



Stock Code: 00861.HK

DC Holdings 2023

# ESG Report

# Content

## Message from the Chairman

1

## About this report

3

Reporting Principles and Scope

3

Stakeholders

3

Material ESG issues

6

Sustainability strategy

6

Sustainability governance structure

6

Sustainable development of institutional and cultural development

7

## Company profile

8

2023 ESG performance of DC Holdings

9

Significant ESG Awards in 2023

10

## 1.0 Environment

12

1.1 Technology Leads Green Ecology

13

1.2 Actively Response to Climate Change

14

1.3 Digital Intelligence Empowers Energy Saving and Emission Reduction

16

1.3.1 Construction of Digital Logistics Loop

16

1.3.2 Sustainable Park Construction

16

1.3.3 Protecting the Ecological Environment and Maintaining Biodiversity

20

1.4 Steady Progress Towards Carbon Neutrality

21

## 2.0 Society

24

2.1 Support Employee Development

24

2.1.1 Equality And Inclusion

24

2.1.2 Employment and Human Rights Protection

25

Overseas Internship Program

26

Improving employment opportunities for the impoverished

26

Assisting Northeast China in Attracting Investment and Talent

26

Building a New Model of School-Enterprise Cooperation

27

Continuously Promoting Campus Hackathon

27

Female Employee Care

30

2.1.3 Development And Training

32

Management Talent Development Mechanism - "DC Elite"

33

2.1.4 Partner Spirit and Corporate Culture

36

DC Partner

37

Co-building "Double 11"

38

2.1.5 Occupational Health and Safety

39

2.1.6 Work-Life Balance

41

2.1.7 Open Communication Channels

43

2.2 Stimulate Community Vitality

45

2.2.1 Assisting Industry-Academia-Research Cooperation

45

2.2.2 Public Donations

47

2.2.3 Digital Technology Empowering Rural Revitalization

48

2.2.4 Technological Innovation and Artistic Integration

50

## 3.0 Governance

51

3.1 Transparent and Diverse Corporate Governance

51

3.1.1 Corporate Governance Structure

51

3.1.2 Internal Control and Risk Management

54

3.1.3 Compliance Management

55

3.1.4 Integrity Management System of DC Holdings

55

3.2 Innovative Technology, Leading the Future

58

3.2.1 Technical/R&D Personnel Training Mechanism

58

3.2.2 R&D Investment

62

3.2.3 Intellectual Property Rights and Standard Compilation

62

3.3 Customer-Centric, Continuous Empowerment

64

3.3.1 Continuously Enhancing Customer Satisfaction

64

3.3.2 Continuously Enhancing Quality Management Capability

65

3.3.3 Continuously Promoting Data Security Construction

67

3.4 Supply Chain Eco-System Cooperative Development

70

3.4.1 Work with Partners to Promote Ecological Construction

70

3.4.2 Supplier Selection and Management Mechanism

72

3.4.3 Collaboration for Win-Win Results and Co-Creation of the Future

72

## Appendix

73

Appendix 1: the Group's ESG Objectives and Key Performance Indicators

73

Appendix II: Index of Reporting Indicators

82

# Environmental, Social and Governance Report



## Message from the Chairman

The year 2023 marked the first year after the pandemic, and the industry's significant recovery did not come as expected. Facing unprecedented competitive pressure and a more complex external environment, Digital China Holdings has risen to the challenge, forged ahead, and continuously advanced strategic implementation in various aspects, achieving gratifying results through continuous innovation and breakthroughs.

In terms of business development, DC Holdings adhere to the "Big Data + Artificial Intelligence" strategy and diligently sought incremental breakthroughs across various application scenarios for core big data products, resulting in sustained revenue growth from big data solutions. Notably, our concentrated efforts in the Jilin market bore fruit, securing pivotal projects. In the realm of digital supply chain transformation, we constructed extensive control towers for clients, offering comprehensive digital services and bolstering our technological edge—a strategic step toward advancing the "Enterprise CSO" strategy. As top domestic firms expanded globally, we strategically entered overseas markets, actively contributing to Hong Kong's digital governance and smart city development. Our business footprint extended from Southeast Asia to Belt and Road regions, including the Middle East and Africa, yielding significant growth. By aggregating resources from top clients across diverse industries—technology, finance, automotive, and retail FMCG—we've created ample room for continued in-depth development.



# Environmental, Social and Governance Report

In terms of technology research and development, we have insisted on creating new products and continuously evolved our "Data and Cloud Fusion" technology framework and the "industry-academia-research" integration development model. We held the first "Data and Cloud Original" conference, launched the "2035 Laboratory" for discovery of new technologies in the future, and organized the third hackathon for renowned academic institutions. We have continuously increased R&D investment to accumulate new momentum for development. We have been selected as the top "Pacesetter" in Bank of China's financial technology standards for two consecutive years, jointly released the first national "Public Data Authorized Operation Platform Technical Requirements" standard, drafted the financial industry's first "Bank Core System Migration" white paper, and crafted the "Smart Park High-Quality Development and Standardization" publication. We have developed and launched products such as the "Urban Knowledge Graph Platform," "Public Data Operation Platform," "ShenQi Universal Communications," "Jiutian Lanyue Cloud-Native Financial PaaS Platform," and the new generation "Liuhe Shangjia Integrated Data Development Platform." Based on the results of the first prize of the National Invention Award, Yan Cloud DaaS has fully entered the industrial manufacturing industry. The Company has innovatively created the "City CTO" + "Corporate CSO" development model, providing governments and enterprises with a full chain of data intelligence solutions.

In terms of organizational culture, we have insisted on refreshing and implementing brand culture, focusing on team building and time management, and adhering to the requirement of "delivering results and nurturing talent." We have created a unique "Partner" mechanism and "DC Elite" talent development model, advocating the spirit of partners and an elite organizational culture, and encouraging employees to grow with the Company. The Company continues to promote sustainable talent training and incentive plans, providing customized training programs and diverse promotion channels for employees. At the same time, it intensifies efforts to attract outstanding market-oriented professional talents to stimulate organizational vitality; and continuously advances talent retention plans, improving the compensation and benefits system and incentive mechanisms to achieve stable and healthy human resource structure development. Notably, to better care for the growth of female employees and stimulate their potential, the Company has specifically established the "Wonderful Outstanding Women Club". This platform seeks to unite outstanding women from the Company and other sectors of society, offering them a space for communication, education, and personal development. The club strives to promote progress for women in all fields, including career success, family harmony, personal growth, and global awareness and to further the Company's efforts in diversity.

While continuously exceeding ourselves and achieving business and organizational growth through technological innovation, we have not forgotten our original intention and have insisted on giving back to society with high-quality services and leading technologies. In terms of green sustainable development, we have noticed the escalating risks of climate change and the challenges on the global carbon reduction path. We have conducted in-depth research on the threats and opportunities brought by climate change, actively responded to the United Nations Climate Action initiative, practiced the national "dual carbon" strategy, and continuously advanced layouts in green production, green R&D, and green office operations. In fulfilling social responsibilities, we have fully leveraged our own advantages to drive industrial revitalization and promote rural development, as well as infrastructure construction. We have carried out various types of industry-academia-research cooperation with universities to enrich and strengthen the combination of the Company's talent training system and the human resource system. In terms of corporate governance, we have continuously promoted the diversification of the board of directors, improved business ethics and compliance management frameworks and risk prevention measures, and comprehensively enhanced the Group's risk response capabilities.

During the year, DC Holdings won several awards, including "2023 Top 50 Digital Twin Solution Providers," "2023 Public Data Operation Innovation Award," "2023 Knowledge Graph Technology Innovation Award," "2023 Data Element Industry Development Leader," and "2023 Big Data Outstanding Service Provider," indicating that the Company's efforts in technological innovation and sustainable development have been recognized by all stakeholders in society.

In 2024, we will remain committed to our original vision, continue to forge ahead, focus on the value of all stakeholders and adhere to the path of sustainable development and business growth.

# Environmental, Social and Governance Report

## About this report

The "Digital China Holdings Limited Environmental, Social and Governance Report" (from now on referred to as the "Report") is prepared per the ESG Reporting Guidelines issued by The Stock Exchange of Hong Kong Limited in December 2019 and concerning the relevant rules of the United Nations 2030 Sustainable Development Goals (SDGs) and the Global Reporting Initiative (GRI), to explain our ESG policy, as well as our work and achievements during the year, to a wide range of stakeholders.

In this report, "DC Holdings Limited", "we", "our Group", and "the Company" mainly refer to "Digital China Holdings Limited." The report covers the ESG progress of Digital China Holdings Limited from January 1, 2023, to December 31, 2023. To ensure the completeness and continuity of the explanation, we have reviewed and extended some content on specific issues. Unless otherwise specified, the amounts shown in this report are in RMB. The report refers to the "Environmental, Social, and Governance Reporting Guidelines" of the Hong Kong Stock Exchange, the United Nations 2030 Sustainable Development Goals (SDGs), and the Global Reporting Initiative (GRI) standards. For related report index information, please refer to the appendix.

Appendix 1: ESG Goals and Key Performance Indicators

Appendix 2: Report Indicator Index

The online reading version of the report will be presented on the ESG page (ESG - Sustainability Reports - DC Holdings) of the Digital China Holdings Limited official website.

### • Reporting Principles and Scope

#### • Materiality Principle

Considering the Group's strategy and operations, we identify the material areas reviewed in this report on economic, environmental, and social issues that affect the sustainability of the Company's business operations and are closely followed by various stakeholders. To this end, the Group maintains close communication with multiple stakeholders to assess the importance and ranking of ESG issues.

#### • Quantitative Principle

This report will use data to show relevant environmental and social issues as much as possible, such as data on resource consumption and carbon emissions, as well as assumptions and calculation methods and reference bases for conversion.

#### • Principle of Consistency

This report will disclose changes in statistical methods or key performance indicators, if any, or any other relevant factors affecting the comparison, to avoid misleading users of the report.

**Reporting scope** Unless otherwise specified, the information contained in this report covers all subsidiaries of Digital China Holdings.

**Data Sources** All information and data quoted in this report are derived from the Company's official documents, audited company annual reports, and relevant data information that have been summarized and reviewed by the Company's functional departments.

### • Stakeholders

We understand the importance of stakeholder feedback on our ESG performance. Therefore, we communicate closely with our stakeholders to collect their views and suggestions on ESG. We also conduct open and transparent dialogue with stakeholders through different channels, including conferences, surveys, seminars, etc. The table below sets out the Group's key stakeholders, issues, and communication channels.

# Environmental, Social and Governance Report

Stakeholders	Main topics	Primary communication channels
Government and regulatory bodies	Compliance, corporate governance	Meetings, written reports, visits, policy consultations, information disclosures
Shareholders and Investors	Business development, return on investment	Corporate disclosures, investor meetings, social media platform interactions
NGOs and the Media	Environmental Protection, compliance consulting, charity	Industry events, press conferences, social media platform interactions
Client	Product and service quality, privacy protection	Customer feedback, meetings, customer service hotline, real-time customer support
Employee	Training, welfare, career planning, healthy work environment	A trade union, employee assembly, DC Academy training mechanism, enterprise social platform, regular employee satisfaction survey feedback
Community and Public	Volunteering, charity, environmental protection	company website, company WeChat public account, media reports, irregular community/volunteer activities
Vendor	Fair cooperation and integrity	Meetings, regular evaluations, field visits

Our Group attaches great importance to interactions with regulatory agencies, investors, and media (for interactions with other major stakeholders, please refer to the main text). In addition to strictly fulfilling information disclosure obligations in accordance with regulatory requirements, we have built communication platforms through various channels and methods, holding regular and irregular exchange meetings to allow government, investors, and media stakeholders to fully understand the Company's operating conditions and development direction. At the same time, the Company seriously listens to the opinions and suggestions of relevant parties, hoping to develop in a sustainable and healthy manner and give back to all stakeholders.

In 2023, the Company officially held [more than 350 interactions](#) with government, investors, and media, with [over 5,000 participants](#).



Maria Kwok, Chief Operating Officer of DC Holdings, led a team to meet with Jing Junhai, Secretary of the Jilin Provincial Party Committee, and other government leaders

# DC Holdings 2023 Environmental, Social and Governance Report



DC Holdings held an external technology product launch conference in Kunshan



DC Holdings hosted a meeting with investors, analysts, and media in Shenzhen



DC Holdings held an Investor Open Day event in Shenzhen

# Environmental, Social and Governance Report

## Material ESG issues

Our Group fully recognizes the importance of listening to various opinions when promoting environmental, social, and corporate governance projects. In 2023, we not only discussed the importance of environmental, social, and governance issues with our stakeholders through the above communication channels but also understood the level of concern for related issues through online questionnaire surveys. At the same time, by referring to the sustainable development issues of excellent domestic and foreign peer companies, combined with the stakeholders' concerns about the Company's sustainable development, we ultimately formed the important issues of sustainable development for DC Holdings in this year, serving as the basis for the compilation of this report.



Assessment of the materiality of ESG issues

## Sustainability strategy

In terms of governance strategy, we have fully integrated ESG considerations into the Group's business operations and management as part of our corporate development strategy, with particular emphasis on our engagement with stakeholders, such as listening to our users, engaging with our partners, caring for and growing with our employees, and assuming greater social responsibility.

### ESG Governance Strategy

- Realizing the integration and unification of corporate and social values and actively exploring the path of sustainable development of enterprises
- Integrating ESG considerations into the Group's business operations and management as part of our corporate development strategy

### ESG Governance Objectives

- Become a leader in ESG practice as a high-tech enterprise empowered by independent innovation, big data, and technology to empower core scenarios and to create more shared value with all stakeholders.

## Sustainability governance structure

The Board of Directors of the Company is responsible for assessing and determining the ESG risks of the Group and ensuring that the Group has established appropriate and effective ESG risk management and internal control systems to report on and be accountable to the Group's ESG strategy. The Board has regularly reviewed the Group's ESG strategy to review and ensure consistency with the Group's development strategy. The Board has been involved in the assessment, materiality ranking, and management of ESG-related matters, including risks to the Group's businesses, which can be found in "Materiality Issues on ESG" below.



# Environmental, Social and Governance Report

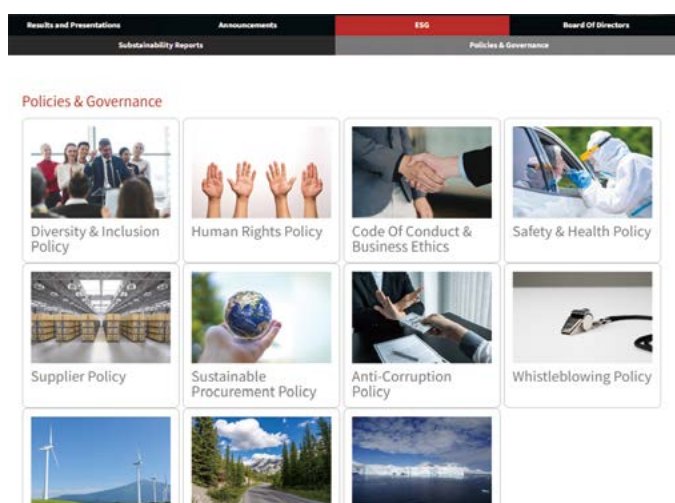
In 2023, the Group's environmental, social, and governance risk management and internal control systems were effectively operational.

For the Company's environmental, social and governance (ESG) affairs, the Company has set up an ESG working group at the operational level. The group consists of representatives from the ESG Steering Committee, the Coordination Committee and relevant ESG business departments. The ESG working group is responsible for monitoring and reviewing ESG practices, information and affairs annually, ultimately collaborating to complete ESG reports.



- Sustainable development of institutional and cultural development**

DC Holdings has set up a separate ESG column on its official website to display the Company's various policies and guidelines for sustainable development, as well as a separate annual ESG report.



ESG column on the official website of DC Holdings

# Environmental, Social and Governance Report

## Company profile

Our mission	<b>Digital China</b>
Our vision	<b>Industry pioneer in big data technology</b>
Our values	<b>Customer success, value creation, excellence, and mutually beneficial outcomes</b>



Digital China Holdings Limited was established in 2000 and listed on the Main Board of the Stock Exchange of Hong Kong in 2001 (stock code 00861. HK). Since its establishment, Digital China Holding's vision is of a "Digital China" and through the provision of IT infrastructure services, integrated IT services, smart city services, and then now to big data services, the Company adheres to the principle of "leading in concept, technology, and practice" and corporate values have always been clear with the ultimate vision of being a pioneer in big data technology.

At present, the Company is launching the empowerment of public data operations as a starting point, combining the core capabilities of digital intelligence technology innovation such as knowledge graph, operation research algorithm, and digital twin to provide full-chain solutions for the data assetization of the whole industry. Adopting the model of "City CTO + Enterprise CSO", it provides complete solutions and core technology products for the digital transformation of governments and enterprises from a global perspective.

The Company's technical system takes spatiotemporal big data and artificial intelligence as the core. We have independently developed intelligent digital products covering the whole life cycle of data elements. These products provide a series of product toolsets including data aggregation, data governance, data processing, data analysis and other functions to offer a one-stop data products and services. This empowers the whole chain of data resource, data productization and data commercialization. The Company's "City CTO" model extends beyond cities and delves into industries, facilitating the digital transformation of multiple industries and enterprises such as water utilities, transportation, education, environmental protection, and agriculture. We collaborate with local governments to enhance the level of digital governance and services in cities. The "enterprise CSO" model focuses on building an integrated supply chain intelligent decision platform that encompasses supply chain planning and design, plan management, and operational execution. Through data-driven decision-making and comprehensive solutions, we help enterprise customers reduce costs, increase efficiency, and empower their businesses.

Looking ahead, the Company will focus on core capacity building under the guidance of the "Overall Layout Plan for the Construction of Digital China", strive to become the best partner for the digital transformation of governments and enterprises, build a better digital world with science and technology, and help Digital China move to the forefront of the world.

# DC Holdings 2023 Environmental, Social and Governance Report

- 2023 ESG performance of DC Holdings

## Environmental: Protect Our Environment

Total Carbon Emissions: 11,000 tons, a 10% decrease compared to 2022.

Per Capita Carbon Emissions: 0.66 tons, a 17% decrease compared to the previous year.

Water Consumption: 80,000 tons, a 27% decrease compared to 2022.

Per Capita Water Consumption: 4.8 tons, a 34% decrease compared to the previous year.

Total Waste Generation: 1,366 tons, a 6% increase compared to 2022.

Per Capita Waste Generation: 0.08 tons, remains unchanged from the previous year.

Packaging Material Usage: 15,000 tons, a 5% decrease in per capita packaging material usage.

Environmental Compliance Rate: 100%

## Social: Support Employee Development

Employed 16,782 people globally, representing a 10% increase.

Total 4,014 female employees, accounting for 24% of the workforce. Female senior management accounts for 22%. The promotion rate for female employees is 32%. The Company has established the "WoW Club" to focus on the development of female employees.

The employee turnover rate is 22%, and it has been decreasing for three consecutive years.

"DC Elite" - A distinctive talent development mechanism; executives personally deliver lectures; the average training duration per person is approximately 11.95 hours, an increase of 2.6 hours compared to the previous year.

"Partner Program" - An enterprise cultural construction centered around the spirit of partnership.

7,412 employees joined the Employee Assistance Fund, and there have been 6 cases of successfully assisting employees.

## Social: Stimulate Community Vitality

Cumulative donations of funds, materials, and services worth approximately 52.7 million yuan.

Established ten Digital China Holding Hope Schools, maintained for nearly 21 years, benefiting over 15,500 students in total.

Organized 96 volunteer activities, contributing a total of over 3,800 volunteer hours.

Engaged in extensive cooperation and innovation with governments at all levels and over 650 financial institutions nationwide, serving millions of rural communities.

The Innovation Center has hosted over 8,000 visits.

Hosted nearly 200 events related to the integration of science, technology, and art, establishing cooperative relationships with over a hundred artists.

## Governance: Standardized Governance and Innovative Collaboration

Interacted with government, investors, and media in over 350 events, with participation from more than 5,000 individuals.

100% coverage of anti-corruption and integrity-themed training for employees.

100% signing rate of the "Cooperative Partner Integrity and Compliance Agreement" for non-original equipment suppliers.

We have a total of 14,210 technical research and development personnel, accounting for 85% of our workforce. We have invested 800 million yuan in research and development, representing a year-on-year growth of 11%. This growth has been sustained for three consecutive years.

We possess 2,787 independent intellectual property rights, showing a year-on-year growth of 8%. We have issued 76 different standards and currently have 37 projects under research and development.

The customer complaint rate stands at 0.39%, showing a slight decrease compared to the previous year. We are committed to addressing and resolving 100% of customer complaints in a timely manner.

# Environmental, Social and Governance Report

- Significant ESG Awards in 2023



2023 Data Element Potential Enterprise in China's Software and Information Services Industry

CCID、CSTC



IDC Global FinTech Top 100

IDC Global



2023 Knowledge Graph Technology Innovation Award

CIWEEK、eNet Research Institute、Deben Consulting Institute of Information Studies, CASS



ESG Innovation Enterprises

Forbes China



Top 10 Leading Enterprises in China's Software and Information Services Industry in 2023

Organizing Committee of China Software Conference



Best Service Provider for Financial Digital Transformation in China

APEC SME Center for IT Promotion Internet Society of China



# DC Holdings 2023 Environmental, Social and Governance Report



Public Data Operation  
Innovation Award

CIWEEK, eNet Research Institute, Deben Consulting Institute of Information Studies, CASS



Second Prize in the Data  
Development Track for  
Operator Big Data Application  
and Industry Collaborative  
Innovation Scenarios.

