

CAPINFO

Capinfo Company Limited

(a joint stock limited company incorporated in the People's Republic
of China with limited liability)

(Stock Code : 1075)



2022

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE
REPORT





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ABOUT THIS REPORT

This report is the seventh environmental, social and governance report released by Capinfo Company Limited. It discloses the Company's practice and performance in fulfilling economic, social and environmental responsibilities. By releasing this report, we hope to enhance communication with stakeholders, cooperate more closely and forge a bigger synergy for sustainable development.

SCOPE OF THE REPORT

The report covers Capinfo and its subsidiaries and branches.

NAMING

To facilitate presentation and reading, "Capinfo Company Ltd." in this report is referred to as "Capinfo" "the Company" or "we".

REPORTING PERIOD

The report covers from January 1, to December 31, 2022, and also includes additional information beyond the stated reporting period.

REPORT COMPILATION PRINCIPLES

The report is prepared in accordance with *Guidelines to the State-owned Enterprises Directly under the Beijing Municipal Government on Fulfilling Corporate Social Responsibilities of State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality*, and refers to *Guidance on Social Responsibility (ISO 26000:2010)* issued by International Organization for Standardization (ISO), the *GRI Sustainability Reporting Standards (GRI Standards)* of Global Sustainability Standard Board (GSSB), and *Environmental, Social and Governance Reporting Guide (HK-ESG)* issued by The Stock Exchange of Hong Kong Ltd.



DATA SOURCE

All data used in the report come from the Company's official documents and statistics reports. All the aforementioned data have been reviewed by relevant authorities. Should there be any discrepancy between the ESG report and the annual report, the annual report shall prevail.

ACCESS TO THIS REPORT

This Report includes both paper and electronic versions. The report is available in Chinese and English versions. In case of any discrepancy, the Chinese version shall prevail. The English and Chinese versions of the Company's ESG report are available on the Company's website at www.capinfo.com.cn and the HKExnews's website at www.hkexnews.hk. You may access the ESG report by clicking "Corporate Responsibilities" on the home page of the Company's website or browsing through the HKExnews's website.

If you are have difficulty in gaining access to the ESG report posted on the Company's website and you want to request printed version of the ESG report, please send your written request with signature by mail (for holders of H shares) to the Company's H share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or (for holders of domestic shares) to the Company's office at 5th Floor, Longfu Mansion, No. 95 Longfusi Road, Dongcheng District, Beijing, the People's Republic of China.



CSR SUMMARY



The year 2022 was crucial for the implementation of the 14th Five-Year Plan, and it was also a very eventful and challenging year in Capinfo's development. In the face of various unexpected factors, we went all out as one to make the remarkable achievement in such an extremely unusual year. Seeking for changes while maintaining stability, we worked hard to complete the supporting tasks of major activities such as the 20th CPC National Congress, the Beijing 2022 Olympics and Paralympics Winter Games(Beijing 2022) and the 13th Party Congress of the Beijing Municipal Party Committee, etc. We promoted the development of key projects and businesses, and improved our management efficiency to further strengthen corporate governance, moving steadily towards the goal of becoming a "leading operator in the industries of smart cities and related industry data".

Continuously enhancing corporate governance. We make constant efforts to enhance corporate governance and compliance operations, and carry out internal audit to strengthen risk identification and prevention. Always integrating business development with social and economic benefits,

we coordinate both corporate strategic decisions and ESG governance needs, thus promoting the integration of ESG governance and daily operations. We continuously improve the ability of compliance management and law-based corporate governance, and further promote anti-corruption and integrity, so as to lay a solid foundation for the Company's sustainable development.

Providing quality products and services. Committed to the business philosophy of "customer service first for economic benefits", we take value creation for customers as the core, while optimizing the quality management supervision and review mechanism and improving the quality management system. We aim to enhance our operation and maintenance capabilities, so that we can provide customers with high-quality products and services and establish mutual trust with them, striving to protect their rights and interests while improving our service to enhance customer experience.

Guaranteeing support for major events. Based on our strength in 1.4G trunking communication, we have completed the communications support tasks of major events including the Beijing 2022 with the high standard of "zero errors", demonstrating our technological strength and high-level supporting capabilities of Beijing's communications industry.

Pursuing innovation-driven development to create an excellent brand. We deepen our core business and continue to enhance our capacity for independent innovation. With the support of big data and AI+, as well as the Capinfo cloud + private network, we have made great efforts to develop the four fields of "digital government affairs, medical care, governance and enterprises". We have strengthened the development and application of cutting-edge technologies such as blockchain and urban IoT perception, and developed the innovative "credit-based medical care" service model to contribute to the building of a smart city.

Exploring the path of green development. Focusing on the carbon peak and carbon neutrality strategies, we practice the green and low-carbon development concept, strengthen environmental management, and continuously improve the environmental management system, incorporating the green and low-carbon concept into the Company's daily operations and management. We also advocate green living and working methods, strengthen environmental protection promotion, and enhance employees' environmental awareness, wishing to promote the Company's green and sustainable development.

Building a responsible value chain. We have improved the supplier management system, optimized the supplier access mechanism and strengthened supplier audits to build a sustainable value chain. We also engage ourselves in industry development and exchange activities and participate in the formulation of industry standards and group standards while carrying out strategic cooperation in the industry, thus promoting the high-quality and coordinated development of the value chain and building a harmonious and win-win ecosystem as well.

CSR SUMMARY

Working with employees for a better life. Putting people first, we are committed to building harmonious labor relations, striving to protect the legitimate rights of employees and care about their physical and mental health as well. With a sound employee training and development mechanism, we unblock employee development channels to build a stage for them to realize their professional dreams. We also help employees balance their work and life to improve their sense of fulfillment and happiness.

Giving back to society. To share the development fruits with communities, we actively engage ourselves in charity for communities and launch various kinds of donations and volunteer services to deliver our love to society with concrete actions. We promote local economic growth and vigorously support the development of Tibet, contributing our bits to rural vitalization and national rejuvenation.

Assuming SOE's responsibility to fight COVID-19. To fulfill our responsibilities in COVID-19 control, we paid close attention to its update and adjusted our control measures accordingly. Digital methods were used to help improve efficiency and the accuracy of epidemic control management in key places. Besides, we organized officials and employees to provide volunteer services in communities and on the front line, backing up the basic work force and building a solid barrier for epidemic prevention and control.

Injecting digital momentum into rural vitalization. We fully implement the major decisions to comprehensively promote the rural vitalization strategy and accelerate agricultural and rural modernization, while exploring new models to assist in rural economic revitalization. By integrating our resources, we stimulate rural industrial development and better promote the in-depth integration of traditional industries with digital technologies with our strength in digital technology and make villages more beautiful.

As long as we press ahead with perseverance, a bright future will beckon. As the year 2023 is crucial for the implementation of the 14th Five-Year Plan, we will continue to uphold the corporate culture featuring "firm political stand and high sense of responsibility and reliability", and work hard to optimize the Company's business structure, cultivate market capabilities, and improve management efficiency, trying to create a new pattern in terms of operation and management, improve business quality, and gather the wisdom of all employees to strive for "a leading operator in the industries of smart cities and related industry data".

Chairman and Party Secretary of Capinfo Company Ltd.
Yu Donghui



STATEMENT OF THE BOARD OF DIRECTORS ON ESG

Strengthening environmental, social and governance is crucial to a listed company as it can reduce operational risks, meet the demands of the capital market, show its public image and enhance the company's core competitiveness as well.

The Board of Directors of Capinfo monitors ESG-related issues that may affect business operations and interests of stakeholders. With a well-established ESG governance system, the Board supervises the performance on key ESG topics and ensures the integration of ESG philosophy with corporate strategies.

Based on the external macro socio-economic environment and the Company's development strategy, the Board of Directors (the Board) of Capinfo has strengthened ESG management and key issue management to improve the ESG management workflow through irregular meetings or other forms.

In 2023, the Board will deepen the ESG philosophy and further improve ESG management, striving to achieve the sustainable development of the Company.

ABOUT CAPINFO

CORPORATE PROFILE

Capinfo Company Limited (referred to as “Capinfo”), established in January 1998, is a state-owned backbone enterprise in the field of electronic government affairs in Beijing. Listed in the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited in 2001 and listed on the Main Board in 2011 (HK.1075), Capinfo is committed to becoming “a leading operator in industries of smart cities and related industry data”. We have developed a principal business pattern encompassing “one focus, two platforms and four fields” through innovations. Dependent upon our rich experience and resource advantages in informatization of government affairs in Beijing, the capital of China, we have been providing continuous, reliable and stable information technology services for Beijing municipal e-government system, medical insurance and social security cards system, housing provident fund system, air quality monitoring system, community services information system and points-based information system. Capinfo has ever undertaken and completed construction, operation and maintenance of multiple Beijing municipal and national major informatization projects. We have guaranteed system security for major national and important events such as Beijing Olympics, APEC Summit, the “Belt and Road” Forum for International Cooperation, two sessions of China and Beijing, the 19th Session of National Congress of the Communist Party of China, the Summit of Forum on China-Africa Cooperation, the Beijing Marathon, the Conference on Dialogue of Asian Civilizations, the World Horticultural Exposition, the events for celebrating the 70th Anniversary of the Founding of the People’s Republic of China, the events for celebrating the 100th Anniversary of the Founding of the People’s Republic of China, and the Beijing 2022 Olympics and Paralympics Winter Games. Having actively participated informatization of administrative office zones in Beijing urban subcenters, construction of Xiong’an New Area and preparatory work for the Winter Olympics, we have built our own enterprise image as a “politically principled, accountable and trustworthy” state-owned information technology enterprise.

As a famous domestic operator and service provider in the field of smart cities, Capinfo is a key software enterprise and high-tech enterprise within the national plans. We hold the CS4 Certificate for Outstanding Information Systems Construction and Service Capabilities, the CMMI5 Certificate for International Software Maturity, the (Level 1) Certificate for Security Engineering Enterprises' Design, Construction and Maintenance Capabilities, the Level 1 ITSS Certificate of Conformity with the Standards for Cloud Computing Services and Capabilities. With 4 key municipal laboratories, namely Beijing Municipal Multimedia Network Laboratory and Beijing Municipal Research Center for IoT and Systems Engineering Technologies recognized by the Beijing Municipal Science & Technology Commission, Beijing Municipal Engineering Laboratory for Internet Technologies of the Smart Health and Elderly Care Industry recognized by the Beijing Municipal Commission of Development and Reform, and Beijing Municipal Enterprise Technology Center recognized by the Beijing Municipal Bureau of Economy and Information Technology, we have 2 municipal bases: the International Cooperation Base for Introducing High-end Foreign Experts and the Beijing Municipal International Scientific and Technological Cooperation Base for Internet and Cloud Applications recognized by the Beijing Municipal Science & Technology Commission. We have also built 3 advanced technology laboratories, including AI (Artificial Intelligence) Laboratory, Big Data Research Center and Blockchain Research Center.

