sustainable supply system while strictly complying with national laws and regulations and relevant rules in the industry. Through the formulation of the Third Party Data Product Demands Review and Supplier Management System, the Company sets down the supplier management system which secures the legitimate rights and interests of the Company, suppliers and information subjects, and safeguards the standardization and growth of the Company's businesses.

In 2022, 100% of all of our 687 suppliers complied with the relevant management measures of Bairong Inc.



Bairong Inc. attaches great importance to the management of potential environmental and social risks in the supply chain. In 2022, 100% of all of our 687 suppliers complied with the relevant management measures of Bairong Inc.



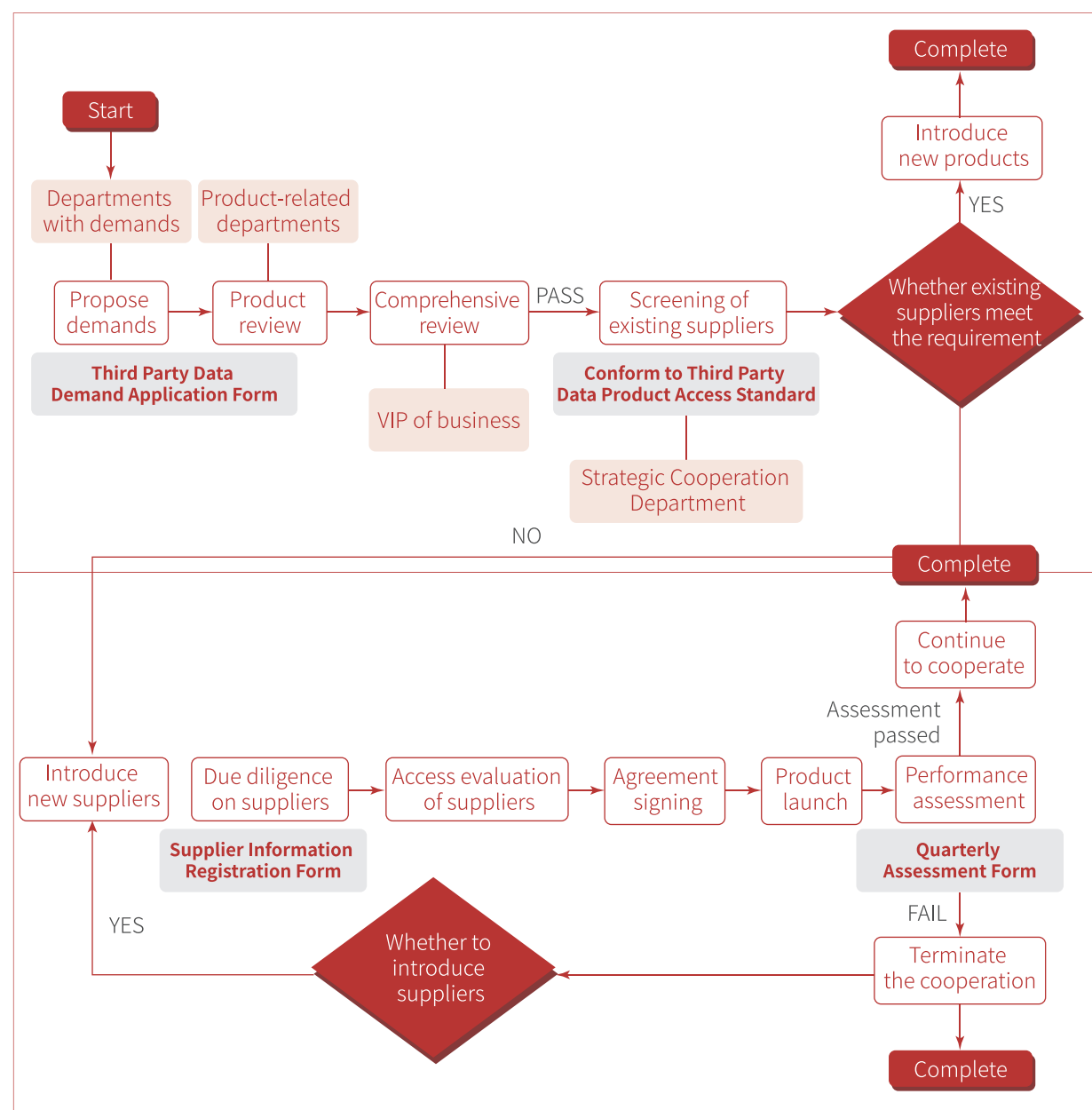
Access of suppliers



According to the Data Source Supplier Access Criteria, the Company inserts targeted ESG risk evaluators in each workflow of supplier management, focusing on their performance in information security, product responsibility, risk management, business ethics, etc.

Third Party Data Product Demands Review and Supplier Management Flow Chart

Third Party Data Product Demands Review



Supplier Management Flow Chart

Supplier assessment



Bairong Inc. conducts quarterly reviews of suppliers to reinforce continuing supplier management. The review meetings are organized by the Strategic Cooperation Department. The review team is responsible for the assessment and decides whether to introduce new suppliers, to continue working with the existing suppliers and whether to adjust the quota for future procurement based on the results of the performance evaluation.

