



Yonyou Network Technology Co., Ltd.
Sustainability (ESG) Report

2023



About the Report

Yonyou Network Technology Co., Ltd. ("Yonyou", "the Group", "the Company" and "we") has been disclosing its non-financial information annually since 2011, with a total of 13 social responsibility/sustainability reports issued by 2023.

Reporting Scope

Organizations covered by the Report: The report is primarily about Yonyou Network Technology Co., Ltd., and covers its headquarters, industrial parks, subsidiaries in China and abroad, its controlling shareholders and actual controllers.

Reporting Period: From January 1, 2023 to December 31, 2023. Part of the Report is beyond the reporting period in order to ensure consistency.

Release Cycle: This is an annual report. The previous report was released in March 2023.

Reporting Standards

The report has been prepared to comply with the GRI Sustainability Reporting Standards by the Global Sustainability Standards Board (GSSB) and the United Nations 2030 Agenda for Sustainable Development (SDGs). For the disclosure of indicators in this report, please refer to the "GRI Content Index" and the "SDGs Index" in the "Content Index" section. As a listed company on the main board of Shanghai Stock Exchange (hereinafter referred to as "SSE") (stock code: 600588), this report also refers to the social responsibility disclosure suggestions of SSE.

Data and Information Disclosure

The data and information disclosed in the Report are derived from:

- Internal data collection system and relevant statistical statements of the Company
- Outstanding sustainability practices of the Company
- Questionnaires developed to collect qualitative and quantitative information based on the report framework

All financial data disclosed in the Report is derived from the Yonyou Network Technology Co., Ltd. 2022 Annual Report ("Annual Report"). Should there be any inconsistencies between the Report and the Annual Report, the Annual Report shall prevail. Unless otherwise indicated, the currency used is RMB.

How to Get the Report

The Report is released in electronic version, it can be downloaded from our website: <http://www.yonyou.com/>.

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Chairman's Message



In 2023, as the wave of technological innovation surged forward, the era of AI's widespread application based on large models heralded a shift in global IT technology and industry innovation from a cloud-centric to an AI-centric new phase. This year, we diligently pursued our corporate mission to "use creativity and technology to drive business and social progress," focusing on new patterns of business innovation. We iteratively upgraded the "Great Power" YonBIP and launched the first enterprise service large model in the industry, YonGPT. This development enables the creation of new productive forces and new drivers of growth across a multitude of industries.

Empowered by technology, we strive to become the "core force" driving a comprehensive green transformation of economic and social development. We actively responded to the national "dual carbon" strategy, seamlessly integrating environment, social and governance (ESG) concepts with the innovation and upgrade of our products and services. Seizing the opportunity of our "industry-focused" strategic transformation, we used innovations like "platform + dual carbon" to provide precise green solutions to dozens of industries, including steel metallurgy, chemicals and manufacturing, and civil aviation, powerfully enabling a comprehensive green transformation of the economy and society. We also actively built an environmentally friendly operational system, diversifying and deepening green operational practices, and striving to achieve "dual carbon" goals through our actions.

By sticking to the right path and innovation, we built a solid "stable foundation" for creating long-term value. In 2023, we restructured the Board's Strategic Committee into the Committee on Strategy and Sustainable Development, further enhancing our company's top-level ESG design and elevating our ESG management level. Under this new ESG framework, we more efficiently explored best practices in modern corporate governance, continually enhancing the performance capabilities of our directors, supervisors, and senior management, ensuring transparent information disclosure, and focusing on key compliance operations. We've always viewed data security and privacy protection as

foundational to our long-term healthy development, establishing comprehensive management mechanisms and deepening technological innovation to fortify the security barriers of the digital economy era.

People-focused, we're painting a "new vision" for a better life for the people. As an industry leader and a large, listed company, we earnestly undertake our mission and responsibility in the socioeconomic development process. Adhering to a people-centric approach, we strived to make our company a platform where "employees work happily, achieve success, and share triumphs." We've built a multi-level, multi-dimensional employee growth system, working together to create a better life. Focusing on business development, we continuously attracted and gathered the powerful efficacy of our ecosystem partners to create a thriving business environment. Leveraging our technological strengths, we built and continuously improved an ecological model that empowers public welfare organizations with technology, constructing a branded public welfare project system to contribute to a better life for the people.

Unwavering and hopeful for the future, we firmly believe that our core values of "Friend of Users, Continuous Innovation, and Professional Struggle" will endow Yonyou with greater confidence and motivation in an increasingly uncertain development environment. We will persistently collaborate with stakeholders, including ecosystem partners, employees, and customers, to practice sustainable development concepts. We'll fully explore the potential of technological innovation, ensuring digital intelligence succeeds in more enterprises and public organizations, and continually contribute to the high-quality development of the economy and society.

Wang Wenjing

Chairman & CEO
Yonyou Network Technology Co., Ltd.

About Yonyou



Company Profile

Founded in 1988, Yonyou Network Technology Co., Ltd. (Stock Code: 600588) is a global leading provider of digital and intelligent services, software for enterprises and public organizations. Yonyou is continuously committed to using creativity and technology to promote business and social progress. Through the popularization of YonBIP (Yonyou Business Innovation Platform), serving enterprises in their digital and intelligent transformation and business innovation, achieving success for millions of enterprises.

YonBIP (Yonyou Business Innovation Platform), in terms of platform technology and application architecture, filed and industry applications, and ecosystem, has realized comprehensive breakthrough and innovation, achieving a global leading level. Since its launch, it has been selected and applied by a number of industry-leading large and medium-sized enterprises. It has become the preferred platform for digital intelligence construction for many leading enterprises of various sizes in China and around the world, bringing unique value to enterprises, industries, the economy, and society. It has been recognized by Chinese key central media as the "great power" for enterprise digital intelligence.

YonBIP is positioned as a digital intelligence business application-level infrastructure and a co-creation platform for the enterprise service industry. It provides innovative services covering 10 areas of enterprise production, operation, and management, including intelligent finance, digital human resources, smart supply chain, intelligent procurement, intelligent manufacturing, digital marketing, digital and intelligent research, digital projects, digital and intelligent assets, collaborative office, and so on. It has accumulated nearly 100 leading enterprises' practices in business and management digital intelligence innovation in various sub-industries, enabling enterprises to advance their digital transformation, become digital and intelligent enterprises, and move towards high-quality development.

Yonyou adheres to the core values of "Friend of Users, Continuous Innovation, and Professional Struggle," and create value for customers. Currently, Yonyou has over 230 branches, 3 major industrial parks, 9 innovation centers, and more than 25,000 employees worldwide. In the future, Yonyou will collaborate with hundreds of thousands of ecological partners and hundreds of millions of community individuals, making digital intelligence successful in more enterprises and public organizations, helping enterprises develop with high quality, enabling industrial upgrading, serving the national economic transformation, and contributing to the construction of the digital economy.

over **230**
Branches worldwide

nearly **100**
Innovative practices in sub-sector industries

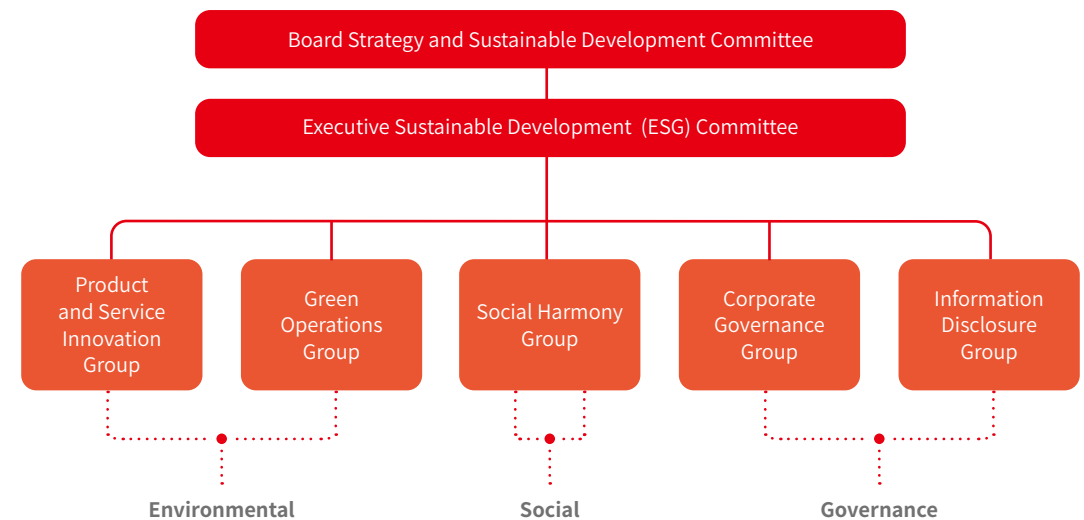
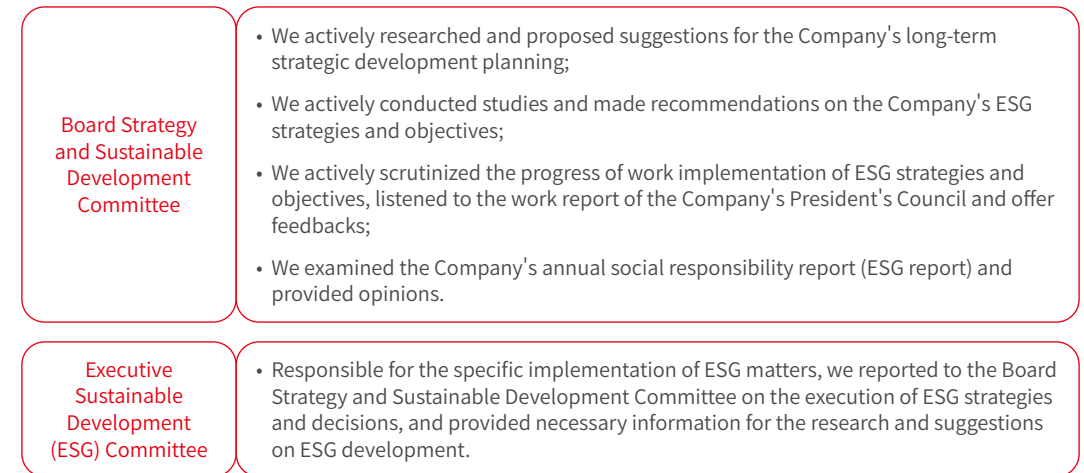
- According to Gartner research, yonyou is the only Asia-Pacific manufacturer in the top 10 of the global ERP SaaS market, and the only Chinese enterprise SaaS manufacturer listed in the top 10 of the global Application Platform Software, and ranks among the top 10 in the global Financial Management System (FMS) market and Enterprise Asset Management (EAM) market.
- According to IDC data, yonyou continues to lead the Chinese enterprise cloud service market, ranking first in the market share of Chinese application Platform as a Service APaaS, China's enterprise applying SaaS, and it has ranked first in the market share of super-large and large enterprises applying SaaS in China for many years in a row. It is a major brand of China's enterprise digital and intelligent service and independent innovation of software localization.

Environmental, Social and Governance (ESG) Management Framework

To comprehensively enhance our company's ESG governance level and strengthen our core competitiveness and sustainable development capabilities, in 2023, we reorganized the Board Strategy Committee to the Board Strategy and Sustainable Development Committee, which is now fully responsible for formulating and supervising the company's strategy and sustainable development plans.

We establish a Sustainability Committee under the Group Executive Council, chaired by the Group CEO and consisting of vice presidents from key positions. Taking overall responsibility for the Company's environment, society and governance (ESG) work. Under the Sustainable Development Committee, there are subcommittees for Product and Service Innovation Group, Green Operations Group, Social Harmony Group, Corporate Governance Group, and Information Disclosure Group. Each group is responsible for advancing the Company's sustainable development initiatives in their respective areas, ensuring the realization of the Company's long-term sustainable development goals.

Yonyou Environmental, Social and Governance (ESG) Management Framework



Awards and Recognitions

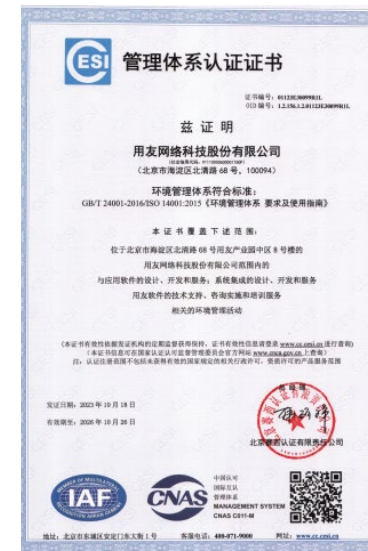
Granted By	Awards
China Information Technology Industry Federation	2022 Top 100 Software and Information Technology Service Competitiveness Enterprises
The 5th China Industrial Internet Competition	The 2nd prize of the National final Leader Group of "Industrial Internet + Product Service solution" Competition Most Commercial Value Award
Gartner	Top 10 of the Global ERP SaaS Market Top 10 of the Global Application Platform Software Market Top 10 of the Global FMS Market Top 5 of the Global EAM Market Magic Quadrant™ for Cloud HCM Suites for 1,000+Employee Enterprises
IDC	Top 1 of the China aPaaS Market Share Top 1 of the China EA SaaS Market Share
Hurun Research Institute	Hurun China IIoT Top 30 2023
EDGE AWARDS	Annual Best Enterprise Service Brand List
People's Daily Online	2022 "People's Craftsmanship Product Award"
2022 Energy Annual Conference and 14th China Energy Enterprise Senior Forum	Energy Digital Intelligence Excellent Leading Enterprise Award
EO Intelligence	Top 60 Information and Innovation Manufacturers in China
China Entrepreneur	25 Influential Enterprise Leaders for 2023
China Culture Administration Association	Benchmark units of party building and corporate culture in the new era 1st Prize for Excellent Cases of Cultural Strong Enterprises Top 100 Enterprises in Digital Trade in 2023 Top 25 Global Digital Technology Trade Innovation Enterprises in 2023 Top 10 of the Global Enterprise Application Software Market
CCID Consultant	China PaaS Market Leaders Quadrant New Generation Information Technology Innovation Products for 2022-2023 Leading Enterprise in New Generation Information Technology for 2022-2023 New Generation Information Technology Leaders for 2022-2023
Dictionary of Data Management	Outstanding Product Award of Data Governance
China Information Technology Industry Federation	Famous Software and Information Technology Service Enterprises in 2023
China Media Culture Promotion Association	Excellent Cases of Digital Intelligence Culture Typical Scenarios for Future Benchmark Enterprises in Intelligent Manufacturing in 2023
China Light Industry Information Center	Advanced Demonstration Cases of Digital Transformation in the Consumer Goods Industry in 2023
Kantar Group	Top 100 Most Valuable Chinese Brands by Kaidu BrandZ in 2023
China Academy of Information and Communications Technology	Outstanding contributors to the Integrated Platform as a Service (iPaaS) series standards
CHINA ASSOCIATION FOR PUBLIC COMPANIES	Excellent Cases of Digital Transformation of Listed Companies in 2023
2023 China International Big Data Industry Expo	Excellent technological achievements in 2023
Ministry of Industry and Information Technology Cybersecurity Administration	Ministry of Industry and Information Technology Industrial Internet Security Real Network drill excellent Defense practice Enterprise
Future Turing and Public Network Poster News	Top 10 AI celebrity enterprises
Koo Gallery	2022 Huawei Cloud Store "Joint Venture Leap Award"

Social Responsibility Certifications

In 2023, Yonyou continued to promote the social responsibility work to be organized, professional and systematic, completed the supervision and follow-up review of ISO 14001 (environmental management system), ISO 45001 (occupational health and safety management system), SA 8000 (social responsibility standard) and other authoritative certifications, thereby solidifying our company's social responsibility management system.