Through over two decades of development, Capinfo has had more than 1,800 employees, 6 holding companies, 3 joint-stock companies and 11 branches. Our businesses cover multiple fields, including the government, medicine, people's livelihood and finance. Successively granted awards and honors for Chinese TOP10 IT service provider, Chinese leading Internet brand, Chinese preferred informatization service provider, Chinese TOP10 (IT services) innovation enterprise, Chinese (IT) TOP10 credible brand, Chinese innovative cloud computing enterprise, Chinese TOP100 solution provider, creative proposal for Chinese government informatization, Chinese innovator of IT services, excellent Chinese e-government service provider, the Third Prize of Beijing Municipal Science and Technology Award, TOP100 Hong Kong listed company in brand value, TOP100 enterprise in ecology of data intelligence, enterprise ranked TOP100 in comprehensive strengths in software and information services in Beijing and successful application of ITSS, Capinfo has been included in the *China's E-government Yearbook*.

ABOUT CAPINFO

DATE OF 2022

- Total assets: RMB2,540.64 million
- Operating revenue: RMB1,422.95 million
- Total profit: RMB160.7 million
- Net profit attributable to owners of the Company: RMB1,262.57 million
- R&D input: RMB13,729.49 thousand
- Total employees: 1,816
- Training opportunities offered to employees: 19,535
- Social insurance enrolment rate of employees: 100%
- Coverage of employee health checks and health files: 100%
- The total social contribution: RMB698.81 million

RESPONSIBILITY

Corporate Vision: To be a leading operator in the industries of smart cities and related industry data

Corporate Culture: Be politically principled, accountable and trustworthy

Corporate Mission: Make innovation of digital services, so that our cities will be smarter and our lives will be more wonderful

Business Philosophy: Give priority to services and pay attention to benefits

Business Pattern: With the support of "one core" and coordination of "Capinfo+integrated network platform", promote vigorous development of "digital government affairs, digital medicine, digital governance and digital enterprise"

BUSINESS PATTERN

To implement the new development philosophy and make development strategy for the future, Capinfo strives to build a business pattern featuring the one core (creating value for customers), the two platforms (the Capinfo cloud platform and the dedicated network platform), and the four fields (digital government affairs, digital medical care, digital operation, digital enterprises).

ONE CORE

the Group adhered to the core concept of “creating value for customers”, promoted the new business development of the “Two Platforms and Four Sectors” and accelerated the process for productization, and pressed on with brand building, which further improved the value of service. “Capinfo Connect” was developed and launched in the sub-center of Beijing and applied to the office mobile terminal of state-owned enterprises, which effectively promoted the regional “digital park” construction. The Group developed “Yi An Xing”, signed contracts with a number of corporate customers and achieved double breakthroughs in the market and field of self-developed products. The Group developed block chain products and applied to the directory block chain platform of Xicheng District, connected more than 120 interface data from nearly 20 business systems to the chain and generated more than 3 million data storage certificates.

TWO PLATFORMS

During the Reporting Period, the integrated network platform operated smoothly with an availability rate of the backbone network of 99.999%, and provided government extranet services for nearly 15,933 units in the city, and wireless broadband and cluster scheduling services for nearly 20,000 1.4G private networks. The service capacity of Capinfo Cloud Platform continued to improve. The Group continuously expanded its customer base, developed the service markets for state-owned enterprise cloud and healthy cloud, we provide cloud computing services to over 700 systems in nearly 150 government agencies and more than 10 municipal groups and companies in Beijing.

FOUR SECTORS

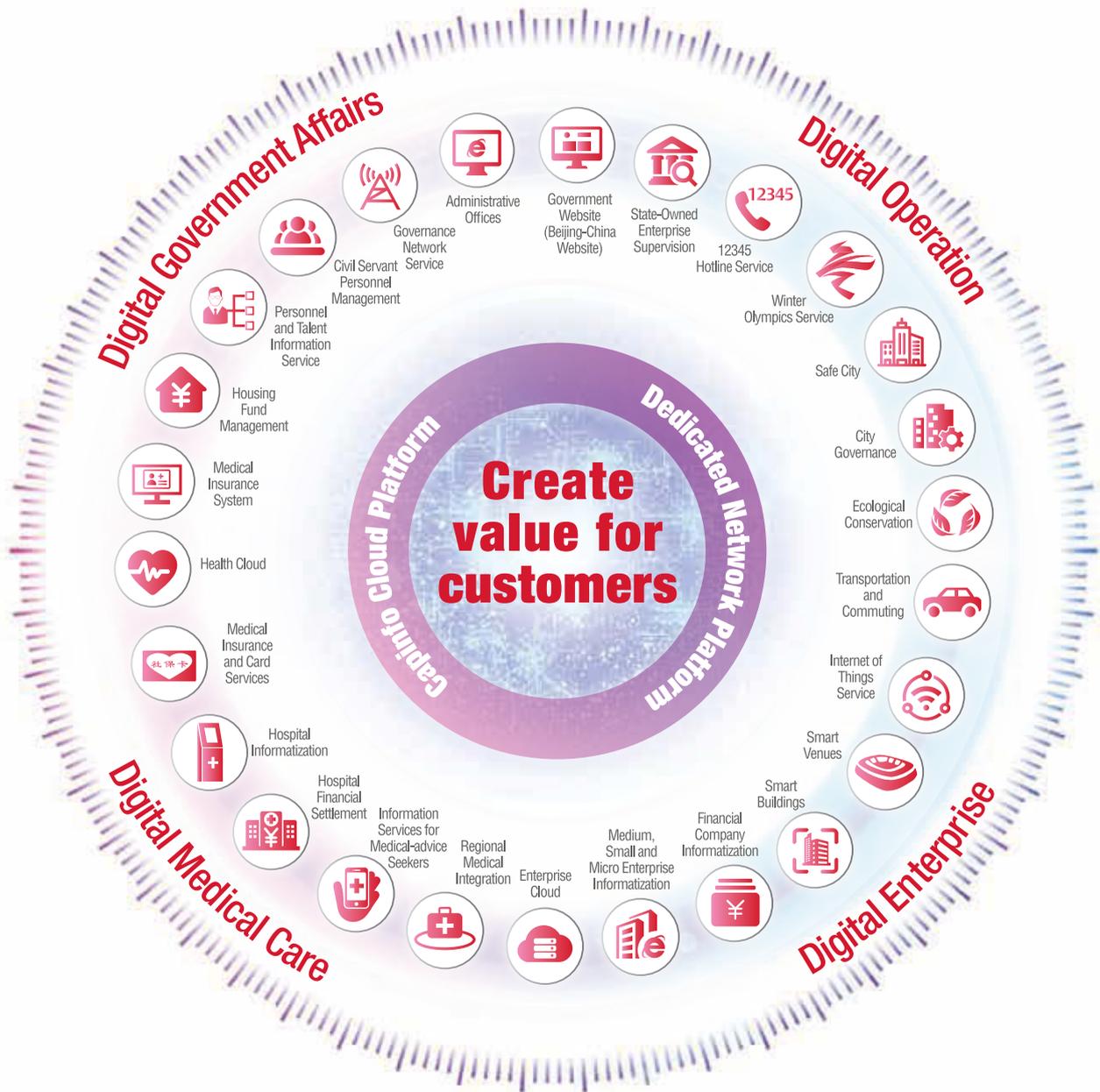
“Digital governmental service” supported the building of digital government. The personnel management business achieved new breakthroughs in the national market and won the bid for the national business statistics software project of the national archives. The Group signed contracts with 14 new important customers for the business, covering 50 ministries and commissions in 10 provinces. In terms of the business of immediate handling upon receipt of complaint, the Group expanded the market of government and enterprise and cooperated with Xicheng District, Changping District and BBMG Group. In terms of the business of provident fund, the Group expanded new operation market, achieved new results, and won the bid for the Beijing provident fund upgrading and transformation, operation services and government cloud leasing projects.

ABOUT CAPINFO

“**Digital medical care**” continued to play a role in benefiting the people. The medical insurance system maintained stable operation and provided effective support for the real-time settlement for more than 26 million insured persons. The Group steadily promoted the development of the new medical insurance platform processing system, and simultaneously promoted the development of personal account closure, medical assistance, major disease reimbursement, centralized payment for drug procurement, etc. There were 86 hospitals on the commercial insurance settlement platform.

“**Digital governance**” further developed the digital management system. The Group completed the revision of the digital Longfusi APP and launched it on various mainstream application markets to further enrich the experience of various user groups. The Group continued to promote the “Huitian Brain” project, through which Changping District commanded and coordinated flood control. IT application innovation project of the municipal SASAC passed the inspection.

“**Digital enterprise**” accelerated the digital transformation of state-owned enterprises. The Group acquired more than 200 new customers for enterprise cloud in total. Taking the opportunity from the municipal SASAC’s investor supervision information platform, the Group expanded the business of online management and control platform of state-owned enterprises, and achieved good results in the negotiation and cooperation on the “state-owned enterprise cloud” construction. The Group actively explored the development of business solutions for the digital transformation of state-owned enterprises, and accelerated the practical application on key users and projects such as Jilin Industry, Guangdong Tobacco, Guizhou Tobacco, etc.



Capinfo's innovative business pattern featuring one core, two platforms, and four fields

ABOUT CAPINFO

CSR IMAGE: CAPINFO EVENTS 2022



JANUARY

- Capinfo was selected as one of the Top 100 Enterprises of Beijing Software and Information Service Industry.



FEBRUARY

- Capinfo completed the tasks of supporting the Beijing 2022 Olympics and Paralympics Winter Games with high standard.



MARCH

- Capinfo initiated the establishment of the Digital Transformation Joint Solution Center of the Zhongguancun Digital Economy Industry Alliance.



APRIL

- Capinfo compiled two local standards in Beijing, namely the *Specification for Government Data Resource Catalog System* and *Specification for Government Data Aggregation and Sharing*, and one group standard of *Urban Digital Transformation—Top Level Design Guide*.
- CapCloud Technology Co., Ltd., a subsidiary of Capinfo, was selected into the second batch of specialized and sophisticated SMEs of Beijing in 2022.
- Wang Jinsong, employee of Capinfo, was awarded the honorary title of Outstanding Individual at the Beijing Winter Olympics and Paralympics



MAY

- Zhai Jingyi and Ma Pengzhi, employees of Capinfo, won the honorary title of Advanced Individual of Beijing Municipality for the Beijing 2022 Winter Olympics and Paralympics.



JUNE

- Capinfo has been approved as a blockchain information service by the Cyberspace Administration of China



JULY

- Yu Donghui, Party Secretary and Chairman of Capinfo, was selected into the Annual Top Ten Figures and Leaders of the 2022 Beijing SOE Model by the Beijing State-owned Assets Supervision and Administration Commission



AUGUST

- Capinfo 's catalog data resources and city brain case were selected as the innovative application scenario case of Beijing's industrial Internet in 2022
- Capinfo joined the "Embrace 2022" Cultural and Sports Industry Alliance.



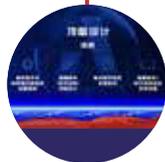
SEPTEMBER

- Capinfo won the bid for digital community application and demonstration project.
- Capinfo and Alibaba Cloud reached an ecological partnership.



OCTOBER

- Capinfo supports Fengtai District in providing digital and smart government affairs services.
- Capinfo completed the task of supporting the 20th CPC National Congress.