Bairong Inc. will consider suspending or terminating the partnership with a supplier upon the occurrence of the following circumstances to better safeguard the interests of associated parties and avert or reduce as far as possible risks in each step:

- misuse or breach of data, or other significant negative events;
- massive customer and user complaints;
- investigated by public security departments or interviewed, investigated, required to rectify or fined by municipalities directly under the Central Government, provincial-level or higher Internet information departments, telecommunications authorities, market supervision and management departments, industry associations and other regulatory authorities;
- bribing of the Company's employees by suppliers;
- any other situations with the potential of causing negative consequences to the Company.

CONTRIBUTING TO THE SOCIETY WITH GRATITUDE

As a tech firm focusing on empowering with financial digital and intelligent transformation, Bairong Inc. always adheres to the principles of “innovate to empower high-quality development, open up the path of financial digitalization, practicing responsibility and building excellent corporate governance”, and is ready to step up the plate in supporting and cooperation.



public-interest activities in 2022

Promote digitalization in rural area



Against the backdrop of rural revitalization, Bairong Inc. uses financial technology to boost the development of rural areas. Under the guidance of continuous innovation of digital economy, Bairong Inc. practices the principle of “innovative, coordinated, green, open, and shared development”, provided clear guidance for the digital and intelligent transformation of the financial industry, scientific tools and means for the development of green finance, and a brand new chapter for the ecological development of digital industry.

In the fund-raising program of “supporting & collaborative work social help funds” held in Shijingshan District, Bairong Inc. set an example by taking the initiative to support Ningcheng County of Inner Mongolia Autonomous Region, donating a total of RMB 600,000, demonstrating the social responsibility and commitment of a tech firm. At the beginning of 2022, the Municipal Government of the Shijingshan District sent a letter of appreciation and a banner to Bairong Inc., expressing its gratitude for the Company's support and passion in supporting the collaborative business in Shijingshan District.

To solve the problem of “high entry barrier of financial access to the countryside”, Bairong Inc. developed an intelligent voice call solution based on voice recognition and voice understanding technology, and worked together with a large state-owned bank. Bairong Inc. breaks through the geographical and physical limitations of financial services, and takes advantage of its technological edge to effectively solve the problems of issuing social security cards in local rural areas and the challenge posed by the heavy accent of villagers, greatly reducing the labour cost of banks in serving farmers, improved the efficiency of financial services in rural areas.

Intelligent Voice COVID-19 Control



During the COVID-19 pandemic, Bairong Inc. launched the “Intelligent Voice COVID-19 Control” public-interest program to provide free Intelligent Voice Dialogue Robot services to government agencies, local communities and local disease control centers. Bairong Inc. smart AI voicebot adopts technology similar to ChatGPT, features reading comprehension, multi-round conversion, multi-type answers and intelligent interruption, and is capable of one-on-one communication with the interviewee, with the identification accuracy reaching over 99%. It can automatically enquire and collect pandemic information of residents, analyze and generate access statistics reports, so it can replace community workers to make phone calls for pandemic notifications, pandemic detection or follow-up health care.

Bairong Inc. has received many gratitude letters from Civil Affairs Bureau of Dongcheng District, Science, Technology and Information Technology Bureau of Chaoyang District, Science and Technology Commission of Shijingshan District, and Development and Reform Commission of Chaoyang District, all in Beijing. Shijingshan District Government awarded Bairong Inc. with the honorary title of “Outstanding Contributor in the Fight Against COVID-19”.



Firstly used in communities in Dongcheng District, Beijing, the smart AI voicebot of Bairong Inc. has been providing public-interest services on the frontlines of the fight against COVID-19. Up to now, this service has supported the government agencies at different levels, local communities, enterprises and public institutions in Beijing, Hubei and Jiangsu. It is worth mentioning that, as the COVID-19 pandemic recurred in Jiangsu in July 2022, the Public Security Bureau of Huai'an City chose Bairong Inc. immediately to facilitate the police force in pandemic control and emergency response.

Respond to National Strategies



Poverty Alleviation



Case

In order to further implement rural revitalization and Beijing-Inner Mongolia Cooperation, as well as stabilize the support and cooperation work of Shijingshan District, Bairong Inc. took the initiative in shouldering corporate social responsibilities by joining the “Social Support Fund Raising Activity” of Shijingshan District and donating RMB 200,000.



Case

Bairong Inc. paired off with Dawopu Village, Yikenzhong Town, Ningcheng County in Chifeng City, Inner Mongolia, promoted agricultural and sideline products of the village on our platforms and purchased their products as a support, so that the poverty alleviation results at the village were effectively consolidated. Bairong Inc. and our partner village plan to work together, supplement with each other and grow together, seeking a win-win situation that benefits the local communities, improves enterprises' performance and achieves sustainable development of the regional economy, so that the efforts to consolidate poverty alleviation results may effectively link up to the rural revitalization course.