SA 8000 Certification



ISO 14001 Certification

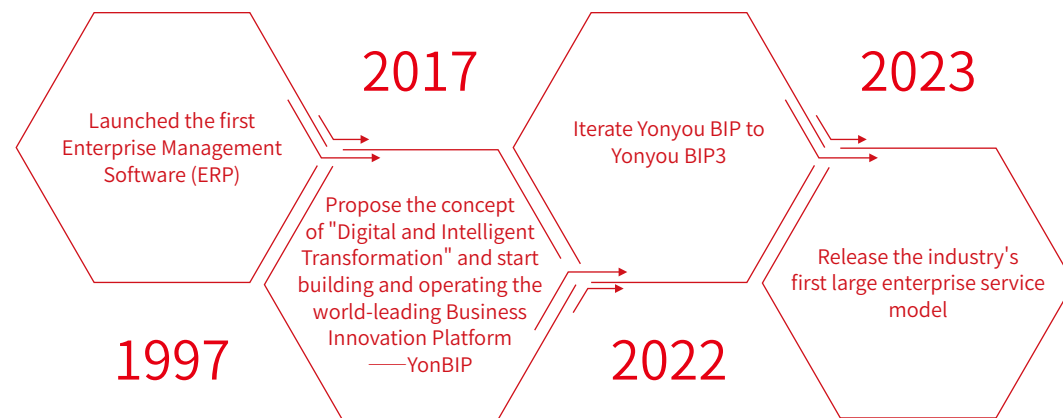


ISO 45001 Certification

Feature Story: Let Leading Practices Become Universally Beneficial

In this new era and journey, comprehensively advancing the construction of a powerful country and the great rejuvenation of the nation through Chinese path to modernization is a crucial task. This is an essential path to shape new competitive advantages and a necessary choice to continuously meet the people's aspirations for a better life. Adhering to the philosophy of "making leadership universally beneficial," creating a model for digital and intelligent transformation, and continuously extending leading practices to various industries and enterprises are central to accelerating the digital and intelligent transformation process across numerous sectors. This approach is the key to enabling every enterprise to gain diverse capabilities towards new industrialization.

Yonyou launched the first Enterprise Management Software (ERP) in 1997, and being the first in the industry to propose the concept of "Digital and Intelligent Transformation" (digitalization + intellectualization) in 2017. Yonyou start building and operating the world-leading Business Innovation Platform (BIP), and iterative Yonyou BIP to Yonyou BIP3 in 2022, and fully utilizing artificial intelligence in 2023 with the release of the industry's first enterprise service model, YonGPT. Yonyou focuses on the characteristics of the era and the actual needs of enterprises in the economic and social development, continuously enhancing the inclusiveness of digital intelligence technology through technological innovation, helping thousands of enterprises to move steadily forward in the wave of digital intelligence.



Expanding Horizons and Incremental Growth, Digitalization is No Longer a Distant Goal for Enterprises

As a global leading enterprise of digital and intelligent software and services, Yonyou has always adhered to the practice of 'creating new value through digitalization as the basis and intelligence', taking the responsibility of 'Great Power Brand' to constantly exploring its own potential for technological innovation. Over decades, Yonyou focused on the actual needs of enterprise digital and intellectual development, successively creating cutting-edge products including Yonyou BIP, Yonyou Jingzhi Industrial Internet Platform, and Yonyou BIP Intelligent Manufacturing Solutions. Collaborating with numerous enterprises to explore the best path for digital and intelligent transformation, we drive the deep application and development of industrial digital intelligence.

In 2023, Yonyou launched the world's first integrated intelligent manufacturing operations management platform (MOM) as the core engine, providing industrial enterprises with an integrated production and operations control platform. This platform assists enterprises in achieving full element linkage in production and full value chain integration, guiding numerous industrial enterprises towards steady high-quality development. By the end of 2023, Yonyou Jingzhi Industrial Internet Platform had served 3.18 million enterprises, connected 1.44 million sets of industrial equipment, accumulated 22,000 public welfare apps and 2,926 industrial mechanism models, and united 6,600 ecological partners, continuously maintaining its global leadership position.

Yonyou, recognizing the key role of intelligent manufacturing in the process of new industrialization, has built the "Yonyou BIP Intelligent Manufacturing Solution based on the Industrial Internet" based on decades of digital practice in the manufacturing sector. This solution deeply integrates new generation information technology with advanced production management models, assisting enterprises in quickly developing key core capabilities needed for intelligent manufacturing. Additionally, addressing pain points in industrial production digitalization, such as significant industrial differences, inefficiencies in industrial supply chains, and mismatches between on-site management and information systems, Yonyou's solution, including technologies and services like Industrial Internet Identification Resolution and Intelligent Operation Platforms, helps enterprises build an intelligent production platform that connects across companies, disciplines, and systems. It achieves a digital twin encompassing all elements, the entire industrial chain, and the entire value chain, driving production operations with industrial big data and reshaping high-quality enterprise competitiveness through digital and intelligent innovation. By the end of 2023, Yonyou's Jingzhi Industrial Big Data Center had aggregated billions of data points from a million industrial enterprises and developed over 2,900 industrial models.

As of the end of 2023

3.18

Million enterprises Yonyou Jingzhi Industrial Internet Platform had served

1.44

Million sets of industrial equipment connected

22,000

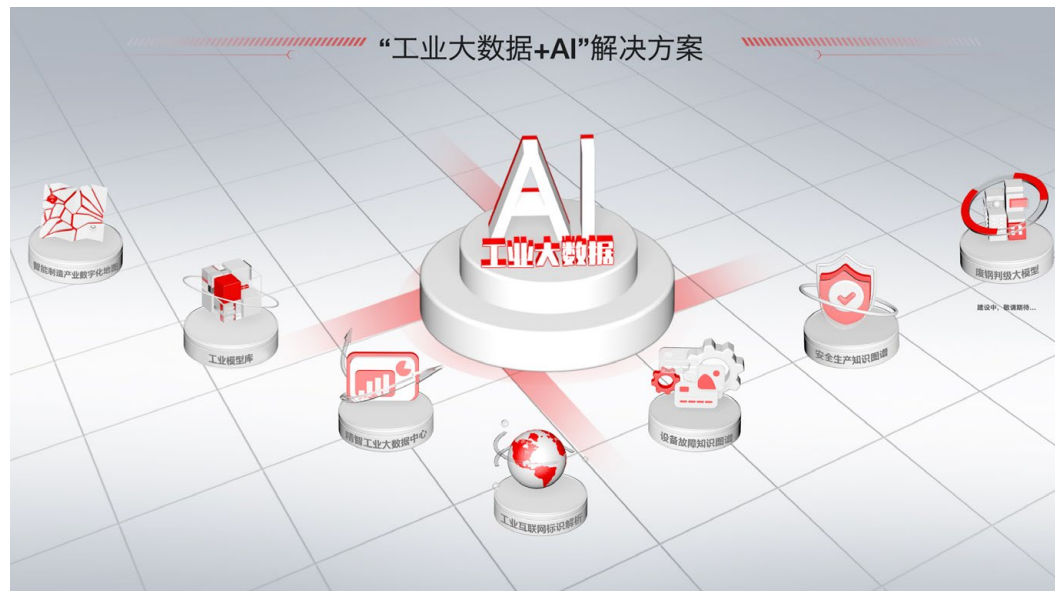
Public welfare apps accumulated

2,926

Industrial mechanism models

over **2,900**

Industrial models from Yonyou's Jingzhi Industrial Big Data Center



In July 2023, Yonyou was invited to attend the 2023 Global Digital Economy Conference co-hosted by the People's Government of Beijing Municipality, the National Development and Reform Commission, the Ministry of Industry and Information Technology, and the Ministry of Commerce. Yonyou exhibited its data intelligence solution based on "Industrial Big Data + AI". This solution leverages big data technology and the latest generation of AI technology, integrating with the entire industrial lifecycle business scenarios. It unlocks the value of industrial big data, assisting manufacturing enterprises in developing core capabilities like rational production scheduling, optimization of ingredients, and quality diagnosis, making production simpler, quality more stable, costs lower, and decision-making more scientific.

Focusing on the Forefront, Large Models Make Digital and Intelligent Innovation More Accessible

Currently, artificial intelligence is driving widespread technological transformations and industrial reshaping worldwide. The generative artificial intelligence based on large models has garnered significant attention in the industrial sector. Establishing industry-specific large models and accelerating their deep integration with various industries have become crucial measures for empowering industry optimization and upgrading, driving a comprehensive leap in productivity. It also serves as one of the vital drivers for genuinely promoting the widespread benefits of digital and intelligent technology, helping enterprises to develop core technologies in the digital economy era.

Yonyou initiated the training of a large enterprise service model at the beginning of 2023, leveraging its leading and comprehensive system of enterprise software and service products, a customer base spanning millions across dozens of industries, and 35 years of accumulated industry knowledge and experience serving enterprise clients. Yonyou's artificial intelligence team, utilizing a vast amount of business application data, along with enterprise application scenarios and field expertise, has labeled a substantial volume of enterprise service corpus data. This process has generated an extensive range of training materials for the enterprise service model, integrating business knowledge and field experience into the model, ensuring its professionalism, practicality, and leading edge



In July 2023, Yonyou released the industry's first enterprise service model, YonGPT, which is an important component of Yonyou BIP, it is compatible with the industry's mainstream general-purpose language models. By providing general capability services, field services, and industry services, YonGPT achieves enterprise intelligence in four aspects: business operations, human-computer interaction, knowledge generation, and application generation.

YonGPT is centered around "intelligent business operations," "natural human-computer interaction," "smart knowledge generation," and "semantic application generation," constructing a "large model that better understands enterprise services." It offers pervasive intelligence and intelligent applications throughout the entire value chain and all scenarios, deeply integrated into the customer's business forefront.

Intelligent Business Operations

YonGPT, with its powerful data analysis and forecasting capabilities, offers deep insights into enterprise operations, identifies potential business risks and opportunities, and provides intelligent solutions. This enhances the level of business decision-making and operational efficiency.

Natural Human-Computer Interaction

Through its powerful natural language processing and understanding capabilities, YonGPT enables enterprise applications and services to engage in natural and smooth dialogues with users. It adopts a human-centric approach to invoke, connect, and assemble different applications, accomplishing tasks more naturally and efficiently.

Smart Knowledge Generation

YonGPT extracts and integrates knowledge from vast amounts of data and information, generating new and valuable knowledge content. This includes industry solutions and expertise sharing, helping enterprises and users fully utilize their knowledge reserves and promoting the dissemination and application of knowledge.

Semantic Application Generation

By understanding user needs, business operations, and data characteristics, YonGPT can autonomously generate semantically capable applications, significantly enhances the efficiency of creating personalized application services for enterprises.



YonGPT has innovatively developed dozens of intelligent applications powered by the enterprise service large model, including business insights, intelligent order generation, supplier risk control, dynamic inventory optimization, intelligent talent discovery, intelligent recruitment, intelligent budget analysis, intelligent travel expense control, and code generation. Moreover, YonGPT, targeting complex industry application scenarios, can also provide more proficient intelligent scene services through fine-tuning of industry models.

智能招聘

全新的数智化招聘体验



提升工作效率

招人速度慢、HR事务性工作繁重,是企业长期面临的痛点。通过用友企业服务大模型YonGPT,能够自动处理大量重复性工作,例如撰写JD、撰写邮件、自动安排面试等,极大地提高HR的工作效率。

智能推荐,发现人才

基于HR垂直领域模型构建,结合行业特点和企业需求,更好地理解候选人的技能、能力、经验等关键因素,从海量的沉睡简历池中推荐目标人才,实现精准激活。

赋能面试官,选人用人精准决策

因岗设问,为面试官智能推荐面试问题;结合岗位要求与候选人问答,一键追问刨根到底;六大维度考察候选人软实力,智能分析生成面试评价。

优化候选人应聘体验

能够与候选人实现良好的沟通和互动,如解答咨询、提供实时进度反馈、面试建议等,增强企业和候选人的情感纽带。

In November 2023, Sinochem and Yonyou Recruitment Cloud deepened their collaboration, integrating intelligent recruitment based on YonGPT, focusing on the "talent discovery" scenario. They delved into the existing talent pool according to job requirements, intelligently recommending highly matched candidates. Additionally, leveraging YonGPT's autonomous learning ability, the system optimizes recommendation rules based on the preferences of recruitment personnel, continuously enhancing the precision of job-candidate matching.

By the end of 2023, numerous large enterprises, including Sinochem, XCMG Group, HUAYOU COBALT, and SZYD had successively integrated YonGPT. Together with Yonyou, they are exploring a new era of digital intelligence development for enterprises in the digital economy era.

"Yonyou will continue to iterate and train YonGPT, and constantly enrich various enterprise services based on the large model. We hope to continuously empower our customers' digital and intelligent construction and operation through innovative products and services, making digital and intelligent success in more enterprises and public organizations in China and globally."