2023 Digital China Innovation  
Competition



2023 Award for Leading  
Financial Technology Enterprises

Shanghai Huangpu District Financial Services Office, "Financial Electronation" Magazine, East China Normal University Yangtze River Delta Financial Technology Research Institute, and Jiangsu Digital Finance Association



Top 100 Financial Technology  
Enterprises in China in 2023

Zhongguancun Internet Finance Institute  
Financial Technology Research Center



Open Source Task Challenge Track  
ModelScope Task Challenge Second  
Prize

The 6th Open Source Innovation Contest



KPMG China's Fintech 50 list

KPMG

# Environmental, Social and Governance Report



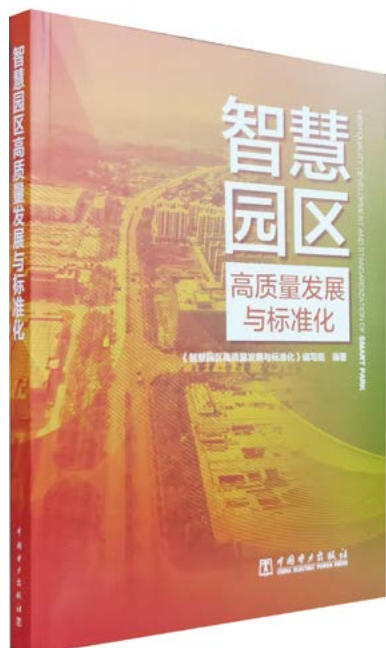
## 1.0 Environment

DC Holdings has strict management standards for environmental management. Our subsidiaries have certificated ISO14001 Standard Management System Certification (ISO14001 標準管理體系認證證書), ISO14001 Environmental Management System Certification (ISO14001 環境管理體系認證證書), ISO5001 Energy Management System (ISO5001 能源管理體系認證證書) and have achieved net zero certificates. DC Holdings integrates green development into its strategic development and daily operations, taking proactive responsibility for the environment by analyzing climate risks and opportunities, implementing energy saving and consumption reduction, conserving resources, reducing waste, and promoting green office practices.

We focus on implementing energy conservation and environmental protection in our day-to-day operations to create a low-carbon, green, and environmentally friendly working model. At the same time, we have taken several actions to improve energy efficiency, reduce energy consumption and reduce harmful emissions and waste. In addition, we are committed to using technology and innovation to drive urban ecology and environmental protection. Through these various actions, we minimize the negative impact on the environment and climate change.

The environmental ESG topics this year includes protecting ecosystems, addressing climate change, reducing the use of packaging materials, conserving and purifying water resources, and reducing recycling waste. We will share recent progress from four directions: empowering green and low-carbon development with technology, actively response to climate change, advancing energy saving and emission reduction with digital intelligence technology, and steadily advancing carbon neutrality.

# Environmental, Social and Governance Report



## • Technology Leads Green Ecology

In 2023, our subsidiary companies have officially launched a low-carbon smart park visualized operation management solution on the solution section of Huawei Cloud official website. This has become one of the leading solutions for Huawei Cloud partners in the smart park sector.

Based on the low-carbon smart park visualized operation management platform of Huawei Cloud, we can better meet the enterprise needs of energy management and carbon emission reduction, improve energy efficiency, and reduce environmental pollution. Our subsidiary companies, with their professional advantages in control of energy consumption intensity and total amount, have joined forces with Huawei Cloud to achieve a synergy effect in systems standardization, technology reduction, energy saving, emission reduction, efficient management, and green and low-carbon practices.

In addition, within the year, a book "High-Quality Development and Standardization of Smart Parks" has been published, which was jointly authored by more than 60 experts from 46 units, including the China Electronics Standardization Institute, Tongji University, and a subsidiary of DC Holdings. This book based on the transformation from traditional parks to smart parks, builds a standardized system for the development and needs of smart parks. It serves as an effective tool to guide the standardized construction of various types of smart parks.

The book also compiles the most cutting-edge and representative achievements in the development of smart parks, offering new ideas for the direction and path of high-quality development in the ongoing process of smart park transformation. This, in turn, promotes further development of smart parks and related industries.

In the future, the Company will focus on the carbon peak and carbon neutrality strategy to build a comprehensive ecosystem, to provide full-range digital management service solutions for governments, central state-owned enterprises, industrial parks, and industry users, becoming the best solutions of digital transformation.

# Environmental, Social and Governance Report



**International Exchange on Technological Empowerment of Green and Low-Carbon Innovation**

On 21st June 2023, during the "Korean Innovative Enterprises Green and Low-Carbon Industry Special Session" co-hosted by the Korea Innovation Center (KIC China) and the Korea Trade-Investment Promotion Agency, a delegation of more than 20 Korean innovative entrepreneurs visited DC Holdings. They toured the Company's technological empowerment of green and low-carbon innovation achievements and exchanged with relevant responsible persons, laying a solid foundation for further deepening cooperation.

- **Actively Response to Climate Change**

In recent years, the risks and impacts of climate change are increasingly important. DC Holdings regards climate change as one of the key topics for sustainable development. We continuous to closely monitor the impact of climate change on our business, strategy, and finances. The corporate audit committee helps our board of directors to identify climate risks and opportunities related to our operations, and carries out climate risk management to control our greenhouse gas emissions, enhance our resilience under extreme weather conditions, achieve low-carbon operations, and contribute to the green and sustainable development of society.

This year, we have identified climate-related matters that may have a significant impact on the Group from two dimensions: physical risks and transition risks.



# Environmental, Social and Governance Report

Risk Categories	Consequences	Impacts	Responses Action
<b>Physical Risks</b>			
Acute	Typhoons, extreme precipitation, high temperature, freezing weather	Weather such as rainstorms and snow disasters may affect the continuity of our business operations; high temperatures or drought may lead to increased energy consumption in office buildings and data centers, rising operating costs	Daily heatstroke prevention and cooling in summer, heating and cold protection in winter, to be comfortable and avoid excessive energy consumption; emergency plans have also been made for the possible impact of disasters such as flood seasons and winter blizzards on production and life and the Company will issue early warnings and respond to minimize climate change and its impact on business operations
Chronic	Sustained high temperatures, sea level rise	In the long run, it will be highly unfavorable to the Company's operating environment. It may face adverse effects such as changing the functional area and site or increasing energy consumption.	Continue low-carbon investment, save energy, reduce emissions and consumption, and achieve the goal of "carbon neutrality" as soon as possible.
<b>Transition Risks</b>			
Policies and Legal	Energy structure and energy use, carbon pricing, environmental information disclosure	Increase environmental information disclosure and data transparency, such as energy consumption.	Maintain a collection of daily relevant information, and increase the publicity and training of appropriate policies and regulations.
Technology	Energy technology, green office, green packaging, transportation, etc.	May face problems with technology upgrading and product iteration	Increase research and investment in related technologies, gradually replace the use and operation of high-carbon products, and provide more low-carbon services and products
Market Preference	Loss of customers or loss of market share	Failure to achieve low-carbon transformation may lead to customer loss and market rate reduction, directly affecting the Company's revenue.	Understand customers' low-carbon needs promptly, increase clean energy procurement, provide lower-carbon services and products, and retain target customers.

Additionally, based on the strategy and planning of our own business development, we have identified the following climate-related opportunities in five aspects: Resource Efficiency, Energy Sources, Products and Services, Market, and Adaptability.

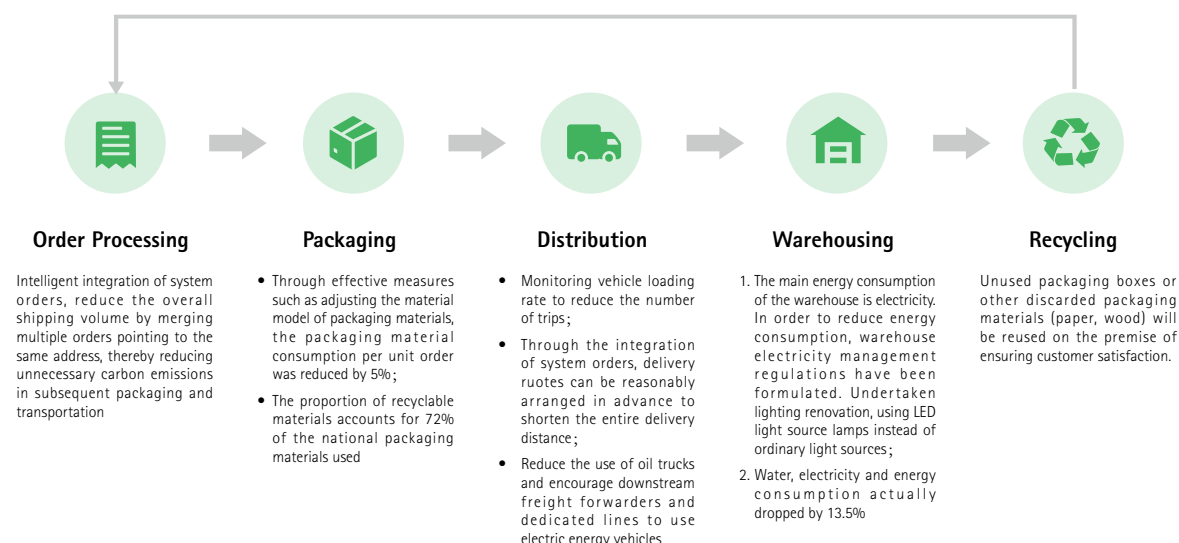
Opportunity Category	Measures to address opportunities
Resource Efficiency	Improve the efficiency of water resource utilization, use reclaimed water technology. Use renewable materials for packaging. Use more efficient transportation modes.
Energy Sources	Develop energy-saving and emission reduction plans, actively monitor energy usage data. Use more low-emission green energy sources. Participate in carbon trading markets.
Products Et Services	Develop and/or expand low carbon emission products and services. Consumer Preferences change
Market	Obtain government subsidies and other incentives. Collaborate with universities on R&D. Promote suppliers to improve materials and use environmentally friendly materials
Adaptability	Participate in renewable energy projects and adopt energy-efficient measures. Increase alternative resources.

# Environmental, Social and Governance Report

## • Digital Intelligence Empowers Energy Saving and Emission Reduction

### Construction of Digital Logistics Loop

Logistics is a key pillar of the socio-economic system, yet it is also a significant challenge in global carbon reduction. Through long-term efforts and capability development, ITL, a subsidiary of DC Holdings, has become a builder of digital logistics loop and aims to become a leader in the future. We have specifically explored ways to achieve logistics carbon reduction and systemic transformation in five main processes: order processing, packaging, distribution, warehousing, and recycling. We collaborate with consumers and suppliers to optimize these processes through digital enhancements, energy transitions, and changes in packaging materials.



Some of the optimizations related to packaging materials include:

- Reusable Packaging Boxes: For specific categories such as new retail/instant retail products, we collaborate with customers to increase the use of reusable packaging boxes (rotating baskets and insulated boxes), with a cumulative use of 36,000 units, saving logistics packaging box usage.
- Packaging Material Adjustments: The Company has effectively reduced the material consumption per order by 5% through adjustments in packaging material types and specifications.
- Packaging Material Selection: The proportion of recyclable materials accounts for 72% of the total packaging materials used nationwide.

### Sustainable Park Construction

The main property management Company of our Group's own buildings has obtained ISO14001 Environmental Management System Certification, ISO45001 Occupational Health and Safety Management System Certification, and ISO9001 Quality Management System Certification.

### Comprehensive energy-saving design of office buildings

- Energy-saving calculations are conducted for walls, roofs, and windows, with corresponding measures taken to meet energy-saving standards. High-performance double-glazed windows with good sealing are used, and adjustable external shading devices are installed for non-balcony windows.
- Composite insulation wall panels or blocks are used for exterior walls, and the exterior and roof are light-colored.
- The overall layout and design of the building are primarily oriented towards the north-south direction (with some east-west orientation), taking advantage of winter sunlight and avoiding the prevailing winter winds.

# Environmental, Social and Governance Report

## Daily energy-saving and consumption-reducing measures

- Publicity of Energy saving and consumption reduction, enhance employee awareness
  1. Carry out energy-saving publicity and education activities to strengthen individual energy-saving awareness
  2. Encourage rational use of electrical equipment, and turn off unnecessary power sources
  3. Strengthen the publicity of sustainable use of resources, and create a good atmosphere for energy conservation and emission reduction;
  4. Advocate the use of environmentally friendly materials and original accessories, and prohibit the use of high-pollution and high-energy-consuming accessories.
- Save electricity
  1. Scientific setting of power distribution room  
The power distribution room is set in the load center to reduce the length of low voltage side line and reduce the line loss. SCB11 epoxy resin cast dry-type power transformer is used, which has low load loss, economical operation and maintenance-free. The power supply can save at least 20% of the loss compared with the ordinary SCB9 series transformer.
  2. Optimization of air-conditioning operation and strengthen inspection  
On the premise of meeting staff needs and office comfort, optimize the operation of air conditioning and strengthen inspection: in strict accordance with municipal requirements, 26 degrees is the appropriate temperature, optimize the operation of the chiller unit in combination with the actual outdoor temperature and humidity, and check the temperature setting of the panel in the office area twice a day, which is not lower than the appropriate temperature.
  3. Scientific management of elevator transportation system  
Adjust the operation and management mode of the elevator, and achieve the goal of more energy saving through decentralized control, reasonable maintenance and scientific daily management.
  4. Optimization of Lighting Equipment Systems and Strengthen Inspections  
The main office buildings and warehouses use new low-power LED energy-saving lamps. We manage the lighting and equipment switches in all public areas by setting specific on/off times, assigning responsible departments and personnel, and strictly enforce lighting schedules to achieve energy-saving goals. Outdoor road and parking lot lighting is adjusted according to seasonal changes.
    - a. In 2023, the Company replaced 1,815 LED energy-saving lamps in the main office building stairwells, saving over 30,000 kWh of electricity.

Summary of the number of LED lamp replacements in 2023

Region	Total (pcs)	Office area (Unit)	Other public areas (units)
Beijing	955	573	382
Xian	650	5	645
Wuhan	210	22	188

- b. In 2023, we increased the frequency of evening light-off inspections, ensuring that office areas are not lit when no one is working overtime and the use of "everlasting lights" and "all-night lights" in server rooms is strictly prohibited.
- c. The underground garage lighting has been equipped with an automatic lighting control system, which adjusts the brightness and duration of lighting based on light intensity and human activity, achieving a 95% energy-saving rate.

# Environmental, Social and Governance Report

## 5. Water supply and drainage system

The water supply uses frequency control technology to manage pump operations, and drainage is automatically controlled by liquid level, achieving 30% energy saving.

## 6. Ventilation system

To achieve energy saving targets, the fresh air units are switched on with the outdoor temperature, for example, 10:00 – 15:00 in spring, 8:00 – 18:00 in summer, 10:00 – 17:00 in autumn, and not in winter.

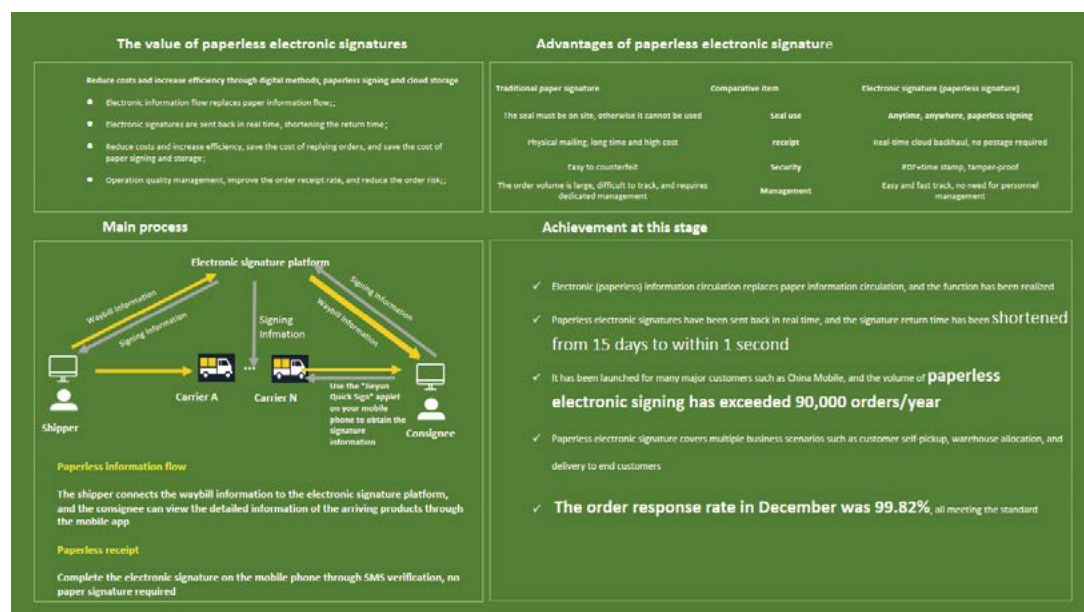
## • Water Conservation

1. Some office buildings for domestic water supply are now using frequency conversion technology to control the operation of water pumps, and the drainage is automatically operated through liquid level control to achieve energy savings.
2. "Saving water" posters are posted at the sanitation in the public area. The water supply facilities are regularly inspected, and timely maintenance will be arranged if water is running, leaking, or dripping.
3. Regularly check valves and pipelines promptly.
4. Regularly check aging water supply pipelines, install or replace water-saving faucets and sanitary ware to prevent running, popping, dripping, or leaking of water, and eliminate the faults in time.
5. For the green plants and lawns in the Company's green belts, rainwater irrigation is encouraged to minimize water consumption.

## • Paper Conservation

1. Digital intelligence supply chain, gradually promote paperless electronic signing

The KingKooData supply chain big data application platform developed can significantly improve the overall efficiency of the entire supply chain, save resources and reduce energy consumption to the greatest extent. In the packaging process of the e-commerce warehouse, the most suitable carton model is selected according to the goods and quantity of each order through intelligent algorithms to reduce the consumption of cartons. At the same time, the developed electronic signing system allows customers only to sign electronically when signing for a receipt, thereby reducing paper consumption. In 2023, **paperless electronic signatures were realized for 90,000 orders.**





# Environmental, Social and Governance Report

## 2. Promote paperless office

The Group unifies the construction of information systems, realizes office automation, promotes conference solutions such as teleconferencing, video conferencing, and web conferencing, and promotes paperless reimbursement of electronic invoices to minimize the use of paper.

## 3. Discarded single-sided paper are recycled for secondary use if permitted.

### Daily emission reduction measures

The actions adopted by the Group's main office buildings and warehouses include:

#### • Direct Carbon Emission Reduction

1. Smart industry chain business has taken actions to reduce exhaust emissions by replacing vehicles, increasing loading rates, and intelligently arranging transportation routes to reduce exhaust emissions from logistics vehicles.
2. Carry out vehicle loading rate monitoring to reduce the number of trips.
3. Arrange distribution routes reasonably in advance through system orders to shorten the entire delivery distance.
4. Encourage downstream forwarders and dedicated lines to use electric energy vehicles. For example, replace vehicles per the "National VI Vehicle Emission Standards" while encouraging partner carriers to use electric energy vehicles for delivery in urban areas. In FY2023, our logistics business in Beijing replaced two 4.2-meter transport vehicles, which can reduce vehicle exhaust emissions by 2,000 liters per year; the coverage rate of electric energy vehicles used in Beijing and Shanghai logistics in urban areas reaches 40%.

#### • Indirect Carbon Emission Reduction

1. Strengthen energy-saving and emission reduction publicity to raise the awareness of all employees  
Encourage video conferences, online communication, etc., to reduce the frequency of business travel and encourage employees to use public transportation for green travel.
2. Ensuring Office Air Quality  
The air quality of the office is ensured by cleaning the air conditioning and ventilation system, effectively operating the air filtration system, and testing the fresh air volume, inhalable particulate matter and the number of harmful germs in the air supply.
3. Ensuring Building Sewage Discharge Compliance  
Regularly clean water tanks, septic tanks and other related equipment, conduct third-party professional testing at least once a year, and obtain a sewage discharge report.
4. Ensuring Building Gas Emission Compliance  
Regularly replace the air purification filter material to ensure that the gas emission meets the national standards.

# DC Holdings 2023

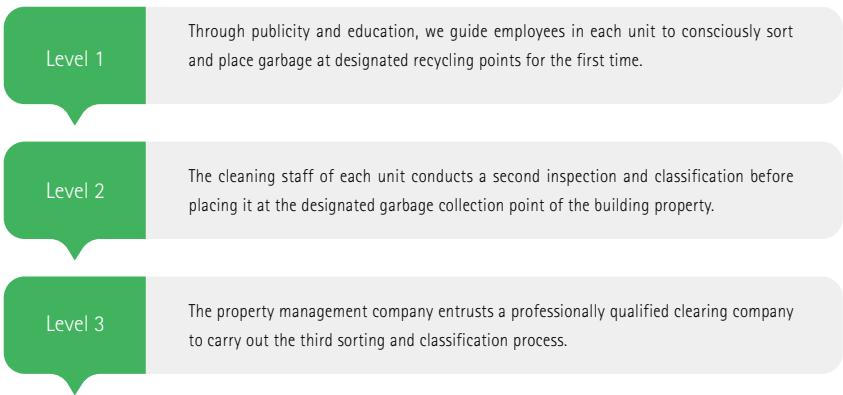
## Environmental, Social and Governance Report

### Protecting the Ecological Environment and Maintaining Biodiversity

#### Practices to protect the environment

- Environmentally friendly furniture is used in the office environment and dining environment to avoid air pollution
- Actively respond to the garbage classification policy

Place different types of trash bins in office and other areas for separate collection and processing of various types of waste, minimizing environmental pollution. For example, the Digital Technology Plaza in the Beijing District implements a three-level management method for waste classification.



#### The Group's Digital Technology Plaza in Beijing implements three-level management measures for garbage classification

- **Waste Management in Work and Life**  
Solid and hazardous waste generated at offices are cleaned and collected by each department at all times and delivered to designated locations. Kitchen waste and used oils are managed by selected disposal units of the sanitation department and treated centrally. The solid waste generated during logistics services is collected by workplace personnel before the end of each day and placed in designated bins according to classification markings.