Rural Revitalization



Case

According to the Central Government's new requirement and new deployment of deepening collaboration on poverty alleviation between the eastern and western regions in the new stage of development, Bairong Inc. paired off with Dabeigou Village, Balihan Town, Ningcheng County in Chifeng City, Inner Mongolia to support the national coordination program, promote the development of regions out of poverty and facilitate all-round rural revitalization. Practical support activities were carried out as a part of the “Enterprises Revitalize Villages” Initiative. With primary-level administration service and organization revitalization on our mind, we focus on making a clean village and plan to build a public sanitation facility to improve the living environment in the village and help with rural revitalization.

PRACTICER OF GREEN AND LOW-CARBON DEVELOPMENT



Bairong Inc. deeply understands that it is a necessary responsibility for enterprises to reduce greenhouse gas (GHG) emissions and lead the green transformation and development of the economy and society. Upholding the principles of "green, energy-saving and low-carbon", the Company promotes the green development of the financial services industry with reduced energy cost and improved performance, helps the green industry to solve the financing problems, and actively practices the green operation concept to reduce the environmental pressure caused by the Company's activities, to respond to the national "duel carbon" goals.

67 Responding to Green Development Strategy

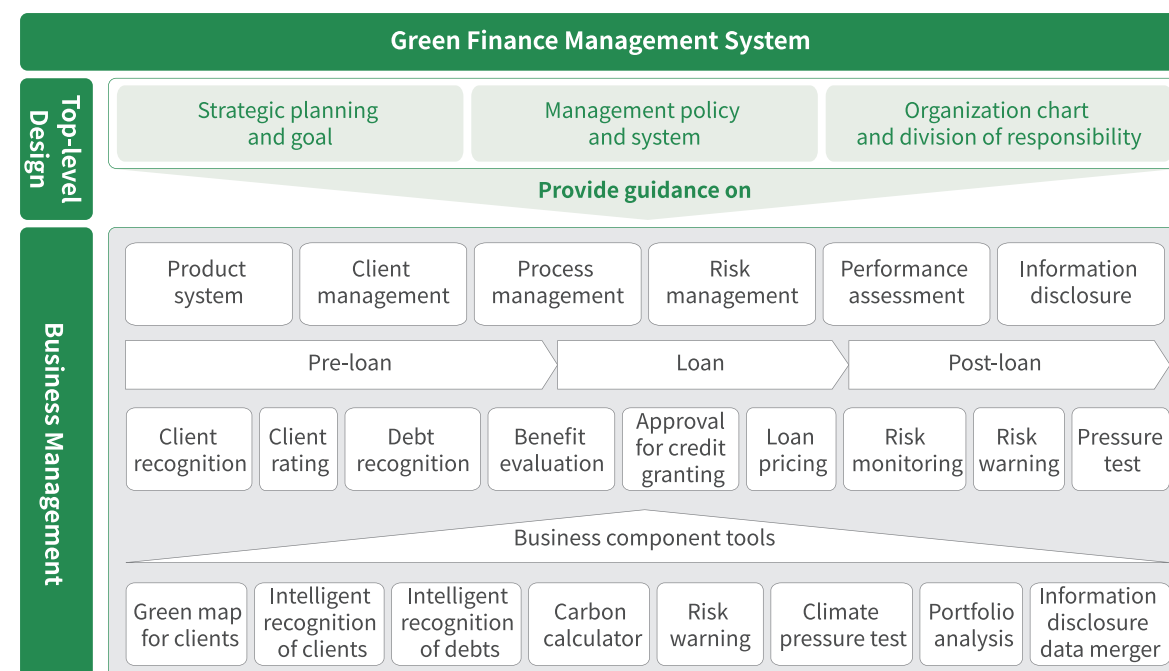
69 Implementing Low-carbon Business Concept