NOVEMBER

- Capinfo participated in the formulation of the *White Paper on Urban Perception System*.
- Capinfo joined the Huawei Cloud's ecosystem and upgraded the cooperation with Huawei.



DECEMBER

- The integrated digital smart platform for handling complaints upon receipt won the title of " Digital Governance and Smart Empowerment – National Urban Digital Governance Innovative Case 2022" at the Beijing Reform Forum on Complaints Handling Upon Receipt Led by Party Building.
- Capinfo was awarded the title of Beijing's Top 100 Enterprises for Digital Economy 2022.
- Capinfo has been selected as one of the Top 100 Enterprises of Beijing Software and Information Service Industry for seven consecutive years, and won the title of Software Enterprise in Beijing with Core Competitiveness.



ESG MANAGEMENT

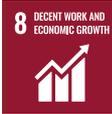
Capinfo continues to improve the ESG governance system and operating mechanism to strengthen ESG management and promote the integration of ESG governance with business operation, daily management and corporate culture. The Company responds to the expectations of stakeholders and strives to pursue sustainable development, coordinating economic, environmental and social benefits.

ESG MANAGEMENT STRUCTURE

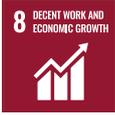
The Board is the highest responsible and decision-making body for the ESG matters of Capinfo. The Board of Directors of Capinfo by listening to the ESG implementation report through regular meetings, the Board monitors ESG-related issues that may affect business operations and interests of stakeholders to ensure the integration of ESG philosophy with corporate strategies. The Board determines the results of communication with stakeholders and the results of major issues, and also reviews the Company’s ESG report. Capinfo has established an ESG management system, which is governed by a special department. Special posts have been set up to take charge of it while other departments participate with collaboration. The system has a complete and systematic ESG management structure for top-down implementation of various management measures.

IDENTIFICATION OF MATERIAL TOPICS

Attaching great importance to the identification and management of material topics, Capinfo, for the sake of stakeholders and taking into consideration the Company’s strategy and business development, has collected stakeholder appeals through various ways and then selected and prioritized the material topics that are of key concern to stakeholders from the two dimensions of “significance of economic, environmental & social impacts” and “influence on stakeholder assessments& decisions”, which served as a reference for the report compilation and information disclosure and also a help for the Company’s ESG management, practice, and business operations.

<ul style="list-style-type: none"> (1) Service quality improvement (2) Business expansion (3) Major event guarantee (4) Technological innovation (5) Business optimization 	<ul style="list-style-type: none">    	<ul style="list-style-type: none"> (14) Supplier management (15) Investor rights and interests protection (16) Industry development 	<ul style="list-style-type: none">  
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ESG MANAGEMENT

<ul style="list-style-type: none"> (6) Compliance operations (7) Improving governance system (8) Deepening SOE reform (9) Enterprise risk management (10) ESG management 		<ul style="list-style-type: none"> (17) Employees rights protection (18) Facilitating employee growth (19) Caring fro employees in need (20) Occupational health and safety 	<ul style="list-style-type: none">    
<ul style="list-style-type: none"> (11) Green and low-carbon operation (12) Environmental protection (13) Green office 	<ul style="list-style-type: none">      	<ul style="list-style-type: none"> (21) Promoting community Development (22) Supporting COVID-19 control (23) Supporting rural vitalization (24) Engaging in public welfare participation 	<ul style="list-style-type: none">     

STAKEHOLDER COMMUNICATION

The Company has established and improved mechanisms and channels to promote regular communication with stakeholders. By learning and responding to the expectations and requirements of stakeholders such as investors, customers, employees, suppliers, communities and regulatory authorities, the Company communicates with stakeholders about its development and operation, thus gaining their understanding and support and continuously improving CSR management.

Stakeholders	Concerns	Communication Mechanisms
Investors	<ul style="list-style-type: none"> • Information disclosure • Corporate governance • Financial performance • Protection of investors' interests 	<ul style="list-style-type: none"> • Improving internal management system • Regular report and announcement • General meeting, meeting of the Board of Directors, meeting of the Board of Supervisors
The government and superior regulators	<ul style="list-style-type: none"> • Security management • Financial performance • Environmental responsibilities • Rights and interests of employees • Public welfare 	<ul style="list-style-type: none"> • Special report • Research and visit • Project cooperation • Working conference • Statistics report
Customers	<ul style="list-style-type: none"> • Service quality • Technological innovation • Information security 	<ul style="list-style-type: none"> • Customers' feedback • Customer relationship management (CRM) • Online service
Employees	<ul style="list-style-type: none"> • Rights and interests of employees • Career development • Compensation and benefits • Democratic communication 	<ul style="list-style-type: none"> • Staff congress • Labor union • Suggestions, mailbox and Official Wechat • Staff service center
Suppliers/Peers	<ul style="list-style-type: none"> • Corporate reputation • Sunshine purchase • Communication and cooperation • Industry development 	<ul style="list-style-type: none"> • Business negotiations • Contract and agreement • Training and technical seminar • Forum and conference
Communities/ Society	<ul style="list-style-type: none"> • Environmental responsibility • Public welfare • Community development 	<ul style="list-style-type: none"> • Charitable activities • Volunteer activities

ESG MANAGEMENT

CSR HONORS

- Capinfo has been selected as one of the Top 100 Enterprises of Beijing Software and Information Service Industry, and won the title of Software Enterprise in Beijing with Core Competitiveness 2021.
- CapCloud Technology Co., Ltd., a subsidiary of Capinfo, was selected into the second batch of specialized and sophisticated SMEs of Beijing in 2022.
- Capinfo 's catalog data resources and city brain case were selected as the innovative application scenario case of Beijing's industrial Internet in 2022.
- The integrated digital smart platform for handling complaints upon receipt won the title of "Digital Governance and Smart Empowerment – National Urban Digital Governance Innovative Case 2022" at the Beijing Reform Forum on Complaints Handling Upon Receipt Led by Party Building.
- Capinfo was awarded the title of Beijing's Top 100 Enterprises for Digital Economy 2022.
- Capinfo was granted the ward of Standing in Unity for Building Beijing Municipal Administrative Center.
- Capinfo won the ICT Enterprise Award 2022.
- Capinfo's IoT perception service platform won the ICT Innovative Product Award 2022.
- Capinfo has been selected as one of the Top 100 Enterprises of Beijing Software and Information Service Industry for seven consecutive years, and won the title of Software Enterprise in Beijing with Core Competitiveness 2022.
- A pilot project of the "Digital Transformation and Promotion Center for Solid Waste Treatment Industry", a digital public service platform constructed and operated by Capinfo, was included in the 2022 industrial Internet pilot and demonstration list by the Ministry of Industry and Information Technology of China.

1. STRENGTHENING CORPORATE GOVERNANCE TO CONSOLIDATE THE FOUNDATION OF MANAGEMENT

KEY TOPICS

- Corporate governance
- Compliance operations
- Anti-corruption and integrity

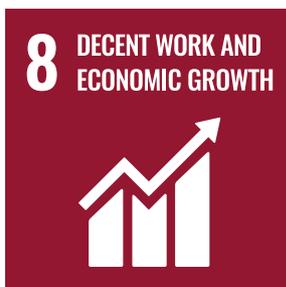
ACTIONS

- Improving the governance system and building standard Board of Directors and Board of Supervisors
- Strengthening audit supervision, enterprise risk management, and intellectual property control to promote standardized and stable operation of the Company
- Carrying out anti-corruption activities in strict compliance with laws and regulations

KEY PERFORMANCE

- Total assets: RMB2,540.64 million
- Operating revenue: RMB1,422.95 million
- Total profit: RMB160.7 million

SDGs WE FOCUS ON



1. STRENGTHENING CORPORATE GOVERNANCE TO CONSOLIDATE THE FOUNDATION OF MANAGEMENT

1.1 CORPORATE GOVERNANCE

Capinfo has been constantly improving corporate governance regulations and procedures. In strict compliance with the Chinese laws and regulations, such as the *Company Law*, the *Listing Rules* and the *Articles of Association*, and based on its actual situation, Capinfo has been improving and effectively implementing the work systems and processes of the Board and its specialized committees. We have established an effective corporate governance mechanism with General Meeting of Shareholders as the highest authority, the Board as the decision-making body, the Board of Supervisors as the supervisory body, and the management as the executive body. In 2022, the Company's operation and management was further standardized and improved through the coordination of General Meeting of Shareholders, the Board and its specialized committees, the Board of Supervisors as well as the management. In 2022, Capinfo held 2 general meeting of shareholders and deliberated 8 proposals.

Regulating the development of the Board of Directors

The Board of Capinfo has well-defined responsibilities, and the convening procedures comply with relevant laws and regulations including the *Company Law* and the *Articles of Association*. The Board elects its directors in strict accordance with relevant election procedures. Familiar with related laws and regulations, our diligent and conscientious directors attend Board meetings with a responsible attitude, fully exercise their rights and fulfill their obligations and responsibilities. They thus can better protect the legitimate rights of the Company. In 2022, Capinfo convened 10 Board meetings and approved 44 proposals.

In order to ensure the information exchange among board members, Capinfo provides orientation training and professional development to directors to guarantee the compliance with board procedures and improve board efficiency. When the director is appointed as a member of the Board, the Company provides them with introduction materials related to the Company's main business operations, laws and regulations, and responsibilities assigned to them by the *Listing Rules*, so as to assist them in achieving sustained professional development.

Specialized committees

Capinfo has established five specialized committees under the Board with different functions, including the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy Committee and the Legal Compliance Committee, to improve operational efficiency. In 2022, these specialized committees held 15 meetings in total.



1. STRENGTHENING CORPORATE GOVERNANCE TO CONSOLIDATE THE FOUNDATION OF MANAGEMENT

Regulating the development of specialized committees

The Audit Committee monitors the Company's financial and accounting policies and practices, and evaluates the effectiveness of its internal control and risk management systems. The Company has formulated the *Rules for the Work of the Audit Committee* and revised the *Terms of Reference of the Audit Committee* to standardize the operation of the Audit Committee. In 2022, the committee held six meetings.

The Remuneration and Appraisal Committee reviews remuneration matters. The Company has formulated the *Rules for the Work of the Remuneration and Appraisal Committee* and revised the *Terms of Reference of the Remuneration and Appraisal Committee* to standardize its operation. In 2022, the committee held one meeting.

The Nomination Committee nominates candidates to the Board to fill vacancies in the Board of Directors. In 2022, the committee held one meeting.

The Strategy Committee makes recommendations to the Board on the Company's long-term development strategy, major investment, financing plans, and capital operations while monitoring the implementation of relevant works. In 2022, the committee held two meetings.

The Legal Compliance Committee reviews matters concerning the Company's laws and compliance management, and supervises and evaluates the implementation of relevant works. In 2022, the committee held five meetings.

Regulating the development of the Board of Supervisors

In accordance with the *Company Law* and the *Articles of Association*, Capinfo's Board of Supervisors conscientiously performs its duties to ensure that the Company complies with relevant regulations such as the *Listing Rules* and the *Articles of Association*, striving to safeguard the legitimate rights of the Company and its investors. There are three supervisors in the Board of Supervisors and it held 2 meetings in 2022.