2023	liters/year	Estimated tonnage
Overall garbage	2,765,448	1365

# Environmental, Social and Governance Report

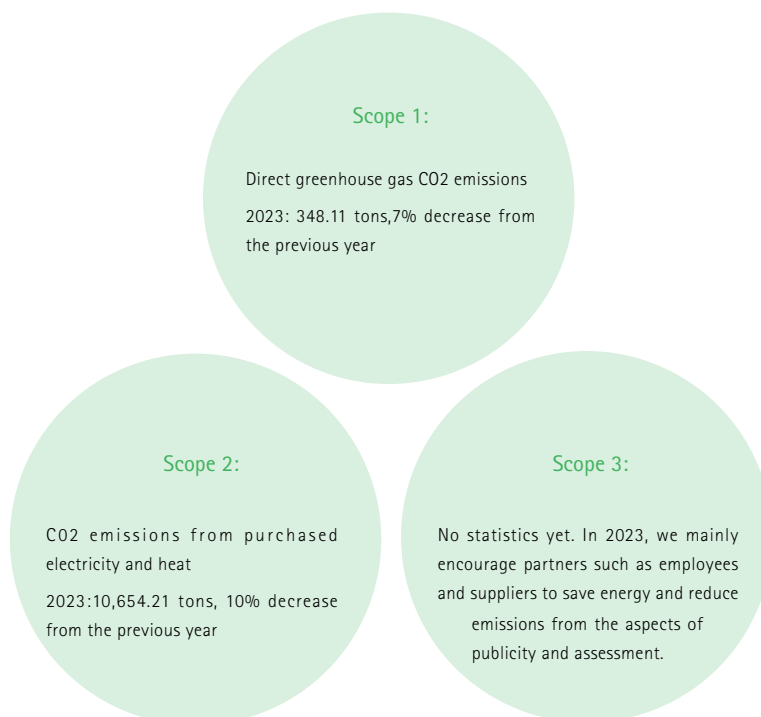
## Biodiversity Maintenance Practices:

- On the 2023 Arbor Day, some of the company's parks organized enterprises to carry out tree planting activities, which increased the initiative of individual ecological protection.
- Hire a professional greening company to maintain the greening of the park.
- Continue to increase investment to upgrade and replant the existing green plants in the park.
- Intensify publicity efforts, post warm reminders in the building, and promote biodiversity through WeChat groups.

## Steady Progress Towards Carbon Neutrality

As of 2023, several subsidiaries of the Group have obtained the "carbon neutrality" certificate and the ISO5001 Energy Management System Certification, marking an important step towards the goal of "carbon neutrality".

In 2023, the direct greenhouse gas emissions (Scope 1) was 348.11 tons, including fixed source combustion (such as natural gas usage) and mobile source emissions (fuel consumption of gasoline and diesel in logistics business-owned transportation vehicles). The net greenhouse gas emissions (Scope 2) due to purchased electricity and heat were 10,654.21 tons, primarily used for the operation of the Company's data centers, logistics warehouses, maintenance sites, and main office locations. The total greenhouse gas emissions (the sum of Scope 1 and 2) were 11,002.32 tons, a reduction of 1,204.82 tons compared to 2022, a decrease of 9.9%.



# Environmental, Social and Governance Report

In the last three years, the Group's performance related to carbon emissions are shown in the table below:

## Greenhouse gas emissions (mainly carbon dioxide CO2) and major wastes

Emissions & Waste Type	For the year ended 31 December		
	2023	2022	2021
Total Greenhouse Gas Emissions (tons)	11,002.32	12,207.14	13,808.03
Direct greenhouse gas emissions (tons)	348.11	374.10	431.83
Gasoline (liters)	7,395.43	14,324.30	22,184.68
Equivalent to greenhouse gas emissions (tons)	15.79	32.37	50.14
Diesel (liters)	22,776.33	29,787.72	40,297.28
Equivalent to greenhouse gas emissions (tons)	60.64	81.32	110.01
Natural Gas (m <sup>3</sup> )	121,028.00	120,438.00	125,648.00
Equivalent to greenhouse gas emissions (tons)	271.68	260.41	271.68
Total indirect greenhouse gas emissions (tons)	10,654.21	11,833.03	13,376.21
Purchased electricity (MWh)	12,337.39	13,647.90	15,435.44
Equivalent to greenhouse gas emissions (tons)	10,654.21	11,833.03	13,376.21
Greenhouse gas emissions per capita (tons/employee)	0.66	0.80	0.94
Hazardous Waste (tons)	1.00	1.00	1.00
Hazardous waste per capita (tons/employee)	0.00006	0.00007	0.00007
Amount of non-hazardous waste (tons)	1,365.00	1,280.00	1,250.00
Non-hazardous waste per capita (tons/employee)	0.08	0.08	0.08

### Remarks:

- Based on the nature of our business, the main gas emissions of our Group are greenhouse gas emissions, originating from the use of fuel and purchased electricity and heat from fossil fuels.
- Our Group's greenhouse gas inventory mainly consists of carbon dioxide. The greenhouse gas emissions data for the year ended December 31, 2023, are presented in carbon dioxide equivalents and are calculated based on the emission factors for the China regional grid baseline published by the Ministry of Ecology and Environment of the People's Republic of China in 2019, and the applicable coefficients in the Intergovernmental Panel on Climate Change (IPCC) national greenhouse gas inventory guidelines.
- Over the past three years, our Group's greenhouse gas emissions (including direct and indirect emissions) have been decreasing year by year. In 2023, the total greenhouse gas emissions decreased by 9.9% compared to 2022. The main reasons include the Company's gradual replacement of LED light sources, continuous implementation of various energy-saving and emission reduction measures, and the consolidation of some logistics warehouses, resulting in a reduction of about 10% in purchased electricity in 2023 compared to 2022.
- The consumption of gasoline and diesel mainly comes from the Company's own vehicles.
- The consumption of natural gas is mainly used for heating and other equipment in the Company's buildings.
- The types of hazardous waste generated in the operation of our Group's office buildings include waste toner cartridges and ink cartridges from printing devices, and waste batteries from some electrical devices. These hazardous wastes are managed centrally and handed over to qualified recycling units for recycling.



# DC Holdings 2023

# Environmental, Social and Governance Report

7. The types of non-hazardous waste generated in the operation of our Group's office buildings mainly include domestic garbage and non-hazardous office waste. Domestic garbage is handled by property management companies and kitchen waste recyclers, and cannot be measured separately. We estimate the office building's domestic garbage based on the "First National Pollution Source Survey Urban Domestic Source Emission Coefficient Manual" published by the State Council.
8. The number of employees in our Group over the past three years: 16,782 in 2023, 15,166 in 2022, and 14,744 in 2021. Over the past three years, due to the steady increase in the number of employees and the overall decrease in energy consumption, per capita energy consumption has shown a downward trend; per capita waste levels have remained stable.

## Energy consumption and use of water, steam, packaging materials

Index	2023	2022	2021
Total energy consumption (MWh)	13,799.21	17,264.53	18,964.13
Direct Energy Consumption (MWh)	1,461.81	1,630.10	1,869.45
Of which: Gasoline (MWh)	86.45	167.45	259.34
Diesel (MWh)	178.84	271.96	367.91
Natural Gas (MWh)	1,196.52	1,190.69	1,242.20
Indirect energy consumption (MWh)	12,337.39	15,634.43	17,094.67
Including: Purchased electricity (MWh)	12,337.39	15,634.43	17,094.67
Total energy consumption per capita (MWh/employee)	0.82	1.14	1.29
Tap water consumption (tons)	80,475.58	110,168.98	129,088.19
Tap water consumption per capita (tons/employee)	4.80	7.26	8.76
Steam Consumption (tons)	430.00	719.00	747.01
Steam consumption per capita (tons/employee)	0.03	0.05	0.05
Total consumption of packaging materials (tons)	15,179.00	23,122.00	25,244.00
Average consumption per order (ton/order)	0.00012	0.00013	0.00013

### Remarks:

1. Our Group's water source comes from municipal tap water supply. In 2023, the tap water usage decreased by 29,693.41 tons compared to 2022, a reduction rate of 26.95%. The main reasons are the consolidation of some warehouses in the ITL business and various water-saving measures implemented by the Company, resulting in a decrease in water usage.
2. The steam used by our Group comes from municipal heating units; the consumption of natural gas is mainly for heating and other equipment in the Group's buildings.
3. The consumption of gasoline and diesel by our Group mainly comes from the Company's own vehicles. In 2023, the consumption of gasoline and diesel further decreased, while the consumption of natural gas remained stable; the direct energy consumption decreased by 168.29 megawatt-hours compared to 2022, a reduction rate of 10.32%.
4. Due to the reduction in purchased electricity and the decrease in gasoline and diesel consumption in 2023, the total energy consumption in this year decreased by 20.07% compared to 2022. The energy consumption is calculated based on the consumption of purchased electricity and fuel, as well as the conversion factors in the IPCC national greenhouse gas inventory guidelines, the "General Principles for Comprehensive Energy Consumption Calculation," and the "Emission Factors for the China Regional Grid Baseline for the 2019 Emission Reduction Projects" published by the Ministry of Ecology and Environment of the People's Republic of China.
5. The packaging materials used by our Group are mainly packaging boxes used in the digital supply chain business, and the amount of wood boxes used is so small that they are not included in the statistics. In 2023, the order volume using packaging materials decreased compared to 2022, with a total decrease of 7,943 tons in packaging material usage, mainly due to the decrease in business volume of companies like Cainiao; the average packaging material consumption per order decreased by 5%, mainly due to various environmental protection measures taken by the Company.

# Environmental, Social and Governance Report

## 2.0 Society



## Society

### Support Employee Development

Equality and Inclusion  
Employment and Human Rights Protection  
Career Development and Training  
Partnership Spirit and Corporate Culture  
Occupational Health and Safety  
Work-life Balance  
Open Communication Channels

### • Support Employee Development

DC Holdings firmly believes that talents are an essential resource for the success of an enterprise and have played a vital role in the enterprise's development, rise, and transformation. The continuous success of DC Holdings is inseparable from the Company's professional ability and dedication of more than 10,000 employees. Therefore, we always adhere to the selection of talents guided by corporate culture and use corporate culture's power to unite employees and motivate every employee. The needs of our employees require a fair, equal, and conducive structure to attract more talents to join us. Here, every aspiring person can find a position that suits them, perform in this position, and achieve what one has set out to do while contributing to DC Holdings's development. The following will share the achievements of our Group in supporting employee development in the year 2023 from six aspects: equality and inclusion, employment and human rights protection, career development and training, occupational health and safety, work-life balance, and open communication channels.

### Equality And Inclusion

We strictly abide by national laws and regulations and the basic principles and rights at work of the International Labor Organization, do not force labor, do not engage in employment discrimination, and respect the freedom of associations and the rights of trade union negotiations. We prohibit child labor in our business and supply chain, and all employees must be of legal age where the company operates. We insist treating all employees and job applicants equally and appointing merit-based talents. According to the Group's relevant policies, every employee and candidate is treated fairly in terms of recruitment, training, promotion, transfer, salary, incentives, benefits, etc., and will not be affected by age, gender, physical health, marital status, family status, race, skin color, nationality and other factors.

We adopt different recruitment channels to attract talent. We also encourage talent referrals and believe in creating an environment where our people feel comfortable at work and able to unleash their full potential.

As of the end of 2023, the Group had a total of 131 employees from Hong Kong, Macao, Taiwan and overseas. At DC Holdings, equality and inclusion are crucial both commercially and morally, helping us build trust with employees, customers, and the communities we serve. We are committed to creating an equal and diverse working environment, recognizing and appreciating the unique experiences and capabilities of each employee, thereby encouraging innovation and practicing ethics. At DC Holdings, we consolidate our long-term commitment to equality and inclusion through a series of policies, mechanisms, and incentive measures.

# DC Holdings 2023 Environmental, Social and Governance Report



**Digital Intelligent Supply Chain Overseas Warehouse Staff Group Photo**

Both domestically and overseas, we are creating a more inclusive work environment for employees from various backgrounds and showcasing our diversity to customers and the public. This contributes to the thriving development of our business, community, and society. Our goal is to empower diverse groups to integrate into society and build an equal future.

## ***Employment and Human Rights Protection***

### **General Employment**

For employees in China, DC Holdings enters into employment contracts with its people in strict compliance with the requirements of the Labour Law and other pertinent laws and regulations in China and makes contributions to social insurance funds, including pension, medical, unemployment, work injury and maternity funds, and the housing provident fund for the benefit of its employees by the requirements of the national policies. The Company also provides employees with one free physical examination benefit every year. Those with outstanding performance, as shown in their performance targets, will be awarded annual bonuses.

For employees in Hong Kong, Macau, Taiwan or overseas areas, the Company also abides by all local laws and international standards to ensure fair treatment of all our employees.

DC Holdings focuses on core strategic areas, optimizes human resource allocation, controls recruitment, and strengthens process management to improve operational efficiency and value creation. The Company continues to increase investment in human resources and capital to stay competitive in technology research and core areas. The foundation of the recruitment process is fairness. Strict selection criteria for candidates include written examinations and multiple rounds of interviews. Additionally, upon employment, they are required to undergo training, assessment, and periodic comprehensive evaluations. To enhance the efficiency of talent acquisition and position matching, we have implemented various talent recruitment channels, such as employee referrals, campus recruitment, social recruitment, school-enterprise cooperative talent training programs, and internship initiatives. We have implemented regulations in crucial stages such as recruitment and employment, prohibiting the use of child and forced labor.

# Environmental, Social and Governance Report

## Case: New Talent Recruitment

- Overseas Internship Program: Attracted over 400 outstanding talents from both domestic and overseas to participate.
- Improving employment opportunities for the impoverished: Employed 43 employees from poverty-stricken areas.
- Collaborating with the Jilin Government for "Investment Attraction and Talent Introduction": Attracted over 50 well-known universities' talents to seek employment.
- School-Enterprise Cooperation for Talent Training: In collaboration with multiple schools in Changchun, we have cultivated students' live broadcast operation capabilities through internships and subsequent employment.
- Campus Hackathon: The contest has been conducted for three consecutive years since 2021, facilitating the discovery of high-potential talents.

## Overseas Internship Program

In 2023, DC Holdings launched its first overseas internship recruitment program, advancing our global talent strategy. Over 400 outstanding talents from home and abroad actively participated in the program, demonstrating the Company's emphasis on talent diversity and global perspectives. These interns have filled the Company with energy and creativity while demonstrating our commitment to diversity and inclusivity. We believe that these international talents will help the Company better adapt to global market changes and further promote the Company's sustainable talent development. Our program this year have seen applicants from universities all around the world, including Stanford, Imperial College, UC Berkley as well as here in Asia, including the University of Hong Kong, Peking University and Tsinghua University.

## Improving employment opportunities for the impoverished

The Company responds to the government's call and continues to make efforts in assisting key Groups with employment. By the end of 2023, the Company had cumulatively employed a total of 43 individuals from impoverished areas and completed the first declaration of tax exemption.

## Assisting Northeast China in Attracting Investment and Talent

In the second half of 2023, DC Holdings actively participated in the "Investment Attraction and Talent Introduction" activities organized by the Jilin Provincial Committee and the provincial government. The Company attended nine recruitment events in Shanghai, Zhejiang, Jiangsu, Anhui, Shandong, Tianjin, Guangdong, and other locations with the Jilin Provincial Party and Government delegation. These events created numerous key positions and provided excellent opportunities for Northeastern talents from the Yangtze River Delta, Pearl River Delta, Beijing-Tianjin-Hebei, and other regions to return home for employment. Hundreds of outstanding graduates and mature high-end talents from over 50 prestigious universities attended the recruitment consultation and application process. The schools included Tsinghua University, Peking University, Fudan University, Shanghai Jiao Tong University, Zhejiang University, University of Science and Technology of China, Nanjing University, Southeast University, Nankai University, Shandong University, Tianjin University, and Shenzhen University, accumulating a rich talent reserve resource for the Company's future development.



DC Holdings Collaborates with Jilin Government for "Investment Attraction and Talent Introduction" Event



# Environmental, Social and Governance Report

The talent drain in Northeast China has been quite prominent in recent years. To revitalize Northeast China, the Secretary of the Jilin Provincial Committee personally led a concentrated "Investment Attraction and Talent Introduction" activity, demonstrating the government's positive attitude toward talent resources. Jilin Provincial Committee Secretary Jing Junhai investigated the Company's development and recruitment progress during the activity. He praised the Company's business expansion and talent attraction efforts and expected it to show more development space and contribute to Jilin's economic revitalization.

## Building a New Model of School-Enterprise Cooperation

The Company has conducted in-depth exchanges in Jilin with over 10 universities and has established talent output channels in relevant departments of universities such as Northeast Normal University, Jilin University of Finance and Economics, Jilin Agricultural University, Changchun University Tourism College, Changchun University Guanghua College, and Jilin Animation Institute. We have established internship and employment training bases for college students diversely. Our initiatives include e-commerce live broadcasting operations' digitized talent internship program, the customized digital talent training program for third-year students, employment recommendations for fourth-year students, and priority hiring of outstanding graduates. These efforts aim to continuously cultivate practical talents for the Company.



DC Holdings E-commerce Digital Talent – Intern Recruitment Lecture

The school-enterprise cooperation project has currently held 5 large-scale talent dual selection fairs, with nearly 300 students attending and registering. A total of 83 people participated in online and offline interviews, and 23 have been employed. Several universities have expressed their desire to sign cooperation agreements with our Company and reach cooperation in areas such as cultural exchange, internship base construction, industrial college establishment, experimental base construction, technological achievement transformation, smart campus construction, and talent sharing and utilization.

## Continuously Promoting Campus Hackathon

Based on the successful hosting of the first campus hackathon of DC Holdings in 2021, the third hackathon in 2023 has created new milestones. With the theme of "Winning the Future with Intelligent Data," this competition aims to discover high-potential talents and high-quality projects from key universities in the era of the digital economy, attracting the attention and support from renowned universities, faculty, and industry leaders. Since its inception, the hackathon has garnered widespread attention and established itself as a benchmark event in the field of campus technology competitions. Many students strive to compete and achieve top results. The winning teams receive not only generous prizes, but also the opportunity to meet with company executives, conduct internships, and receive early admission offers.

In addition, DC Holdings has also set up an innovative ecosystem incubation fund. For outstanding teams and entrepreneurial projects in the competition, DC Holdings is willing to support exceptional students through funding, giving them a chance to realize their aspirations.

# Environmental, Social and Governance Report

## Compensation And Benefits

We foster a performance-oriented corporate culture, with the goal of motivating employees, constantly improving their work enthusiasm, creativity, sense of ownership, and team cohesion. To attract and retain outstanding talents and ensure sustainable development, the Company has established a mechanism to recognize our people based on their performance and our fixed and variable pay compensations for different positions. Additionally, we have introduced a long-term incentive mechanism through equity incentives.

Our remuneration is tied to our "3P Compensation Approach," in which employees' pay is developed according to Position, Person, and Performance. We aim to offer fair and competitive salaries to our employees. Fixed and variable income would be regularly reviewed to support gender equity, changing the working environment, and complying with changing laws and regulations. To cope with the evolving talent and organization needs, we would also optimize our benefits portfolio to ensure it stays competitive and comprehensive.

Non-financial rewards attract, engage and retain our employees. Cash and benefits are generally intrinsic to our employees, and we offer a wealth of learning and development opportunities to help employees' career development and stabilize the organization's human resources.

In addition, we regularly recognize our employees who have contributed to the organization. For example, the Company has established awards such as "The outstanding Contribution Award," "Innovation Award," "Owner Award," "Excellent Employee," and "Excellent Manager" to publicly commend outstanding teams and individuals. Since 2022, we have added several awards, including "Excellent Partner" and "Excellent DC Elite Students," to encourage partners to innovate, take responsibility, and fully embody the spirit of partnership.



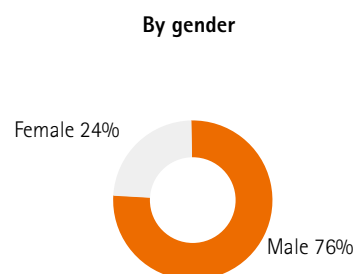
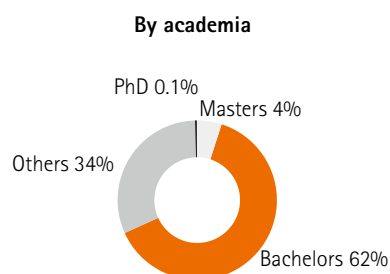
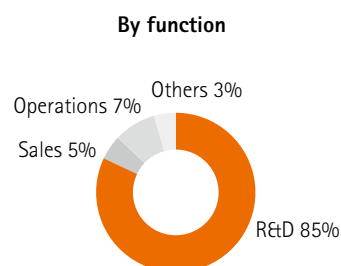
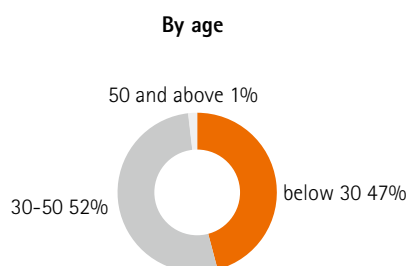
Photos of recognized employees

# DC Holdings 2023 Environmental, Social and Governance Report

## Employees Overview

As of the end of 2023, the number of employees of DC Holdings was 16,782, an increase of about 10% compared with the number of 15,166 in the same period of 2022. The staff has mostly stayed the same, and the business development is stable.