—Wang Wenjing

01

Environmental: Guarding Lucid Waters and Lush Mountains

Promoting the comprehensive green transformation of economic and social development is integral to grasping the new development stage, implementing new development concepts, building a new development pattern, and driving high-quality development. It is an inevitable choice for the comprehensive construction of a modern socialist country. In recent years, from the issuance of documents such as the *Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy*, to the *Action Plan for Carbon Peaking Before 2023*, provinces nationwide have been comprehensively formulating and advancing implementation plans. Additionally, various departments have successively introduced "dual carbon" action plans for key fields and industries. With top-level designs above and implementation paths below, China has established the "1+N" policy system for carbon peaking and neutrality, outlining a construction blueprint for achieving the "dual carbon" goals.

As a global leader in enterprise digital intelligence software and services, Yonyou focuses on strategic planning in the "dual carbon" field. We fully integrate environmental, social, and governance concepts with innovation in products and services. Utilizing our rich digital intelligence service capabilities, we continuously explore sustainable solutions that support the green transformation of various industries. Simultaneously, we actively deepen the construction of an environmentally friendly operational system and mechanism, implementing a series of high-quality practices to address climate change, thereby actively protecting our lucid waters and lush mountains with practical actions.



Enables the green transformation of thousands of industries



Continuously Improve Top-Level Design

Yonyou focus on significant green development plans, including the 14th Five-Year Plan for Industrial Green Development, integrating the concrete requirements for green development with the formulation of the Company's development strategy. Centering around the decisive role of digital intelligence in promoting the green transformation across all industries, we have established a working mechanism led by the Board of Directors' Strategic and Sustainable Development Committee. This mechanism involves the Sustainable Development (ESG) Committee, under the Group President, responsible for formulating implementation plans, and the Sustainable Development (ESG) Coordination Groups of each business line, in charge of executing these plans. This ensures our sustainable solutions powerfully enable the green transformation of various industries.



In 2023, we further explored the core role of digital and intelligent technology in achieving intensive, energy-saving, and environmentally friendly production and services. Utilizing "platform + dual carbon" and other clean technology innovations and applications, we built industry-oriented, one-stop sustainable development solutions, supporting steady progress in green transformation across all industries. Additionally, we explored and established a mechanism to identify customers with sustainable development goals, offering targeted sustainable solutions to key customers in green transformation, including high carbon-emitting enterprises, continually contributing to solving the challenges and difficulties faced by enterprises in their green transition.



YonBIP's Sustainable development application architecture



In August 2023, Yonyou launched its sustainable development solution – Yonyou ESG Cloud at the 2023 Global Business Innovation Conference. This solution is characterized by a strong correlation between business, finance, materials, and carbon, and integrates all these elements, is natively integrated with Yonyou BIP and leverages advanced technologies from the BIP such as IoT, big data, cloud computing, blockchain, AI, and edge computing. This allows businesses and organizations to accurately calculate and manage carbon emissions, also provides third-party ESG-related organizations with traceable, verifiable, auditable, certifiable, and trustworthy data and processes.

Iterative Upgrade Implementation Plan

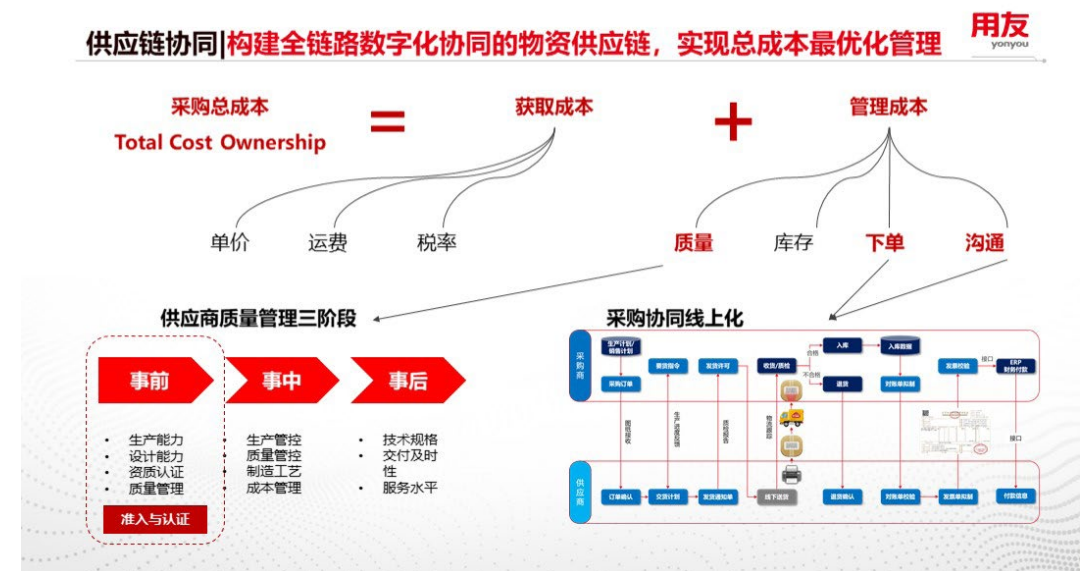
Entering the stage of high-quality development, promoting industrial innovation through technological innovation, especially by fostering new industries, new models, and new dynamics with disruptive and cutting-edge technologies, and developing new quality productivity, have become the core themes of the new era. In 2023, we further explored the crucial role of enterprise digitization transformation and digital business innovation in driving our own green transformation process. Relying on the largest organizational reform in the Company's history, while collaboratively accelerating digital and intelligent business innovation with customers and partners, we precisely identified the pain points and challenges of the industry's green transformation. Utilizing industry-specific green development solutions, we effectively propelled the sustainable, green, and low-carbon business models of various industries into the "fast lane."

<p>Energy</p>	<ul style="list-style-type: none"> We actively focused on the global energy transition trend of "low-carbon and clean energy", and guided by the concept of "Green Network, Digital Intelligence Driven", we consider the digital transformation of energy enterprises as our core strategy. We have developed the Yonyou BIP solution for the energy industry, leveraging digital intelligence technology to drive the green and low-carbon transformation of energy enterprises.
<p>Aviation</p>	<ul style="list-style-type: none"> We actively focused on the key aspect of carbon emission management in civil aviation — jet fuel usage. Relying on Yonyou BIP, we have created an "Airline Intelligent Fuel Saving & Carbon Emission Reduction" smart data analysis platform for airlines. We provided comprehensive data-driven solutions, assisting airlines in implementing precise carbon emission data collection, automatically generating carbon emission monitoring reports, and comprehensively monitoring fuel-saving targets, effectively promoting green aviation.
<p>Steel Metallurgy</p>	<ul style="list-style-type: none"> We redefined the technological approach to scrap steel grading, decomposing and managing the software system, grading rule models, deep learning models, image acquisition, and hardware network. By utilizing large-scale artificial intelligence models, we significantly enhanced the efficiency and quality of scrap steel identification. At the end of 2023, Yonyou BIP Scrap Steel Intelligent Grading 3 has served more than 40 global steel companies and scrap steel recycling enterprises, including Ansteel Group, Jiyuan Iron&Steel, Jingye Group, Xinyang Vanadium Titanium Steel, Minyuan Steel Group, Zongheng Iron and Steel, Nanjing Iron&Steel Group, Baode Iron and Steel, Xingcheng Special Steel, Zhongshu Special Steel, Hangzhou Iron&Steel Droup, Longteng Special Steel, Yaxin Iron and Steel, Sanbao Iron and Steel, Tokyo Trading, etc., with a cumulative sales of 248 sets, a cumulative intelligent grading of 311,000 vehicles, and 5.65 million tons of scrap steel, with an accuracy rate of over 96%. Yonyou BIP has become the domestic scrap steel intelligent grading system with the highest number of contracts, the most intelligent grading vehicles, the highest acceptance quantity, and the best industry reputation. While helping companies reduce procurement costs, it has promoted the level of green circular development to a new level. The "Scrap Steel Intelligent Grading Solution Based on Industrial Internet Platform" has continued to serve more than 40 steel companies and scrap steel recycling enterprises, with a cumulative cost reduction and efficiency improvement of tens of millions of yuan, and has helped reduce carbon dioxide emissions by 9.04 million tons.
<p>Chemicals and Papermaking</p>	<ul style="list-style-type: none"> We actively focused on the transformation and upgrading of key enterprises and the improvement of green manufacturing systems. Using "Smart+" as our approach, we concentrate on constructing intelligent management, operations, factories, and industrial internet for chemical and paper enterprises. This helps businesses fundamentally achieve energy conservation, consumption reduction, quality improvement, efficiency enhancement, and environmental protection through emissions reduction.
<p>Environment Protection</p>	<ul style="list-style-type: none"> We actively respond to the strategic deployment of building a beautiful China, firmly embracing the concept that "lucid waters and lush mountains are invaluable assets." Leveraging our advanced technological capabilities, we robustly support pollution control enterprises in their quality improvement and upgrades, continuously contributing to the sustained enhancement of ecological and environmental quality. By the end of 2023, we had formed collaborations with 168 environmental protection enterprises, with a total investment in related technology development reaching 116 million yuan. It is projected that by the end of 2024, the revenue generated from collaborations with environmental protection enterprises will have grown by 18% compared to 2023.

1. Scrap steel is a green resource and the only alternative to iron ore for steelmaking, making it of great environmental value to the steel industry.

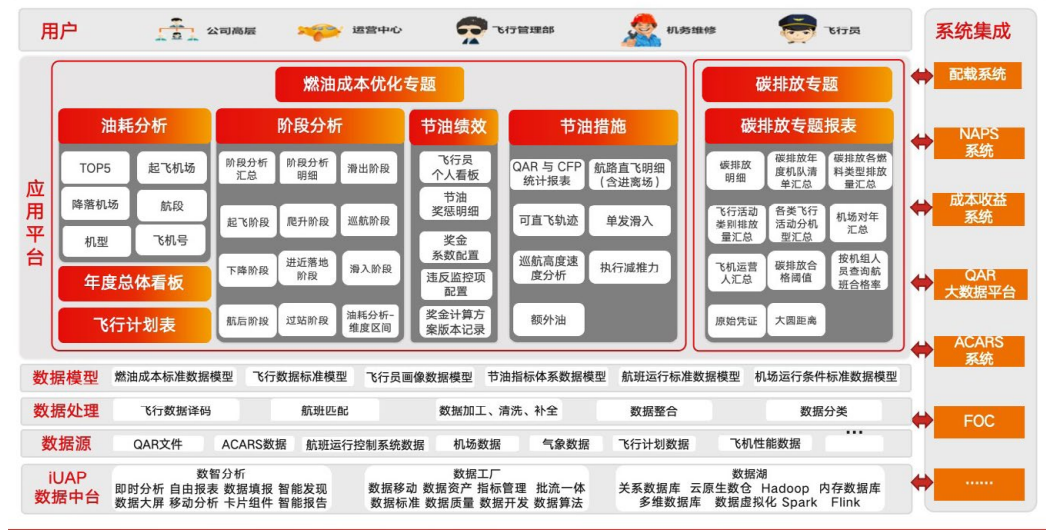


In April 2023, we launched a new generation of smart energy solutions tailored to the digital transformation needs of industries such as coal, coal chemical, power, new energy, and oil and gas. With a focus on carbon measurement, control, and energy-saving and carbon-reduction requirements in the energy sector, we utilized smart technology as the foundation. We seamlessly integrated carbon research, commitment, taxation, measurement, footprint, and energy-saving and carbon-reduction utilization into the business system, promoting optimization of production technology and the establishment of a green, low-carbon system, strongly support the "dual carbon" goals.

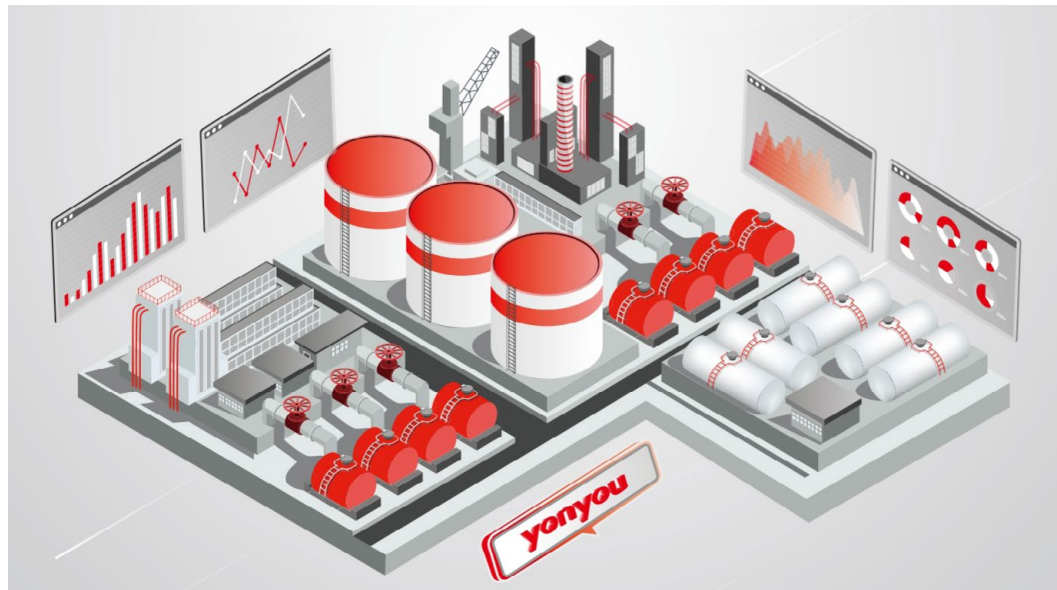


Achieving full-process perception, measurement, and insight in the supply chain is a crucial aspect of building a green supply chain and attaining sustainable development in the energy industry. In March 2023, we launched a digitalized procurement and supply chain solution for the energy sector. This solution offers an integrated digital approach across four dimensions: intelligent procurement, material supermarket, supply chain collaboration, and integrated warehousing and distribution. It empowers three core metrics: cost, efficiency, and reliability. This initiative aids businesses in optimizing procurement management costs, enhancing supply chain collaborative efficiency, and achieving a green and low-carbon transformation in the supply chain system.

航司智能节油&降碳减排智能数据分析平台



Based on Yonyou BIP Intelligent Fuel Saving & Carbon Reduction Data Analysis Platform, Chengdu Airlines has successfully established a fuel data visualization platform. Leveraging 35 visual data analysis interfaces, the platform handles over 500 million data points, resulting in an annual saving of more than 3 million yuan in aviation fuel costs.