1. STRENGTHENING CORPORATE GOVERNANCE TO CONSOLIDATE THE FOUNDATION OF MANAGEMENT

1.2 COMPLIANCE OPERATIONS

Adhering to business ethics, Capinfo keeps compliance operations with honesty. We have improved risk prevention and resolution mechanisms and strengthened internal audit and supervision functions to continuously improve our ability of compliance management and law-based corporate governance, thus ensuring healthy and stable development of the Company.

Strengthening auditing-based supervision

Capinfo gives full play to the role of internal audit in supervision, evaluation, management and service. The Company promotes the building of the internal audit system to ensure the full coverage of audit-based supervision and further integrate internal audit with business operations. Being risk-oriented, Capinfo strengthens special audits of major funds, key areas, and key links, and conducts regular supervision on corporate development strategies, strategic decisions, and major measures, while further strengthening the role of pre-audit in risk control. Closely following rectification, Capinfo ensures that weak links in internal control and risk management are enhanced, so as to effectively improve the quality and effectiveness of internal audit. In 2022, Capinfo carried out a total of 20 audit projects, with 88 audit-related issues of various types found and 74 audit opinions and suggestions proposed. All audit-related issues were tackled.

Enhancing risk control

Capinfo promotes the establishment of the legal and internal control compliance system to strengthen the prevention and control of legal compliance risks. We have effectively strengthened the formulation or revision of our rules and regulations by formulating and revising the *Rules and Regulations Management*, the *Compliance Management Regulations (Trial)*, etc. To standardize the management of the Company's rules and regulations, we continue to carry out document sorting and compilation. The *Collection of Rules and Regulations of Capinfo* has been issued to further improve our operation and management system.

In 2022, Capinfo released the *Compliance Management Regulations (Trial)* to establish a compliance management leadership system consisting of the Party Committee, the Board, the General Manager, and the Chief Compliance Officer, and develop a compliance management organizational structure composed of comprehensive, responsible, and specialized departments. Also, we established a joint meeting system for compliance management, improved the coordination mechanism for compliance management, and set standards for the establishment of systems, compliance risk management, compliance assessment and supervision, as well as compliance file management. Meanwhile, compliance risk identification and evaluation, internal control supervision and evaluation, 2022 compliance risk self-inspection, and special governance and self-inspection were carried out based on our business operations, which effectively controlled the Company's operational and compliance risks.

1. STRENGTHENING CORPORATE GOVERNANCE TO CONSOLIDATE THE FOUNDATION OF MANAGEMENT



Protecting intellectual property

Strictly abiding by Chinese laws including the *Patent Law*, the Company continuously enhances employees' awareness of intellectual property protection. In 2022, Capinfo revised the *Measures of Intellectual Property Management*, and organized relevant departments and personnel to investigate and deal with potential intellectual property infringements. They made quick responses and protected the legitimate rights of the Company. In the past year, we obtained 1 authorized patent and 14 registered software copyrights.

1.3 ANTI-CORRUPTION AND INTEGRITY

Capinfo promotes anti-corruption campaign, foster the culture of integrity and effectively enhances its ability to prevent and resist any corruption risks while raising the awareness of both leaders and employees in performing duties and staying self-disciplined. In May 2022, Capinfo organized activities to create a clean and honest culture, with the theme of "conducting business in accordance with regulations and disciplines to ensure the sound development of the Company". Closely focusing on the Company's business development, we conducted in-depth learning and training, seminars and talking, which further enhanced warning education as well as the awareness of all employees in carrying out work according to regulations and disciplines. In 2022, Capinfo organized 10 integrity education with a total of 587 participants and one anti-corruption training for 62 participants.

1. STRENGTHENING CORPORATE GOVERNANCE TO CONSOLIDATE THE FOUNDATION OF MANAGEMENT



On April 21, 2022, Capinfo held a joint conference on Party conduct, clean governance and anti-corruption supervision.



2. PROVIDING QUALITY PRODUCTS AND SERVICES

KEY TOPICS

- Comprehensive quality management
- Provide Quality services

ACTIONS

- Improving the quality management system and carrying out comprehensive quality management
- Improving operation and maintenance capability and passing the review of the ISO20000:2018 certification
- Improving service quality and conducting customer satisfaction surveys to enhance customer experience
- Strengthening customer information protection

KEY PERFORMANCE

- 93.12 overall customer satisfaction
- No customer privacy leakage

SDGs WE FOCUS ON



2. PROVIDING QUALITY PRODUCTS AND SERVICES

2.1 COMPREHENSIVE QUALITY MANAGEMENT

Capinfo has improved its quality management system and strengthened the development of standard systems to enhance institutional support. In 2022, Capinfo revised the *Coverage and Organizational Structure of Management Systems* and 77 documents to ensure the continuous and effective management of the seven standard systems. As of the end of 2022, Capinfo had 595 standard system documents.

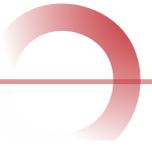
Developing the quality management system

Capinfo is developing its quality management system to cover its entire businesses and processes by improving the information security management system, environmental management system, occupational health and safety management system, work safety supervision mechanism, etc, comprehensively promote the construction of enterprise quality management system.

In 2022, Capinfo vigorously carried out external and internal audit work on reviewing the ISO 9001, ISO 20000, ISO 14001, ITSS, and CMMI management systems, completing the annual external audit of six systems with zero non-conformance.

Improving operation and maintenance

In 2022, Capinfo carried out data collection for software projects, established and published CMMIML5-2022 process baseline and model, which enhanced the quantitative control and prediction capabilities of software development projects. We actively prepared availability plans and continuity plans based on our actual works, and strengthened communication and guidance with the operation and maintenance department, so that we passed the review of the ISO 20000:2018 certification. Meanwhile, the *Operation and Maintenance Service Capability Plan* has been released and implemented. It greatly improved the operation and maintenance service capability and ensured the stable operation of the operation and maintenance service capability system, enabling us to pass the first-level on-site capability maturity supervision and review by the Company.



2. PROVIDING QUALITY PRODUCTS AND SERVICES

Case: Capinfo launches the first CCSC cybersecurity awareness certification training

In response to national requirements and in accordance with the *Cybersecurity Law* and the *Regulations on the Protection of Key Information Infrastructure*, as well as the guidelines of “proactive prevention, timely discovery, rapid response and recovery” put forward by the National Computer Network Emergency Response Technical Team/Coordination Center of China (CNCERT/CC), Capinfo carried out cyber information security training and technical services to strengthen the development of the information security management system for enterprises and cultivate new cybersecurity personnel for enterprises, social institutions, etc. This training session was for more than 30 network information security personnel from Party and government offices and key industries. Based on real cases at home and abroad, the training guided them to fully grasp the knowledge of cybersecurity laws and regulations, comprehensively enhanced their cybersecurity awareness, and helped build their corporate information security management systems.



The first CCSC cybersecurity awareness certification training

2. PROVIDING QUALITY PRODUCTS AND SERVICES

2.2 PROVIDE QUALITY SERVICES

Committed to the business philosophy of “give priority to services and pay attention to benefits”, Capinfo promotes the development of CRM system and the establishment of efficient institutional systems to improve service quality. In 2022, Capinfo won the title of Top 100 Enterprises of Beijing Software and Information Services Industry for seven consecutive years.

Customer satisfaction survey

In order to improve the Company’s service, Capinfo launched the overall customer satisfaction survey on signed projects in 2022 through telephone, with an effective questionnaire collection rate of 98.95%. The overall customer satisfaction of the Company in this survey was 93.12, meeting the set target of ≥ 90 . For operation and maintenance projects, the overall customer satisfaction scored 95.66 and for engineering projects, 90.75.

Privacy protection

Attaching great importance to information security and customer privacy protection, Capinfo promotes cybersecurity and strengthens the development of information security protection systems. In 2022, a leading panel for cybersecurity and information technology was established and the customer privacy protection system was improved as we formulated the *Management Measures for Cybersecurity and Information Technology* and revised the *Implementation Rules for the Management Measures for Cybersecurity and Information Technology*. In addition, we strictly abided by the *Compliance Management Manual (Trial)*, *Website Operation Management System*, and *Information Disclosure Management Measures* to continue strengthening customer information protection. In 2022, the Company had no customer privacy leakage.



3. SUPPORTING MAJOR EVENTS

KEY TOPICS

- Supporting major events

ACTIONS

- Providing communication support for the Beijing 2022 Winter Olympics and Paralympics
- Providing communication support for the 20th CPC National Congress and the 13th Beijing Municipal Party Congress

KEY PERFORMANCE

- One employee of Capinfo was awarded the honorary title of Outstanding Individual at the Beijing Winter Olympics and Paralympics
- Two employees of Capinfo won the honorary title of Advanced Individual of Beijing Municipality for the Beijing 2022 Winter Olympics and Paralympics.

SDGs WE FOCUS ON

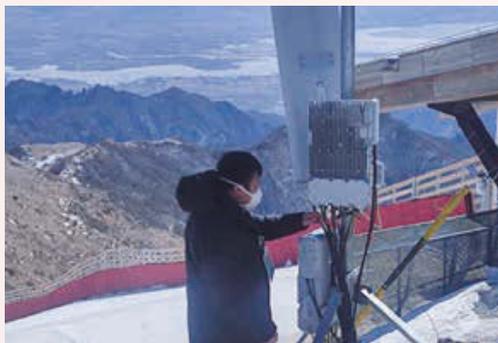


3. SUPPORTING MAJOR EVENTS

With its business advantages, Capinfo provides comprehensive information technologies to support the Beijing 2022 Winter Olympics and Paralympics. We guaranteed the communication quality of the Olympic venues and the 1.4GHz broadband trunking communication for the matches of Beijing Winter Olympics and Paralympics. Our work was reviewed and accepted by the experts from the Organising Committee for the Olympic Winter Games Beijing 2022, with high recognition. One employee of Capinfo was awarded the honorary title of Outstanding Individual at the Beijing Winter Olympics and Paralympics, two employees of Capinfo won the honorary title of Advanced Individual of Beijing Municipality for the Beijing 2022 Winter Olympics and Paralympics.

Case: Providing support to Beijing 2022 Winter Olympics

In order to support the Beijing 2022 Winter Olympics, Capinfo organized engineers to gather their wisdom to tackle key issues. We built infrastructure for the event between downtown Beijing and the mountains and plains of Yanqing District. Adopting the B-TrunC technical standards, which were self-developed with independent intellectual property rights, we built the high-speed, reliable, secure and controllable 1.4G private broadband trunking network with large capacity, and successfully completed the network construction projects for venues, service facilities, important roads and key areas. A total of more than 500 large-capacity base stations were built and provide emergency communication vehicles over urban areas within the fifth ring road and the entire Chaoyang District, the administrative office zone of Beijing Municipal Administrative Center, and the central urban area of the outer suburbs, and the key areas for the International Horticultural Exhibition and the Winter Olympics. Through the implementation of "new infrastructure", Capinfo has realized indoor and outdoor coverage over competition venues and non-competition venues to ensure communication quality of competitions and expand the network communication range, making Capinfo's contribution to the Winter Olympics.