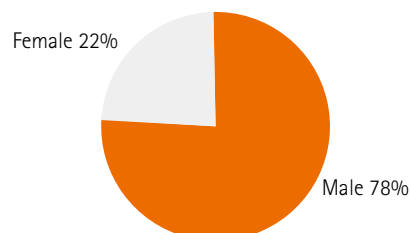
In 2023, the division and proportion of employees of DC Holdings by age, profession, education, and gender were as follows:



### Remarks:

All of the above are full-time employees; for temporary employment due to business or project needs, the Group will cooperate with human resources companies to use outsourced personnel.

Among them, the proportion of senior executives by gender is as follows:



# Environmental, Social and Governance Report

## Employee turnover and dismissal

There are various subjective and objective reasons for the departure and turnover of employees, and we are committed to ensuring that all withdrawals are handled consistently. When dealing with any resignation, we respect the rights of company employees and fully comply with the requirements of local laws and regulations.

For capable employees, the company will try its best to retain them and reduce the rate of churn. Suppose the work behavior of individual employees violates our rules and regulations and local laws and regulations. In that case, the company will take disciplinary action, report criticism, dismissal, or even transfer to judicial authorities, etc., depending on the situation.

In 2023, the overall **employee turnover rate of the Group was 21.97%**, a **drop of 4%** from 26.13% in 2022, which ensured the stability of the company's talents to a certain extent.

The comparison of turnover rate according to different classification standards (see table below) shows that the mobility of technical and sales personnel grouped by professional position is relatively high. The mobility of employees under 30 is relatively high by age group; the mobility of male employees is more elevated when grouped by gender.

Criteria for division		Turnover rate
By function	Sales	27.05%
	R&D	22.10%
	Operations	18.18%
	Others	17.57%
By gender	Male	22.53%
	Female	20.14%
By age	Below 30	25.25%
	30 - 50	18.93%
	50 and above	13.66%
By region	Mainland	22.07%
	Hong Kong, Macao, Taiwan and overseas	6.43%

## Female Employee Care

Women occupy a more significant position in the workplace and daily life in modern society. DC Holdings has specifically established the "Wonderful Outstanding Women Club" (WOW Club) to better support women's growth and potential. This platform seeks to unite outstanding women from the Company and other sectors of society, offering them a space for communication, education, and personal development. The club strives to promote progress for women in all fields, including career success, family harmony, personal growth, and global awareness.



# DC Holdings 2023 Environmental, Social and Governance Report

As stated in the WOW Club recruitment order:



*This club welcomes people of all ages, levels, and positions, with the only restriction being gender.*

*To apply for membership, you need to demonstrate exceptional achievements in a specific field.--*

*Outstanding Achievements*

*Independent Leadership*

*Expertise in a Specific Field*

*Exceptional Talent*

*Regardless, you must strive for excellence::*

*Strive forward and never give up!*

*Reject internal conflicts and refuse to settle for a mediocre life!*

*Be courageous in exploring the unknown and daring to challenge yourself to become a better version of yourself!*



In addition, the Company provides benefits for female employees:

- Equal career development and promotion opportunities
- Equal welfare and benefits
- Paid maternity and parental leave
- A warm and private space for breastfeeding women

In 2023, the Company promoted 609 employees, including **196 females**, accounting for **32%** of the total promotions. The percentage exceeded the overall proportion of female employees, which stands at 24%.

# Environmental, Social and Governance Report

## Development And Training

### Career development channel

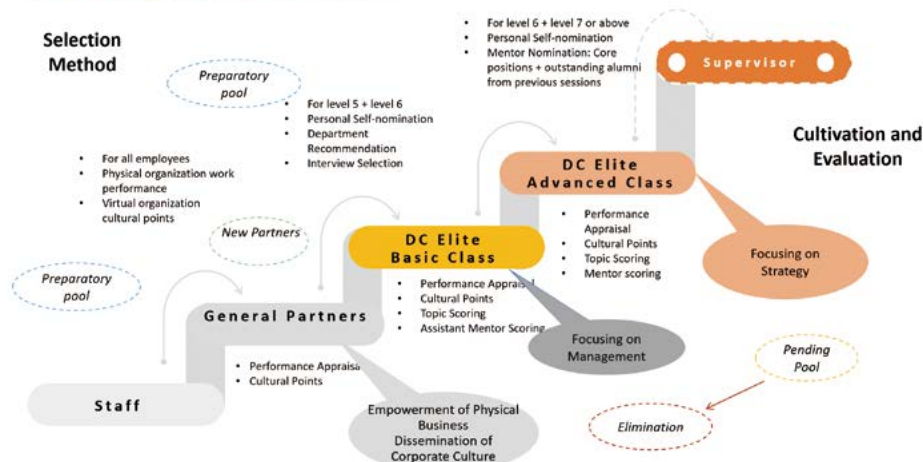
At DC Holdings, we believe that talents are the most valuable resource of a company. To help employees effectively plan their careers, improve their professional ability and long-term work performance, as well as help the company effectively plan human resources, improve organizational capabilities and meet the company's strategic development needs, the company has established dual career development channels for employees, namely professional channels and management aisle. Through annual comprehensive evaluation and talent inventory, we will invest more resources and provide a higher platform for outstanding employees, allowing them to take on more job responsibilities, reach higher jobs, and exert more excellent value. We encourage employees to take the initiative to plan their career development and provide opportunities to develop upward in the channel, transfer between different positions in the track, and switch career development channels with the needs of the company and departments. We also provide a variety of forms for employee development, including training, giving challenging jobs, job rotation, joining the company's virtual organization to get more exercise opportunities, etc.

When evaluating employee promotion and issuing cadre appointments, we generally consider the following factors:

- Work performance of employees: We evaluate the work performance of employees in physical and virtual organizations, including values, work efficiency, sense of responsibility, teamwork spirit, innovation ability, etc.
- Employee skills and experience: We assess our employees' skills and experience to ensure they can perform in new positions.
- Departmental needs: We assess the personnel needs of each department to ensure that the promotion of employees will not hurt the company's operations.
- Fairness and justice: We adhere to the principle of fairness and justice to ensure employees' promotion opportunities are based on their performance and ability
- Career development needs of employees: We pay attention to the career development needs of employees to ensure that they are willing to improve their functional responsibilities and have the opportunity to achieve their career goals.

The comprehensive evaluation of these factors helps the company make fair and reasonable employee promotion decisions and provides employees with a complete career development channel.

### Elite Team Advancement Path



Elite Team Advancement Path

# Environmental, Social and Governance Report

Through the unique talent training mechanism, the Company provides a channel for like-minded employees to give full play to their intelligence and wisdom. It also provides a broader development space and platform for outstanding talents to stand out. In addition to the structure of the physical organization of DC Holdings, we also have some virtual organizations. They can break the departmental and business boundaries, have unlimited imagination, synergy, and creativity, and empower the physical organization. "DC Elite" is the representative of these virtual organizations.

## Management Talent Development Mechanism – "DC Elite"

"DC Elite" was created in 2019, aiming to select management elites, build and improve the talent management system, cultivate the Company's future management pool and create an elite team with a common philosophy and values. "DC Elite" mainly adopts a project-based learning and mentorship model, with project topics as a focus. During the implementation of specific projects, it imparts trainees about the Company's advocated management philosophy, values, and cognitive thinking methods. Exceptional individuals are identified and developed during the project implementation phase. Mentors are senior executives of the Company, and trainees are middle and senior management selected through multiple rounds. The project topics cover practical projects related to the company's strategic direction, business innovation, organizational transformation, and talent strategy.

In 2023, the "DC Elite Phase III" model is further upgraded, with a more advanced classification and focus on the trainees. It becomes more practical by setting up basic classes and advanced classes, providing platform to employees with different starting points with their own opportunities to show their talents. The project training adopts a mixed-class system for both advanced and basic classes to jointly promote topics. On one hand, it enables different business units to interact through sufficient strategic communication, forming a high ideological and cognitive consensus, thus jointly promoting the implementation of strategy and organizational change. On the other hand, it also allows trainees from both classes to learn from each other and make progress together during the collaboration. In order to facilitate the rapid development and improvement of basic classes, the Company appoints four teaching assistants from the exceptional students of the previous two "DC Elite" to offer one year of specialized instruction. Additionally, it establishes a range of training formats, including a "junior class salon" and "one-on-one assistance from seniors," to comprehensively shape the management capabilities of basic classes.

"DC Elite" has formed a relatively mature and systematic operation mode through continuous exploration and practice. Following the success of the "DC Elite" model, the Company's professional lines have begun to learn from and imitate it. The Company has successively launched innovative talent development programs, including "DC Geek" for technical experts, "DC Finance" for financial professionals, and "DC Talent" for human resources specialists.



"DC Elite Phase III" Graduation Ceremony – Advanced Class Group Photo

# Environmental, Social and Governance Report



"DC Elite Phase III" Graduation Ceremony – Basic Class Group Photo

With "DC Elite" as the core of its talent development model, the Company has not only innovated the traditional concept of talent development, selection and training mechanisms but also promote cultural dissemination and implementation.

**Firstly, from the perspective of talent selection, "DC Elite" is conducive to comprehensively assessing and identifying talents.** The Company's management believes that excellent talents are consistent in words and deeds and can overcome obstacles. "DC Elite" serves as a training ground for practical experience and a platform for showcasing abilities, resembling a rigorous abilities training camp as well as a marathon with multiple tasks and a long duration. It incorporates the management's evaluation criteria for talents. A group of outstanding talents who align with the company's corporate culture and core values have been promoted and rotated into key positions.

**Secondly, from the perspective of talent cultivation, "DC Elite" facilitates rapid consensus-building and mental unification.** "DC Elite" is a process of assimilating management philosophies and values rather than a simple skills training program or a regular knowledge-sharing session. Trainees communicate frequently with executive mentors during project execution, breaking conventional thinking patterns. They learn and understand their mentors' problem-solving perspectives and approaches, while constantly improving their own thinking, positioning and work methods. They then apply, validate, and reflect on these enhancements during the project's implementation phase.

**Finally, from the perspective of cultural implementation, "DC Elite" members can well demonstrate the effect and spread the culture.** Each "DC Elite" trainee performs multiple roles and tasks in addition to their regular work, reflecting the Company's advocated entrepreneurial spirit and dedication. This influence extends to more colleagues, enabling the rapid and effective dissemination, promotion, and implementation of the corporate culture, thus providing a continuous source of new energy for the company's development.

## Staff Training and Development

As a company that strives for innovation, DC Holdings ensures that sufficient resources are allocated annually to provide various employee training. The design of our training system matches the career development path of employees in the company. The purpose of all training course design is to start from job responsibilities, to help employees be more competent at the corresponding development stage, and to improve better and develop faster. We organize critical new employee training so that they can better understand the company's business status, strategic goals, development history, and corporate culture and enhance employees' sense of cultural identity. Each company's business department designs and conducts professional business according to needs. We also use the online learning center to provide general skills training to help employees improve their functional ability and efficiency and enhance their professionalism. At the same time, employees can take the initiative to apply for professional skills training, management skills training, and professional certification examinations provided by external training institutions.



# Environmental, Social and Governance Report

Targets		Training Content				
		Leadership Quality Training	Professional Skills Training		General Skills	Corporate Culture
Level 8 and above						
Level 7	Level 7	Senior Management Training	Time Management Seminar	Professional Skills Training for Each Position	Partner Lecture Series	Introduction Training
	New Level 7	New Level 7 Training				
Level 6	Level 6	Middle Management Training	DC Elite Leadership Training	DC Finance Camp	Senior Architect Training	Financial Marketing Personnel Certification
	New Level 6	New Level 6 Training				
Level 5	Level 5	Middle Management Training	Project Manager Alliance	Intern Training Camp	Introduction Training	Core Business Introduction
	New Level 5	New Level 5 Training				
Level 4		Grassroots Management Training				
Employees	Employees					
	New Employees					
	Campus Recruits					

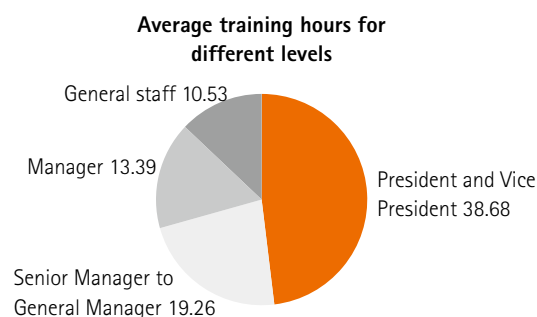
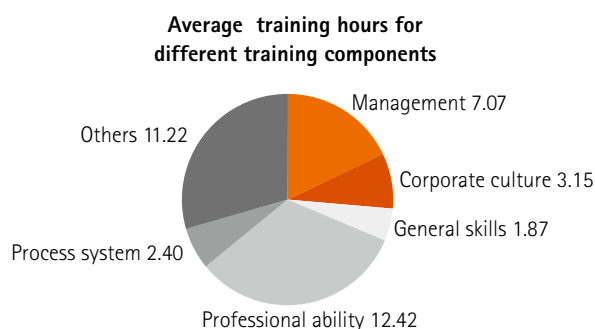
Training System Overview

## New Employee Integration Mechanism

In addition to the standard "orientation" training, the Company has implemented Buddy and Mentor mechanisms to assist new employees in adapting to the workplace and enabling their better integration into the organization. The Buddy is mainly responsible for guiding new colleagues to familiarize themselves with the company's organizational structure, department and work environment, as well as to assist them in resolving work problems, alleviating frustration and awkwardness, and increasing their loyalty to the Company. The Mentor's main responsibility is to guide the development direction from the perspective of the Company's strategic level and development direction.

## Employee Training

In 2023, the total learning time of the company's employees exceeded 186,000 hours, with senior executives investing 390 hours in training as lecturers, and the overall employee training participation rate reached 94%. The training content covers leadership training, corporate culture training, general skills training, professional ability training, and process system dissemination, etc. We have organized special topics such as partner sharing, team management, new employee onboarding training, and financial management. The average training time per person was about 11.95 hours, 2.6 hours more than in 2022. In 2023, DC Holdings paid more attention to the improvement of employees' professional skills. The average training time for professional skills training increased by 3.67 hours compared to 2022, which improved employees' professional skills and enhanced work efficiency.



# Environmental, Social and Governance Report

## Executive Training

On the one hand, the Company provides project-based practical training to its core management team through organizations such as "DC Elite". On the other hand, the Company organized a special strategic management seminar in May 2023, with the Chairman and CEO Guo Wei serving as the instructor. More than 60 members of the core management team received training over the course of three days. The training focused on strategy and strategic management, with in-depth discussions and learning across three dimensions: "Strategic Design," "Strategic Execution," and "Strategic Review." Everyone reached a consensus on strategic layout, focusing on problem-solving through iterative discussions.



DC Holdings Board Chairman and CEO Guo Wei Conducts Strategic Management Seminar Training for Executives

## Partner Spirit and Corporate Culture

For over two decades, DC Holdings has adhered to the original aspiration and mission of "Digital China," upholding the principles of "leading in concept, technology, and practice." Guided by the values of "Customer success, value creation, excellence, and mutually beneficial outcomes," the Company is committed to becoming a leader in big data technology. In the era of the digital economy, to achieve this mission and vision, the company has been continuously innovating and accelerating transformation in organization, talent, and mechanisms guided by the spirit of "second entrepreneurship".



# Environmental, Social and Governance Report

## "DC Partner"

The partner program aims to create an equal stage without limitations for outstanding talents, continuously promote the company's transformation, and continue to lead. The definition of "Partner" is Trust, Responsibility, Equal, Passion, Novel, Action, and Result. Through the "DC Holdings Partner Program," the Group has opened up new channels for employees' careers, enabling them to participate more deeply in the company's operation and management, and partners can dare to think and do. After you are willing to spend time and energy, share, and achieve with others, you will grow, get support, get motivated, and get promoted. The partner organization can enable each partner to share the dividends of the company's development in the long run.

Since its launch in 2021, the Company has held five seasons of the "Partner Co-creation Competition", targeting four key areas of "business opportunities, market value, culture, and talent". Each area is represented by a separate track, with different scoring criteria determined by the company's cultural values. The competition has well mobilized the enthusiasm and participation of partners, fully interpreting the spirit of proactiveness, willingness to take responsibility, embrace of change and team spirit.

In 2023, the company further elaborated on the profile of partners and detailed the evaluation criteria and scoring details for partners. During the launch event, outstanding "Excellent Partners" from the previous year were recognized and their stories were shared.

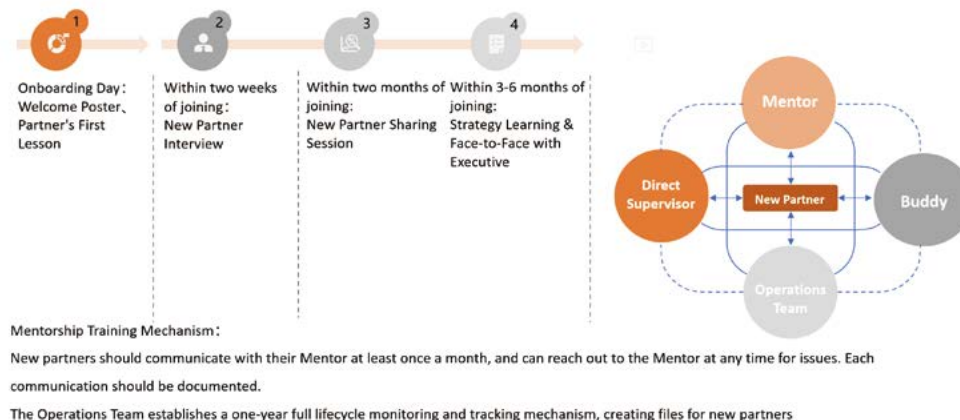
The "DC Partner" has made the company's culture and values tangible through various activities, providing employees with behavioral benchmarks to improve. The program has initially played a dual role in material and spiritual incentives, encouraging partners to reach consensus, co-create, co-govern, and share through the design of the partner organizational structure and operational model. The "DC Partner" is also conducive to further driving organizational change and innovation. Since exploration and innovation in the physical organization have a high trial-and-error costs, virtual organizations can iterate quickly and efficiently, summarizing experiences and providing problem-solving methodologies to the physical organization. Meanwhile, virtual organizations can mobilize and coordinate multiple resources more efficiently, truly solving practical problems, effectively empowering the physical organization. By driving change in physical organizations through the development of virtual organizations, the company ultimately achieves a harmonious integration of virtual and physical, aligning knowledge with action.



2023 Partner Kick-off Meeting

# Environmental, Social and Governance Report

To facilitate the rapid integration of new partners into the company, the company has established a full lifecycle observation and empowerment mechanism for new partners. This enables them to quickly learn and understand the company's business and culture, allowing them to maximize their value in their roles.



## New Partner Full Life Cycle Observation and Empowerment Mechanism

### Co-building "Double 11"

Co-building "Double 11" is one of the distinctive corporate cultures of DC Holdings and a true reflection of the partner spirit in practical business operations. As a third-party logistics service provider in China with the "Double 11" experiences in China, ITL faces numerous opportunities and challenges during this event every year. To embody the partner's spirit of positive progress, courage to take responsibility, embrace change, and team spirit, as well as ensure the successful completion of the "Double 11" task, all partners and employees from various functional departments actively sign up each year to support warehouses across the country. They immerse themselves in the front line of the warehouse, eating, living, and fighting with the front-line warehouse employees.

The annual "Double 11" support has become a major team-building event for DC Holdings. It not only ensures the successful completion of ITL logistic tasks but also promoting communication and exchange between departments. Moreover, during the support process, employees gain a deeper understanding of the warehouse workflow and actively contribute ideas and suggestions, which leads to the optimization of business processes.



2023 "Double 11" Badge

2023 "Double 11" Kick-off Meeting



# DC Holdings 2023 Environmental, Social and Governance Report

## Fighting together for Two Decades

Since its establishment, DC Holdings has traversed over more than twenty years. The veteran employees who have been with the company for 20 years, have shouldered countless challenges and witnessed innumerable moments of growth. Every year, the company expresses its sincerest respect and gratitude to employees who have been with the company for ten to twenty years. The Company's continuous growth and success can be attributed to the diligent efforts and constant dedication of its workforce.



Photo of Employees with 20 Years of Tenure

## Occupational Health and Safety

The day-to-day operations of DC Holdings involve computer applications and paperwork documentation conducted in the office. While such activities do not involve significant risks against occupational safety and health, we are nevertheless committed to the protection of the occupational health and safety of employees. We have formulated an occupational health and safety policy to protect staff health and safety effectively. An affiliated company of DC Holdings has obtained the "ISO45001 Occupational Health and Safety Management System Certification".

According to the "Social Insurance Law of the People's Republic of China," the Group provides employees and their families with various health and safety-related insurance benefits, namely medical, commercial, accident, life, etc. We cooperate with professional medical institutions, provide employees with online consultation services for private doctors, and provide special insurance coverage for COVID-19 for employees who worked overseas during the epidemic. It better protects employees' health and improves their ability to cover risks. Only by enhancing and guaranteeing employees' occupational health and safety can productivity be effectively improved to achieve a win-win situation for both the organization and the employees.

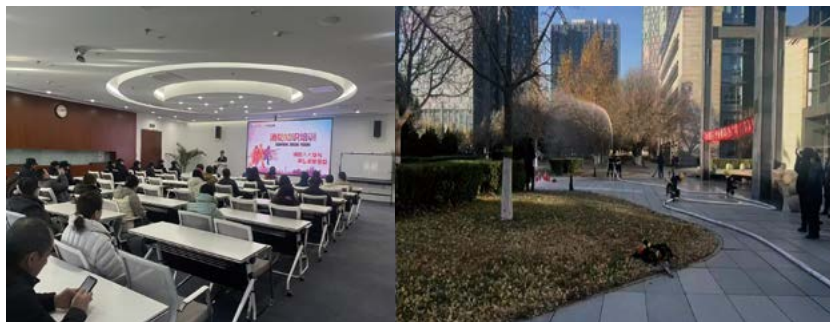
The Digital China Employee Mutual Aid Foundation was established in 2008, effectively solving the difficulties of employees' sudden major diseases and accidental injuries. In 2023, through the Employee Mutual Aid Foundation, we will continue to implement the warm-hearted project to serve the needs of employees, actively help construct harmonious labor relations, and improve the employee happiness index. With the strong support and participation of employees, in 2023, **7,412 members** joined the Employee Mutual Aid Fund, collecting membership fees of 889,400 yuan. In 2023, 9 cases of employee compensation applications were reviewed and approved, and **six instances of employee assistance were completed**, with a total of 87,200 yuan in claims.