Focusing on enhancing urban wastewater and sewage treatment capabilities, we collaborated with Jiangsu Pengyao Environmental Protection Group to build a digitalized water operation management platform centered on sewage treatment in 2023. This platform achieves controllable, visible, perceivable, and predictable water station data; can effectively addresses long-standing pain points such as multiple sites, difficult management, high costs, low efficiency, multiple platforms, and scattered data. This initiative significantly boosts the efficiency of urban sewage treatment for businesses.

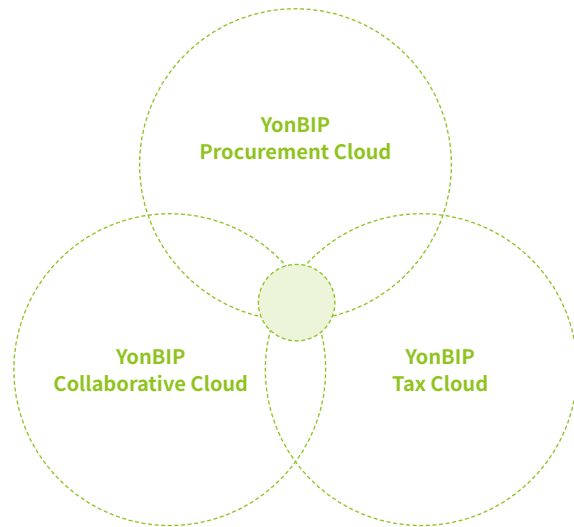


In February 2023, we collaborated with Minyuan Steel Group to construct the "5G + ultra-low emission fugitive emission management, control and governance integrated platform". This collaboration aided Minyuan Steel Group in accomplishing the ultra-low emission transformation and assessment monitoring required by the China Industrial Association. It was also selected as the fifth batch of "green factories" by the Ministry of Industry and Information Technology of China.



In February 2023, we collaborated in the Jiyuan Iron&Steel Group "5G+ Innovative Application to Assist Energy Saving and Emission Reduction in the Steel Industry" project, and won the first prize in the "Smart Energy Special Competition" of the Ministry of Industry and Information Technology's "Blossom Cup" 5G Application Contest for the fourth season.

Furthermore, as a global leader in cloud services, we continuously deepen the pivotal role of cloud service technology in aiding energy conservation and consumption reduction, committed to implementing the "dual carbon" goals with our partners.



YonBIP Procurement Cloud

By the end of 2023, there have been **468,000** enterprises registered on YonBIP procurement cloud supply platform, **139** large and medium-sized enterprises rely on YonBIP procurement cloud to achieve **25,000** online bidding, **23,000** participating suppliers, and **50.6** billion yuan in winning bids. **708** large and medium-sized enterprises relying on procurement cloud have achieved **983,000** online inquiries, **118,000** participating suppliers, and **827.6** billion yuan in winning bids; A total of **50** million yuan of travel costs has been saved.

YonBIP Collaborative Cloud

By the end of 2023, YonBIP Collaborative Cloud has served more than **2.15** million enterprises and organizations, of which the "You Space" collaborative platform built based on YonBIP collaborative cloud has served more than **10,000** large and medium-sized customers, **120,000** paid enterprise customers, and more than **22.6** million end users. It has been selected as the office product catalog recommended by more than **30** provincial and municipal governments, and has become an important tool to comprehensively promote "paperless" office and promote resource conservation.

YonBIP Tax Cloud

By the end of 2023, we have provided more than **82,000** tax-paying enterprises with tax-related, invoice-related and electronic accounting archiving services, with **309** million electronic invoices issued, **214** million invoices received, and **9** million electronic accounting vouchers, has achieved a cumulative carbon reduction of **532** tons.

Building a Green and Low-Carbon Operating System






Steadily Promotion

We have long upheld the principles of green, environmental protection, and intelligence. We continuously explore green and low-carbon management and operational mechanisms that align with our Company's actual situation, constantly improving the execution and supervision of related objectives. This ensures that our green operation management plans are effectively implemented, steadily advancing the company towards the "dual carbon" goals. In 2023, we invested more than 9 million yuan in environmental protection funds, which were used for key tasks such as optimizing garbage classification and collection, upgrading and retrofitting energy-saving equipment, and promoting environmental protection culture, achieving good results.

In 2022, under the guidance of the Group's Sustainable Development (ESG) Committee, the Company's Green Operation Working Group compiled and published the *Carbon Peak Implementation Plan of Yonyou Industrial Park*. In 2023, we took active measures and solidly advanced the relevant work according to the established goals, achieving commendable results.



Yonyou Industrial Park (Beijing) will achieve carbon peak by 2030 (coverage category 1 and 2) and carbon neutrality by 2060.

	Goals	2023 Progress	The status of goal achievement
	Yonyou Industrial Park (Beijing) will achieve green power accounting for not less than 50% of total power consumption no later than 2025, and green power coverage of 100% by 2030.	In 2023, the park began using green electricity for the first time, totaling 2,500 megawatts, which accounted for 6% of its total electricity usage.	In progress
	Yonyou Industrial Park (Beijing) will realize that the proportion of reclaimed water used for green land irrigation will not be less than 50% of the total water consumption no later than 2023, and 100% reclaimed water coverage will be achieved no later than 2024.	In 2023, the park's western and central areas used a total of 59,781 cubic meters of recycled water. Plans are underway to extend recycled water usage to the eastern area of the park in 2024.	In progress
	Yonyou Industrial Park (Beijing) will realize the overall replacement of fuel shuttle buses no later than 2025, and achieve 100% new energy shuttle bus coverage.	In 2023, all shuttle buses were replaced by electric vehicles, and routes were adjusted in real-time based on passenger occupancy rates to minimize resource wastage.	Completed

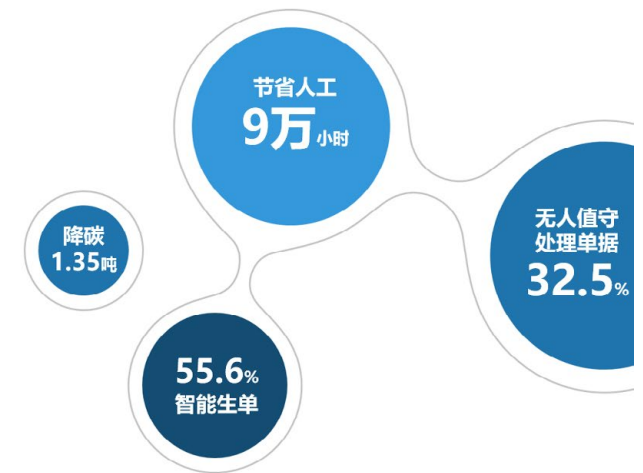
Optimized Management

We integrated the concepts of green, environmental, and intelligent operation throughout the construction and operational processes of our three major industrial parks in Beijing, Nanchang, and Sanya. This approach involves fully protecting the native ecological environment while employing new energy-saving and environmentally friendly technologies and materials, such as ground source heat pumps, energy storage, rainwater harvesting, energy-saving masonry blocks, and solar landscape lighting. These initiatives promote the application of a circular economy in the parks, significantly reducing waste emissions and effectively enhancing the level of green and low-carbon operation and management. In 2023, aligning with the natural environmental features of the industrial park's location and its actual operational requirements, we specifically implemented several green operation projects, receiving widespread acclaim.

Industrial Park	Main Tasks	Achievement
Yonyou Industrial Park (Beijing)	<p>Energy System Renovation: We invested 7.28 million yuan to implement the first phase of the ground source heat pump and ice storage central air conditioning renovation project. This involved replacing the heat pump units and circulating water pumps at the energy station, upgrading the energy storage system to water storage, and refurbishing the interior of the cooling tower along with upgrading the electrical automation equipment.</p> <p>Lighting and Energy Consumption Management Optimization: We actively continued to advance the transformation of traditional lighting, replacing 500 energy-saving LED lights within the year; we also replaced 15 high-energy-consuming water heaters with energy-efficient ones and descaled the water heaters quarterly to enhance their efficiency.</p>	<ul style="list-style-type: none"> Following the renovation, the park's energy supply system showed significant energy-saving effects, achieving physical energy savings of 1.078 million kWh, with a comprehensive energy-saving percentage of 21.66%. During the 2022-2023 heating season and the 2023 cooling season, compared to the conventional water-cooled unit cooling method of gas boilers, the energy supply system reduced carbon dioxide emissions by 2,087.6 tons. The lighting renovation and energy consumption management optimization achieved more than a 30% energy saving compared to the previous year.
Yonyou Industrial Park (Nanchang)	<p>Intelligent Operation for Heating and Cooling: Enhanced efficiency in the use of ground source heat pumps and energy storage central air conditioning, significantly reducing energy consumption generated by traditional energy methods.</p> <p>Photovoltaic Power Generation: Strengthened the capacity of the photovoltaic power station in the park, steadily increasing the proportion of clean energy.</p>	<ul style="list-style-type: none"> In 2023, this system achieved an electricity saving of 567,192 kWh, reducing carbon dioxide emissions by 372.6 tons. In 2023, the photovoltaic power generation reached 419,736 kWh, reducing carbon dioxide emissions by approximately 253.53 tons. In recent years, related projects have successively been recognized as Jiangxi Province's Renewable Energy Application Demonstration Project, Green Building Design Identification Two-Star Building, Jiangxi Province Quality Construction Project Award, and the Ministry of Housing and Urban-Rural Development's Green Construction Science and Technology Demonstration Project.
Yonyou Industrial Park (Sanya)	<p>Energy Substitution and Consumption Reduction: The park adopted a solar water heating system and installed external shading devices on building facades to reduce energy consumption in buildings.</p>	<ul style="list-style-type: none"> The project has been awarded the Hainan Province Green Building Design Identification Two-Star Building.

智能化 自动化 节能降碳

智能生单 • 数字员工 • 智能稽核 • 无纸化



In 2023, we focused on enhancing employee experience and reducing operational carbon footprint, fully implementing the BIP Expense Control and Business Travel Platform. Throughout the year, a total of 227,000 reimbursement documents were automatically and intelligently generated, accounting for 55.6% of all reimbursement documents. This saved 49,000 hours of reporting time. Concurrently, it conserved 668,000 sheets of printing paper, equivalent to a reduction of 1.35 tons in carbon emissions. The digital employee independently audited 133,000 documents (unmanned mode), accounting for 32.5% of the total documents. Intelligent audit checks were executed on 10.56 million checkpoints (5.21 million in business management and 5.35 million in invoice compliance), saving 41,000 hours in auditing time.

Strengthening Concept

We fully implement the new development concept, actively advocating, and encouraging our employees to apply green and environmentally friendly principles in their work and daily lives. In 2023, we organized our employees to participate in activities such as tree planting festivals and eco-friendly hiking, working together with every staff member to jointly protect our beautiful home.



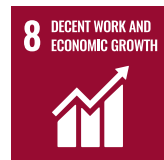
In March, June, and October of 2023, we organized online and offline environmental protection activities, with over 3000 employee participations.

02

Social: Co-Creating a Better Life

Opinions of the Central Committee of the Communist Party of China and the State Council on Promoting the Development and Growth of the Private Economy state: The private economy is a vital force in advancing Chinese path to modernization and a significant foundation for high-quality development. It is an important power in fully building a modern socialist country and achieving the second Centenary Goal. Promoting stable employment, driving industrial chain development, focusing on common prosperity, and actively fulfilling social responsibilities are the inherent duties of private enterprises, especially large listed private enterprises, in aiding high-quality development and helping the people better share the fruits of economic growth.

Yonyou is keenly aware of its mission and responsibility in the process of high-quality economic and social development. Centering on people, we implement multiple measures and dimensions to create talent development channels, comprehensively enhancing employee capabilities and helping them realize greater value. We continue to cultivate industry ecosystems, working together with a broad range of stakeholders to build a prosperous business environment. Relying on our advantageous technological strength, we empower social welfare with practical actions, contributing to the digital transformation of public welfare undertakings. By deepening our focus on social responsibility, including the protection of commercial cultural heritage and employee volunteer activities, we deeply commit to our corporate social responsibilities in the new era. With the sense of responsibility of a "Great Power Brand," we contribute to the people's pursuit of a better life.



Creating a New Environment for Comprehensive Development of Employees



Talent Attraction

Yonyou strictly complies with laws and regulations such as *the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China*, continuously advancing Yonyou's vision of a platform where "employees work happily, achieve career success, and share in success", we established a system structure composed of *Yonyou Group Recruitment Management Rules and Yonyou Group Intern Management Rules*, etc., forming a complete talent attraction mechanism, and building a compliant, harmonious and equal employment system.

We are committed to treating all candidates fairly and justly, with no discrimination based on race, skin color, religion, gender, age, disability, marital status, nationality, ethnicity, or any other legally protected status. We firmly oppose and prohibit any form of child labor and forced labor. Upholding equality and diversity in our recruitment process, we support the career development of female and minority employees, this approach helps attract outstanding talents from various backgrounds and skills, thus building a competitive team. In 2023, female employees accounting for 34.0% of the total workforce, and 1,192 employees from minority groups.

We build and continuously improve the Company's employer brand communication matrix, convey real employer information and employee experience to potential employees through various social communication channels. We engage in diverse forms of cooperation with universities, promoting our employer brand to fresh graduates and attracting outstanding young talents and help the Company improve the quality and efficiency of recruitment. In 2023, we recruited a total of 5,719 new employees through diversified recruitment channels, and provided internships for 5,132 interns.

In 2023,

34.0 %

Female employees

1,192

Employees from minority groups

5,719

New employees recruited through diversified recruitment channels

Social Recruitment

Based on business development and team requirements, we formulate clear talent acquisition plans, regularly assess and adjust our talent acquisition strategies to ensure the process is scientific and efficient.

- Diverse recruitment channels:** We carried out multi-channel recruitment through job websites, social media, talent markets, and more, continuously attracting excellent talent to enhance and expand the Company's talent pool.
- Diversity in talent backgrounds:** We extensively recruited employees with diverse backgrounds, cultures, and skills to increase the team's diversity and innovativeness; we deeply implemented the introduction of overseas talents, providing strong support for the Company's globalization business.
- Interviewer empowerment certification:** We established competency standards for interviewers, standardized the interview process and criteria, and comprehensively improved the professionalism and expertise of interviewers. It became mandatory for interviewers to be certified for their role. During the year, a total of 2,478 people obtained interviewer certification.