Capinfo provides communication support to the Beijing 2022 Winter Olympics.

3. SUPPORTING MAJOR EVENTS

Case: Capinfo and National Aquatics Center launch “Stepping into Ice Cube to Feel the Charm of the Winter Olympics” joint Party building activity

On March 31, 2022, the Party Committee of Capinfo and the General Party Branch of the National Aquatics Center jointly launched a Party building activity with the theme of “Stepping into Ice Cube to Feel the Charm of the Winter Olympics”. More than 30 Party members participated in the event, including Yu Donghui, Party Secretary and Chairman of Capinfo, Zong Zhaoxing, Deputy Party Secretary of Capinfo and Yang Yongxin, Secretary of the Discipline Inspection Commission of Capinfo. Together with leaders of the General Party Branch of the National Aquatics Center, they visited the Overseas Chinese Donation Exhibition Hall and the curling arena. They also tried the curling sport to feel the Competition atmosphere at the Winter Olympics. After the event, the National Aquatics Center expressed the gratitude to Capinfo for the IT support it provided before and during the Beijing 2022 Winter Olympics and Paralympics. The two sides stated that they would further strengthen cooperation in Party building and business development in the future, and work together to promote the IT application of SOEs as well as the long-term development of the ice and snow economy in the post Winter Olympics era, setting the stage for the 20th CPC National Congress with outstanding achievements.



Ice Cube, the National Speed Skating Oval

The year 2022 witnessed the convening of the 20th CPC National Congress and the 13th Beijing Municipal Party Congress. Capinfo formulated an overall supporting and emergency plan and organized drills accordingly. We completed various tasks with great effort and finished the supporting tasks for the 20th CPC National Congress and the 13th Beijing Municipal Party Congress, which demonstrated the accountable image of Capinfo and also materialized Capinfo’s corporate culture of “firm political stand and and high sense of responsibility and reliability” with concrete actions.

4 PURSUING INNOVATION-DRIVEN DEVELOPMENT TO CREATE AN EXCELLENT BRAND

KEY TOPICS

- Technological innovation
- Product and business innovation

ACTIONS

- Technological innovation
- Building a new medical care information platform
- Starting a new model of credit medical care

KEY PERFORMANCE

- Applying for 3 patents
- Applying for 2 registered software copyrights
- Investing RMB 137294.9 thousand yuan in sci-tech research and development

SDGs WE FOCUS ON



4 PURSUING INNOVATION-DRIVEN DEVELOPMENT TO CREATE AN EXCELLENT BRAND

4.1 TECHNOLOGICAL INNOVATION

Committed to innovation-driven development, Capinfo forges ahead for technological advancement. Focusing on the new needs of the development of the capital's digital economy, Capinfo practices the corporate mission of "making innovation of digital services, so that our cities will be smarter and our lives will be more wonderful", contributing to developing Beijing into a global city for digital economy. In 2022, Capinfo invested RMB137294.9 thousand yuan in sci-tech research and development.

We integrate our innovation resources to focus on the main tasks of new product R&D and technological innovation, and accelerate the building of a product-oriented team. By designing the front-end digital base products, we have completed the R&D of Capinfo Digital Base 1.0 product to facilitate the front-end big data businesses. We also have completed the development of new functions such as blockchain product console, user permission control, directory management module, service view improvement, and blockchain storage, and reconstructed the underlying record of the IoT perception platform to support attribute extension, situation perception, one-picture docking, and resource management and sharing services. Based on the research on the development trend of the smart city's IoT perception system, we have contributed to the development of the *White Paper on Urban Perception System*, with our accumulated technologies from the independently developed IoT perception service platform. Furthermore, the first phase of "Huitian Brain" 2.0 has been completed to provide support for the national CCER management and trading center.



4 PURSUING INNOVATION-DRIVEN DEVELOPMENT TO CREATE AN EXCELLENT BRAND

Case: Digital governance through IT application

Capinfo's digital solution of "12345" complaint handling upon receipt has created an integrated digital platform for complaint handling, which boosted the digital transformation and upgrading of Beijing's complaint handling upon receipt. It has comprehensively improved the informatization, digitization and intellectualization level of the immediate handling of litigation in Beijing.

Building a digital base. Capinfo has created a resilient, efficient, stable, and safe cloud infrastructure service platform through the provision of underlying digital resources.

Unblocking two types of service channels. Capinfo utilized "Internet plus" technology to improve the hotline's response rate and accessibility through different channels, thus realizing a full-dimension perception from ear to fingertip.

Creating three service engines. By creating data driven, artificial intelligence, and algorithmic decision-making engines, we strive to tap into the big data of people's livelihood with the multiple data aggregation capability and holographic data governance technology; We empower hotline services in all scenarios with technologies such as intelligent speech, natural language processing, and knowledge mapping, making them digital and intelligent; We upgraded the digital city model through in-depth learning, risk decision-making, and other technologies.

Connecting the four-level service system. By using the cloud original microservice architecture and the one-stop operation center support, we connected the processing system in the four tiers of city, district, sub-district, and neighborhood committee, providing support to cross-level and cross-department cooperation.

Building five service centers. By building a unified access center for public appeals, a comprehensive dispatching center for handling complaints upon receipt, a monitoring and evaluation center for social sentiment and public opinion, a social governance innovation and practice center, and a dynamic governance demonstration center, we can achieve full element collection and comprehensive perception of handling complaints upon receipt, improve full response and coverage, assist in full-process control and supervision, realize application in all scenarios and boost innovation in all fields, contributing to the all-round improvement and multi-dimensional display of handling complaints upon receipt.

The integrated digital smart platform for handling complaints upon receipt won the title of "Digital Governance and Smart Empowerment – National Urban Digital Governance Innovative Case 2022", and it was released and highlighted at the digital governance parallel forum.

4 PURSUING INNOVATION-DRIVEN DEVELOPMENT TO CREATE AN EXCELLENT BRAND

Case: Contributing to a global model city for digital economy

Capinfo, together with Huawei and the Zhongguancun Digital Economic Industry Alliance, etc., initiated the establishment of the Digital Transformation Joint Solution Center of the Zhongguancun Digital Economy Industry Alliance, to create a high-end digital economy think tank for enterprises by giving full play to their comprehensive capabilities of technology base, data application, scenario business, and management collaboration. The "Application of Commercial Cryptography Standards in COVID-19 Control and Cybersecurity Protection" won the first prize of Excellent Practice Case for the 20th Anniversary of the National Cybersecurity Standard of the National Information Security Standardization Technical Committee and 2021 Security Golden Shield Award by CSA GCR. The "Building a Unified Electronic Signature Platform to Enable Digital Transformation of Real Estate Enterprises" was selected as the "Security Support Excellent Case for Digital Transformation 2021".



4 PURSUING INNOVATION-DRIVEN DEVELOPMENT TO CREATE AN EXCELLENT BRAND

Case: Boosting local development with technological innovation

The basic blockchain service platform independently developed by Capinfo has been applied in the 2022 directory chain service project in Xicheng District, Beijing and the Guangxi digital rural blockchain application project. The directory chain system of Xicheng District connects with the upper municipal directory chain as well as 15 sub-districts. 41 government agencies have used the service for 3.13 million times. The IoT perception platform has been connected with the directory chain, which enabled the processing and sharing of data across the entire system. It has been applied in the project of the IoT perception system in Xicheng District, playing an important role in overall IT application planning, resource sharing, COVID-19 control, etc.

Having been approved as a blockchain information service in 2022 by the Cyberspace Administration of China, the basic blockchain service platform has become an officially certified blockchain service product and was shortlisted for the Industrial and Internet Innovation and Application Case of Beijing 2022. The underlying product of the IoT perception platform won the 2022 Digital Government Innovative Achievements and Practice Case and the ICT Innovative Product Award 2022 at the 2022 ICT Conference of Entrepreneurs.

4 PURSUING INNOVATION-DRIVEN DEVELOPMENT TO CREATE AN EXCELLENT BRAND

4.2 PRODUCT AND BUSINESS INNOVATION

To promote product and business innovation, Capinfo gives full play to its expertise in the IT application of government and public affair to strengthen the main business patterns and specialized product systems with an focus on digitization, striving to support the development of the capital's service system for government and public affairs.

In medical reform, Capinfo makes every effort to create a new medical care information platform and improve its R&D capabilities and quality. We have consolidated the data security protection system and explored medical care models based on the needs of the public, an an effort to ease the diagnosis and payment difficulties in rural designated medical institutions, bring more benefits to the public.

Case: New medical care model of "diagnosis and treatment before payment"

Capinfo implemented the self-developed integrated credit-based medical settlement platform in Beijing Shijingshan Hospital, creating a "credit-based medical care" service model of "diagnosis and treatment before payment". Meanwhile, significant progress has been made in the hospital's value-added services, commercial insurance settlement, IT application, and Internet hospital construction, with outstanding effects in the Beijing medical market.



Capinfo's "credit-based medical care" service scenario

4 PURSUING INNOVATION-DRIVEN DEVELOPMENT TO CREATE AN EXCELLENT BRAND

Case: Capinfo develops a specialized product to solve rural medical insurance settlement problems

Through in-depth research and analysis of the current situation of diagnosis and payment in designated rural medical institutions within the downtown Beijing, Capinfo created a light, convenient, and easy-to-use intelligent terminal product and solution for village clinics with lower IT application in remote rural areas, where real-time settlement by medical insurance cards was hard to realize.

As a product independently developed by Capinfo, this product can realize the real-time settlement for medical treatment by medical insurance cards or certificates in rural medical institutions, and achieve standardized diagnosis and treatment services. With highly customized software applications, it can quickly complete the entire process of diagnosis and treatment services such as registration and real-time settlement, thus solving the practical problem of high costs caused by product upgrade, operation and maintenance. The product is equipped with a complete series of security mechanisms such as device access mechanism, operation authorization mechanism, security management mechanism, private network access, authentication and verification mechanism, and transaction signature mechanism to fully guarantee the use and transaction security of users. The product can be added with extended functions by expanding its software and hardware based on actual scenarios, so that it can provide services such as real-time push, instant notification, and video conferencing to fully meet customer needs.



5. EXPLORING GREEN DEVELOPMENT PATH

KEY TOPICS

- Environmental management
- Green operation
- Spreading of Green Concept

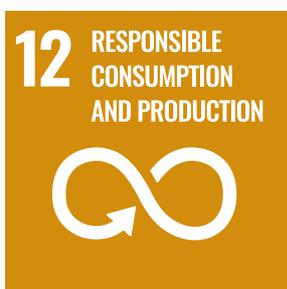
ACTIONS

- Improving the environmental management system to identify and manage environmental factors
- Advocating green work and life to promote energy conservation and emission reduction
- Strengthening environmental protection publicity and education and participating in charitable activities on environmental protection

KEY PERFORMANCE

- Environmental satisfaction of our projects: 100%
- Toner cartridges replaced and recycled:128
- Electricity saved 166,839 kWh
- Green office helped save 642,470 pieces of paper

SDGs WE FOCUS ON



5. EXPLORING GREEN DEVELOPMENT PATH

5.1 ENVIRONMENTAL MANAGEMENT

Pursuing green development, Capinfo establishes a sound environmental management system in strict accordance with the Chinese laws and regulations governing environmental protection, such as the *Environmental Protection Law* and the *Energy Conservation Law*. Capinfo also launches environmental training to improve employees' environmental awareness and contribute to the Company's sustainable and green development.