In 2023, there were **no work-related fatalities** in the Group, and 12 work-related injuries resulted in a loss of 1,464 working hours.

We strictly abide by the laws and regulations regarding occupational health and safety where we operate. All staff is provided with necessary health and safety guides at our work premises. At the same time, regulations and measures for administering occupational health and safety contingencies have also been formulated. Employees are provided with a high-quality working environment.



# Environmental, Social and Governance Report



2023 Company Fire Safety Training and Exercise

- Air purification: fresh air purification systems are installed in office buildings, air purification filter materials are regularly replaced, and air-conditioning terminal equipment is cleaned and disinfected to ensure high-quality air in the office area
- Water safety: To ensure the safety and quality of drinking water and avoid secondary pollution, the pure bottled water in the office area has been changed to nanofiltration direct drinking water, and the brand has been selected from leading domestic enterprises
- Security and firefighting: equipped with 7\*24 security guards and regularly maintain firefighting equipment and first aid equipment, as well as fire drills
- Amateur fitness: The gymnasium in the office building is open for free, with rowing machines, spinning bikes, table football, and other fitness facilities, encouraging employees to pay attention to health and keep fit after work
- Caring and caring: We have set up a warm private space for breastfeeding female employees on each floor and sent a special caring
- Emergency Response: In 2023, the Company's administration department invited the Beijing Red Cross to train employees for 8 hours in cardiopulmonary resuscitation and trauma first aid. The Beijing Red Cross issued first aid certificates to 16 employees who participated in the training



Red Cross emergency rescue training

# Environmental, Social and Governance Report

## Work-Life Balance

In a diversified cultural environment, we encourage a culture of work-life balance. Encompassing the concept of "focusing on employee care, cultivating the concept of health, enhancing employees' sense of belonging." We put great emphasis on employee cultural activities. We regard developing and enriching employee cultural and sports activities as essential to supporting the company's development. We established swimming fitness clubs, badminton and basketball ball fitness clubs, choirs, as well as outdoor family days, fun sports events, badminton individual competitions, basketball team matches, and software park table tennis team competitions. These activities enrich the cultural and sports life of our employees, allowing them to maintain a balance between work and life amidst their busy schedules, while also ensuring their physical and mental health and enhancing team cohesion. The following table shows the regular events and competitions organized in the most recent year:

No.	Category	Name	"Start Year"	Average Annual Participants (Total/ Operation Duration)	Operation Duration/ Number of Editions (As of 2023)	Participants in 2023	Cumulative Participants
1	Employee Club	Employee Swimming Club	2011	944	13	1042	12272
2		Employee Badminton Club	2011	750	13	750	9750
3		National Badminton Day Event	2012	660	8	/	5280
4	Employee Event	"Beijing Area Employee Badminton Competition"	2020	80	4	80	320
5		Soccer Team Competition	2011	114	5	/	570
6		Basketball Team Competition	2012	68	7	45	476
7		Employee Outdoor Family Day	2017	100	6	100	600
8		Employee Outdoor Health Week	2017	130	6	149	780
Total						2166	30048

Remark: Some events are held every 2 years, such as football and basketball, and some group activities have been suspended during the pandemic.



2023 Employee Family Outing



# Environmental, Social and Governance Report



2023 Employee Outdoor Sports Fitness Week



2023 Collective Birthday Celebration for Employees



2023 Company Badminton Individual Competition in Beijing

# Environmental, Social and Governance Report



2023 Company Basketball Team Competition

## Open Communication Channels

DC Holdings encourages dialogue on an equal footing between superiors and subordinates. This sound, harmonious, candid interpersonal relationship and communication maintains a pleasant and mutually trusted working atmosphere to form the foundation of efficient collaboration. We could achieve progressive development within the company. The Company has established comprehensive communication channels. The employees' direct superiors, departments, and human resources department assist employees in job satisfaction, labor protection, career psychological counseling, and grievance handling. The Human Resources Department is responsible for collecting employee suggestions, and they would evaluate and follow up promptly.

In 2019, we decided to hold quarterly staff meetings, through which the management could share updated corporate strategies and business performance with all employees. Our employees actively participated in the communication, expressed their interests in the Company's future development, and treated staff meetings as an effective channel to understand the Company's strategy and business conditions. The Company also followed up and gave feedback on the questions and suggestions raised by our employees, such as changing the staff meeting format and establishing a critical talent pool. Through staff meetings, the Company could effectively cascade corporate goals and allow employees to understand the Company's core values and mission better. Employees could further review and develop their careers within the organization. During the epidemic, the Company continues online staff gatherings. Employees actively participated and raised many questions online, and we could ensure continuous communication within the Company during the pandemic.



2023 Q3 Employee Meeting Q&A Session



# Environmental, Social and Governance Report

At the beginning of 2023, the "Jointly Win" – DC Holdings 2023 Kick-off Meeting was held in Yanqing, Beijing. This was the first time in three years that DC Holdings held an offline kick-off meeting, which was attended by more than 240 people from all over the country, and other employees also participated online. The meeting systematically reviewed and summarized the past work, deeply analyzed the existing problems, allowed closer interaction among the participants, and built consensus, ignited passion, and accumulated tremendous strength for future development. At the same time, awards and recognition were given to outstanding partners and the best teams. This conference has united people's hearts, aligned thoughts, and pooled strength. Simultaneously, during the meeting, the employees demonstrated a high level of enthusiasm and interest, asking questions frequently, and the company's senior executives addressed the issues that the staff were concerned about one by one.

On June 1, 2023, the "Original Blooming" – DC Holdings' 22nd Anniversary and the closing ceremony of the Digital Cloud Original Conference was held at the Digital Technology Plaza in Beijing. Nearly a thousand employees gathered at the Digital Technology Plaza, with 9 major venues and employees from various offices participating online. The company's senior executives and tens of thousands of employees gathered to celebrate this historic moment.



2023 Original Blooming Anniversary Celebration

# Environmental, Social and Governance Report



## Society

### Stimulate Community Vitality

Industry-Academia-Research  
Public Donations  
Rural Revitalization  
Technological Innovation &  
Artistic Integration

#### • Stimulate Community Vitality

Since its establishment, DC Holdings has not only focused on its own business development but has also consistently paid attention to its social responsibility as a community member, valuing the stimulation of community vitality. The following will share the company's efforts and achievements in supporting industry-academia-research cooperation, education, and poverty alleviation-related public welfare donations in 2023, as well as in promoting rural revitalization and integrating technological innovation with art.

#### *Assisting Industry-Academia-Research Cooperation*

For many years, DC Holdings has always paid attention to cooperation with universities and has established cooperative relationships with many well-known universities to carry out extensive research cooperation. DC Holdings also discovers and cultivates talents by hosting campus hackathons in cooperation with top domestic and foreign universities, allowing students in the ivory tower to gain exposure to actual corporate R&D work at an earlier stage.

#### *Exchange with Tsinghua University PBC School of Finance*

Financial technology and digital transformation have always been important topics of focus in the "Banker Advanced Executive Program" at Tsinghua University PBC School of Finance. In August 2023, before the start of the sixth module of the program, the participants of the fifth cohort visited a subsidiary of DC Holdings, which deeply engaged in financial digital transformation and had a discussion with industry experts on the trending topic of technology empowering finance.

# Environmental, Social and Governance Report



**Visit to DC Holdings' Innovation Center by Tsinghua University PBC School of Finance**

During the exchange session, Huang Wanzhong, Chief Data Officer of the subsidiary company and Vice Chairman of the DAMA International Data Management Association China, gave a presentation titled "The Digital Sewerage Project: Challenges and Evolution of Data Governance and Data Asset Operations." Starting with the concept differences in data governance, he provided an in-depth analysis of the development direction and trends of data management and governance in China. He also showcased key cases in the financial and energy sectors, and elaborated on the explorations made by relevant enterprises in the frontier field of data value assessment.

Currently, there are many challenges in China regarding data rights confirmation, data value assessment, data trading, and cross-border data circulation. However, under the guidance of relevant national regulations and in combination with mature theories from both domestic and international sources, the Company's Data Research Institute has made certain achievements in key aspects such as data asset inventory, data management framework construction, and data asset operation. These efforts have resulted in cost reduction, efficiency improvement, and the maximization of data value during the processes of data migration, construction, and application.

## Empowering the First Logistics Industry Vocational Skills Competition in Henan Province

In March 2023, with the empowerment of the KingKooData System independently developed by the Group, the first Logistics Industry Vocational Skills Competition in Henan Province was successfully held at Henan College of Transportation. A total of 12 enterprise teams and 24 school teams participated in the competition, and the KingKooData System was directly selected by the Organizing Committee of the competition as the designated system for the competition.



**DC Holdings' Technical Support for the First Logistics Industry Vocational Skills Competition in Henan Province**

# Environmental, Social and Governance Report

This will enable DC Holdings' technological products to be more widely popularized and applied. In the future, during actual teaching, the KingKooData System will also become the designated vocational teaching software for competition-based institutions and be integrated into the daily educational system. Learning to use this software product will become a standardized educational content in vocational skills training. This move will play a positive role in cultivating and assessing professional technical talents in the era of digital logistics and is an innovative practice within the Company's industry-academic-research application model.

This collaboration further extends the innovative model of "industry-academic-research" towards the "application" direction. It aims to implement innovative achievements into teaching practices at an earlier stage, empowering vocational skills education. By promoting the digital transformation and upgrading of enterprises from the talent source, the ultimate goal is to empower the development of the real economy at a deeper level.

## Public Donations

The Love Foundation of DC Holdings has been actively involved in various social public welfare activities, including earthquake relief, education assistance for poverty alleviation, and providing aid to those in need. Over the years, the foundation has donated funds, materials, and provided free services, totaling more than **52.7 million yuan** by the end of 2023. These efforts highlight the positive energy of the company's corporate culture and its commitment to social responsibility.

Donation Category	As of the end of 2023
Educational donations	1007
Anti-epidemic donations	2828
Earthquake relief	1327
Assisting the Vulnerable	116
total	5278

## Educational Assistance & Volunteer Services

Enabling children in poverty-stricken areas to receive an education is one of the main tasks of poverty alleviation work. It is also the means to block the intergenerational transmission of poverty. Since 2002, the Group has led its employees to jointly raise funds, established ten Hope Schools of DC Holdings in nine provinces, including Sichuan, Hubei, and Hebei, and has continued to pay attention to the development of Hope Schools, which have been maintained for nearly 21 years, accumulatively benefiting more than 15,500 students.

The Group's employees, who are enthusiastic about public welfare activities, actively participate in various themed volunteer actions, such as teaching assistance, elderly care, environmental protection, and epidemic prevention. Among them, in the Company's Hope Schools, caring volunteers involved in educational assistance have organized a total of 96 volunteer activities, contributing over 3,800 hours of volunteer service. In the future, the DC Holdings Love Foundation will establish a volunteer management mechanism to encourage more employees to participate in these activities.



# Environmental, Social and Governance Report

#	School Name	Completion time	No. of students	Operation Period (years) (to 2023)	Average class size	The cumulative no. of students benefited	No. of Volunteer Activities	Volunteer contribution Hours
1	Chengdu Fushun Hope Primary School	2002.6	270	19	34	1494	25	1000
2	Shanxi Lantian Hope Primary School	2008.1	42	13	14	210	10	400
3	Hubei Yanhe Hope Primary School	2003.1	210	20	26	1198	15	600
4	Hubei Badong Hope Primary School	2005.11	768	18	55	3573	4	160
5	Henan Cigudong Hope Primary School	2007.7	201	16	34	711	14	560
6	Qinhuangdao Hope Primary School	2007.8	308	16	39	2063	6	240
7	Neimenggu Sanjianfang Hope Primary School	2009.9	189	14	32	1021	2	80
8	Hubei Zhangshi Hope Primary School	2010.5	637	13	46	2845	6	240
9	Chaoyang Ershijiazi Hope Primary School	2010.9	326	13	33	1514	8	320
10	Fujian Yongtaitangqian Hope Primary School	2011.9	153	12	22	879	6	240
Total						15508	96	3840

Remarks: 1&2 Hope Primary Schools in Chengdu and Lantian were withdrawn and merged in 2021.

In addition, the ITL has also raised 172 sets of gifts, including backpacks, calligraphy brush sets, hats and gloves, thermos cups, footballs, basketballs, and table tennis rackets, which were distributed to the children of Zhengzhou Cigudong Hope Primary School in the form of "blind boxes".

## Digital Technology Empowering Rural Revitalization

Digitally empowering rural revitalization through digital technology involves quantifying, labeling, and empowering various agricultural assets (such as rural land contract management rights, collective economic equity, and homestead land use rights) using new technological means. This process aims to achieve "digitalization of agricultural assets" and then symmetrically distribute these assets in the form of "data" to both the supply and demand sides through rural property rights trading platforms. This facilitates the moderate concentration and orderly flow of rural production factors, revitalizes assets, discovers greater value, and promotes increased income for farmers and village collectives. Furthermore, by aggregating the supply and demand sides of production and service through a digitized platform for socialized services, industries can be empowered to improve quality and efficiency. In this process, financial resources are introduced to further empower industries, constructing a large-scale agricultural industry Internet and realizing the "digitalization of agricultural assets," thereby empowering rural revitalization. This can be achieved through a three-step approach.

The first step is to establish a solid data foundation, which is a prerequisite for the digitalization of agricultural assets. Under the DC Holdings, a joint laboratory called the "Big Data Foundation Joint Laboratory" was established in collaboration with the Big Data Development Center of the Ministry of Agriculture and Rural Affairs. After several years of development, the "National Agricultural Big Data Foundation Platform + Agricultural Data Resource Catalog System" was launched. With this platform and system, we can achieve the integration of data aggregation, computation, application, and services for agriculture and rural areas. It allows for the accumulation of data assets and facilitates the transformation of agricultural and rural big data resources into data assets, enabling the "integration, connectivity, governance, and utilization" of agricultural and rural data. Through "integration" and "governance," we can consolidate and process data resources scattered throughout various stages, establish a solid data foundation for rural revitalization, and break down data barriers to achieve efficient sharing and orderly distribution of data resources. Through information interconnection and intercommunication among different departments, levels, and platforms, we can empower the integrated development of the agricultural industry from pre-production, production, to post-production, and deepen agricultural services. Currently, this platform has begun to be promoted nationwide.

# Environmental, Social and Governance Report



## Agricultural and Rural Big Data Public Platform Foundation

The second step is to establish service scenarios. Data can truly become a new production factor and realize data assetization only when it is applied in specific scenarios. This allows farmers to find it useful and enables the self-sustaining and continuous operation of agricultural digital transformation. For example, the Tianjin Rural Property Rights Exchange, in which we participated in construction and operation, has completed a total of 12,041 rural property rights transactions from its official operation in 2016 to the end of 2022, with a total transaction amount of 22.324 billion yuan and a land transaction area of 1.5498 million mu. The market's cumulative bidding rate for rural property rights transactions is 34.01%, with a premium rate of 11.08%, **which has driven an increase in farmers' income of 1.06 billion yuan, benefiting approximately 256,700 households.** Another example is the case of the Single-Product Full Industry Chain Big Data. By constructing the Single-Product Full Industry Chain Big Data, it enables the comprehensive management of local specialized agricultural products throughout the entire process. It provides multi-dimensional services such as production, decision-making, quality traceability, and credit support for various agricultural entities, empowering agricultural industry development and promoting the development of "primary industry extension, secondary industry connection, and tertiary industry high-end". In recent years, we have undertaken 22 national and local single-product projects, including national projects such as apples, tea, rubber, oilseeds, and live pigs, as well as projects like "Pu'er Tea" in Yunnan, Jinning flowers in Yunnan, "King Crab" in Xuyi, Crayfish in Xuyi, "Tanyang Gongfu" tea in Fu'an, and broccoli in Xiangshui.



## Single-Product Projects Built by Subsidiary Companies

The third step is to introduce financial resources, which is a crucial factor for rural revitalization. The prosperity of industries is of utmost importance for rural revitalization, and it requires the infusion of financial resources. In the context of inclusive finance for agriculture, we have explored and launched the "Golden Bee" series of products, innovating a new model of "agricultural and rural scenario-based finance." Driven by new technologies and centered around unlocking the value of agricultural and rural data, we have

# Environmental, Social and Governance Report

collaborated extensively with governments at all levels, as well as various financial institutions nationwide. Together, we have explored models such as direct linkage between banks and farmers, direct linkage with agricultural insurance, village-wide credit granting, and agricultural industry chain finance, all aimed at promoting financial inclusion in agriculture. To empower rural revitalization through the integration of "data + finance," we are building a platform that aims to achieve the integration of asset contracting, bidding, winning bids, leasing, production, operation, and sales. The goal is to "reduce the financial burden on operators and minimize risks for financial institutions."

In the era of the digital economy, the disruptive innovation brought by the integration and innovation of "Digital Technology + Data Elements" will inevitably reconstruct new products, new models, and new business forms, release data value, and cultivate new engines and advantages for the digital economic development of various fields. In the field of rural revitalization, we have cooperated extensively and jointly innovated with governments and **more than 650 financial institutions** at all levels across the country, **serving millions of agricultural groups nationwide** and accumulating a wealth of innovative practices.

## Technological Innovation and Artistic Integration

DC Holdings Innovation Center adheres to the basic concept of collaborative innovation among technology, art, and design, driven by innovation and relying on the power of digitalization. It engages in space planning and management, exhibition display, design visualization, market activity coordination, brand image system management, cross-disciplinary integration of art and technology, and incubation and cultivation of technology and art talents. It is shaped into a platform that integrates DC Holdings' technological philosophy, innovative development, scenario applications, and practical achievements, serving as both a marketing innovation platform and a cutting-edge technology and art exchange platform. It harmoniously blends "information, ecology, intelligence" with "creation, development, sharing," empowering the digital development of enterprises.

As an important window for showcasing corporate brand image and business capabilities, the Innovation Center utilizes technologies such as intelligent interaction, VR, MR, etc., to create immersive and interactive exhibition experience spaces. It builds digital new scenarios, incubates talents in the intersection of technology and art, aggregates the latest strategies from various business ecological areas, and provides industry-specific exhibition solutions for corporate brands and businesses. The center presents the Company's leading concepts, cutting-edge technologies, and latest practices, helping the enterprise become a technology-leading big data and technology company. To date, it has hosted **over 8,000 visits** and successfully conducted multiple strategic releases and signing ceremonies.



DC Holdings Innovation Center Artwork Display

The Innovation Center also serves as an important showcase platform for cross-disciplinary activities in the fields of technology and art organized by DC Holdings. We actively promote excellent artistic culture and support the cultivation of young talents. We have established long-term and stable cooperative relationships with information colleges and art academies both domestically and internationally, attracting outstanding talents from home and abroad. We have set up funds, established prize pools, and built practical bases. Through organizing art exhibitions, trade shows, forums, lectures, salons, and charity events, we explore the unique aesthetic value of cutting-edge scientific and technological applications and contemporary art in China and support the growth and development of young talents. As of 2023, **we have organized nearly 200 events of various kinds and established cooperative relationships with more than 100 artists.**



# DC Holdings 2023 Environmental, Social and Governance Report



## Governance

Transparent and Diverse Corporate Governance

Innovative Technology, Leading the Future

Customer-Centric, Continuous Empowerment

Supply Chain Eco-System Cooperative Development

### 3.0 Governance

#### • Transparent and Diverse Corporate Governance

Good corporate governance is the safeguard for DC Holdings to achieve stable business operations and the basic premise for comprehensively preventing compliance risks. As a Hong Kong-listed company, we strictly comply with relevant laws, regulations, and supervisory requirements for listed companies, adhere to business ethics, practice standardized operations with higher standards, maintain the good reputation and image of the enterprise, and share the development and operational achievements with the Company's shareholders and all stakeholders.

#### *Corporate Governance Structure*

DC Holdings has established a governance structure consisting of the shareholders' general meeting, the board of directors ("Board"), the board committees, and senior management, strictly complying with the requirements of the "Hong Kong Listing Rules", "Corporate Governance Code", and the Company's "Bye-Laws". The Company exercises its authorities and duties strictly in accordance with the governance structure through resolutions of the shareholders' general meeting, the Board, the board committees, and senior management. In 2023, the general meeting, the Board, the board committees, and senior management all strictly complied with the standardized operational rules and internal systems for management decision-making and operational supervision. For detailed information on the Company's corporate governance, please refer to the "Corporate Governance Report" in the "DC Holdings 2023 Annual Report."

#### *Board Governance Structure*

As at the date of this report, the Board of the Company has established three committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, which are responsible for overseeing and inspecting the Group's affairs in specific areas and deciding on specific matters within the scope of the Board's authority. The Board provides advice and guidance to the management directly or through the board committees, including overseeing the Group's overall operations and financial performance, ensuring the effective operation of the Group's internal control and risk management systems, etc.

#### *Board Diversity*

The Company strives to promote diversity on the Board in terms of gender, culture, expertise, and other aspects. The members of the Board have extensive industry experience and professional capabilities in computer communications, business administration, telecommunications, network, economics and business management, auditing, taxation, law and other fields. The diversity of the Company's Board membership reflects the balance of gender, experience, background and expertise of the Board, which is conducive to enhancing the Board's comprehensive governance capabilities and insight capabilities, so as to make reasonable risk decisions and improve risk response capabilities.