RESPONDING TO GREEN DEVELOPMENT STRATEGY

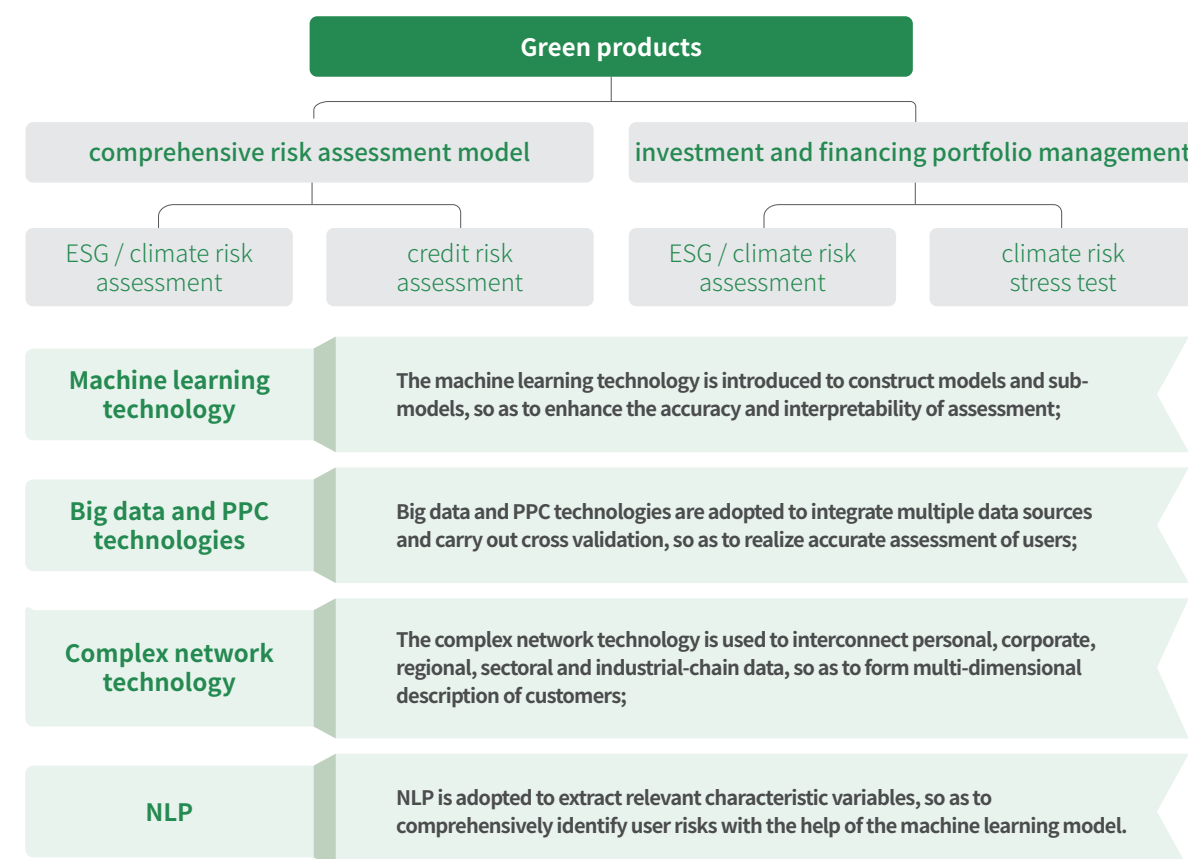
As an enabler of digital and intelligent transformation of the financial industry, Bairong Inc. promotes the synergetic development of finance and green finance through the bond of digital and intelligent technologies. In addition to providing full-cycle cloud financial services to assist the digital and intelligent transformation of FSP, we also actively promote technological innovation to make the green economy benefit the society, and reduce resource and energy consumption in traditional financial business processes.

Supporting Green Credit

The company continues to develop advanced technologies such as AI, cloud computing and big data, and leverages the advantages of its own technology platforms to improve the information communication and sharing mechanism between green enterprises and FSPs and provide the former with financing solutions. For asset-light green industry companies with no credit history, the company uses its advantageous technology platforms and financial models to help them get credit endorsements, and establish in-depth exchange of financial and non-financial information between core enterprises and non-core enterprises through digital mining, so as to enrich the credit data of non-core companies on the supply chain with disadvantageous credit.



Green financial solutions provided by Bairong Inc. carry out top-down constructions at levels of customers, industry-region combination and banks, to realize comprehensive digital and intelligent upgrading and renovation of the whole green financial credit process, including green rating, ESG risk assessment, green debt recognition, and main functions and summary of environmental benefit measurement. Our green financial solutions have been effectively implemented in Bank of China, Industrial and Commercial Bank of China and other banks.



Empowering Green Finance

The financial industry generates a large amount of paper documents in the traditional service process and consumes a significant amount of resources. In addition to assisting the intelligent digital transformation of FSPs based on its main business, Bairong Inc. also strives to promote FSPs to reconstruct their business processes and help them realize green operation models such as paperless business and electronic billing by upgrading paper documents to online processing or email transmission. While enhancing the convenience of financial services, Bairong Inc. effectively reduces the consumption of resources and energy in the process of traditional financial business, and helps the financial service industry realize green transformation and upgrading through full-cycle financial cloud services.

IMPLEMENTING LOW-CARBON BUSINESS CONCEPT

In compliance with the applicable laws and regulations such as the Environmental Protection Law of the People's Republic of China and Energy Conservation Law of the People's Republic of China, Bairong Inc. is upholding the principles of “green, energy-saving and low-carbon”, continuously reinforcing the internal environmental management system, adopting targeted energy-saving and emission reduction programs, to reduce the energy consumption of offices and data centers, living up to our commitment to environment protection.

Our commitment to environment protection:

Advocate the concept of green office and green life, and the culture of energy-saving, emission reduction and environment-friendliness is entrenched in the daily life of our employees.

Actively promote innovative practices for energy conservation and emission reduction, create a green and healthy workplace, and ensure that all energy conservation and environmental processes and activities comply with regulatory requirements.

Stick to the low-carbon principle in the procurement process, giving priority to green products with the advantages in environmental protection, resource conservation, recycling and low-carbon and recycling, and take steps to phase out energy-inefficient products.

Reduce waste at the source, prioritize recycling of used products, and properly dispose of all types of waste to prevent pollution.

Regularly conduct statistical analysis of electricity and water usage and other energy and environmental assessment, draw up reasonable control targets and improve resource and energy conservation. Set forth that the per capita energy consumption, per capita water consumption and per capita non-hazardous waste generation are not higher than the levels of the same period of the previous year.