Improving environmental management system

In 2022, Capinfo's ISO 14001 environmental management system passed internal and external audits. According to the requirements of the environmental management system, the Company completed the identification of environmental factors in 32 departments of 3 subsidiaries. 108 environmental factors were identified in fixed areas such as office areas and computer rooms. The environmental factor table and the important environmental factor table were formulated, and the implementation table for management plan was also completed based on important environmental factors. During the reporting period, all our environmental indicators met related standards and the environmental satisfaction of our projects scored 100%.



ISO 14001 environmental management system certification



5. EXPLORING GREEN DEVELOPMENT PATH

Cultivating the environmental awareness

The Company conducts various forms of training and exchanges to help employees understand Capinfo’s environmental management system and strengthen their sense of responsibility and risk for environmental protection, thus laying a solid foundation for the Company’s new pattern of green and high-quality development. In 2022, Capinfo carried out certification training for auditors of the ISO14001 environmental management system in accordance with the requirements of environmental management. Finally, 40 employees obtained the qualifications of auditors for the environmental management system. Since then the Company has built a team of high-quality and professional internal auditors for the ISO 14001 environmental management system.

5.2 GREEN OPERATION

As a advocate of green lifestyle, the Company improve the environmental protection awareness of all employees in daily office activities, enhances their sense of responsibility for environmental protection and promote employee participation in environmental protection actions. In 2022, Capinfo continuously strengthen the management of various solid wastes, and strictly comply with relevant national laws and regulations for waste storage, transportation, disposal to prevent pollution risks and keep improving comprehensive utilization. The Company’s water was mainly used in production operations and the water consumption mainly comes from domestic water use. The development and manufacturing process had a minimal impact on the local water resources and the atmosphere since it did not involve industrial use of water and the discharge of NO_x and SO₂.

Green work and life

We encourage our employees to integrate green and low-carbon concepts into their daily work and build a green lifestyle with active green actions.

Office supplies management	Improvement of working efficiency	Used equipment management	Electricity and water saving
<ul style="list-style-type: none"> Standardizing the procurement and requisitioning system of office supplies Advocating the proper use of office supplies 	<ul style="list-style-type: none"> Implementing paperless office and e-documents for communication Encouraging the use of video conferencing software 	<ul style="list-style-type: none"> Joining the external consumables recycling programs Reducing the use of disposable items Recycling hazardous items 	<ul style="list-style-type: none"> Switching off electric equipment to reduce standby power consumption Turning off lights when leaving and using natural light as much as possible Keeping the temperature of air conditioners in a proper range

5. EXPLORING GREEN DEVELOPMENT PATH

Waste sorting

According to the *Regulations on Household Waste Management in Beijing*, the Company strictly implements waste sorting and advocates employees to participate in waste sorting volunteer activities. We organize all departments and branches to guide employees and residents near our office areas to sort waste in a right way.



Waste sorting guide



5. EXPLORING GREEN DEVELOPMENT PATH

5.3 SPREADING OF GREEN CONCEPT

Advocating the concept of green development, Capinfo spreads within the Company the environmental management policy of “saving energy, reducing consumption, protecting environment and advocating green life”, and posts energy-saving slogans in public places. Besides, the Company encourages employees to participate in green public welfare activities, and carries out energy-saving publicity and education campaigns. Committed to publicizing the green concept through green public welfare activities, we work to create an environment friendly atmosphere for everyone where green and low carbon becomes a consensus.



Environmental protection slogans in offices

6. **BUILDING RESPONSIBILITY VALUE CHAIN**

KEY TOPICS

- Responsible procurement
- Strategic cooperation

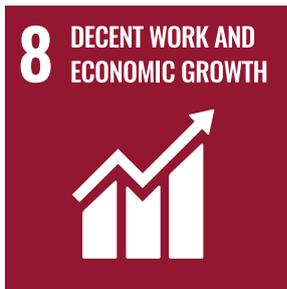
ACTIONS

- Attaching great importance to the standardized supplier management, deepening cooperation with suppliers with a great sense of responsibility and improving the supplier management system
- Strengthening supplier management to further improve supplier performance
- Works together with industry partners to facilitate the sound development of the industry

KEY PERFORMANCE

- the scheduled delivery rate of the purchased product was up to 98%
- had 839 partners on the supply side

SDGs WE FOCUS ON





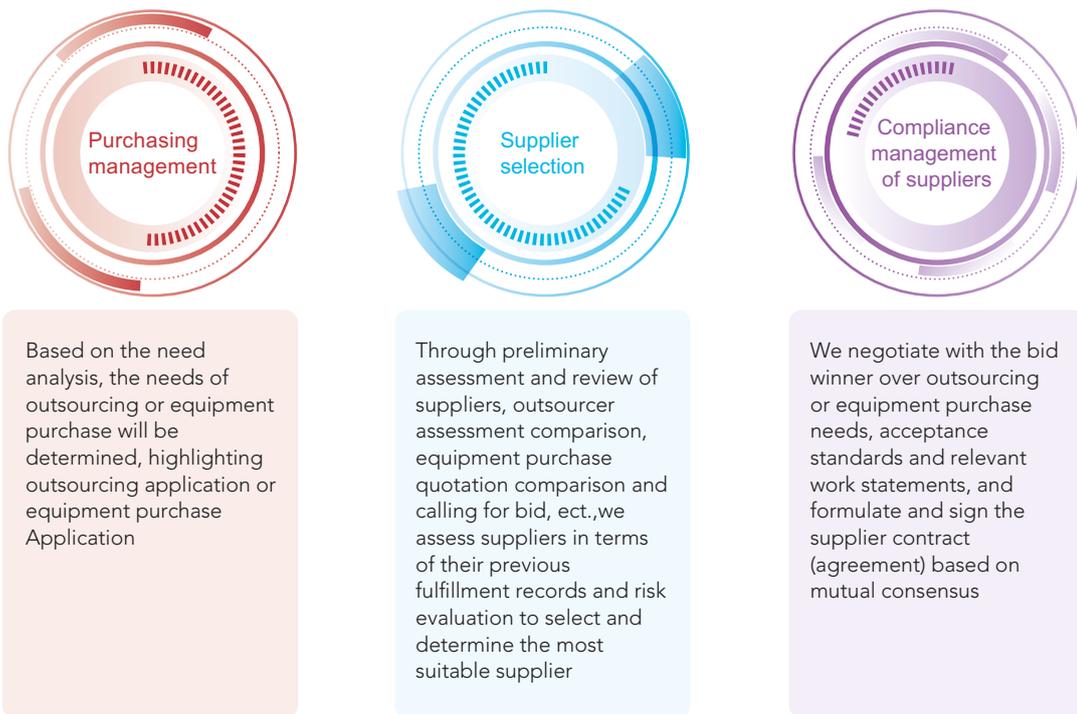
6. BUILDING RESPONSIBILITY VALUE CHAIN

6.1 RESPONSIBLE PROCUREMENT

Capinfo has improved the supplier management system and further standardized procurement and outsourcing. In 2022, the scheduled delivery rate of the purchased product was up to 98%.

Supplier selection

Capinfo adopts a strict and transparent supplier selection system, making sure that relevant rules comply with current laws and regulations as well as common requirements of the industry. In 2022, the Company signed a total of 2,786 purchasing orders.



Supplier selection procedure

6. BUILDING RESPONSIBILITY VALUE CHAIN

Supplier management

Capinfo has tightened process management, acceptance inspections, and ex-post evaluations of external suppliers to ensure stable supply. Meanwhile, in order to avoid any violations and risks in procurement caused by the entry of inferior suppliers, Capinfo reviews suppliers' background, historical performance, online credit information, bank credit certificate and other materials, and communicates with the referrers of suppliers to collect information like targeted cooperation projects, supplier products, and recommendation reasons. For suppliers that have been in its supplier pool, Capinfo strengthens the classification and hierarchical management by conducting regular evaluation and classifying them into class A for core strategic suppliers, class B for preferred suppliers and class C for temporary suppliers. By the end of 2022, Capinfo had 839 partners on the supply side, 727 are for temporary cooperation and 112 are qualified.



Suppliers in the blacklis



6. BUILDING RESPONSIBILITY VALUE CHAIN

Suppliers by region

Number of suppliers		2022
Suppliers by region	Located in Beijing	677
	Outside Beijing	162
	Domestic	835
	Foreign	4

6.2 STRATEGIC COOPERATION

In line with the idea of “cooperation for win-win results”, Capinfo carries out close cooperation with governments, enterprises, industry organizations, etc., and has established a platform for cooperation and exchange to achieve win-win results for all parties. Meanwhile, Capinfo actively participates in activities organized by industry organizations, promotes technologies and concepts in the industry, and works together with industry partners to facilitate the sound development of the industry, making contributions to building a digital China and turning Beijing into a global city for digital economy.



Capinfo signs in-depth cooperation agreement with Alibaba Cloud



Capinfo signs strategic cooperation agreement with Beiming Software

6. BUILDING RESPONSIBILITY VALUE CHAIN

Case: Capinfo participates in the compilation of several industry standards on digitization

In order to implement the requirements of the *Outline of National Development Plan for Standardization* and the *National Standardization Plan During the 14th Five-Year Plan Period*, Capinfo compiled two local standards in Beijing, namely *Specification for Government Data Resource Catalog System* and *Specification for Government Data Aggregation and Sharing*, based on "data operation". By integrating into the smart city industrial ecosystem, Capinfo compiled and issued the group standard of *Urban Digital Transformation – Top Level Design Guide* based on the development of the "smart city" industry. Capinfo's participation in the compilation contributed to the standardization of the digital economy in Beijing and the whole country, which laid a foundation for the industry to achieve core technological breakthroughs in line with digital standards, and further promoted the sound development of the industry.

Case: Capinfo upgrades the cooperation with Huawei to create a digital ecosystem

In November 2022, Capinfo joined the Huawei Cloud's ecosystem and KooGallery, at the invitation of Huawei Cloud. Capinfo would join hands with Huawei to focus on the IT consulting and planning represented by smart city top-level planning and consulting services, and launch the jointly operated "city cloud consulting and top-level design" product. Relying on KooGallery and over 100 bases of Huawei, the two sides will provide high-quality smart city, digital government, digital economy and digital society top-level planning services across the country, working together to create a main digital ecosystem, marking a upgraded partnership for both sides.