# Environmental, Social and Governance Report

## Board Capability Building

The Company encourages members of the Board to participate in various professional skills enhancement and compliance training, including special training on national policies, securities market laws and regulations, operating mechanisms, corporate systems, environmental and social-related topics (such as climate change), etc., to enhance the compliance awareness and ability of Board members to perform their duties. In 2023, the Company provided relevant training materials for Directors to enhance their understanding of the latest developments in legislation, regulatory rules and corporate governance.

## Construct a diversified investor communication platform

In 2023, our Group launched a comprehensive and investor-focused communication platform. We have established robust dialogue and interactive feedback channels with investors across Mainland China, Hong Kong and overseas.

To augment investor relations and diligently protect the rights of investors in listed entities, ensuring comprehensive access to information, participation opportunities, and supervisory capabilities, the Group has instituted a suite of refined measures within its investor relations framework. These efforts are designed to enhance service precision and operational efficiency for our investors.

Firstly, the core management team highly values and personally participates in investor management and maintenance. The management engages in market communication through various means such as shareholders' meetings, investor open days, proactive visits to investors, capital market conferences, telephone meetings, luncheons, and internet platforms. They convey the company's strategic deployments, technological achievements, operational performance, and other special matters to dispel market doubts and maintain the company's positive brand image in the capital markets.

Secondly, synchronized value delivery to domestic and international investors enhances the brand's influence in the capital market. We organized two offline Investor Open Day events in Shenzhen and Kunshan targeting Mainland investors. These events facilitated cordial face-to-face interactions between the management and investors, addressing their concerns and creating a lively atmosphere with positive feedback. For Hong Kong and overseas investors, we proactively engaged in multi-channel and high-frequency online and offline communications to achieve efficient value delivery, which was highly recognized and recommended by renowned Hong Kong stock commentators. We also significantly expanded our media communication channels, with a total of 24,810 broadcast instances in 2023, further amplifying our market presence and investor outreach.

Thirdly, digitalization empowers investor relations management. This year, the Company launched the IR flagship store, IR WeChat account, and IR mini-program. These tools help us improve value output channels, accurately refine our highlights and broadcast our value. The Company utilizes AI to build investor profiles for targeted and personalized services across various investor and shareholder groups. We also establish traffic entry points and leverages big data analytics to swiftly disseminate information, gather market feedback, and expand market influence.



# DC Holdings 2023 Environmental, Social and Governance Report



Investors and analysts interact with the management offline in 2023

# Environmental, Social and Governance Report

## Internal Control and Risk Management

### Establishment and Implementation of Internal Control System

From the perspective of management objectives and internal control policies, DC Holdings has established a corporate management and internal control system covering all business segments of the Company's operations, including but not limited to social responsibility, human resources, funding activities, investment and financing management, procurement business, asset management, sales business, research and development, engineering projects, related party transactions, guarantee business, financial reporting, information disclosure management, budget management, subsidiaries management, and information system management. The Company builds a system platform and information technology system based on business processes. The Board bears the ultimate responsibility for the establishment, enhancement and effective implementation of the internal control system. Through the digital office system, DC Holdings links each business process node with the responsible person, achieving standardization and visualization of the entire internal control process. Since 2010, all the principal businesses of the Group have used the OA office system to achieve process approval control.

### Three Lines of Protection in Risk Management

Since 2016, we have updated our risk management and internal control policies and established a three-line protection system, identified the roles and responsibilities of different stakeholders in risk management and internal control. It emphasizes that the management of each business unit is mainly responsible for the department's risk management and internal control. Once any fraud is discovered, the management of the relevant department should immediately improve the monitoring procedures to prevent the recurrence of such incidents. The risk management and internal control department has a designated team to provide internal control and risk management support for each business unit. The internal audit department also conducts continuous audits of principal businesses, timely and systematically inspects violations, identifies risks, and improves fraud risk management and internal control effectiveness.

#### First line of protection Business management

Mainly composed of various business departments of the Group. It is responsible for daily operations and management, and designing and implementing relevant control measures to deal with risks.

#### Second line of protection Risk control

Mainly composed of the risk management functional departments of each business group. It is responsible for planning and carrying out the establishment of risk management and internal control system. It organizes, guides, coordinates and implements the risk information collection, risk identification, risk assessment and significant risk response implementation, etc. of each business group in accordance with the requirements of the risk management system and assists the first line of protection in establishing and enhancing its risk management and internal control system.

#### Third line of protection Independent audit

Mainly composed of the Group's internal audit department. It is responsible for supervising and evaluating the Group's risk management work and ensuring the effectiveness of the risk management and internal control system.

In 2023, the Group's risk management evaluation project team also comprehensively evaluated the Company's principal risks. The main risk assessment procedures include risk identification, risk assessment, and risk responding. Among them, the assessment of compliance & corruption risks covered all the principal businesses of the Group, and no significant compliance & corruption risks have been identified or assessed in the current period.



# Environmental, Social and Governance Report

## Compliance Management

To further strengthen the establishment of the compliance management system, establish a good business reputation, and enhance the Company's core competitiveness, in 2023, the Company's subsidiary passed the certification application and [obtained the ISO37001 Anti-bribery Management System Certification](#).

ISO37001 Anti-bribery Management System Certification is an international standard that ensures corporate compliance, enhances business ethics and obtains recognition from customers, suppliers, and related parties for the company's ethics and compliance by establishing an effective anti-bribery management system.

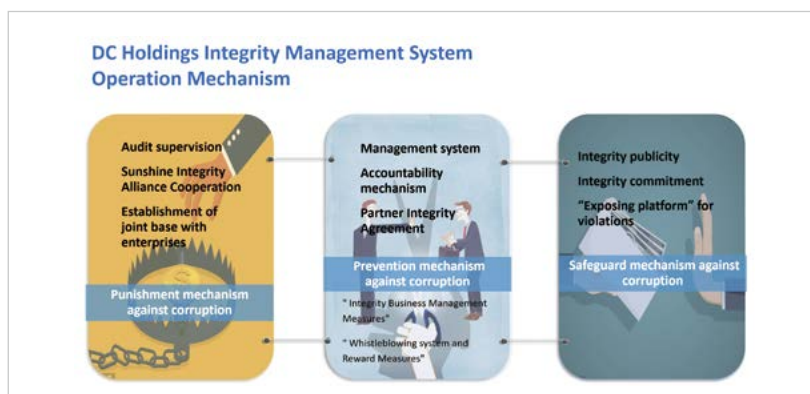


The ISO37001 Anti-bribery Management System Certification  
obtained by the Company's subsidiary

## Integrity Management System of DC Holdings

DC Holdings firmly believes that fairness, integrity, and cleanliness are the critical business assets of the Company. We strictly comply with relevant anti-corruption laws and regulations, advocate the values of integrity, enterprising spirit, collaboration and creativity. We have established a systematic anti-corruption and integrity system to detect and prevent corruption, bribery, or any other fraudulent activities, and continuously promote internal audit supervision and risk management. Although the Group is a non-financial institution, the risk management and internal control department closely monitor possible criminal activities, such as money laundering, in daily operations and do not overlook any suspicious transactions.

We continue to promote the establishment of the Company's integrity management system, creating a punishment mechanism against corruption, a prevention mechanism against corruption, and a safeguard mechanism against corruption through the Company's overall risk management, audit supervision, system process development, and integrity publicity.



DC Holdings Integrity Management System Operation Mechanism



# Environmental, Social and Governance Report

## Anti-Fraud and Whistleblowing System

In 2023, the Group continued to promote the "DC Holdings Anti-corruption Policy" and the "DC Holdings Whistleblowing Policy," emphasizing the five red lines of clean business practices and conveying the message of zero tolerance for fraud to all employees, suppliers, and business partners. The "DC Holdings Anti-corruption Policy" advocates for employees to manage themselves with integrity and clarifies behavioral norms for employees. The "DC Holdings Whistleblowing Policy" encourages all employees, suppliers, and business partners to report any existing or potential fraud and irregularities.



DC Holdings Clean Business Five Red Lines

The whistleblowing policy clarifies that employees, suppliers, and business partners can openly and honestly report all kinds of fraud and irregularities through the whistleblowing mailbox: (dchaudit@dcholdings.com). The whistleblower will be rewarded at the same time if the losses can be recovered for the Group due to timely reporting. The Group's audit department will investigate the reported matters and the whistleblower's information will be kept strictly confidential.

## Fraud Inspection and Prevention

When a report of suspected fraudulent behavior is received, the audit department will be assigned to conduct an independent investigation. After the investigation, if an employee is confirmed to have accepted any form of kickback or engaged in bribery, they will be immediately dismissed, and if the case is serious, the Company will pursue legal responsibility; if a supplier or other business partner is found to have engaged in fraud or other irregular behavior during cooperation, the Group will put them in the blacklist and terminate cooperation, and if the case is serious, the Company will pursue legal responsibility. At the same time, for the business department with confirmed problems, corrective actions will be taken with the assistance of the risk management and internal monitoring department to address business risks or loopholes discovered during the investigation.

In 2023, we investigated one case of employee fraud and one case of employee violating the Company's policies, resulting in the dismissal of two employees.

To create a fair and healthy business environment, build a good supplier cooperation ecosystem, and convey our determination to combat fraud, by the end of 2023, the Group had signed the "Partner Integrity Agreement" with all non-OEM suppliers, promoting the spirit of integrity in cooperation, opposing commercial bribery, and building mutual relationships based on trust, honesty, frankness, and integrity. We are not aware of any commercial bribery by our suppliers. The Company also continuously strengthens legal and regulatory education against commercial bribery, carries out professional ethics promotion, establishes a positive atmosphere within the Company, and resolutely resists unhealthy trends, building a strong ideological and moral defense line for employees.

## Anti-corruption Publicity Training and Signing of the "Letter of Commitment" for Integrity and Honesty

To popularize anti-corruption, all employees of the Group receive classroom-based anti-corruption training when they join. In 2023, the audit department collaborated with the legal department, organized [anti-corruption and integrity themed training](#), combining [online and offline methods](#) to ensure that all employees in each business unit participated and achieved 100% coverage.

# Environmental, Social and Governance Report

At the Company's annual kick-off meeting, the legal and audit compliance departments respectively provided in-depth explanations of the Company's red lines and the "Clean Business Management Measures." After the meeting, participants discussed the behavioral norms and values of each position based on their job responsibilities. Department heads also represented all employees in a clean business oath ceremony, calling on all employees to move towards the future with positive energy.



Discuss compliance with laws and regulations based on job responsibilities



The heads of each department of the Company took the oath of integrity on behalf of all employees

At the same time, to ensure the effectiveness of the propaganda, the audit department adopted a combination of offline and online methods to conduct more in-depth anti-corruption and integrity propaganda for key employees in the supply chain business and government and corporate business. It introduced the Company's integrity and honest system operation mechanism and the seriousness of compliance with laws and regulations, focusing on publicizing the revised "Integrity Business Management Measures" and other related content.

# Environmental, Social and Governance Report



Staffs of supply chain warehouse participate anti-corruption propaganda

In 2023, the Audit Department organized all employees of the Company to re-sign the "Letter of Commitment" and "Confidentiality Agreement" for integrity and honesty, and the signing of this time innovatively adopted the form of electronic signature to facilitate management and archiving, and the overall signing rate reached 99.6% this year.

## Industry Integrity Alliance

The Sunshine Integrity Alliance was jointly initiated and established by well-known enterprises in the industry such as JD.com, Tencent, Baidu, Lenovo and the Criminal Law Research Center of Renmin University of China, actively advocating corporate integrity management, creating a sunny and honest workplace atmosphere, promoting a culture of integrity and compliance, jointly creating a sunny and transparent business environment, jointly improving the performance ability of members' internal control departments and the professional ethics of employees, and helping enterprises develop their business. By 2023, the Sunshine Integrity Alliance has reached 850 members, and its influence in the industry has increased year by year.

The Group has been a member of the Sunshine Integrity Alliance for nearly 6 years, and as a member of the Sunshine Integrity Alliance, we shared data and information with the Alliance in terms of anti-fraud and other aspects, and jointly created a business environment for Sunshine Integrity: through the information security sharing mechanism, we exchanged and shared information security investigation experience, and jointly combated information security crimes; through information sharing, automatic identification and early warning of those who violated laws and regulations, the costs of violating laws and regulations were increased; through special training and seminars related to integrity and compliance, we exchanged and shared anti-fraud experience in the industry to build an integrity and compliance ecosystem.

- **Innovative Technology, Leading the Future**

### Technical/R&D Personnel Training Mechanism

As an enterprise that focuses on technological innovation, we regard technical talents as important assets of the Company and attach great importance to the recruitment and training of technical talents. As at the end of 2023, the Group had 14,210 technical personnel, accounting for approximately 85% of the total workforce, of which 66% had a bachelor's degree or above.

# DC Holdings 2023 Environmental, Social and Governance Report

Professional structure of the Company's employees

Type of employee specialty	Number of employees	Percentage
Technical staff	14210	85%
Sales staff	852	5%
General Management	1157	7%
Others	563	3%
Total	16782	100%

Educational composition of technical personnel

Educational composition of technical personnel	Number of employees	Percentage
Ph.D.	9	0.06%
Master	392	3%
Undergraduate	8958	63%
Others	4851	34%
Total	14210	100%

## Cradle of Technical Talent – "DC Geek"

In 2020, the Group established the "DC Geek" to nurture technical talents. The annual technical meeting led by the "DC Geek" is not only a summary meeting of the Company's internal technical achievements, but also a technical exchange event for the whole Company and even the industry. In 2023, the Digital Cloud Force Conference and the 2023 TECH 5th Digital China Technology Annual Conference were grandly opened. At the opening ceremony, hundreds of scholars, technical experts, practitioners, and industry users who were committed to and concerned about the development of digital technology and digital industry gathered together to conduct in-depth dialogues and sharing on cutting-edge topics such as cloud native, digital native, big data, financial technology, and AIGC, explored the underlying logic of the digital era, stimulated the force of digital cloud native innovation, and contributed to China's modernization. In May 2023, the "New Breakthrough in the Intelligent Era – DC Holdings Innovation Technology Conference" was held in Kunshan, and the DC Holdings City Knowledge Graph Platform was simultaneously released, which attracted the attention of all parties and was reported by many media.



# Environmental, Social and Governance Report



Digital Cloud Force Conference

In addition, in 2023, the campus hackathon of DC Holdings co-organized by "DC Geek" was a complete success. These technical events and activities provided another platform for the Group's employees to utilize their talents and continuously broadened their own career development channels.

## Technical Talent's Charging Station - "Technical Salon"

Within the Group, the Company's technical R&D personnel have set up a "Technical Salon" to hold technical training and technical exchange meetings from time to time, take the initiative to learn, share and learn from each other through teaching. In 2023, the technical platform completed the vocational skills training covering all platform employees, as well as the core product training of the platform at the operational level, which further consolidated the foundation and expanded the capabilities of technical personnel.



Technical Platform Internal Training

Technical Seminars

# DC Holdings 2023 Environmental, Social and Governance Report

Case: Growth of excellent technicians-Han Zezhong

- Master of Chinese Academy of Sciences
- Joined DC Holdings upon graduation, serving as a senior back-end development engineer for smart city business
- Key ongoing project - National Federation of Industry and Commerce project
- Highlight: Under pressure at multiple critical points of the project, not only did the performance optimization of the large-scale data graph (hundreds of millions of nodes) meets the customer's requirements, but also experienced rapid growth driven by the project: knowledge of graph models was expanded, capabilities in handling large-scale data processing were enhanced, and optimization skills in CYPHER were significantly improved.

## Technical Talent's Arena – "Innovation Competition"

In 2023, at the "China Software Open-Source Innovation Competition," the "DC Wisdom Data Team" composed of Kong Lingyu and Chen Jinglin from DC Holdings won the **second prize**. This competition was hosted by the China Computer Federation under the guidance of the National Natural Science Foundation Committee's Information Science Department.

The competition was oriented to the "14th Five-Year Plan" open source ecological development strategy, and focused on the "bottleneck" software fields and open source software in the frontier technology areas of artificial intelligence, big data, chip design, and the Internet of Things, aiming to provide a platform for domestic open-source communities to show, communicate, and collaborate. It stimulated open-source innovation vitality, cultivated open-source talents, and contributed to the high-quality development of open-source ecological construction.



**The "DC Wisdom Data Team" won the second prize at the China Software Open-Source Innovation Competition**

The "DC Wisdom Data Team" from DC Holdings innovatively combined urban water knowledge with science popularization education, designing and developing the "Urban Water Knowledge Popularization Assistant." With outstanding performance, the team won the second prize in the Model Scope Challenge. DC Holdings' technical team, through participation in the "China Software Open-Source Innovation Competition," applied the achievements in urban water supply intelligent application to cross-domain innovative applications, providing a new way for science popularization education. As the technology related to large models continues to upgrade and iterate, new technological achievements will fundamentally disrupt the application scenarios across the industry, leading to the continuous emergence of various AI-native applications and further changing people's learning, working, and living styles. DC Holdings' leading capabilities and advanced concepts in related technical fields will play a significant leading role in this.

# DC Holdings 2023

## Environmental, Social and Governance Report

In addition, the DC Holdings technical team also won the second prize in the First Guangdong-Hong Kong-Macao Greater Bay Area Data Application Innovation Competition.



Won the second prize in the First Guangdong-Hong Kong-Macao Greater Bay Area Data Application Innovation Competition

DC Holdings has previously released the City Knowledge Graph Platform product, which can widely apply knowledge graph technology to various fields such as urban management and enterprise supply chains. In this innovative achievement, the team further expanded the scenario to the field of intelligent manufacturing, providing strong support for the digitalization and intelligence upgrading of the field. At the same time, DC Holdings has become a certified data merchant for several domestic data trading institutions, including Guangzhou and Shenzhen, and has carried out in-depth cooperation with several departments of the Hong Kong government. Through this competition, DC Holdings' leading technical strength in the Guangdong-Hong Kong-Macao Greater Bay Area will be further demonstrated, with a brighter market prospect. As the digitalization process in the Greater Bay Area continues to accelerate, the Company will also achieve more significant development.

### R&D Investment

In 2023, the Group's R&D investment totaled more than RMB800 million, representing a year-on-year increase of 11%, marking three consecutive years of growth. The data of R&D investment in the past three years are as follows (unit: RMB 10,000):

Year	2023	2022	2021
R&D investment	80,436.02	72,447.02	71,902.24

### Intellectual Property Rights and Standard Compilation

Innovation is the core competitiveness of the Group's business development, and intellectual property rights are an important carrier of innovation achievements. Intellectual property rights can not only serve as an important tool for enhancing business capabilities and benefits, investment capital, and future core products but also drive the standardized development of core industries such as the national new infrastructure, big data, smart cities, and financial technology.

# Environmental, Social and Governance Report

## Intellectual Property Rights

As at the end of 2023, the Group had 2,787 intellectual property rights, including 2,369 software copyrights, 141 patents and 277 trademarks. In terms of quantity, it has reached a new level every year in the past three years, with an overall growth rate of about 24%.

Year	Copyrights	Patents	Trademarks	Total
2021	1836	130	283	2249
2022	2165	154	279	2598
2023	2369	141	277	2787

In 2023, DC Holdings focused on the "Big Data + Artificial Intelligence" strategy and dedicated to technology and operations in the field of data elements. We actively participated in formulating the first domestic standard for public data operation and has independently developed one of China's initial public data operation platforms that align with operational requirements. We have obtained corresponding patent technology and software copyright, and received digital business certifications from multiple key data trading institutions, continuously strengthening our data foundation. Meanwhile, we launched the industry's first city knowledge graph platform product. It can be combined with large artificial intelligence models to eliminate the illusion problems of large models, creating a credible industry intelligent assistant. Currently, it has been implemented in projects such as Changchun Smart Water Affairs and the National Federation of Industry and Commerce. We will continue to promote this technology in fields such as AI + Traditional Chinese Medicine, AI + New Materials, AI + Satellite Remote Sensing, etc., finding practical and feasible landing scenarios for cutting-edge artificial intelligence technology.

In our specialized field of digital supply chain, the Company has independently developed a supply chain software system that covers the entire supply chain. The system includes Order, Warehouse, Transportation, Expense Auditing, Supplier, and Labor Management Systems, alongside the KingKoo Data Big Data Management System. We are committed to creating a supply-chain integrated decision-making platform that encompasses supply-chain planning and design, planning management and operational execution. Furthermore, we continuously iterate and upgrade our software products, having recently added five new software copyrights.

In the fintech sector, data asset management platforms empower financial institutions to unlock the value of data. The "Liuhe Shangjia" financial practice assists institutions in establishing a solid data foundation. Products like ModelB@nk5.0 and Sm@rtGalaxy4.0 continue to propel the digital transformation of the financial industry, supporting the development of the economy and society.

## Standard Compilation

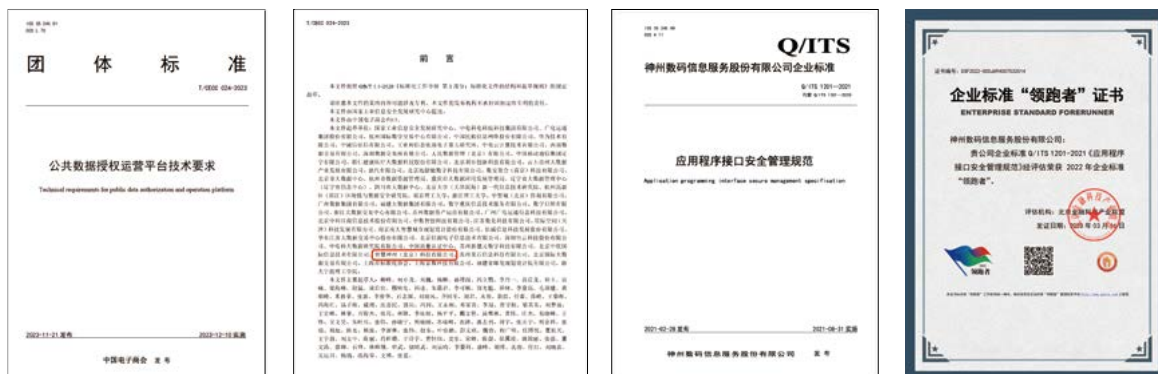
In addition, the Group has led or participated in the compilation of numerous national standards and industry standards in the fields of big data, artificial intelligence, smart cities, smart parks, smart logistics, and fintech. This helps us secure a dominant position and exert significant influence in these fields. As of the end of 2023, DC Holdings and its subsidiaries have played a pioneering role or collaborated in the formulation of 128 standards. Of these, 76 standards have already been officially published, while 52 are currently working in progress.