Campus Recruitment

In 2023, we continued our campus recruitment efforts, utilizing both online and offline methods for promoting to students, contributing to broaden employment channels for fresh graduates.

We held the 2023 Spring Campus Recruitment "Youwei Youth Sharing" and "Interviewer Answering Questions"; held online lectures such as the 2024 Autumn Campus Recruitment "Q & A Special Session for High Potential Batch", "Seniors Special Session for High Potential Batch", "Q&A Special Session for Advanced Batch", "Senior Special Session for Advanced Batch" and other online lectures have been watched **36,011** times online, and the number of school recruits reached **871** in 2023.

In 2023, we actively promoted school-enterprise cooperation, holding our inaugural school-enterprise exchange meeting. This aimed to advance the integration of industry and education, collectively exploring talent cultivation and school-enterprise cooperation in the context of digital and intelligent transformation. Nearly a hundred teachers from Project 211 key universities and colleges attended the meeting, including several secretaries and deans.

We actively explored various modes of school-enterprise cooperation, providing colleges with students' practice training bases, establishing joint laboratories, setting up in-school scholarships, and conducting specialized lectures at universities, etc. These efforts aim to help universities cultivate high-quality talents with strong theoretical and practical abilities.

In 2023, we established in-depth school-enterprise cooperation with nearly 30 universities, including Tsinghua University, Harbin Institute of Technology, Beijing University of Aeronautics and Astronautics, Beijing University of Posts and Telecommunications, Renmin University of China, Central University of Finance and Economics, Northeastern University, Dalian University of Technology, Dalian Maritime University, Hebei University of Technology, and Taiyuan University of Technology, etc., supports the training and employment of university talents.



Yonyou 2023 School-Enterprise Exchange Meeting

Talent Development

Staff Training

In 2023, we continued to optimize our employee development policies, constantly strengthening the institutional foundation of Yonyou's talent system. During the year, we developed and published the *Yonyou BIP Product Management Rules for Knowledge Learning and Examination Certification* to ensure that employees master the essential knowledge and skills of Yonyou BIP products according to business needs, advancing the implementation of the Yonyou BIP strategy. Additionally, *Yonyou Group Professional Development and Management System* was updated to include requirements for employees' product learning, examination, and certification.

We have established a three-level training system consisting of Yonyou Learning and Training Center, training posts in business units at headquarters, and training posts in front-line institutions to form a training mechanism with clear hierarchy and clear focus to help employees continuously improve their core competitiveness. In 2023, Yonyou Learning and Training Center conducted 174 training sessions for all kinds of employees, trained 7,856 person-times, and scored 4.7 points (out of 5 points) in training satisfaction.

In 2023,

174

Training sessions conducted by Yonyou Learning and Training Center for all kinds of employees

7,856

Person-times trained

Development Channels

We earnestly practice the value of "professional struggle", implement the "multi-channel" development mechanism for employees to achieve separate development pathways for the management line (M series) and the professional line (P series). In 2023, we continued to optimize the "fast lane" development policy, offering broader development opportunities for talented individuals. Simultaneously, we introduced several new job series in our professional development system, clearly defining the developmental path and job requirements for each series, providing more accurate and comprehensive guidance for the development of employees' professional ability.

Leadership Development

Cadre Standards Construction

We established the cadre 12358 system and continuously promoted the implementation of cadre 12358 system on the ground.

Cadre Talent Inventory

During the annual organizational review and talent inventory project, we conducted a talent inventory for key positions across the entire group, recorded the historical evaluations of cadres in archives, and created profiles of cadre talents.

Cadre Rank Evaluation

In 2023, we conducted an optimization of the cadre rank evaluation standards and workflow processes. Throughout the year, we completed the 2023 annual group cadre rank evaluation.

用友干部12358体系



Professional Development

We initiated the Group's Outstanding Talent Program to discover, identify, and cultivate high-potential talents. By inventorying the talent pool, we produced talent profiles, recommended matching talents, and conducted intensive training. We selected key talents at both the group and BG/BU levels, and designed subsequent development plans for these key talents.

Job Rotation Development

We actively promote cross-functional and cross-organizational job rotations, encouraging employees from functions like marketing, research and development, and services to rotate among different business units, enhancing their global perspective and cultivates versatile talents.

"Youwei Youth" New Employee Training

- We developed and launched the New Employee Training System V1.0, promoting the implementation of the "online self-learning + integrated training + on-the-job learning" model for new employees across various organizations, aims to achieve comprehensive enhancement in cultural integration, strategic consensus, and job competency.

BIP Product Knowledge Learning and Examination for All Staff

- The all-hand's product learning and examination system optimization were carried out, and we applied the certification results in professional job reviews, cadre appointments, and the regularization of new employees. In 2023, a total of 20,787 employees completed their learning, with an examination pass rate of 88.17%, and 20,361 people received certification.

Foster of Cadre

- Successfully conducted nine phases of the new grassroots cadre initiation program, covering six organizations and subsidiaries.
- We conducted cadre training and empowerment, evaluating their progress through performance reviews, and facilitated newly appointed grassroots cadres to achieve role transformation, competency in management abilities, and fulfillment of business objectives.
- Conducted talent acceleration boot camps, covering hundreds of outstanding grassroots cadres from various business units and subsidiaries, combining selection and training, and identifying top talents for group-level reporting at the conclusion of the program.

Professional Capacity Training

- Learning Map Construction: Customized learning maps were created for different professional sequences. Throughout the year, we completed the development of learning maps for R&D, sales, implementation, and pre-sales sequences, organizing a total of 168 learning plans.
- Course System Development: We advanced the construction of courses in areas such as intelligent accounting and digital intelligence human resources, effectively promoting the professional capacity building of functional departments.
- AI Training: We developed the *AI Empowering Office Efficiency* series of micro-courses to help employees enhance their understanding and application of artificial intelligence, effectively aiding in the improvement of their work quality and efficiency.

Talent Retention

We established a scientifically effective incentive system to fully unleash the potential for employee growth. In 2023, we revised and improved *the Post Performance Management System of Yonyou Network Technology Co., Ltd.* and *the 2023 Implementation Rules of Annual Post Performance Management*. We continually refined and upgraded the target process management and assessment evaluation process, ensuring a scientific and efficient target management system and performance management system.

In 2023, in accordance with the *Company's Incentive Measures for Innovative Achievements*, we continued to reward teams and employees who have produced innovative achievements in products and services, business models, solutions, management, etc. During the year, we issued a reward fund of 5.2 million yuan to 23 teams. In addition, we continued to promote medium and long-term incentive plans such as equity incentives. A total of 2,615 outstanding employees received equity rewards during the year.

We actively implemented lightweight and agile assessments for over 22,000 people across the group, and continuously promoted the implementation of a performance assessment result communication and feedback mechanism in 2023. Throughout the year, we achieved 4,181 instances of communication feedback, covering 100% of the organization, playing a significant role in promoting employee goal achievement, personal growth and development, and organizational goal accomplishment. Cadres at all levels and line business directors/project managers of the Company provided comprehensive feedback on the performance results of employees, and timely recorded the communication results in the "My Feedback" module of the "You Space" continuous performance system, which was delivered to the employees in real time.

Employee Communication

We fully respect and guarantee employees' rights to be informed, participate, express, and supervise in management affairs, continuously improve the trade union organization and the democratic management system based primarily on the employees' representative assembly, and regularly convene these assemblies. We actively listen to employee opinions and establish efficient and transparent communication channels. Relying on the Company's internal SNS (Social Networking Service) community and You Space and other information applications, we encourage all employees to express their views and suggestions on issues related to company management and technological development, fully understand employees' core concerns, and incorporate key suggestions into the optimization of the Company's daily operations.

In 2023, focusing on our annual strategic theme, we held three sessions of the group-level cultural program "CEO Meetup". The Group CEO engaged closely with employees, having open and sincere dialogues about strategy, business, culture, and personal insights. The events were attended by 1,081 individuals on-site, with over 35,000 participants online. We collected 813 questions from employees and answered 65 of them during the sessions. Beyond addressing inquiries on-site, we continued to actively resolve issues related to system process optimization, business resource support, and office equipment upgrades, effectively creating value for both the organization and its employees.

5.2

Million yuan reward fund was issued to 23 teams

2,615

Outstanding employees received equity rewards during the year

22,000

People underwent lightweight and agile assessments across the group

4,181

Instances of communication feedback

3

Sessions of the group-level cultural program "CEO Meetup" were held

1,081

Attendees on-site

813

Questions we collected from employees

Employee Care

Optimizing the Workplace Environment

We are committed to creating a safe, comfortable, and inclusive workplace environment to ensure the physical and mental health and work efficiency of our employees. In 2023, we enhanced employees' work experience in all aspects, including a green and environmentally friendly working environment, a convenient and comfortable commuting experience, and a healthy and safe workplace life.



Provide a Quality Office Environment

- We provided a safe working environment for our employees, and adhered to the selection of green and environmentally friendly furniture for employees, and all furniture panels were of high-quality environmental protection E1 level.
- We conduct safety and quality inspection for new office areas, and regularly clean and disinfect the central air conditioning systems.



Facilitate Daily Employee Commuting

- Provided shuttle bus services, with 3 shuttle bus routes connecting key areas and transport hubs, as well as 11 city rail feeder buses to enhance the employee commuting experience.



Safeguard the Health and Safety of Employees

- Added 4 automatic external defibrillators (AEDs) in all areas of the park to effectively guarantee the emergency rescue needs of employees.
- Conducted safety inspection once a month to ensure the safety of electricity, gas and fire protection and increased frequency during major festivals or extended holidays.
- Carried out fire drills twice a year, normalized the promotion of safety production, use of firefighting equipment, safe use of electricity and other publicity activities, and built safety protection barriers.
- Regularly inspected the safety of all catering service providers in the park, the environmental safety and food safety guarantee work of the restaurant in the park was highly recognized by the regulatory authorities.

Deepening the Employee Care

In 2023, we continued to carry out various activities, offer more fringe benefits to help employees maintain physical and mental health, and achieve happy work and healthy life.

Employee Benefits Innovation

Customized Benefits

Adopting the concept of "My Benefits, My Choice," employees are free to choose their customized benefits based on their preferences during festive seasons, significantly increasing their participation and satisfaction.

Year-Round Traditional Chinese Medicine Treatments

To alleviate occupational health issues caused by prolonged sitting among employees, we provide irregular monthly eye care and traditional Chinese medicine treatments for shoulder and neck issues. This includes prevention and massage therapy for common ailments.



In 2023, we completed a 130,000-word book titled *Professional Endeavor*, which narrates the stories of 35 representative Yonyou employees, it further enhances Yonyou members' identification with the Company's development values.



During the Mid-Autumn Festival of 2023, we hosted the "Moon Over the Sea, More Complete with You" event in the park, aimed at fostering friendship and unity among employees, and together experiencing the warmth and joy of the Mid-Autumn Festival.



In October 2023, the Company organized the "Rescue Single Dogs and Cats" event, aimed at caring for single employees and encouraging them to find partners and step towards happiness. This event was jointly participated in by single men and women from universities, hospitals, and institutions in Haidian District, in collaboration with Yonyou. We conducted various interactive games at the event to promote interaction, deepen understanding and break the ice.



In 2023, the Yonyou Company Club organized shuttlecock, group badminton, and basketball leagues, with a total of 300 people participating in the competitions, greatly enriched the employees' leisure time.

Building a New Ecosystem and Mutual Benefit for the Industry



In 2023, we comprehensively upgraded our ecosystem strategy, focusing on "Deep Industry Cultivation and Large-Scale Development." We deepened industry-oriented operations and strengthened cooperation with various types of ecological partners such as Independent Software Vendors (ISVs), Technology/Platform/Solution Strategic Partners (GTPs), Professional Service Partners (ISPs), and Value-Added Resellers (VARs). We continued to build a closely collaborative Yonyou ecosystem partner network, jointly creating industry-integrated joint solutions and domain application services, bringing more professional and large-scale digital intelligence services to various industries. By the end of 2023, the Company had a total of 3,305 registered ISV partners (including Changjie Tong), with ISV ecosystem cooperation in industry and scale accelerating. The total number of ecological solutions reached 302. Products developed based on the YonBuilder low-code platform reached a total of 70. With 202 selected fusion partners, we nurtured 3 partners with revenues of 20 million each, more than 10 partners with 10 million each, and over 20 partners with 5 million each, becoming the fastest-growing enterprise digital intelligence ISV ecosystem in China.

3,305

Registered ISV partners (including Chanjet)

302

Ecological solutions

202

Selected fusion partners

3

Partners with a scale of 20 million

more than **10**

Partners with a scale of 10 million

over **20**

Partners with a scale of 5 million

Case

Yonyou Hosts ISV Ecological Forum, Seeking the Development of a Digital and Intelligent Ecology

In August 2023, Yonyou hosted the "Deepening Industry Digitization, Connecting to Drive Growth" ISV Ecological Forum at the National Convention and Exhibition Center in Shanghai. Leaders and partner representatives from Cattle and Cow Club, Yonyou Industrial Investment, iUAP Platform, Customer Technical Solutions and Empowerment, Developer Ecology, and ISV Ecology delved deeply into the development trends of the SaaS ecosystem, comprehensively interpreted the digitalization ecosystem pattern, growth space, and Yonyou's comprehensive empowerment system for ISV partners in terms of technology, policies, and investments. They openly shared valuable practical experiences of partners collaborating with Yonyou to assist customers in digital transformation, witnessing the flourishing development of Yonyou's ISV ecosystem together with hundreds of partners present at the forum.



Case

Yonyou Collaborates with ISV Ecological Partners to Empower the Intelligent Transformation of the Food Processing Industry

Yonyou, in collaboration with ISV ecological partner Weisai Technology, focuses on the core business needs of Beijing Ershang Group, a leading enterprise in the food processing industry. Leveraging the native development of the Yonyou YonBuilder platform and deep integration with the Yonyou BIP platform, they swiftly achieved enterprise-wide data collection, transmission, and sharing within the factory by connecting production line equipment, materials, personnel, and systems. Simultaneously, they provided real-time monitoring, statistics, and analysis of key indicators at various production stages, offering data services for continuous improvement and management decision-making to the enterprise. This effectively addressed longstanding industry pain points in the food processing sector, such as challenges in data collection during production processes, coarse granularity of data collection nodes, and inadequacies in supply chain inventory management functionalities for on-site fine management. This solution has been effectively implemented in over thirty factories under Beijing Ershang Group, establishing a standardized management system and achieving the digital transformation and innovative digital business in the food processing industry.