6. BUILDING RESPONSIBILITY VALUE CHAIN

Case: Capinfo joins “Embrace 2022” Cultural and Sports Industry Alliance

The launch ceremony of the “Embrace 2022” Cultural and Sports Industry Alliance was held at the National Aquatics Center on July 29. The alliance was jointly initiated by nine state-owned companies in Beijing, including Beiao, and Capinfo, which are committed to promoting the development of the capital’s cultural and sports industry. The goal is to make new achievements in the cultural and sports industry and make outstanding contributions to Beijing’s core functions as the country’s political, cultural, international communication and technological innovation centers. To build a platform for the development of the capital’s cultural and sports industry, the alliance will channel industry resources and reinforce complementary advantages to promote the high-quality development of the cultural and sports industry in the “post-Winter Olympics” era. As one of the first batch of members of the alliance, Capinfo has made great contributions in supporting the digitization of the cultural and sports industry. Capinfo will actively fulfill the social responsibilities of SOEs based on the alliance’s shared cooperation platform, and continue to work on the capital’s informatization by giving full play to its advantages in new technologies such as big data, blockchain, cloud computing and artificial intelligence. Together with other members in the alliance, we will enhance cooperation on the city’s cultural and sports industry, forming a “post-Winter Olympics” high-quality resource matrix with venues, event services and digital technology as the core strengths.



The launch ceremony of “Embrace 2022” Cultural and Sports Industry Alliance

6. BUILDING RESPONSIBILITY VALUE CHAIN

Case: Capinfo participates in the formulation of the *White Paper on Urban Perception System*

On November 8, the *White Paper on Urban Perception System* was released at Huawei Smart City Summit 2022. Capinfo contributed to the formulation of the white paper based on its research on the development trend of IoT perception system of smart cities as well as its accumulated technologies from the independently developed IoT perception service platform. joining hands with Huawei and other partners, the Company strives to accelerate the upgrading of smart cities.

Capinfo will continue to assist China Electronics Standardization Institute, Huawei and other participants in the formulation of the white paper to jointly carry out research and formulation of relevant standards, providing support for building Beijing into a smart city with good perception, thinking, evolution and humanity.



The *White Paper on Urban Perception System*



7. WORKING WITH EMPLOYEES FOR BETTER LIFE

KEY TOPICS

- Employee rights protection
- Occupational health and safety
- Employee development
- Employee care

ACTIONS

- Improving the talent management system to protect the legitimate rights of employees
- Improving the employee occupational health and safety management system to provide them with a healthy and safe workplace
- Valuing employees' career growth and providing diversified training programs and career development opportunities for them
- Caring for employees and helping them balance work and life

KEY PERFORMANCE

- 1,816 on-the job employees
- Labor contracts signing rate: 100%
- Occupational health examination coverage: 100%
- RMB 398,200 invested in employee training
- RMB 69,000 spent in helping the needy employees

7. WORKING WITH EMPLOYEES FOR BETTER LIFE

SDGs WE FOCUS ON



7.1 EMPLOYEE RIGHTS PROTECTION

In strict compliance with the requirements of Chinese laws and regulations, such as the *Labor Law*, *Labor Protection Law*, and *Law on the Protection of Women's Rights and Interests*, the Company protects the legitimate rights of employees by establishing a proper compensation and benefits system with democratic management. We protect employees' occupational health and safety, and commit to creating a fair, open, harmonious and inclusive working and living environment for employees, so as to improve their sense of belonging, fulfillment and happiness.

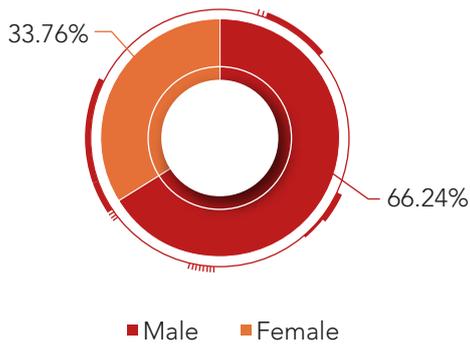


7. WORKING WITH EMPLOYEES FOR BETTER LIFE

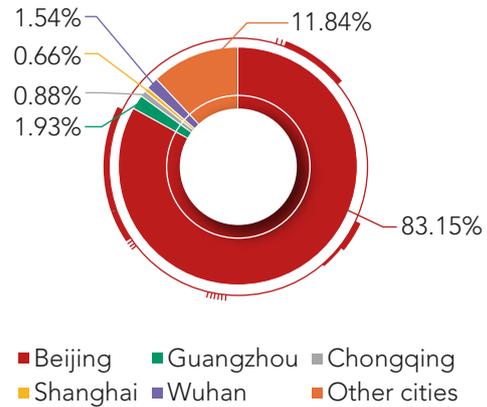
Pursuing equal employment

In strict accordance with laws and regulations, Capinfo fully protects the legitimate rights and interests of employees. Sticking to equal employment. On the premise of equality and consensus, we sign labor contracts with employees and respect their individual differences, thus providing them with an inclusive and open development platform. In 2022, the overall employee turnover rate is 15.47%.

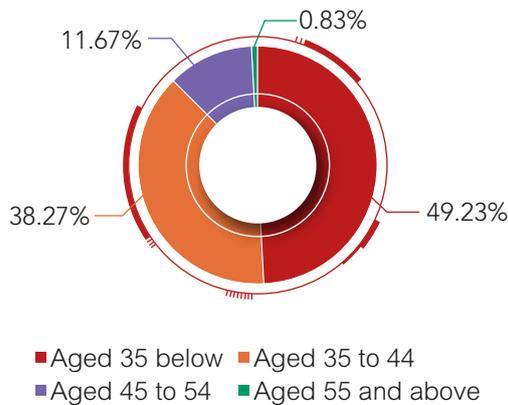
Employees by gender



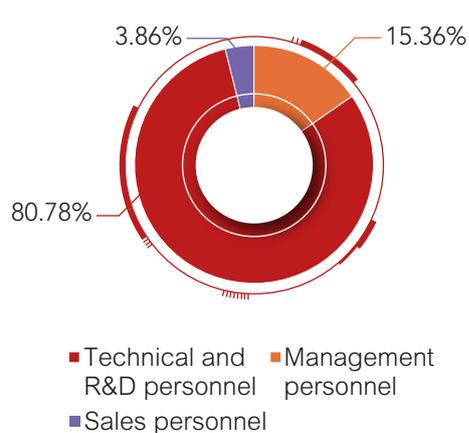
Employees by geographical region



Employees by age groups

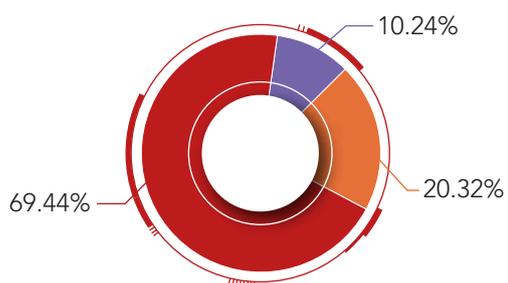


Employees by functions



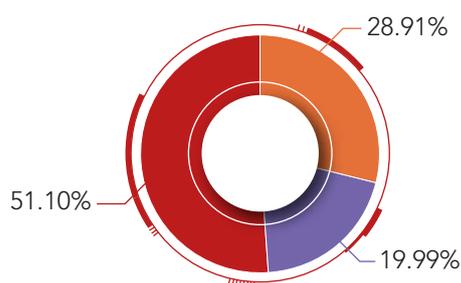
7. WORKING WITH EMPLOYEES FOR BETTER LIFE

Employees by educational background



■ Junior college or lower
 ■ Bachelor's degree
 ■ Master's degree or higher

Employees by service years



■ 5 years below
 ■ 5 to 9 years
 ■ 10 years and above

Improving compensation and benefits system

The Company has a fair, reasonable and competitive compensation and benefits system as well as a differentiated compensation distribution system based on responsibilities, the enterprise type, market competition and business performance, which encourages employees' enthusiasm. We pay for employees' pension, medical, unemployment, work-related injury, and maternity insurances, as well as housing provident fund on time and in full, and guarantee their right to paid leaves. In 2022, the average paid leave per employee was 8.5 days.

Implementing democratic management

Capinfo improves the democratic management system by setting up employee representatives as supervisors, establishing the labor union committees, and organizing staff congress to fully protect employees' right to know, participate, express and supervise. We take employees' reasonable opinions and suggestions, and invite them engage in for company affairs to improve their sense of participation and responsibility. In 2022, Capinfo's labor union completed its election, and the 4th labor union committee organized 10 meetings to discuss on 18 issues. Capinfo also held 2 sessions of the 3rd staff congress.

7. WORKING WITH EMPLOYEES FOR BETTER LIFE



Capinfo holds the 4th session of the 4th staff congress and 2023 working conference

7.2 OCCUPATIONAL HEALTH AND SAFETY

To improve the employee occupational health and safety management system, the Company organized and passed the internal and external audits of the ISO 45001 occupational health and safety management system in 2022. According to the requirements of the occupational health and safety management system, the Company implemented the occupational health and safety policies for the staff to ensure the effective operation of this system. In 2022, the Company's occupational health and safety indicators were all up to standard, with a safety inspection compliance rate of 99.74%. There were no minor, serious, fatal work injuries throughout the year, with 100 days lost due to work injuries and zero cases of occupational diseases.

Capinfo organizes occupational health and safety training for employees, and carries out special mental health training on common emotional stress and its counseling in the workplace and during COVID-19. We also track and evaluate the training results, and keep records to ensure the effective implementation of training programs. Besides, To strengthen the supervision mechanism of work safety, special plans and operation manuals for the work safety of projects have been developed, with emergency drills organized. In 2022, the Company had a total of 24 emergency plans, including one second-level special emergency plan (the overall plan) and 23 third-level special emergency plans. Four company-wide emergency drills were organized based on customer needs as well as the requirements of the Company.

7. WORKING WITH EMPLOYEES FOR BETTER LIFE

Case: Online mental health training

In January 2022, Capinfo invited psychological management experts to conduct a special psychological counseling for all the Company's employees on common emotional stress in the workplace, and about 400 employees participated in the training online. Experts gave vivid explanations on how to channel emotional pressure in the workplace and how to maintain a good psychological state for enterprise employees. Employees were guided to actively learn mental health knowledge and skills to relieve stress with reasonable emotional management, so that they can respond to work and life with a more optimistic attitude and improve their ability to resist pressure. The mental health training effectively helped employees ease their emotional pressure and embrace their future work and life with a more positive attitude.



Online mental health training

7.3 EMPLOYEE DEVELOPMENT

Attaching great importance to the growth of talents, Capinfo has established a complete training system for employees' career development, with diversified online and offline learning resources. We also expand the development space of employees and continue to optimize the promotion path for them.

Improving the training system

The Company values talent training and adopts the whole-process management and control to formulate annual training plans. We have formulated a proper and diversified training and development system to facilitate the growth of employees after fully understanding their demands for professional development.