Promote public-interest events for environmental protection and contribute to environmental protection through personal engagement.

Practicing Green Business Concept



The Company's workplace incorporates environmental and sustainable concepts in the design stage, and is aligned with strict standards in structural design, ventilation and lighting, facility systems, and has been certified with the environmental management system (ISO 14001). We also pay attention to environmental management in the office area by posting signs at the workplace to promote saving electricity, paper and water.

Reduce energy consumption

Eliminate office supplies and equipment with high energy consumption level and low energy efficiency in procurement and usage, and promote the use of energy-saving LED lighting, electrical appliances, recycled paper, pens with replaceable refills, rechargeable batteries and other recyclable items; switch off office equipment such as computers, printers, copiers and scanners after work; divide the office area into several lighting areas and set up independently controllable lighting switches in these areas; air conditioner temperature in winter and summer; and encourage employees to commute in a low-carbon manner.

Conserve water

Choose water-saving sanitary appliances; install drinking fountains to fully replace barreled water and improve water usage efficiency; reduce the use of plastic packaging; reduce water pressure; regularly check hidden places for leaks; and recycle washroom sewage for cleaning and irrigation.

Paperless office

Use web-based word processing tools to relocate regular approval processes online and prevent the unnecessary use of paper documents. These measures will significantly save paper as well as simplify business processes and improve work efficiency; encourage the use of online video conferencing to reduce unnecessary travel and time costs and reduce GHG emissions generated in the course; reuse single-sided printing paper; and purchase printing paper, toilet paper and paper towels containing recycled materials.

Reducing Environmental Footprint



The hazardous waste generated by the Company is mainly waste batteries, waste toner cartridges, ink cartridges, lamps, etc. from daily office activities; harmless waste is mainly waste paper, plastics and household garbage, etc. Hazardous and non-hazardous waste are entrusted to professionals for recycling and treatment.

In accordance with the requirements of the Regulations of Beijing Municipality on Supervision of Household Waste Sorting, the Company has installed specialized collectors for food, recyclable and other waste on each floor of the office premises, in addition to posters to lead employees toward garbage sorting and recycling.

Used electronic products are stored separately, and items with residual values like used computers are donated to charity organizations after necessary maintenance.

Indicator	Unit	2022	2021	2020
Total energy consumption (intelligent analysis and operation services)	MWh	652.50	1,529.24	1,311.81
Energy consumption intensity	MWh/RMB 10,000	0.0032	0.0094	0.0115
Total water consumption	m ³	1,049	1,037	695
Water consumption per person	m ³ / person	0.76	0.80	1.07

Note: In 2022, the heating for the workplace in Beijing has changed from outsourced heating to centralized heating by central air conditioning due to the change in collaboration with property managers.

Combating Climate Change



Global climate change has led to frequent extreme events, ecological degradation, air, soil, water and other environmental problems, posing a serious threat to the survival of mankind. The Company has realized these challenges to its business and operation brought by environmental and climate change risks, and proactively identifies climate change risks and seizes opportunities to better the Company's operations and development.

● Risk & Response

Physical Risks

Contingency Risks: Extreme weather

- Office buildings and equipment might be damaged to cause asset loss;
- The physical security of data centers may be at risk, and the frequency and intensity of regional extreme weather events continue to increase, further exacerbating the likelihood and scope of impact of acute risk events.
- Facility damage, service interruption or major equipment damage may directly or indirectly sabotage the continuity of business operations and economic interests.
- Develop emergency response plans for natural disasters and continuously improve emergency response measures for natural disasters;
- Identify possible damage to assets and procure necessary insurance.
- Cooperate with data centers resilient to natural disasters to reduce losses associated with acute weather events.

Physical Risks

Chronic Risks: Lasting heatwave, drought, etc

- Higher temperatures may result in the need for additional cooling equipment, increasing operational costs;
- The rise in sea level may have an impact on data centers in coastal areas.
- Equipped with more energy-efficient cooling technology and system;
- Continue to aid companies in going green to mitigate associated climate change risks.

Transition Risk

Policies and Laws Risks

- New policies, regulations, regulatory policies and taxes may increase the Company's compliance costs and related litigation or claims may also increase in numbers.
- Pay close attention to changes in environmental laws, regulations and policies and respond timely.

Technology Risks

- Failure to identify and apply emerging technologies such as low-carbon technologies and artificial intelligence in a timely manner may lead to greater climate-related risks in businesses.
- Boost R&D capabilities through measures such as training and retention of talents.

Market Risks

- Data centers may be affected by climate changes leading to higher costs, indirectly raising company costs.
- Shifting customer preferences may intensify the focus on green, low-carbon products.
- Looking for suppliers that are less prone to climate change;
- Develop green and low-carbon products, track market trends, and meet consumer demands.

Reputation Risks

- Poor performance in combating climate change and sustainability giving rise to negative feedbacks from associated stakeholders.
- Boost sustainability of the Company and actively combat climate change;
- Improve the transparency of associated management systems and respond to stakeholders' concerns.