Case

Yonyou Leads the Establishment of the Pharmaceutical Industry Ecological Alliance, Deepening Digitization in the Healthcare Sector

Yonyou actively collaborates with multiple ISV ecological partners to develop innovative products through the YonBIP platform, enhancing solutions for various sub-sectors such as pharmaceutical manufacturing, pharmaceutical distribution, and medical devices. This initiative rapidly develops products rich in industry characteristics, aiding agile project delivery for clients. In April 2023, Yonyou hosted the "In-depth Pharma, Ecological Convergence" Ecological Innovation Forum. Zhou Jun, Assistant General Manager of Yonyou's Pharmaceutical and Pharmaceutical Distribution Industry Division, shared insights on *Yonyou's Pharmaceutical Industry Ecological Strategy*, showcasing Yonyou's comprehensive business layout, ecological circle construction, and achievements in the pharmaceutical sector. During the forum, Yonyou spearheaded the formation of the Pharmaceutical Industry Ecological Alliance. Yonyou will collaborate with ecological partners to construct scenario-based solutions for enterprises, vigorously promoting specialized construction and digital transformation in the pharmaceutical industry.



Empowering a New Mechanism for Charitable Causes for Society



Under the overall management of the Yonyou Foundation, we have constructed three major public welfare brands: "Yonyou Public Welfare Cloud" project aimed at promoting the intelligent development of the public welfare industry, the "Great Wall of Commerce" funding project dedicated to advancing the protection of Chinese business cultural heritage, and the employee volunteer service team "Walk side by side with friendship." These brands serve as the core of our public welfare system, covering various societal, business, and internal spheres. In 2023, we further refined institutional documents such as the *Yonyou Foundation Volunteer Management Measures*, the *Companionship in Love Volunteer Service Team Charter*, and the *Companionship in Love Volunteer Incentive Mechanism*, strengthening the organization of employee volunteer services and cultural development. During the year, we conducted two sessions of social responsibility training that covered all employees, with a total charitable contribution of 6.757 million yuan. Additionally, 217 volunteers cumulatively contributed 3,025.5 hours of service.

6.757

Million yuan in charitable contributions

3,025.5

Hours for volunteer service

Yonyou Public Welfare Cloud

Yonyou Public Welfare Cloud Project offers public welfare organizations free, professional, efficient, and practical integrated products and services for finance and project management. In 2023, we released *the Digital Intelligence Solutions and Case Studies for the Public Welfare Industry*, continuing to increase our investments and serving more public welfare organizations. During the year, we provided products and services to 48 public welfare organizations. Yonyou Public Welfare Cloud Project was selected as part of the China Computer Federation (CCF) Technology Public Welfare Case Collection *2023 Annual Outstanding Cases*.



List of newly signed public welfare organizations in 2023

Number	Organization	Number	Organization
1	Beijing Antai Charity Foundation	26	Ulanqab Public Welfare Promotion Association
2	The Open University of China Education Foundation (Beijing)	27	Xi'an Guangyuan Education Support Charity Centre
3	Hengshan Foundation	28	Yiyang Ant Social Work Service Center
4	Evergreen Center for Sustainable Development	29	Yile Social Work Service Center, Yunlong County
5	Beijing Yunju Temple Charitable Foundation	30	Zhejiang Foundation of Nanhu School Affiliated To Beijing Normal University
6	Beijing All in One Foundation	31	Zhejiang Yuhua Public Welfare of Seniors Development Center
7	Chengdu Wuhou Community Development Foundation	32	Wanzhou District Deli Social Work Service Center, Chongqing
8	Enshi Volunteer Association	33	DNVa Foundation
9	Fujian Education Aid Association	34	Beijing Reteng Foundation
10	One Heart Foundation of FuJian Province	35	Chengdu Jinniu Community Development Foundation
11	Gansu QingSuo Philanthropy Development Center	36	Chengdu Concentric Charity Public Service Center
12	Guangzhou Shi Yuan Charitable Foundation	37	Gongming Public Welfare Center for Disability Inclusion, Guangzhou
13	Family Education Promotion Association, Zengcheng District, Guangzhou	38	Guolanying Arts Development Foundation
14	Lezhong Social Work Service Center, Zengcheng District, Guangzhou	39	Hui County Volunteer Service Center
15	Guizhou For Love Qianxing Public Service Center	40	Jiande Guangfu Charitable Foundation
16	Houma City Social Work Service Center	41	Jiangxi Love Public Welfare Association
17	Shandong Zhongtou Philanthropic Foundation	42	Nanchong Charity Federation
18	Shaanxi Youth Entrepreneurship and Employment Foundation	43	Nanning Huiguang Social Work Service Center
19	Shanghai PuTuoDistrict Merry Memory Senior Care Center	44	Shanghai Make-A-Wish Charity Foundation
20	Shenzhen Social Commonweal Foundation	45	Shenzhen Dapeng Coral Conservation Volunteer Federation
21	Shenzhen We-i Charity Foundation	46	Xuzhou Yitong Social Work Development Center
22	Education Foundation of Shenzhen University of Advanced Technology	47	BAYU Public Welfare Development Center of Yuzhong District, Chongqing
23	Songyuan Blue Sky Volunteer Association	48	Jafron sunshine Medical Foundation
24	TianJin Xinyu Public Foundation		
25	Weifang New-achieve Social Work Service Center		

Arrangement and Protection of China's Commercial Cultural Heritage

In July 2017, we officially launched the "Great Wall of Commerce" project, aimed at excavating, protecting, organizing, researching, and showcasing China's commercial cultural heritage through supporting theoretical research, historical data collation, and database construction. After seven years of development, the "Great Wall of Commerce" project has become a representative brand in public welfare initiatives, exerting significant influence in the academic community and introducing new perspectives and methods to China's public welfare sector.

In July 2023, we announced the seventh "Great Wall of Commerce" funding project, donating 3 million yuan to support 15 outstanding projects focused on commercial technology and data heritage, received widespread acclaim and attention from various social sectors. Numerous renowned academic public accounts, including those focusing on quantitative historical research, Chinese economic history, and industrial history, have published related information. The project received coverage from several well-known media outlets such as Guangming Net, Phoenix Net, and Public Welfare Times. By the end of 2023, the "Great Wall of Commerce" project had been cumulatively donated 29.905 million yuan, supporting 136 projects.

29.905

Million yuan had been cumulatively donated to the "Great Wall of Commerce" project by the end of 2023

136

Projects had been supported

2023 "Great Wall of Commerce" new funding projects (part)

Number	Project Title	Responsible Institution
1	High-Resolution Reconstruction and Information Accessibility Analysis of Modern China Commercial Information Networks (1903-1942)	Institute of Chinese Historical Geography, Fudan University
2	Research on the "Suzhou Numerals Code" of China's Commercial Digital Cultural Heritage	School of Humanities and communication, Ningbo University
3	Organization and Research of Chinese Maritime Customs Publications in the Shanghai Library Collection	School of History and Cultural Heritage, Xiamen University
4	Research on the Interaction between Commercial Development and the Monetary Evolution since the Qing Dynasty	Institute of Economics, Chinese Academy of Social Sciences
5	Arrangement, Research, and Database Construction of the Documents of Tongrentang Pharmacy in Huizhou, Jixi	Department of History, Jiangxi Normal University
6	Collection and Compilation of Sino-Foreign Commercial Judicial Archives of the French Mixed Court of Shanghai (1869-1931)	Department of History, School of Liberal Arts, Shanghai University
7	Research on the Price Data in Rural Households' Account Books in Qing Dynasty	Department of History, School of Humanities, Shanghai Jiao Tong University
8	Collection and Organization of Salt Price Historical Data in the Qing Dynasty	Department of History, Sun Yat-sen University

"Walk side by side with friendship" Employee Volunteer Services

Our employee volunteer service strategy focuses on professional and environmental volunteer services. We engage in volunteer activities through various forms, including connecting with external resources and collaborating with outstanding charitable organizations. By the end of 2023, the "Walk side by side with friendship" volunteer service team had 501 officially registered volunteers. During the year, 217 volunteers contributed a total of 3,025.5 hours of service; 8 individuals participated in professional volunteer activities conducted under the Yonyou Public Welfare Cloud project, accumulating approximately 3,270.5 hours of service.

501

Officially registered volunteers in the "Walk side by side with friendship" volunteer service team

3,270.5

Hours of accumulated service time



In the outstanding volunteer recognition event of 2022, we actively encouraged employees to participate in volunteer services and specially acknowledged those volunteers who made exceptional efforts for the community, environment, and others.

03

Governance: Creating Long-term Value

Listed companies are the cornerstone of the capital market and a key driving force for the high-quality development of China's economy. In recent years, with the introduction of policies such as *Opinions on Further Improving the Quality of Listed Companies* and the implementation of multiple rounds of action plans to enhance the quality of listed companies, robust support has been provided for the stable and healthy development of China's capital market. Facing the profound changes in internal and external environmental development trends, solidifying corporate governance concepts and persistently focusing on standardized development is an essential aspect of continuously enhancing the developmental quality of listed companies. This is also an inevitable requirement as the economy and society enter a stage of high-quality development.

As a large, listed enterprise, Yonyou consistently adheres to exploring the best practices in modern corporate governance. With a focus on the intrinsic requirements for high-quality corporate development, Yonyou deeply integrates the concepts of Environment, Social, and Governance (ESG) into all aspects of business operations. We have established an ESG management mechanism that spans from the board of directors to the grassroots frontline and continuously improve the related system infrastructure. Focusing on key aspects of corporate governance such as investor relations management, information disclosure, and data and privacy security, we consistently deepen our capacity building and reinforce a culture of compliance, laying a solid foundation for the long-term sustainable development of the enterprise.



Drive the Continuous Improvement of Corporate Governance Effectiveness



Establish a Solid Governance Foundation

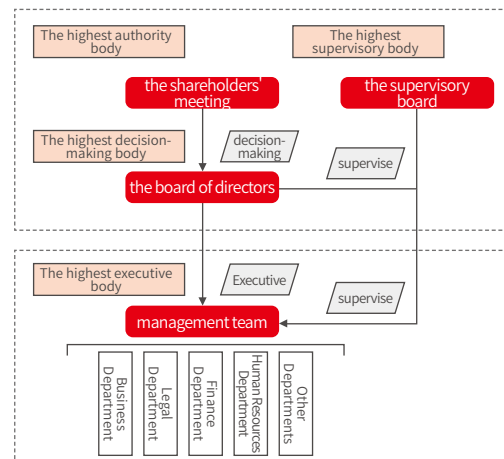
In 2023, in accordance with the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, we revised and improved various system norms including the Rules of Procedure for the Board of Directors of Yonyou Network Technology Co., Ltd., the Articles of Association of Yonyou Network Technology Co., Ltd., and the *Implementation Details of the Board's Strategic Committee*. This continuous effort aims to better translate institutional advantages into governance efficacy.

We established a corporate governance system comprised of the Shareholders Meeting, Board of Directors, Board of Supervisors, and senior management. The Shareholders' Meeting is the highest authority in Yonyou, responsible for managing significant corporate matters. The Board of Directors acts as the decision-making institution, undertaking responsibilities related to business operations decisions. The Board of Supervisors, serving as the supervisory body, oversees the fulfillment of duties by the directors and management and is accountable to the Shareholders Meeting. This governance structure of "three committees and one layer" ensures that each entity performs its respective duties, effectively balances and coordinates operations, thereby guaranteeing that Yonyou's corporate governance is standardized, scientific, and efficient.

In 2023, Yonyou convened

- The shareholders' meeting was held 2 times, deliberating and passing 2 proposals, such as *the Company's 2022 Annual Financial Settlement Scheme* and the *Proposal on Amending Certain Clauses of the Company's Fundraising Management Method*.
- The board of directors convened 7 times, deliberating and passing 55 proposals, including the *Company's 2022 Sustainable Development (ESG) Report*, *the Proposal on Renaming the Ninth Board of Directors' Strategic Committee and Revising the Implementation Rules of the Board's Strategic Committee*, and the *Company's 2023 Employee Stock Ownership Plan Management Rules*.
- The supervisory board met 6 times, deliberating and passing 27 proposals, such as *the Company's 2022 Board of Directors Report* and *the Company's 2022 Supervisory Board Report*.

Under Yonyou's Board of Directors, various specialized committees are established, including the Audit Committee, Nomination Committee, Compensation and Assessment Committee, Strategy and Sustainable Development Committee, and Related Transactions and Control Committee. Among them, the Strategy and Sustainable Development Committee is wholly responsible for the Company's ESG (Environment, Social, and Governance) initiatives, offering strategic guidance and decision-making support for Yonyou's long-term sustainable development. In 2023, Yonyou held a total of 9 special committee meetings. These meetings focused on key topics such as internal control audits, selection of directors and senior management, equity incentives, and related transactions, providing crucial support for enhancing the Company's governance and operational efficiency.



Independence and Diversity of the Board of Directors

In 2023, in accordance with new regulatory requirements such as the Measures for the Administration of Independent Directors of Listed Companies, we revised and improved the *Working System for Independent Directors of Yonyou Network Technology Co., Ltd.* This revision standardized the appointment conditions and election procedures for independent directors, considering factors like educational background, industry experience, and professional skills, and it stipulated that independent directors should ideally serve in no more than three domestic listed companies.

By the end of 2023, independent directors comprised half of our Board, bringing diverse expertise from regulatory agencies, information technology, and corporate management. The independent directors actively participated in the work of the Board's special committees and effectively played an independent role in the Board's decision-making. Two of them served as chairpersons of the Audit Committee, Nomination Committee, and Related Transactions and Control Committee. In the future, Yonyou will continue to optimize the composition of the Board members, strengthen the independence of the Board, enhance the diversity of the Board, and advance the recruitment of female directors to ensure efficient operation of the Board.

1/2

Independent directors in the board of directors by the end of 2023

Investor Communication and Information Disclosure

We always adhere to the compliance, transparency and professionalism of information disclosure, constantly improve the timeliness and quality of information disclosure through multiple channels, and ensure that investors timely, complete, accurate and equal access to company-related information. In 2023, we completed the preparation of 147 temporary announcements and the disclosure of relevant documents, such as the announcement of share repurchase, equity incentive, and the use and management of raised funds, through the website of the Shanghai Stock Exchange, the Shanghai Securities News, the Securities Daily, the China Securities News, the Securities Times and other legal information disclosure media.