### Case: Company's Achievements in Standard Compilation

- Participated in the compilation and successful publication of the first domestic "Technical Requirements for Public Data Authorized Operation Platforms". This milestone establishes operational standard guidance for the safe circulation and utilization of public data, thereby maximizing the value and effectiveness of data usage;
- Participated in the compilation and successful publication of the "Smart City Top-Level Design Guide", "Smart City Domain Knowledge Model Core Concept Model", and "Smart City SOA Standard Application Guide". These documents offer theoretical and practical guidance for the construction of a new generation of smart cities in the era of big data and artificial intelligence;
- Led the development of the industry's first architecture standard for internet open platforms, "Commercial Bank Internet Open Platform Architecture Specification." This standard serves as an important reference for commercial banks in building internet open platforms.



# Environmental, Social and Governance Report



## Company-Led or Participated Standards

In the future, we will continue to promote intellectual property management, optimize online intellectual property maintenance to keep it running efficiently; focus on intellectual property capitalization and productization attempts to form a new business growth point for DC Holdings; continue to actively encourage innovation, increase intellectual property R&D and design; strengthen rights protection efforts, actively combat infringement, expand the influence and value of intellectual property, and actively participate in the advancement of national industry standardization to actively contribute to the development of China's high-tech technology.

### • Customer-Centric, Continuous Empowerment

As a high-tech enterprise that empowers core scenarios with innovative big data technology and as the preferred digital transformation partner for many customers, the Company has always adhered to the tenet of "customer-centric, service-oriented," and is committed to providing customers with a high-standard services.

As of 2023, the logistics company under the Company provides partners with a complete solution for the entire industrial chain digital brain, including end-to-end supply chain, with the highest 5A logistics enterprise qualification in the logistics industry, AOE-certified enterprise, and ISO three-system certification. It has won authoritative awards from various logistics industry associations multiple times, and its capabilities and reputation are widely recognized by the industry. The financial technology company under the Company has ISO20000 Information Technology Service Management System certification, ITSS Information Technology Service Operation and Maintenance Capability Assessment Level 1, Information System Construction and Service Capability Assessment Level 4 (CS4), CMMI Level 5, and has established an ISO22301 Business Continuity Management System. In the field of smart city services, the Company was awarded "2023 Digital Economy Leading Enterprise," and Zhangzhou City, which uses the Company's core innovative technology services, was awarded "2023 Leading Smart City in China," marking the public recognition of the Company's innovative digital solutions.

### Continuously Enhancing Customer Satisfaction

The Company has established a comprehensive customer service system through information technology, making the entire customer service process standardized, transparent, and efficient, ensuring "issues are accumulated, tracked, and responded to". Based on the actual business situation and changes in market development and customer needs, the company designs regular customer satisfaction surveys for different service types, striving to fully and truly understand customers' opinions and suggestions, which serve as an important basis for the Company's continuous service improvement.

In terms of the after-sales service system, the company provides customers with multiple channels for feedback and has a dedicated department to handle customer complaints and feedback. Customers can provide feedback and suggestions through the portal, service hotline, service personnel (engineers, customer/project managers, sales), WeChat, and APP. The dedicated department personnel promptly handle, closely monitor, and collaborative efforts are made to facilitate the swift resolution of issue and ensure the effective implementation of corrective measures. For logistics business, the Company also uses the original order return warehouse system for real-time monitoring, effectively reducing the risk of loss and customer complaints which improved customers' satisfaction rate, and continuously updating after-sales standards according to customer needs to effectively protect customer interests and efficiently handle after-sales matters.

# DC Holdings 2023

## Environmental, Social and Governance Report

The financial technology company under the Company conducted two customer satisfaction surveys in the first and second halves of 2023, with about 3,179 survey subjects, achieving a satisfaction rate of 96.3%. During the year, 43 production events were reported.

In 2023, total 20,000 customer complaints received by ITL business under the Company, a complaint establishment rate of 0.039%, slightly lower than the 0.04% in 2022.

Upon receipt of complaints, the customer service department resolving the problems and requests, then jointly with the operation department/quality management department will reviews the relevant processes, then formulates corresponding management standards and operating procedures to reduce or prevent similar issues from recurring.

### *Continuously Enhancing Quality Management Capability*

To ensure the Company provides high-quality services to customers, the Company continues to make multi-faceted enhancements, including obtaining international and national standard quality certifications and used the quality standards to build up quality management systems, and matching corresponding organizational guarantees.

### **Quality Certification**

The financial technology business has 59 quality, service, and safety accreditation (10 of which are obtained in 2023). Moreover, to better serve customers and fulfill social responsibility, the company also has 41 quality certifications for production, high-tech enterprise, credit rating, and carbon neutrality.

In 2023, the smart city service business reorganized and execute a series of process standards after internal review, such as "Software Development Process Definition," "Software Development - Process Red and Yellow Card Inspection Report," "Configuration Management Process Definition," "Software Factory Test Process Specification," "Industry Review Process Definition," etc.. In addition, it also has ISO9001 (Quality Management System) Certification, ITSS3 (Information Technology Service Standard Level 3), and CMMI5, CMMI3.

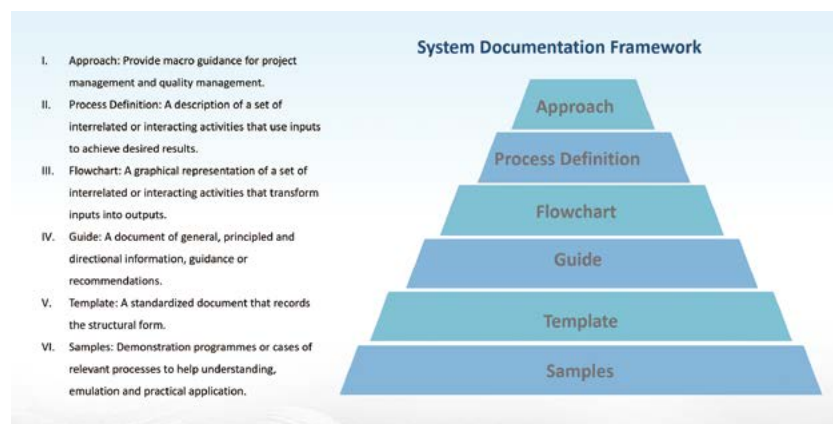
ITL Business has the highest 5A logistics enterprise qualification in the logistics industry and passed the re-evaluation in 2023, with a total of 9 qualifications including AOE certified enterprise, ISO three-system certification, among which the medical device quality management system and food safety management system certifications were newly obtained in 2023. It has also won authoritative awards selected by various logistics industry associations multiple times, and its service capabilities and reputation are widely recognized by the industry.

### **Quality Standards**

In terms of quality standards, the company highly focused on R&D process, project delivery quality, and customer service quality and has strong internal control management awareness and capability. The Company has a well-developed PMBOK control system, which follows the standards of CMMI-5 and ISO9001. The scheme covers product quality management, product testing management, configuration management, project management, and process monitoring features for quality assurance. The Company establishes its project management and quality management system based on the standards of PMBOK, CMMI, CSMM, ISO, ITIL, as the guiding framework and management requirements for project management and quality management.

# Environmental, Social and Governance Report

The project and quality management system documentation framework are as follows:



**Company Project and Quality Management System Documentation Framework**

## System Construction

In terms of system construction, we have built a service support system that matches customer's business perspective and a quality management system that runs through the whole delivery process. Internal and external collaborative and division of labor, the establishment of the corresponding project departments, the setting of project managers and customer service points, and transforming the demand into the internal project process. The internal operation system also set up corresponding contact person, project departments and the operation systems collaborate to provide the corresponding service plan and products to ensure the quality of service. During the service process, the customer needs and problems are timely responded and feedbacked, at the same time, monthly customer KPI indicators statistical analysis are performed and timely rectification of problematic issues are done to meet customer needs and enhance our customer experience.

## Organizational Safeguards

In terms of organizational support, we have also set up a relatively independent quality management department, through the three-level inspection form of headquarters spot check, daily platform quality inspection, and department self-inspection, we focus on operational indicators management, customer satisfaction management, quality audit management, and quality improvement design and continuous improvement to form an organization level and project level quality management system to achieve quantifiable full-process quality control.

# DC Holdings 2023 Environmental, Social and Governance Report

## Case: Quality Management of Smart Logistics Business Project

- Before the introduction and implementation of the project, the customer department take the lead and cooperate with the operation and financial departments to carry out the new business launch planning;
- Set up a special project team, set up customer managers, business customer service, customer relationship, and transform customer needs into logistics operation requirements;
- Set contact person for different area, the project department and the operation system work together to design the corresponding service plan and products, and formulate the project operation SOP;
- Carry out project operation SOP training for operation personnel, so as to ensure the quality of service;
- In the process of service, we continue to pay attention to the satisfaction of customer needs, respond to customers in a timely manner in order to rectify problems in a timely manner;
- The project team conducts statistical analysis of customer KPI indicators on a regular basis (weekly/monthly/quarterly) to find potential problems and improve in a timely manner
- The delivery department and quality control department of the headquarters organize regular operation meetings every week to analyze the quality problems in the operation process, and formulate improvement measures and implementation plans;
- The headquarters quality control department formulate the warehouse inspection plan, perform inspection on the key risk of main projects such as the operation process, 6S management, and stock taking;
- Formulate improvement measures and implementation plans for the problems detected, and follow up the closed loop of problems;
- The account manager will give timely response and feedback to the customer's feedback in the form of regular return visits/visits to customers.

## Continuously Promoting Data Security Construction

The company has taken big data technology as its core strategic direction for many years, and the importance of data security is obvious. Through continuous innovation and outstanding achievements in various related fields, DC Holdings has gained the trust of customers and partners in ensuring the continuous efforts to protect the data information security of itself and its customers.

DC Holdings' subsidiary participated in the formulation project of the "Data Security Governance Implementation Guide," which is one of the key standard projects by the National Internet Finance Association of China under the guidance of People's Bank of China. The standard specifies the framework, implementation, and outcome assessment of financial data security governance, clarifying the main content and methods of data security governance implementation. It is applicable to financial institutions providing financial products and services and provides references and guidance for their data security work. The following is a thank-you letter from the National Internet Finance Association of China to the Company:



Thank-you Letter from the National Internet Finance Association of China



# Environmental, Social and Governance Report

## *Case: Subsidiary Obtains CCRC Security Qualification Certification*

*The CCRC (China Cybersecurity Review Technology and Certification Center) security certification is an important enterprise qualification in the field of information security services, widely recognized and cited by the industry. In 2023, a subsidiary of DC Holdings, under the strict supervision and assessment of CCRC, was awarded the CCRC risk assessment, security operation, and security integration level 3 service qualifications.*

*These three qualifications mark the company's authoritative certification and industry recognition in the field of information technology application innovation security services. It also signifies that the Company's information technology application innovation services have reached a new level in service standardization and technical capability professionalism.*

*The Company's information technology application innovation services "three protections and one evaluation" security service solution is designed strictly in accordance with technical standards, construction guidelines, assessment standards, and information technology application innovation policy. It adopted the information technology application innovation and confidential security protection equipment and systems and integrates a new generation of security frameworks and concepts to ensure reliability, trustworthiness, and availability. This provides customers with comprehensive security protection and control capabilities, helping them build a complete information technology application innovation security protection system.*

## Information & Data Security System Construction and Protection

In daily management and project execution, the group has always paid attention to data security and user privacy and has refined the systems for data security and customer/user information privacy protection. Technical and management measures have been formulated and implemented in personnel security, physical security, network security, application security, and log management, to a large extent ensuring the confidentiality, integrity, and utility of customer information. From the perspective of practical operation, for systems containing user data, all logins are subject to authorisation and approval and have an independent system operation account, which is subject to strict authority control. At the same time, all personnel who have access to critical data have signed confidentiality agreements and have received training in confidentiality and data security.

To further ensure information & data security, in 2023, a subsidiary of the Group established an Information Security Committee. The aim is to strengthen the information security work pattern and system construction through the work of the Information Security Committee, to form a good information security awareness among all employees, to form a barrier for information security, and to support the Company's steady and sustainable development.

## Promotion and Training of Information & Data Security

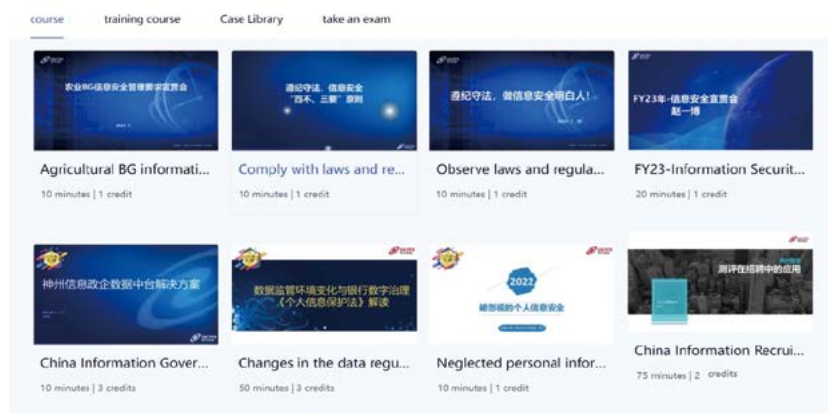
- Focus on publicity and implementation

To fully strengthen the information security awareness of the Company's employees, constantly enhance skill levels, and effectively prevent various type of information security risks, the company carried out publicity and implementation training on information security management requirements for key personnel throughout the year. The training introduced the information security management system in terms of organizational, personnel, physical, and technical control domains, and propagated in terms of application security, network security, and personnel security. All members of the first Information Security Committee and all financial R&D delivery personnel, totaling about 4,000 people, participated in this training.

- Daily Training

In the Learning Centre on the company's homepage, we have set up course on information & data security, where employees can carry out online self-learning, in addition to irregular special training.

# Environmental, Social and Governance Report



Training Course Display in the Internal Learning Center of the Company

- **Thematic training**

In 2023, the Company invited experienced data security experts in the industry to organize a special lecture on "Enhancing Data Security Awareness and Building Data Security Barriers". A total of more than 840 employees from key positions of the Company participated through online and offline, which played a good role in improving our personal awareness of prevention and control, further strengthening management, preventing and resolving information security risks, especially preventing and effectively avoiding data-related business risks.



Lecture on information security

# Environmental, Social and Governance Report

## Information & Data Security Practices

In the Company's daily project management, there are clear standards and criteria for the operation of information & data security:

- In the customer demand research stage, clarify security requirements, output the demand research report with specific requirements and conduct feasibility analysis; when preparing the manual, based on the demand research report to make corresponding feedback and produce corresponding security designs, and confirm them through review.
- In the coding stage, follow security coding specifications and undergo security review, regularly back up, and any changes are reviewed and confirmed with customers.
- In the testing stage, in addition to conducting necessary functional and other tests, also perform defect monitoring, risk vulnerability scanning, access control, and other security tests on the system.
- In the trial operation stage, in addition to paying attention to the system's operational status and functional performance, also verify whether the customer's security requirements are met according to the demand research report.
- In the maintenance stage, focus on system security inspection after launched, perform regular patch upgrades, security reinforcement, and virus scanning, and output corresponding records.

## • Supply Chain Eco-System Cooperative Development

In terms of procurement management, the Group actively establishes a good and honest cooperative relationship with suppliers, ensuring the control of procurement costs and quality through a fair and just supplier evaluation system, thereby ensuring customer satisfaction. As of the end of 2023, the Company has established a relatively stable cooperative relationship with 1,996 well-known IT equipment and service manufacturers, including 3 overseas suppliers. Through strategic cooperation and alliances, the Group actively explores the path of industrial development and ecosystem construction, bringing advanced domestic and foreign technologies and products to users, providing users with a comprehensive solutions and high-quality, efficient services, together enhancing the overall influence of enterprises on the economy, society, and environment.

Annual	Domestic	Overseas	Total
2021	2009	17	2026
2022	1701	3	1704
2023	1993	3	1996

## Work with Partners to Promote Ecological Construction

### Eco-Partner Conference

In 2023, DC Holdings held an eco-partner conference to empower the digital supply chain ecosystem. DC Holdings officially released the "1235" ecosystem strategy at the conference, which includes establishing a digital logistics supply chain service platform, two smart networks of hierarchical and graded eco-warehouse network and visual full-linkage network, and a "hub + channel + network" three-in-one logistics supply chain ecosystem service system and planned is to complete the strategic layout in 500 cities within the next three years.

# DC Holdings 2023 Environmental, Social and Governance Report



**DC Holdings Eco-Partner Conference**

DC Holdings advocates doing things candidly, and at the conference, it released the "Sunshine Agreement," to resolutely eliminate any form of corruption in cooperation with ecological partners, bringing integrity culture to the industry's development. At the same time, DC Holdings signed strategic cooperation agreements with 7 partners to jointly promote ecosystem construction.

The Chief Operating Officer of DC Holdings expressed in her speech that DC Holdings is committed to empowering various scenarios with leading big data technology. DC Holdings always adheres to the ecological development concept of co-consultation, co-construction, co-creation, sharing, and coexistence, and will cooperate extensively and deeply with ecological partners in areas such as organizational development, talent training, system development, financial services, and capital cooperation, to create a full-network, full-linkage, integrated digital logistics supply chain.

## **Delegation of General Managers of State-owned Enterprises in Jilin Province Visit**

In July 2023, a delegation of general managers of state-owned enterprises in Jilin Province visited the DC Holdings Shenzhen headquarters, International Innovation Center. The delegation was led by Wang Gang, Deputy Director of the Jilin Provincial State-owned Assets Supervision and Administration Commission, including more than 50 people from the Jilin Provincial State-owned Assets Supervision and Administration Commission, Changchun Municipal State-owned Assets Supervision and Administration Commission, and the heads of major state-owned and city-owned enterprises. The visit was part of the on-site training of the delegation. The delegation visited the Innovation Center and listened to the sharing of DC Holdings' relevant representatives on strategic choices and enterprise management in the digital age.



**The general managers of a training course of state-owned enterprises in Jilin Province visited DC Holdings**



# Environmental, Social and Governance Report

Mr. Victor Cheung, Vice President of DC Holdings extended a warm welcome to the delegation of the General Managers of State-owned Enterprises in Jilin Province, and hope for deeper cooperation with Jilin state-owned enterprises in the future, by replicating DC Holdings' experience model in Xi'an Hi-Tech Industrial Development Zone to Jilin.

Wang Gang, Deputy Director of the Jilin Provincial State-owned Assets Supervision and Administration Commission, expressed his gratitude for DC Holdings' hospitality and training arrangements. He said that as a leading high-tech enterprise, DC Holdings has made outstanding contributions to the construction of digital Jilin in recent years, and its achievements in digitalization, enterprise management, and other aspects are worth for studying by Jilin enterprises. With the deepening cooperation between Jilin Province, Changchun City, and DC Holdings, both sides will surely achieve more fruitful results.

The visit not only enhanced the mutual understanding between the enterprises directly owned by Jilin Provincial State-owned Assets Supervision and Administration Commission and DC Holdings but also laid a good foundation for cooperation between the parties in digital transformation and enterprise management. In the future, both parties will continue to strengthen communication and exchange, explore more cooperation opportunities, and jointly promote regional economic development.

## *Supplier Selection and Management Mechanism*

To protect the respective legal rights and interests of the Company and its suppliers in business dealings and to fully embody the fairness and justice of the cooperation spirit, the Company has established a comprehensive supplier management plan and process supervision mechanism. In selecting qualified suppliers, the Company usually inquires with at least three suppliers and considers both the cost, delivery cycle, and supplier's technical capabilities, etc. The Company strictly implements supplier admission criteria, verifies supplier credit and qualifications based on the duration of cooperation, order volume, and nature of demand, and strengthens the management level in intellectual property rights. New suppliers must provide the necessary qualification documents, the copyright of the related products and the intellectual property rights certification documents, and sign the "Partner Integrity and Honesty Agreement." The company closely monitors the performance of cooperative suppliers in the cooperation process and public information. Suppliers with any misconduct will be terminated and add to the supplier blacklist. By the end of 2023, nearly 40 suppliers had been added to the blacklist. During the year, no suppliers were terminated or not renewed due to corruption.

The company places great emphasis on risk prevention and control in the procurement process, establishing a transparent procurement and bidding process, and compiling a relatively comprehensive procurement management system, such as the "Project Procurement Supplier Management Regulations" and "Transportation Supplier Procurement Management Regulations," as well as supplier assessment systems. Under the requirements of the ISO quality management system and the internal control and compliance of listed companies, necessary control measures are taken to collect, track, and evaluate information on key aspects such as supplier delivery quality, delivery time, technical support, and after-sales services, to comply with the procurement process and quality control of procured goods.