● Opportunity & Response

Products and Services

- Research and development of green and low-carbon products;
- Solutions to tackle climate change within the industry.

Market

- Shifting user preferences giving rise to greater green market demands;
- Increased demand for green loans.

Adaptability

- Select data centers that are less prone to climate change to ensure data privacy, security and business continuity.

◀ Opportunity

▶ Response

- Actively develop and apply new technology;
- Find and respond to government supportive policies and green programs;
- Strengthen R&D of green and low-carbon products, and constantly expand the proportion of green and low-carbon business;
- Find and participate in the emerging markets.

To respond to the national “dual carbon” goals, the Company developed green low-carbon products, helped in the green transformation of the financial industry, practices green low-carbon operation concept, steps up its energy-saving and emission reduction in the house, and actively responds to the concerns of the government, customers, investors, the market and other stakeholders. In addition, the Company continues to step up monitoring and management of GHG emission sources in its daily operations, demonstrating dedication and resolution on the path toward green and low-carbon operation business.

GHG	Unit	2022	2021	2020
GHG emissions (Scope 1)	tCO ₂ e	0	0	0
GHG emissions (Scope 2)	tCO ₂ e	378.80	732.98	778.20
GHG emissions per person (Scope 1 & 2)	tCO ₂ e	0.27	0.57	1.20

Push for Green Procurement



The Company is active in promoting green procurement, gives priority to suppliers with certified environmental management systems, products with green certification or reduced energy usage levels when evaluating suppliers and purchasing products. We take a prudent approach and revoke in a timely manner collaboration with suppliers associated with significant negative environmental events to promote environmental performance of suppliers and joined efforts in pursuing coexistence with nature.

Green Data Centers



The Company is using more than 100 cabinets as of the end of 2022. The Company includes indicators such as security, stability and economy, as well as energy efficiency technologies and performance such as the source of energy used by the data center and cooling technologies, in the consideration of data center service providers, and regularly monitors indicators of power usage efficiency (PUE) and carbon emission intensity of the data centers. Through data migration to the cloud, the Company reduces power consumption greatly compared to heavy infrastructure counterparts, and promotes data center service providers to fulfill their environmental responsibilities and pursue sustainability.



- Five-star green telecommunication data center;
- Passed ISO 27001 information security system certification;
- Backup data center for natural disaster response on the national level and designated server rooms for finance and securities;
- Water leakage alarm system and liquid leakage detection system;
- Chiller equipped with plate heat exchanger, and the chiller can be kept off as the temperature is below 6°C ;
- Closed cold aisle in the machine room and vent air through the hot aisle to make effective use of energy;
- Environmental status monitoring such as temperature and humidity and water leakage between air conditioners.
- High-level data center T3+;
- High-precision air conditioners for water-cooled server rooms;
- 7/24 power monitoring system.

PROSPECTS

Looking into the future, digital and intelligent transformation is not only a “touchstone”, but also a “hone”. If only FSPs can build upon digital and intelligent transformation and go beyond it, they could play the important roles of stabilizer and facilitator in the new development pattern. Against such a backdrop, Bairong Inc., as an enabler of digital and intelligent transformation of financial services in China, is embracing the year 2023 with a brand new gesture. We would devote ourselves to multi-level multi-scenario digital and intelligent transformation practice of financial services with increasingly innovative mindset and products. Our aim is to serve as a “compass” for industries standing at important crossroads of their development, and help the great ship of digital and intelligent transformation of financial services ride waves and sail forward.

Firstly, we will enhance data capability construction in an all-round way.

Comprehensive data application is to be promoted as we ensure safety, security and compliance.

Secondly, we will build intelligent platforms.

Integrated risk management middle platform and operation platform that interconnect business, technologies and data will be built to fully activate the new momentum of digital and intelligent operation.

Thirdly, we will explore digital and intelligent client operation.

The focus will be shifted from product sales to client experience as a universal marketing system covering “all channels, all clients and all scenarios” is to be built, to different strategies and tactics when managing and serving varied clients.

Fourthly, we will construct an ecology of open and shared scenarios.

Intelligent and digital transformation is smearing the boundaries between competition and cooperation. The competition among banks has turned from wrestling with a single product or business into a combat over ecology. FSPs have to construct a co-evolutionary smart finance within and expand the ecology of open and shared scenarios without, bridge elements in and out, and integrate technologies, scenarios and data, to benefit all players in the ecosphere with co-evolutionary capabilities and environment.

Fifthly, we will develop a solid mechanism for technological talent cultivation.

Talents are the key factor for the success of transformation. In response to the new situation of digital and intelligent transformation, FSPs should seize the momentum, solicit and cultivate talents fitting this digital era.