We attach great importance to the protection of the rights and interests of minority shareholders. During the year, we answered 321 investor hotline calls, answered 16 questions on the SSE E interactive platform, and responded to 121 investor emails. Additionally, we held three regular report performance briefings, ensuring investors are well-informed about the latest developments of the Company. In 2023, we actively engaged in thorough discussions with investors regarding ESG-related issues. Addressing investor concerns about corporate governance, energy conservation and emission reduction, and employee benefits, the Company's investor relations coordinated with the ESG Committee to actively respond, ensuring transparency and efficiency in our ESG efforts.

321

Investor hotline calls were answered

16

Questions on the SSE E interactive platform were answered

121

Investor emails were responded

3

Regular report performance briefings were held



Yonyou Network Investor Communication Channels

Investor hotline calls

We provide answers to investors' concerns, actively communicate the Company's business progress and industry trends, listen to their suggestions, and promptly relay feedback to the Company's management.

"Investors Step into Yonyou" Series Activities

In 2023, Yonyou actively cooperated with organizations such as Wanhe Securities and Bank of China International Securities, inviting small and medium investors to visit Yonyou, and participate in activities such as tours, on-site exchanges, and Q&A sessions.

Official Website "Investor Relations Column"

We regularly publish all external announcements on the "Investor Relations Column" page. With a monthly cycle, we disclose information on product development, business operations, and model customer contracts.

Case

Shanghai Stock Exchange and Bank of China Securities Jointly Organize "I am a Shareholder" Event, Investors Gain In-Depth Understanding of Yonyou Networks.

In November 2023, Bank of China Securities, in collaboration with the Shanghai Stock Exchange, organized the "I am a Shareholder" event at Yonyou Networks. Fourteen investor clients from the Beijing branch of Bank of China Securities participated in this event. Wang Ke, the Director of Investor Relations at Yonyou Networks, reviewed the 35-year development journey of Yonyou and introduced the latest R&D application achievements. She also answered the questions raised by investors one by one. This event provided the investors with a more comprehensive and multidimensional understanding of Yonyou, guiding them to better recognize the investment value of Yonyou and fostering a positive awareness of exercising their rights as shareholders.



Continuously Improving Compliance and Operational Systems



Business Ethics

Organizational and Systematic Safeguards

We established an independent Group Audit and Supervision Department, separate from business and other functional departments, responsible for the Company's internal audit, investigation of reported illegal and non-compliant behaviors, and handling of violations. This department is accountable to the Board's Office and reports to it. A member appointed by the Board's Office (the director in charge) represents the Board's Office in overseeing the audit and supervision work. A senior management member is also appointed to concurrently serve as the General Manager of the Group Audit and Supervision Department, responsible for the internal audit and supervision work under the leadership of the director in charge.

We have established a comprehensive internal control management system covering financial management, risk management, compliance review, and other areas. In 2023, we publicly posted systems such as [the Supervision System of Yonyou Network Technology Co., Ltd.](#) and [the Internal Audit System of Yonyou Network Technology Co., Ltd. Internal Audit System](#) online. This initiative was aimed at enabling employees and other stakeholders to gain a more comprehensive and in-depth understanding of the Company's management norms and behavior guidelines, thereby enhancing the transparency and compliance of the Company.

Audit and Supervision

In 2023, we made solid progress in audit supervision, carrying out 48 audit supervision projects including departure audit, performance audit, special audit, and internal control evaluation during the year, covering all the Company's main business operations and significant risk areas. In total, 69 audit projects were conducted, identifying over 300 issues. Additionally, we engaged external organizations to conduct annual internal control audits, providing a comprehensive and objective assessment of the Company's internal control processes. Upon identifying issues and risks during the audit process, we promptly proposed rectification measures and organized orderly rectification efforts, enhancing the Company's operational efficiency and risk resistance, ensuring standardized and efficient operational management, and safeguarding the Company's sustainable development.

We are committed to helping the group build a scientific business operation management system that adheres to the principle of "establishing rules beforehand, controlling risks during, and strict accountability afterward." We actively constructed and operated a comprehensive, compliant, fair, and efficient audit and supervision system. Through audit activities, reporting channels, and internal feedback, we conducted comprehensive supervision of all company employees, partners, and suppliers; conducted initial inquiries, case establishment, and investigations for illegal and non-compliant matters strictly according to procedural regulations, ensuring the compliance of the audit and supervision work itself; and implemented a multi-department joint meeting and collective decision-making mechanism for handling non-compliant behaviors, ensuring the fairness of the outcomes. In 2023, the Company further strengthened the supervision team, intensified efforts to crack down on violations and disciplinary offenses, reinforced the promotion of a culture of integrity, and fully safeguarded Yonyou's long-term healthy development.

Reporting and Protection of Informants

We have developed and perfected [the Yonyou Group Reporting Management Regulations](#), applicable to all group employees, including interns and contract staff, as well as external consultants, supplier service personnel, and partners involved in joint on-site development. We will reward informants whose reports are substantiated through investigation and make significant contributions to the Company. Simultaneously, we require staff who receive reports or participate in investigations to strictly adhere to confidentiality, not to disclose the identity of the complainant or reporter to any department or individual without authorization, and prohibit any discriminatory or retaliatory actions against informants, ensuring their protection during the investigation process.

Employee Behavior Management and Incorruptibility Education

We continue to build a long-term mechanism of "Dare not corrupt, can't corrupt, and don't want to corrupt", deepen the approach of addressing both symptoms and root causes, and strive to create a clear, honest, and integrity-driven cultural ecosystem for the Company. We seriously address any behavior that violates the Company's integrity management system in accordance with *the Employee Standard of Commercial Conduct* and *Regulations of Yonyou Network Technology Co., Ltd. on Punishment of Employees' Violations*. In 2023, we released the "Eight Dos and Don'ts" for Yonyou cadre behavior, emphasizing the need to adhere to "transparent operations." Throughout the year, we dealt with 23 employees for violations, including two cases where employees were dismissed or disciplined for corruption.

In 2023, we conducted a total of 239.1 hours of business ethics training for all new employees. At the same time, we carried out three comprehensive integrity promotion and education activities for all employees, partners, and suppliers. These efforts aimed to fully integrate the concept of business compliance into the minds and hearts of our employees, and, in collaboration with partners and suppliers, build a transparent, fair, and integrity-driven business environment.

Responsible Procurement

In 2023, we further strengthened the construction of the supplier management system, revised the *Yonyou Procurement Management System*, and improved the management methods and work mechanisms related to supplier selection, training, assessment, supervision, elimination, and safety management. We promoted the establishment of an ESG supply chain management system to deepen the construction of a sustainable supply chain.

Yonyou Supplier Management

- Supplier Admission**
 - To enhance supplier management efficiency and improve supplier experience, we adopted a role management approach. Suppliers were categorized into four types based on different backgrounds, with distinct admission criteria and material requirements for each category.
- Supplier Auditing**
 - We mandated ESG social responsibility audits for corporate-type suppliers, covering the establishment of anti-corruption policies and the construction of social responsibility management systems. By the end of 2023, our Sunshine Cooperation Commitment and Supplier Social Responsibility Commitment signed have covered 100% of the Company's suppliers.
 - We require all suppliers to fill out a safety audit form before being added to our database and to sign a security confidentiality agreement based on the project background.
- Supplier Assessment**
 - We actively conducted safety assessments on suppliers involved in supply chain security during their admission phase, evaluating their performance and capabilities in data and network security.
 - Annual supplier re-evaluations are conducted, assessing risks and potential on both the project and operational sides of the suppliers.
- Supplier Supervision**
 - We conduct special on-site inspections during supplier admission certification and re-evaluation, based on the importance of upcoming projects or past comprehensive performance.



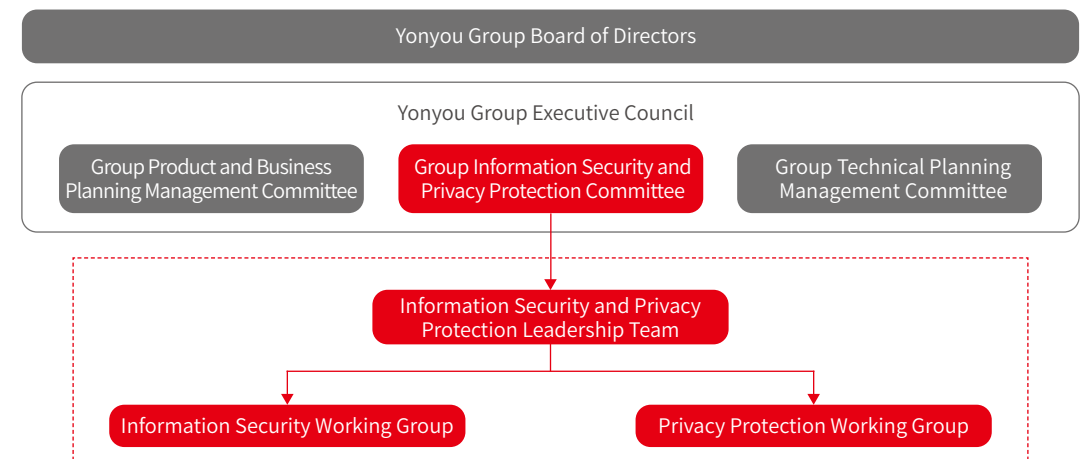
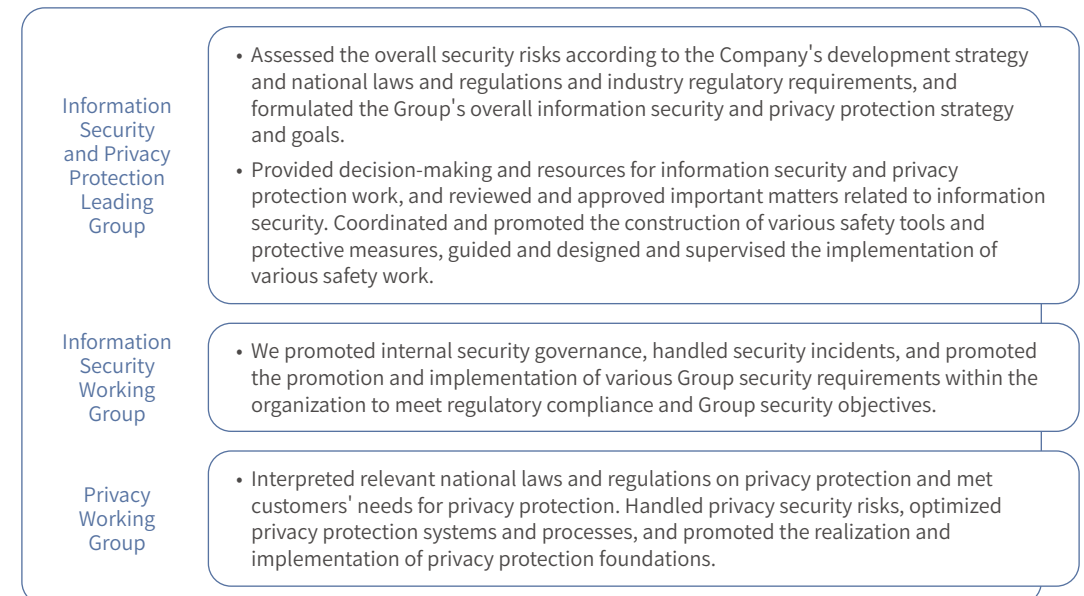
Inspection of Lenovo

Building a Secure Barrier in the Digital Economy Era



We strictly comply with laws and regulations such as *the Network Security Law of the People's Republic of China*, *the Data Security Law of the People's Republic of China*, *Administrative Measures for Data Security in the Field of Industry and Information Technology (for Trial Implementation)* and *Interim Measures for the Administration of Generative Artificial Intelligence Service* to establish our data security and privacy protection governance system.

We have set up the Group Information Security and Privacy Protection Committee, with subordinate Information Security and Privacy Protection Leadership Group, Information Security Working Group, and Privacy Protection Working Group. The members of these groups include security directors from 23 industry and business divisions, who are fully responsible for the group's information security and privacy protection tasks.



Data Security

Institutional Safeguards

We practice the principles of "people-centricity" and "everyone is responsible for cybersecurity," continually improving our security management system. In 2023, we revised the *Yonyou Data Management System*, clarifying the departments responsible for data and privacy protection. We standardized the methods for data and privacy protection and set clear standards for data classification and grading, ensuring orderly and efficient collection, management, processing, and application of data resources. Throughout the year, various product lines and subsidiaries implemented data classification and grading as per the data management system, encrypting and anonymizing sensitive data.

Our system applies to all domestic organizations within the group headquarters. Subsidiaries within the group develop their own data management systems based on the group system, while overseas entities create appropriate data management systems combining the group system with local legal requirements.

Risk Management and Emergency Mechanisms

We developed *Yonyou Group Operational Security Management Specification* and *YonBIP Network and Information Security Emergency Plan*, establishing and improving mechanisms for the prevention and emergency handling of network and information security incidents. We standardized the emergency response processes and measures for security incidents, enhancing our ability to respond to network and information security events and ensuring the secure and stable operation of crucial YonBIP networks and information systems.

We continually improve our security risk management mechanisms to comprehensively prevent data breach risks. In 2023, we progressively advanced the construction of a zero-trust security system, unified our account management systems, and strengthened authentication and authorization mechanisms. Through situational awareness systems and normalized monitoring of internet exposure, we provide timely security alerts for potential risks and, through an internal security notification mechanism, send emails for security rectification to relevant departments, urging them to make timely corrections.