## *Collaboration for Win-Win Results and Co-Creation of the Future*

The Company consistently advocates the cooperation concept of "work together for a win-win situation and create a better future" and actively signed cooperation clauses on "environmental protection and occupational health and safety maintenance" with suppliers. Factors such as environment, business integrity and ethics, work standards and practices (such as the prohibition of child labor), and occupational health and safety are incorporated into the supplier selection procedures and procurement decisions. The company promotes resource and energy conservation, environmental protection, and ensuring the health and safety of employees during cooperation with suppliers, and empower society's sustainable development.

# DC Holdings 2023

# Environmental, Social and Governance Report

## Appendix 1: the Group's ESG Objectives and Key Performance Indicators

### • The Group's ESG objectives

Medium and long-term ESG objectives

In 2023, the medium and long-term objectives reviewed by the Company's board of directors and management were shown in the table below:

Key Performance Indicator type	Company's commitment	Medium and long-term objectives	Remarks/realization path
Society			
Diversity and inclusiveness	The Company is eclectic and attracts all kinds of outstanding talents.	By 2030, the proportion of female employees and executives in the Company will increase to 1/3	In 2023, the proportion of female employees in the Company was 24%, the balance of female executives was 22% and the proportion of female employees promoted is 32%.
Community/ Public Welfare	The Company's Aixin fund and other public welfare organizations, the Company's rural revitalization projects, etc., help vulnerable groups obtain better education and technical resources.	By 2030, the Company's public welfare activities and technology-assisted agriculture projects will benefit the lives of 1 million people through general welfare projects and partners.	Public welfare activities organized by trade unions, businesses benefiting farmers, etc.
		By 2030, at least one-quarter of employees will participate in corporate public welfare activities and charitable projects (including volunteer services and donations)	Public welfare activities and charity projects organized by the Company and its partners.
Governance			
Corporate Governance	The Company focuses on establishing long-term and sustainable business development and fully integrating ESG considerations into the Group's business operations and management.	<p>In 2027 and beyond, including the strategic discussions on important ESG issues into the scope of meetings of the Company's audit committee, evaluate the progress of ESG projects, and assess the continued relevance of the project to the Company's long-term business strategy.</p> <p>In 2027 and beyond, management will make recommendations to manage ESG risks and projects effectively.</p> <p>In 2027 and beyond, regular updates on ESG issues will be provided to the board.</p>	The board of directors has been regularly reviewing and evaluating ESG reports and related risks and will further strengthen them in the future.
Business ethics	The company's corporate culture upholds the highest standards of business ethics and complies with the laws and regulations of the countries in which it operates	In 2025 and beyond, we will continue to promote company-wide ethics and compliance through enhanced programs and training.	Relevant training is currently in progress.
Privacy protection	The Company commits to continuous improvement of its privacy protection practices.	In 2025 and beyond, the management and accountability mechanism of privacy impact assessment and privacy compliance review will be improved 2025.	The companies have established an Information Security Committee to implement tighter protection of data security, including private information

# Environmental, Social and Governance Report

Specific ESG objectives and indicator system construction

ESG Aspect/Target Type	Macro objectives	KPI	Specific objectives	Situation in 2023
Environment				
Office environment level				
Essential management of office environment	Overall compliance with environmental management standards	Environmental Management System Certification	The property management company of the Company's office building has obtained the environmental management system certification.	Achieved <sup>1</sup>
Data Center	Minimize power consumption of self-owned data center	PUE does not exceed the standard	The average annual PUE of self-owned data centers does not exceed 1.5	Achieved
		Data center electricity consumption per year	Through continuous energy-saving measures to reduce the annual power consumption of the data	Not achieved <sup>2</sup>
	Minimize the environmental impact of waste from self-owned data centers	Harmless treatment of waste	Waste hard drives are 100% harmless after the destruction.	Achieved
			Qualified suppliers harmlessly treat 100% of the waste lead-acid batteries in the self-owned data center.	Achieved
Waste management	Minimize the environmental impact associated with waste generated from company operations.	Implement garbage classification management	The Company's office buildings in mainland China implement waste classification.	Achieved
		Harmless treatment of waste	Harmless disposal of hazardous waste; recycling of harmless waste	Achieved
Energy	Minimize unit energy consumption and reduce carbon dioxide equivalent emissions from overall business activities	Electricity consumption per capita (kWh)	Through energy-saving renovations, the Company's self-owned office buildings and warehouses in mainland China have achieved a 5% reduction in per capita electricity consumption compared with the previous year.	Achieved
Water resource management	Minimize the environmental impact of the water and sewage discharges generated by the Company's business activities.	Per capita water consumption (tons)	The Company's self-owned office buildings and warehouses in mainland China achieved a 5% reduction in per capita water consumption compared to the previous year.	Achieved
		Up to sewage discharge standard	The Company's sewage discharge test meets the national sewage discharge standards.	Achieved
Product/service level				
Packing	Minimizing packaging material consumption in shipping or courier	Reduce unit volume or weight	Through good consolidation or other effective measures, the consumption of packaging materials per unit order is reduced by 5% per year.	Achieved
	Increased use of reused and recycled materials in packaging	Percentage of recyclable material	The proportion of cartons and wooden boxes accounts for more than 70% of the packaging materials, and the % increases every year.	Achieved

# DC Holdings 2023

# Environmental, Social and Governance Report

ESG Aspect/Target Type	Macro objectives	KPI	Specific objectives	Situation in 2023
Society				
Diversity and inclusiveness	The Company is eclectic and attracts all kinds of outstanding talents	The proportion of female employees and senior executives in the Company	With the expansion of the Company's business scale, the balance of female employees and senior executives in the Company will remain stable or increase year by year.	Achieved
Occupational health and safety	Provide a safe working environment and protect employees' physical and mental health	Zero employee fatalities and lost hours due to workrelated injuries	Taking 2022 as the base, maintain zero work-related fatalities and keep the number of work-related lost work hours from increasing.	Achieved
Community/Public Welfar	Help vulnerable groups obtain better resources and expand community influence.	Company donations and other public welfare activities and employee volunteer hours	Taking 2022 as the base, keep the annual Company donated public welfare activities and employee volunteer hours stable or increase year by year.	Achieved
Governance				
Customer service level				
High-quality customer service	Customer-centric continuously improves customer satisfaction through professional technical services and a comprehensive customer service system.	Customer satisfaction/customer complaint rate	Keep customer satisfaction stable or increase year by year, and the complaint rate remains stable or decreases year by year.	Achieved
Supply chain level				
Supplier performance	Monitor, promote, and minimize the environmental and social adverse impacts of the Company's suppliers	Certification	All cooperative suppliers should have qualified certification	Basically achieved <sup>3</sup>
		Sign the "Partner Integrity Agreement"	All cooperative non-original suppliers should sign the "Partner Integrity Agreement"	Achieved
Business ethics level				
Integrity and honesty	The Company advocates honesty and integrity internally and promotes it to external stakeholders to create a clean and honest working environment	Coverage of the anti-corruption and integrity training and signing the "Commitment Letter."	The Company conducts large scale anti-corruption and integrity promotions at least once a year, which covers all employees; more than 95% of the employees sign the "Commitment Letter."	Achieved

**Remark:**

- The properties in the main self-owned office parks in Beijing, Xi'an and Wuhan have ISO environmental management system certification;
- In 2023, with the demand for AI computing power, big data and other services, the load of physical servers in data centers will be larger, and the overall energy consumption will increase compared with 2022.
- The qualification certification of individual cooperative suppliers needs to be updated;
- For details of other targets for 2023, please refer to the data in the ESG Key Performance Indicators Excerpt.



# Environmental, Social and Governance Report

- **Extract of 2023 ESG Key Performance Indicators**

## *Environmental Performance Indicators*

The following are some of the Group's environmental performance indicators, including using significant resources, greenhouse gas emissions, and waste data compiled per the "Environmental, Social, and Governance Reporting Guidelines". Unless otherwise stated, the data below cover the Group's main office buildings and data centers in Mainland China.

### Greenhouse gas emissions (mainly carbon dioxide CO2) and major wastes

Emissions & Waste	For the year ended 31 December		
	2023	2022	2021
Total Greenhouse Gas Emissions (tons)	11,002.32	12,207.14	13,808.03
Direct greenhouse gas emissions (tons)	348.11	374.10	431.83
Gasoline (liters)	7,395.43	14,324.30	22,184.68
Equivalent to greenhouse gas emissions (tons)	15.79	32.37	50.14
Diesel (liters)	22,776.33	29,787.72	40,297.28
Equivalent to greenhouse gas emissions (tons)	60.64	81.32	110.01
Natural Gas (m³)	121,028.00	120,438.00	125,648.00
Equivalent to greenhouse gas emissions (tons)	271.68	260.41	271.68
Total indirect greenhouse gas emissions (tons)	10,654.21	11,833.03	13,376.21
Purchased electricity (MWh)	12,337.39	13,647.90	15,435.44
Equivalent to greenhouse gas emissions (tons)	10,654.21	11,833.03	13,376.21
Greenhouse gas emissions per capita (tons/employee)	0.66	0.80	0.94
Hazardous Waste (tons)	1.00	1.00	1.00
Hazardous waste per capita (tons/employee)	0.00006	0.00007	0.00007
Amount of non-hazardous waste (tons)	1,365.00	1,280.00	1,250.00
Non-hazardous waste per capita (tons/employee)	0.08	0.08	0.08

# DC Holdings 2023

# Environmental, Social and Governance Report

## Remarks:

- Based on the nature of our business, the main gas emissions of our Group are greenhouse gas emissions, originating from the use of fuel and purchased electricity and heat from fossil fuels.
- Our Group's greenhouse gas inventory mainly consists of carbon dioxide. The greenhouse gas emissions data for the year ended December 31, 2023, are presented in carbon dioxide equivalents and are calculated based on the emission factors for the China regional grid baseline published by the Ministry of Ecology and Environment of the People's Republic of China in 2019, and the applicable coefficients in the Intergovernmental Panel on Climate Change (IPCC) national greenhouse gas inventory guidelines.
- Over the past three years, our Group's greenhouse gas emissions (including direct and indirect emissions) have been decreasing year by year. In 2023, the total greenhouse gas emissions decreased by 9.9% compared to 2022. The main reasons include the Company's gradual replacement of LED light sources, continuous implementation of various energy-saving and emission reduction measures, and the consolidation of some logistics warehouses, resulting in a reduction of about 10% in purchased electricity in 2023 compared to 2022.
- The consumption of gasoline and diesel mainly comes from the Company's own vehicles.
- The consumption of natural gas is mainly used for heating and other equipment in the Company's buildings.
- The types of hazardous waste generated in the operation of our Group's office buildings include waste toner cartridges and ink cartridges from printing devices, and waste batteries from some electrical devices. These hazardous wastes are managed centrally and handed over to qualified recycling units for recycling.
- The types of non-hazardous waste generated in the operation of our Group's office buildings mainly include domestic garbage and non-hazardous office waste. Domestic garbage is handled by property management companies and kitchen waste recyclers, and cannot be measured separately. We estimate the office building's domestic garbage based on the "First National Pollution Source Survey Urban Domestic Source Emission Coefficient Manual" published by the State Council.
- The number of employees in our Group over the past three years: 16,782 in 2023, 15,166 in 2022, and 14,744 in 2021. Over the past three years, due to the steady increase in the number of employees and the overall decrease in energy consumption, per capita energy consumption has shown a downward trend; per capita waste levels have remained stable.

## Energy consumption and use of water, steam, packaging materials

Index	2023	2022	2021
Total energy consumption (MWh)	13,799.21	17,264.53	18,964.13
Direct Energy Consumption (MWh)	1,461.81	1,630.10	1,869.45
Of which: Gasoline (MWh)	86.45	167.45	259.34
Diesel (MWh)	178.84	271.96	367.91
Natural Gas (MWh)	1,196.52	1,190.69	1,242.20
Indirect energy consumption (MWh)	12,337.39	15,634.43	17,094.67
Including: Purchased electricity (MWh)	12,337.39	15,634.43	17,094.67
Total energy consumption per capita (MWh/employee)	0.82	1.14	1.29
Tap water consumption (tons)	80,475.58	110,168.98	129,088.19
Tap water consumption per capita (tons/employee)	4.80	7.26	8.76
Steam Consumption (tons)	430.00	719.00	747.01
Steam consumption per capita (tons/employee)	0.03	0.05	0.05
Total consumption of packaging materials (tons)	15,179.00	23,122.00	25,244.00
Average consumption per order (ton/order)	0.00012	0.00013	0.00013

# Environmental, Social and Governance Report

## Remarks:

1. Our Group's water source comes from municipal tap water supply. In 2023, the tap water usage decreased by 29,693.41 tons compared to 2022, a reduction rate of 26.95%. The main reasons are the consolidation of some warehouses in the ITL business and various water-saving measures implemented by the Company, resulting in a decrease in water usage.
2. The steam used by our Group comes from municipal heating units; the consumption of natural gas is mainly for heating and other equipment in the Group's buildings.
3. The consumption of gasoline and diesel by our Group mainly comes from the Company's own vehicles. In 2023, the consumption of gasoline and diesel further decreased, while the consumption of natural gas remained stable; the direct energy consumption decreased by 168.29 megawatt-hours compared to 2022, a reduction rate of 10.32%.
4. Due to the reduction in purchased electricity and the decrease in gasoline and diesel consumption in 2023, the total energy consumption in this year decreased by 20.07% compared to 2022. The energy consumption is calculated based on the consumption of purchased electricity and fuel, as well as the conversion factors in the IPCC national greenhouse gas inventory guidelines, the "General Principles for Comprehensive Energy Consumption Calculation," and the "Emission Factors for the China Regional Grid Baseline for the 2019 Emission Reduction Projects" published by the Ministry of Ecology and Environment of the People's Republic of China.
5. The packaging materials used by our Group are mainly packaging boxes used in the digital supply chain business, and the amount of wood boxes used is so small that they are not included in the statistics. In 2023, the order volume using packaging materials decreased compared to 2022, with a total decrease of 7,943 tons in packaging material usage, mainly due to the decrease in business volume of companies like Cainiao; the average packaging material consumption per order decreased by 5%, mainly due to various environmental protection measures taken by the Company.

## Social Performance Indicators

In 2023, data related to the employees of the Group were as follows:

Classification criteria		Male	Female	Total	%
By age	Below 30	6007	1868	7875	46.93%
	30 - 50	6586	2125	8711	51.91%
	Over 50	175	21	196	1.17%
	<b>Total</b>	<b>12768</b>	<b>4014</b>	<b>16782</b>	<b>100%</b>
By profession	Technical staff	11496	2714	14210	84.67%
	Sales staff	568	284	852	5.08%
	General Management	326	831	1157	6.89%
	Others	378	185	563	3.35%
	<b>Total</b>	<b>12768</b>	<b>4014</b>	<b>16782</b>	<b>100%</b>
By Qualification	Ph.D.	12	3	15	0.09%
	Master	318	301	619	3.69%
	Undergraduate	7675	2715	10390	61.91%
	College & below	4763	995	5758	34.31%
	<b>Total</b>	<b>12768</b>	<b>4014</b>	<b>16782</b>	<b>100%</b>
By Region	Mainland China	12686	3965	16651	99.22%
	Hong Kong, Macao, Taiwan and overseas	82	49	131	0.78%
	<b>Total</b>	<b>12768</b>	<b>4014</b>	<b>16782</b>	<b>100%</b>

# DC Holdings 2023

# Environmental, Social and Governance Report

Among them, the proportion of senior executives by Gender is as follows:

Senior executives by Gender	Number	%
Male	312	78.45%
Female	86	21.55%
Total	398	100%

Training statistics:

Training classification		Average training hours
By Rank	Senior manager to general manager	38.68
	President and Vice President	19.26
	Manager	13.39
	General staff	10.53
By Gender	Male	11.82
	Female	12.37
By Content	Professional training	7.07
	Corporate Culture	3.15
	Management development	1.87
	General skills	12.42
	Process & system training	13.62

Remarks:

In 2023, the average training hours of various employees recorded in the Company's HR training system, online learning center, and cloud classroom are shown in the above table. Divided by rank, in addition to the regular training, more expatriate training and internal management training are offered to senior managers to general managers grade. Divided by gender, the average training hours of female employees are slightly higher than that of male employees, but there is no crucial difference in the training resources. Divided by content, we put more resources into professional training.

Staff turnover rate:

2023	2022	2021
21.97%	26.13%	30.22%



# Environmental, Social and Governance Report

Classification		Turnover rate
By Profession	Technical staff	22.10%
	Sales staff	27.05%
	General Management	18.18%
	Others	17.57%
By Gender	Male	22.53%
	Female	20.14%
By Age	Below 30	25.25%
	30 - 50	18.93%
	Over 50	13.66%
By Region	Mainland of China	22.07%
	Hong Kong, Macao, Taiwan and overseas	6.43%

Remark:

1. Employee turnover rate = number of turnovers/(number of people at the end of the year + number of turnovers during the year)\*100%
2. In the past three years, the company's overall employee turnover rate has shown a downward trend, reflecting the company's efforts in recruiting, and retaining talent.

Work-related injuries and fatalities:

Year	Criteria for division	Number	%	Lost working hours
2023	Work fatality	0	0	0
	Work injury	12	0.07%	1464
2022	Work fatality	0	0	0
	Work injury	15	0.099%	7258

Accumulated community/public welfare data as of 2023:

## Accumulated as of 2023:

The Company has donated money, materials, and digital services worth about RMB 52.70 million in various social welfare activities.

The 10 "DC Holdings Hope Primary Schools" established by the Company have been maintained for nearly 21 years, benefiting more than 15,500 students.

Our volunteers organized a total of 96 voluntary activities and contributed a total of more than 3,800 hours for our "DC Holdings Hope Primary Schools."

In the field of rural revitalization, the Company has carried out extensive cooperation and innovation with governments at all levels and more than 650 financial institutions across the country, serving millions of agriculture-related groups across the country.

The Company's innovation center has received more than 8,000 visits, and completed a number of strategic launches and signing ceremonies.

We held nearly 200 activities related to integrating technology and art and established cooperative relations with over 100 artists.

# DC Holdings 2023

## Environmental, Social and Governance Report

### Governance Performance Indicators

Comparison of customer complaint rates in the last three years:

Year	2023	2022	2021
Number of complaints (thousand)	25.4	40	20
Total order quantity (thousand)	65800	95000	70000
%	0.039%	0.04%	0.05%

Remark: The number of complaints refers to the relevant data of the number of complaints in the business system, and the number of complaints is based on 2C business of ITL.

Comparison of intellectual property of the Group in the last three years:

Year	Copyrights	Patents	Trademarks	Total
2023	2369	141	277	2787
2022	2165	154	279	2598
2021	1836	130	283	2249

In addition, as of 2023, DC Holdings has led and participated in a total of 76 national standards and industry standards, and 37 are under research.

The data of the cooperative suppliers in the last three years are as follows:

























Year	Domestic	Overseas	Total
2023	1993	3	1996
2022	1701	3	1704
2021	2009	17	2026

Supplier management & anti-corruption data in 2022 are as follows:

Nature of the event	Coverage	Quantity
Sign the "Partner Integrity Agreement" with all non-original suppliers	100%	
Blacklisted suppliers (currently accumulative)		40
Suppliers who were blacklisted for fraudulent prosecution in the year		0
Employees covered by anti-corruption training	100%	
"Commitment Letter" signing rate	99.6%	
Incident suspected relating to conflict of interest		2
Personnel removed by the Company according to company regulations		2
New persons involved in fraudulent prosecution in the year		1

# Environmental, Social and Governance Report

## Appendix II: Index of Reporting Indicators

Report Chapters	HKEX ESG Guidelines	GRI	SDGS
1.0 Environmental			
Empower Green and Low-Carbon Development with Technology	A1,A1.6;A2,A2.4,A2.5;A3,A3.1	303-1;304-1,3-4-3;306-2,306-4	     
Actively Response to Climate Change	44,A4.1		
Empowering Energy Conservation and Emission Reduction with Digital Intelligence Technology	A1,A1.5,A1.6;A2,A2.3,A2.4,A2.5;A3,A3.1	302-4;303-1;305-1,305-2,305-3,305-5;308-1	
Steady Progress Towards Carbon Neutrality	A1,A1.1,A1.2,A1.5;A2,A2.3;A4,A4.1;B5,B5.2,B5.3,B5.4	302-4;305-1,305-2,305-3,305-5;308-1	
2.0 Social			
Support Employee Development			
Equality and Inclusion	B1,B1.1;B4,B4.1	405-1;406-1,408-1;409-1	     
Employment and Human Rights Protection	B1,B1.1,B1.2;B4	401-1,401-2,401-3;408-1;409-1	
Career Development and Training	B3,B3.1,B3.2	404-1,404-2	
Partnership Spirit and Corporate Culture	B1,B2,B3		
Occupational Health and Safety	B2,B2.1,B2.2,B2.3	403-1,403-3,403-4,403-5,403-6,403-7	
Work-Life Balance	B2,B2.3	403-1,403-3,403-4,403-5,403-6,403-7	
Open Communication Channels	B2,B3		
Stimulate Community Vitality			
Assisting Industry-Academia-Research Cooperation	B8,B8.1,B8.2		        
Public Donations	B8,B8.1,B8.2		
Digital Technology Empowering Rural Revitalization	B8,B8.1,B8.2		
Technological Innovation and Artistic Integration	B8,B8.1,B8.2		
3.0 Governance			
Transparent and Diverse Corporate Governance	B7,B7.1,B7.2,B7.3	205-1,205-2,205-3;405-1	  
Technology Innovation: Leading the Future	B6,B6.3		
Customer-Centric, Continuous Empowerment	B6,B6.2,B6.4,B6.5		
Supply Chain Eco-System Cooperative Development	B5,B5.2,B5.3,B5.4	308-1	
Appendix 1: ESG KPI			
ESG KPI	A1.2;A2.1;A2.4;B1.1,B1.2;B2.1;B2.2;B5.1	204-1;302-1;302-3;303-5,305-1,305-2;305-3;305-4;403-9;403-10	



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