KEY ESG DATA

Environmental Performance

Indicator	Unit	2022	2021	2020
GHG emissions (Scope 1)	tCO ₂ e	0	0	0
GHG emissions (Scope 2)	tCO ₂ e	378.80	732.98	778.20
GHG emissions per person (Scope 1 & 2)	tCO ₂ e	0.27	0.57	1.20
GHG emissions intensity	tCO ₂ e/RMB million	0.1844	0.4515	0.0011
Hazardous waste	metric ton	0.044	0.047	0.038
Hazardous waste generated per person	kg/person	0.032	0.037	0.058
Hazardous waste generated per unit of office area	kg/m ³	0.005	0.005	0.006
Intensity of hazardous waste generation	kg/RMB 10,000	0.0002	0.0003	0.0003
Total non-hazardous waste	metric ton	82.74	89.09	47.00
Non-hazardous waste generated per person	kg/person	60.04	68.74	72.31
Non-hazardous waste generated per unit of office area	kg/m ³	8.62	9.28	6.93
Intensity of non-hazardous waste generation	kg/RMB 10,000	0.40	0.55	0.41
Total wrapping materials	metric ton	0	0	0
Total energy consumption (smart analytics and operation services)	MWh	652.50	1,529.24	1,311.81
Energy consumption intensity	MWh/RMB 10,000	0.0032	0.0094	0.0115
Gas consumption	m ³	0	0	0
Outsourced electric power	kWh	651,976.89	691,231.50	530,282.90
Outsourced heating power	GJ	—	3,012.45	2,811.57
Total water consumption	m ³	1,049	1,037	695
Water consumption per person	m ³ /person	0.76	0.80	1.07
Intensity of water consumption	m ³ /RMB 10,000	5.11	6.39	6.11

Social Performance

Employment



Indicator		Unit	2022	2021	2020
Number of full-time employees		person	1,378	1,296	—
Educational background	Master' s degree or above	%	19	—	—
	Bachelor's degree	%	67	—	—
Gender	Female	%	46	43	46
	Male	%	54	57	54
Geographical region	China (the Chinese mainland)	%	99.3	99.5	—
	China (Hong Kong, Macao and Taiwan) and foreign countries	%	0.7	0.5	—
Age group	Aged under 30	%	37	42	42
	Aged 30-50	%	61	56	57
	Aged over 50	%	2	2	1
Employee turnover rate (including Beijing, Shanghai and other regions in China)		%	21	24	28
Gender	Male employee turnover rate	%	23	17	30
	Female employee turnover rate	%	19	33	26
Age group	Employee turnover rate (aged under 30)	%	27	39	43
	Employee turnover rate (aged 30-50)	%	18	39	18

Training



Indicator		Unit	2022	2021	2020
Employee training coverage		%	100	100	100
Gender	Male	%	100	100	100
	Female	%	100	100	100
Level of management	Senior management employees	%	100	100	100
	Middle management employees	%	100	100	100
	Primary employees	%	100	100	100
Average length of training per employee		hour	76.8	65.9	65.1
Gender	Male	hour	70.7	60.8	60.3
	Female	hour	82.9	73.1	72.8

Indicator		Unit	2022	2021	2020
Level of management	Senior management employees	hour	120.6	115.1	110.2
	Middle management employees	hour	80.3	84.5	82.5
	Primary employees	hour	60.2	58.8	58.7
Times of employee training		time	357	246	143
Total training expenditure in the year		RMB 10,000	60.3	51.2	44.7

Health & Safety

Indicator		Unit	2022	2021	2020
Occupational injuries/deaths		person	0	0	0
Rate of occupational deaths		%	0	0	0
Number of working days lost due to occupational injuries		day	0	0	0
Number of workplace accidents		—	0	0	0
Coverage of physical examinations and medical records		%	80	88	86

Suppliers

Indicator		Unit	2022	2021	2020
Number of suppliers		—	687	649	468
China (the Chinese mainland)		—	678	635	—
Beijing (No. 1)		—	291	282	242
Shanghai (No. 2)		—	96	84	56
Guangdong (No. 3)		—	92	—	—
China (Hong Kong, Macao and Taiwan) and foreign countries		—	9	14	—

Customer Service

Indicator		Unit	2022	2021	2020
Customer satisfaction		%	95.17	95.30	—

Social Undertakings

Indicator		Unit	2022	2021	2020
Charitable donations		RMB 10,000	100.09	30	—

Note:

1. Unless otherwise specified, the environmental statistics in this report cover the Company's operations in the two workplaces in Beijing and Shanghai in 2022.
2. The main source of GHG emissions of the Company is from purchased electricity in light of Bairong Inc.'s operational modes. The heating for the workplace has changed from outsourced heating to centralized heating by central air conditioning due to the change in collaboration with property managers.
3. The Company's GHG accounting is presented in terms of carbon dioxide equivalents. On emission factors, the Company adopted the grid emission factor (0.5810 tCO₂e/MWh) from the Ministry of Ecology and Environment of China's "Corporate GHG Emission Accounting Methodology and Reporting Guidance - Power Generation Facilities (Revised Version 2022)" in accounting for GHG emission data for the year of 2022.
4. The Company does not own any vehicles and therefore consumes no gasoline, diesel, LPG or natural gas. Hence the direct GHG emissions are 0.
5. There are three sources of water consumption in our statistical accounting, which are municipal water supply (tap water) consumption, barreled water (drinking water) consumption and bottled water (drinking water) consumption, respectively. The Company is active in practicing the principles of water conservation, and its daily water consumption has caused no significant impact on the environmental conditions around our premises.
6. Per capita figures are divided by the total number of formal employees of the Company at the end of the reporting period. The total number of formal employees of the Company is 1,378 for 2022; the office area is 9,596 square meters. The intensity is calculated based on operation revenue.
7. "Number of suppliers" refers to the total number of active suppliers during the reporting period, while "geographic region" refers to the supplier's registered location.
8. Employee turnover rate = (number of formal employees left during the reporting year / total number of formal employees at the end of the reporting year) * 100%. Employee turnover reflects the number of formal employees who left (including voluntary resignation, dismissal, and retirement).

CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Section(s)
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.	Implementing Low-carbon Business Concept
KPI A1.1	The types of emissions and respective emissions data.	Implementing Low-carbon Business Concept
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in metric ton) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Implementing Low-carbon Business Concept
	Scope 1 emissions	
	Scope 2 emissions	
KPI A1.3	Total hazardous waste produced (in metric ton) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Implementing Low-carbon Business Concept
KPI A1.4	Total non-hazardous waste produced (in metric ton) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Implementing Low-carbon Business Concept
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Implementing Low-carbon Business Concept
KPI 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.	Implementing Low-carbon Business Concept
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Implementing Low-carbon Business Concept
KPI 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).	Implementing Low-carbon Business Concept
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Implementing Low-carbon Business Concept
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Implementing Low-carbon Business Concept

Subject Areas, Aspects, General Disclosures and KPIs		Section(s)
KPI 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.	Implementing Low-carbon Business Concept
KPI A2.5	Total packaging material used for finished products (in metric ton) and, if applicable, with reference to per unit produced	Implementing Low-carbon Business Concept
General Disclosure	Policies on minimising the issuer’ s significant impacts on the environment and natural resources.	Responding to Green Development Strategy; Implementing Low-carbon Business Concept
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Responding to Green Development Strategy; Implementing Low-carbon Business Concept
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Responding to Green Development Strategy
KPI 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.	Responding to Green Development Strategy
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Practicing People-oriented Philosophy
KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Practicing People-oriented Philosophy
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Practicing People-oriented Philosophy
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.	Practicing People-oriented Philosophy
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Practicing People-oriented Philosophy
KPI B2.2	Lost days due to work injury.	Practicing People-oriented Philosophy

Subject Areas, Aspects, General Disclosures and KPIs		Section(s)
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Practicing People-oriented Philosophy
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Practicing People-oriented Philosophy
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Practicing People-oriented Philosophy
KPI B3.2	The average training hours completed per employee by gender and employee category.	Practicing People-oriented Philosophy
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Practicing People-oriented Philosophy
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Practicing People-oriented Philosophy
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Practicing People-oriented Philosophy
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Creating A Responsible Supply Chain
KPI B5.1	Number of suppliers by geographical region.	Creating A Responsible Supply Chain
KPI 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.	Creating A Responsible Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Creating A Responsible Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Creating A Responsible Supply Chain
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.	Privacy and Data Security Protection; Regulatory Compliance in Business Practices

Subject Areas, Aspects, General Disclosures and KPIs		Section(s)
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Promoting After-sales Service and Technical Support
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Regulatory Compliance in Business Practices
KPI B6.4	Description of quality assurance process and recall procedures.	Ensuring Quality of Products and Services; Improving Measures for Management of Business-specific Incidents
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security Culture Construction
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.	Regulatory Compliance in Business Practices
KPI 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.	Regulatory Compliance in Business Practices
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Regulatory Compliance in Business Practices
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Regulatory Compliance in Business Practices
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.	Contributing to the Society with Gratitude
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Contributing to the Society with Gratitude
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Contributing to the Society with Gratitude

QUESTIONNAIRE

Dear reader,

Thank you very much for taking your precious time reading the Bairong Inc. Environmental, Social and Governance (ESG) Report 2022. We look forward to your comments and suggestions on the report and our work. You can send your completed questionnaire back to us by mail or by scanning and emailing your valuable comments.

Thank you!

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1. What type of stakeholders does your employer belong to:

- ☐ Internal management ☐ Stockholders/Investors ☐ Internal employees ☐ Suppliers/Partners
☐ Customers and potential customers ☐ Government and regulatory authorities ☐ Communities
☐ Experts and scholars ☐ Non-governmental organizations
☐ The public ☐ Others (please specify)

2. Is the information you are concerned with fully presented in the report?

- ☐ Yes ☐ Partially ☐ No

3. Your overall comment on the 2022 ESG Report:

· Readability (expressions of clarity, attractive design, engaging and easy to find the required information)

- ☐ 3 points (Excellent) ☐ 2 points (Average) ☐ 1 points (Bad)

· Credibility (reported information is true and credible)

- ☐ 3 points (Excellent) ☐ 2 points (Average) ☐ 1 points (Bad)

· Integrity of information (balanced positive and negative information and meets your needs on the information)

- ☐ 3 points (Excellent) ☐ 2 points (Average) ☐ 1 points (Bad)

4. Are you able to find the information you are interested in from the report with ease?

- ☐ Yes ☐ Partially ☐ No

5. What would you like to see in addition to what has been disclosed in the report?