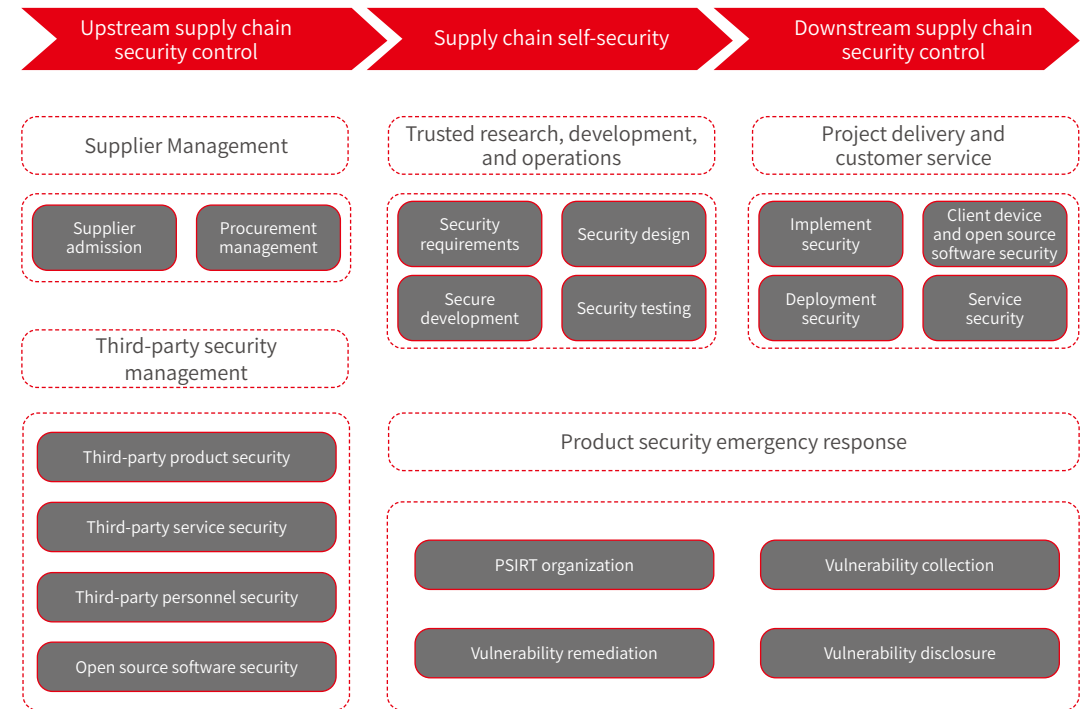
For potential data leakage incidents, we established a robust response mechanism. In the event of a data breach, we can immediately take protective and isolation measures, disconnecting the affected systems or devices from the network to prevent further leakage and damage. Operational and technical personnel urgently carry out recovery or rebuilding work, continually tracking subsequent issue resolution until closure.

Supply Chain Information Security Management

We are committed to enhancing our supply chain security management capabilities, ensuring a secure and reliable supply chain. In 2023, we formulated and revised several institutional documents, including *Yonyou Group Supply Chain Security Management Specification*, *Yonyou Group Project Implementation and Customer Service Security Management Specification*, and *Yonyou Group Product Security and Emergency Response Management Rules*. This achieved security control throughout the entire supply chain, from upstream to downstream.

For upstream suppliers, we required them to sign security confidentiality agreements, perform security audits for supplier onboarding, and conduct at least annual security assessments. We reviewed suppliers' security qualifications, information security and privacy protection, and compliance with security agreements. In 2023, we conducted security audits on hundreds of suppliers.

For downstream customers, we standardized security work methods and requirements for frontline implementation, services, customization development, and partner management departments, ensuring the security of customer systems and data. By timely sending risk notification letters and providing free patch distribution tools and repair verification tools, we effectively reduced customer security risks.



Security Auditing

We actively engaged external organizations to conduct regular IT audits annually, ensuring that information assets are fully protected. In 2023, these external organizations audited the Company's overall information system control environment and mechanisms, ensuring the effective implementation of internal controls for information technology and the ability to identify threats related to information systems and assess the impact of each threat.



Privacy Protection

Institutional Safeguards

We place high emphasis on the protection of users' personal privacy and have developed and issued *the Yonyou Group Personal Information Protection Management Specification*, applicable to all business groups (BG/BU), functional organizations, regional institutions, industry customer business departments, and subsidiaries of the Yonyou Group. Overseas institutions formulate their own personal information and privacy protection standards in reference to local laws and regulations. In 2023, we continuously updated and publicly released our product privacy policies and registration agreements, such as *the You Space Privacy Policy*, *Yonyou Cloud Registration Agreement*, and *Youfeikong Privacy Policy*, constantly refining rules for personal information processing and strengthening privacy management.

Management Process

We actively uphold principles of transparency, compliance, and respect for users. Before collecting and processing information, we seek user consent through pop-up forms, thereby fully safeguarding users' right to be informed and to make decisions. Throughout the entire lifecycle of information management, we strictly adhere to standards regarding the collection, transmission, storage, use, and sharing of personal information, ensuring users' rights to access, modify, and delete their personal data. Additionally, we stringently regulate our collaborations with third parties, setting clear guidelines for the scope, duration, purpose, and method of third-party personal information collection. We commit to not renting, selling, or providing personal data to third parties for purposes other than transactions and services.

Yonyou Group Personal Information Protection Management Specification (Excerpt)

Responding to Requests from Personal Information Subjects

- For personal information queries and changes, the Company should provide customers with a channel to query their personal information. If a personal information subject finds that the Company holds incorrect or incomplete information about them, the company should provide a method for them to request correction or supplementation.
- For personal information deletion, the Company should provide a channel for customers to delete their personal information, especially if the personal information subject finds that the Company has violated legal regulations or agreements made with them, the Company should delete the personal information as requested.
- For withdrawal of personal information authorization, a method for users to withdraw their consent to the processing of their personal information should be provided. After consent is withdrawn, the Company should no longer process the corresponding personal information.
- If a product's service or operation is terminated, users should be notified at least thirty days in advance, and after termination of the service or operation, users' personal information should be deleted or anonymized.

Delegated Processing of Personal Information

- If it is necessary to entrust a third party to process personal information collected by the Company, the delegation should not exceed the scope of consent authorized by the personal information subject.
- Evaluate the entrusted party to ensure they have an adequate level of personal information protection. This includes but is not limited to security qualifications, personal information protection norms/data security regulations, capabilities, and practices.
- If the entrusted party does not process personal information as required or fails to effectively fulfill personal information security protection responsibilities, the Company should demand that the entrusted party immediately delete all personal information obtained from the Company.
- If entrusted by a third party to process personal information collected by that third party, a delegation contract must be signed with the third party. The personal information should be processed according to the terms of the contract, and processing should not exceed the agreed-upon purposes or methods. If the delegation contract is not effective, invalid, revoked, or terminated, the personal information must be returned to the data processor or deleted and not retained.

Data Protection Mechanisms

We integrated data protection measures deeply into the product development process, ensuring that products are compliant and secure before launch. For example, we establish a DPIA (Data Protection Impact Assessment) system at the early stages of product development. This system assesses business scenarios involving personal information in products, clarifies the protection needs and risks of personal information, and implements sensitive data identification management during the product design phase, identifying and marking sensitive data within the product throughout its data lifecycle.

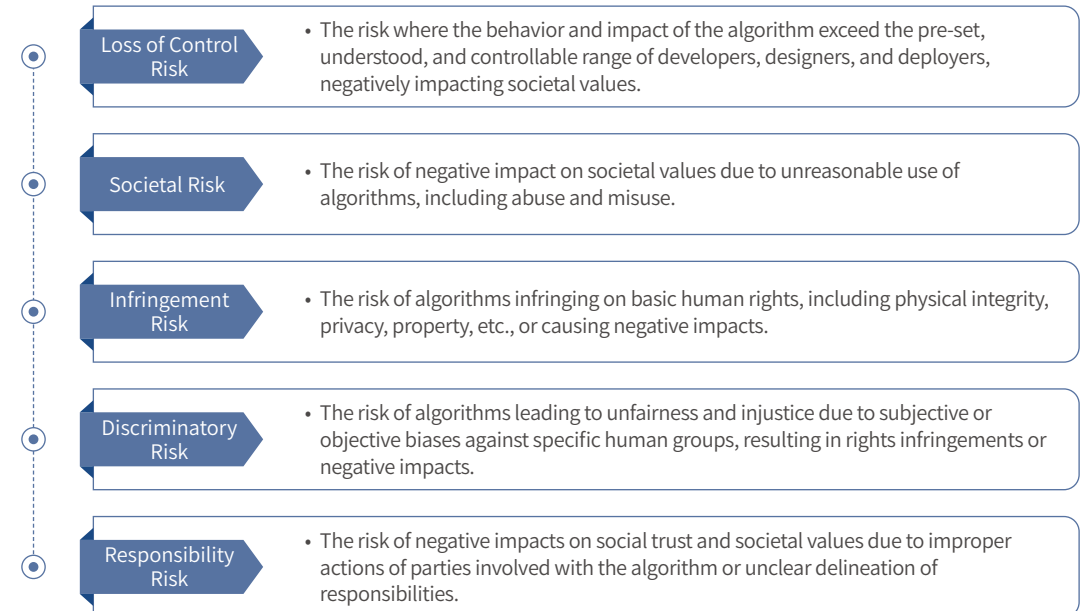
We offered customized data security capabilities for sensitive data management. By controlling access to sensitive personal information and encrypting its transmission and storage, and employing techniques like anonymization to desensitize data, we enhance the overall security of the data. In 2023, we conducted data security governance for group mobile apps, uniformly adopting HTTPS protocol encryption and implementing strict certificate verification to further strengthen the protection of personal information.

Technological Ethics

We regard technological ethics as a crucial foundation for technological innovation, committed to creating a harmonious, friendly, fair, inclusive, and safe algorithm system. We pay particular attention to respecting and protecting individual basic rights in technological ethics, especially safeguarding vulnerable groups, and striving to eliminate the digital divide, sharing the benefits of technological progress fairly with everyone.

We actively promote the construction of a technological ethics and security risk governance system and mechanism. *The Yonyou Group YonBIP Algorithm Security Management Specification* have been formulated, we integrate technological ethics management into the entire lifecycle of product development and business operations, achieving the goals of open collaboration, shared responsibility, and agile governance in technological ethics. We effectively prevent technological ethics and security risks, establishing self-assessment mechanisms for algorithm security and monitoring systems to ensure that algorithms operate on a legal, compliant, and secure basis.

Algorithmic Technology Ethics and Safety Risks



Capacity Building and Industry Ecosystem

Capacity Building

We are firmly advancing the construction of our emergency response capabilities, organizing at least one emergency training annually. In 2023, we conducted security training focused on the control measures and recovery strategies outlined in our emergency plans. Additionally, we organized information security awareness exams, covering over 15,000 participants across the group and its subsidiaries.

We regularly conduct security attack and defense drills to solidify our security defenses. In 2023, adopting the "attack to defend" model, we conducted internal security self-inspections and rectifications. The group carried out 14 security attack and defense drills targeting critical internal business and subsidiaries, significantly improving our overall security level. Moreover, we actively participated in five national and Beijing-level cybersecurity operations and were recognized for two consecutive years by the National Information Security Vulnerability Sharing Platform (CNVD) for our outstanding contribution to vulnerability handling. This not only enhanced our internal emergency response capabilities but also strengthened our collaboration and overall defense capabilities with various regulatory departments.

We have obtained multiple information security system certifications, including ISO 27001 (Information Security Management System), ISO 27701 (Privacy Security Management System), ISO 27017 (Cloud Computing Information Security Management System), ISO 27018 (Public Cloud Personal Identifiable Information Management System), CSA-Star (Cloud Security Management System), DCMM (Data Management Capability Maturity Assessment), Level 3 Cybersecurity Protection, Trusted Cloud Service, Trusted Cloud Security, Trusted R&D Operations, and EAL3+ (Information Technology Product Security Evaluation Certification). Our certifications cover all products and services of the group, ensuring the security and compliance of products used by our customers. In 2023, we launched the Group [Trust Center](#), further enhancing information security transparency and enabling customers, partners, and other stakeholders to fully understand our information security management level.

Industry Ecosystem

In 2023, we established good communication mechanisms and cooperative relationships with organizations such as the Ministry of Industry and Information Technology and various local regulatory agencies, ensuring the compliance and robustness of our business development. Throughout the year, we formed close partnerships with several well-known security vendors to jointly provide security services to customers and create comprehensive solutions. This not only enhanced our customers' security capabilities but also drove technological innovation and service upgrades across the industry.



Industry Activities and Standard Setting

We actively participate in industry activities and engage in deep industry exchanges. As a member, we joined various industry organizations, including the Technical Committee for Information Security Standardization (TC260), the China Communications Standards Association Cloud Computing and Open-Source Promotion Committee (TC608), the Data Security Industry Research Group of the China Computer Industry Association Data Security Professional Committee, and the "Zhuoxin Big Data" plan of the China Academy of Information and Communications Technology. In 2023, we participated in drafting several security-related standards led by the China Academy of Information and Communications Technology, such as *Business Security Capability Requirements* and *Cloud Application Security Capability Requirements*, contributing to enhancing the overall security level of the industry with Yonyou's efforts.



Future Purpose



The year 2024 is crucial for achieving the goals and tasks of the 14th Five-Year Plan and a significant milestone in promoting high-quality development of the digital economy. This year, accelerating the formation of new productive forces and deepening the integration of the digital economy with the real economy will be essential paths to further promote innovative development in the digital economy. Utilizing new-generation information technologies to accelerate the scaled application of the industrial internet and thoroughly implement industrial digital transformation will be key actions and important tasks for developing new productive forces and creating new engines for economic growth.

In the wave of the digital economy era, Yonyou has always stood at the forefront of technological innovation. With a forward-looking strategic vision, we lead the transformation and development of industries. Looking forward, we will deeply carry out the strategic layout of "Artificial Intelligence + Industrial Internet," focusing on the technological ecosystem centered on YonBIP. We will continue to explore and break through technological boundaries, drive digital and intelligent transformation of industries, and empower economic development, enrich people's lives, and enhance the modernization of social governance with a broader and more profound digital revolution.

We are keenly aware that a company's success lies not only in its pursuit of wealth creation but also in its commitment to social responsibility. We will always stay focused on the strategic direction of sustainable development, integrate the concept of Environment, Social, and Governance (ESG) into every aspect of our company's operations, and work together with a wide range of stakeholders to explore new areas and opportunities in the digital economy. On the path of high-quality development supported by technological innovation, we are committed to creating long-term value and jointly writing a brilliant chapter for this era.



GRI Content Index



Statement of use	Yonyou Network Technology Co., Ltd. reported the information cited in this GRI Content Index Summary by reference to the GRI standard from January 1, 2023 to December 31, 2023 (some content is outside the above time frame).
The title of GRI1 used	GRI 1: Foundation 2021

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Yonyou Network Technology Co., Ltd.

Yonyou Industrial Park (Beijing) , No.68 Beiqing Road,
Haidian District, Beijing, China 100094

Web: www.yonyou.com

E-mail: ir@yonyou.com

Tel: 010-62436838