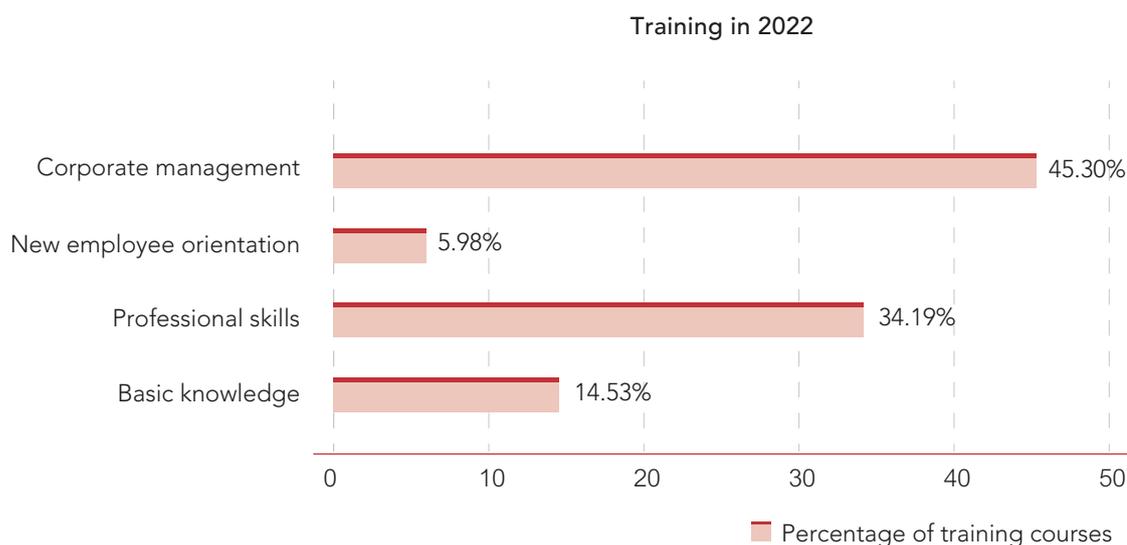
In 2022, the Company set up four categories of training courses and made a detailed analysis of them to provide a reference for the training plans of the next year. 84.76% of the annual training plan was implemented, which achieved the quality target of annual training implementation rate. The total number of trainees reached 19,535, with an annual satisfaction of 96.16%, marking the completion of the quality target of annual satisfaction.

7. WORKING WITH EMPLOYEES FOR BETTER LIFE

Diversified training system



7. WORKING WITH EMPLOYEES FOR BETTER LIFE



Average training hours per capita

Category		Average training hours per capita
Gender	Male	32.08
	Female	32.00
Type	Senior management	21.50
	Middle management	56.31
	Grass employee	30.91

Unblocking career channels

With the aim of promoting the growth of talents, Capinfo continuously enhances the development of talent growth channels by setting up a career planning sequence of “three channels and six levels”, so as to provide a broad career growth platform for employees and create a working environment for them to grow through equal competition.

7.4 EMPLOYEE CARE

Capinfo emphasis on humanistic care, carries out various forms of cultural and sports activities to care for female employees, help employees in need, and visit front-line employees. We provide employees with a happy and healthy working and living environment, striving to create a harmonious and positive cultural atmosphere.

Diverse cultural and sports activities

By organizing various cultural and sports activities at irregular intervals to create an atmosphere of colourful cultural and sports life for workers, the Company helps employees balance work and life, and improves team cohesion as well.



7. WORKING WITH EMPLOYEES FOR BETTER LIFE



Brisk walking activity to celebrate the Mid-Autumn Festival and National Day



Hand-painted peonies themed event



Hanfu and costume themed celebration



Physical exercises during breaks



"State-owned assets cup" futsal match



Visiting the "embracing new era" themed achievement exhibition

7. WORKING WITH EMPLOYEES FOR BETTER LIFE

Case: Government affairs business unit organizes brisk walking activity

In September 2022, Capinfo held a brisk walking activity in the Olympic forest park to celebrate the Mid-Autumn Festival and National Day. A total of 26 employees participated in the event, which demonstrated the optimistic and positive attitude of Capinfo's employees, enhanced exchanges between colleagues and improved their physical quality as well as team cohesion.



Brisk walking activity

Care for employees

Highly valuing employees' needs, Capinfo pays attention to and effectively solves problems they encounter in work and life. We visit employees during statutory holidays such as the Spring Festival and National Day holiday, and take care of employees and their families during their special periods such as marriage, childbirth, retirement, etc. Meanwhile, we provide timely assistance to needy employees and those suffering from diseases.

In 2022, the Company clarified the organizational structure and responsibilities of the female workers' committee of the labor union, and continued to pay membership fees for female workers' special disease mutual assistance. At the critical stage of epidemic control, the Company cared about pregnant and lactating female workers, and initiated a proposal to encourage them to work from home.



7. WORKING WITH EMPLOYEES FOR BETTER LIFE



Visiting employees in summer



Visiting employees who aid Tibet and station in villages



Visits to retired officials



Visiting front-line employees at the new medical insurance platform project

8. GIVING BACK TO SOCIETY

KEY TOPICS

- Support for Local development
- Engagement in Charity

ACTIONS

- Strengthening targeted assistance to boost local development
- Engaging in social welfare activities to deliver love

KEY PERFORMANCE

- RMB 147,200 input for targeted poverty alleviation
- RMB 200,000 donated

SDGs WE FOCUS ON



8. GIVING BACK TO SOCIETY

8.1 REGIONAL DEVELOPMENT

To further enhance targeted assistance, Capinfo sends employees to aid Tibet. They assist in the conferencing system transformation project of Lhasa Municipal Government's information center and provide technical support for daily meetings as well as the "Beijing-Lhasa" exchange projects, supporting Lhasa's informatization by improving its soft power.

Case: Capinfo holds a meeting with officials for targeted assistance

Capinfo held a meeting with officials for targeted assistance. The Company's Deputy General Manager and Chairman of the labor union, on behalf of Capinfo's labor union, sent the new year's greetings to Wang Nan, an official to aid Tibet, and Wang Yi, the "first secretary" stationed in a village. Wang Nan and Wang Yi respectively reported on the work and living conditions during their assistance in Tibet and in the village, and introduced the local customs, hardships encountered in work as well as work priorities in the future. They had an in-depth discussion on the work.

The leaders of the Company expressed their recognition and support of the work of the two officials. Staying at the grass-root level, they actively contribute their talents to the targeted assistance, demonstrating the good image of employees of Capinfo.



Meeting with officials for targeted assistance

8. GIVING BACK TO SOCIETY

8.2 ENGAGEMENT IN CHARITY

The Company encourages its employees to engage in charity and support various donations and volunteers services, spreading love and civilisation, contributing to the building of a better society. In 2022, Capinfo donated RMB200,000 to the Beijing Red Cross Foundation.



"Water Cube · Love Market" activity



Reading-promotion volunteer service



Building a national civilized city and a national health city – cleaning the environment



Youth commandos helps in the epidemic prevention and control in Beijing

8. GIVING BACK TO SOCIETY

Case: Capinfo participates in waste sorting guide campaign

In 2022, Capinfo organized all its employees to continue volunteer services to guide waste sorting in their communities, and advocated that all Party members and employees become volunteers for epidemic control during the COVID-19 period, urging all Party members to register at their communities and participate in volunteer services assigned by communities. We also guided all League members to register as volunteers and participate in activities of the Beijing Youth Volunteer Service Association. 215 employees participated in social volunteer services throughout 2022, totaling about 106 service hours.



Waste sorting guide

9. ASSUMING SOE'S RESPONSIBILITY TO FIGHT COVID-19

KEY TOPICS

- COVID-19 prevention and control

ACTIONS

- Organizing Party members and employees to provide volunteer services in communities
- Using digital technologies in COVID-19 control

KEY PERFORMANCE

- Developing the "Yianxing Intelligent Pass Management System for Epidemic Prevention"

SDGs WE FOCUS ON



9. ASSUMING SOE'S RESPONSIBILITY TO FIGHT COVID-19

In 2022 when the epidemic control faces severe and complicated challenges, Capinfo, in response to the call of the Beijing Municipal Party Committee, Beijing Municipal Government, the Beijing State-owned Assets Supervision and Administration Commission and the Party Committee of Beijing State-owned Assets Management Co., Ltd., brought into full play the decisive role of grass-roots Party organizations and the vanguard and exemplary role of Party members to call on Party members and employees to support the COVID-19 front line and fight side by side with community workers, which contributed to the epidemic control, and demonstrated Capinfo's due responsibility as a state-owned enterprise.



Youth commando mobilization conference



Capinfo's "Youth commandos"

9. ASSUMING SOE'S RESPONSIBILITY TO FIGHT COVID-19

Case: Capinfo's employees on the COVID-19 front line

During the crucial period of COVID-19 control in Beijing, Capinfo responded quickly to build a solid barrier for the epidemic control of the city. We immediately gathered the "Youth commandos" to rush to help in nearby sub-districts, devoting the efforts of League members to the large-scale COVID-19 testing; we organized volunteers to fight the epidemic at the grassroots level, even across the May Day holiday when volunteers in protective gowns could be seen everywhere at the front line. To ensure the stable and accurate operation of the city's important system for government and public affairs during the critical period, several teams gave up their holidays and instead stuck to their positions to guard against information security and build a high-speed channel for information exchange, becoming a strong support for epidemic control in the city and fully demonstrating the strength of SOE.



Capinfo's Youth commandos

9. ASSUMING SOE'S RESPONSIBILITY TO FIGHT COVID-19

Case: Xu Zuo's volunteer services on the front line

In April 2022, the community where Xu Zuo, Secretary of the Youth League General Branch of Capitek, lived was temporarily closed due to the local epidemic. When the community was in badly need of epidemic control personnel, she decided to serve on the front line.

In response to the overall arrangement of the community workers, Xu Zuo made every effort to undertake tasks such as sorting and delivering express parcels and handwriting COVID-19 testing information. She got up early in the morning and worked without a break. she couldn't even eat or drink anything in the tight protective gown for several hours under the scorching sun. She still stuck to the front line though soaked with sweat, shouldering the responsibilities of a Party member and Youth League secretary with concrete actions.



Xu Zuo on the front line

9. ASSUMING SOE'S RESPONSIBILITY TO FIGHT COVID-19

Case: Digital technology used in COVID-19 prevention

In strict accordance with the requirements of the Beijing Municipal Party Committee and Beijing Municipal Government on regular epidemic control, and to fulfill the responsibilities as state-owned enterprise for epidemic control, Capinfo used digital technologies to help in epidemic prevention, and upgraded the "Yianxing Intelligent Pass Management System for Epidemic Prevention" with independent intellectual property rights. Deployed in Capinfo cloud, the system could empower offline management by connecting with Beijing Health Kit. The recorded body temperatures of passing personnel were stored in the government affairs cloud to form distribution big data and closed-loop management. The system realized accurate face recognition and temperature measurement, enabling one-platform epidemic prevention. It had outstanding highlights as it perfectly integrated both epidemic management and security protection.



Application scenario of Capinfo's "Yianxing Intelligent Pass Management System for Epidemic Prevention"

10. INJECTING DIGITAL MOMENTUM INTO RURAL VITALIZATION

KEY TOPICS

- Rural vitalization

ACTIONS

- Promoting rural vitalization by leveraging our strength in information technology
- Exploring new models to assist rural vitalization and support industrial development

KEY PERFORMANCE

- RMB 197, 000 invested in rural vitalization

SDGs WE FOCUS ON



10. INJECTING DIGITAL MOMENTUM INTO RURAL VITALIZATION

In accordance with the arrangements of the Beijing Municipal Party Committee and Beijing Municipal Government, the Party Committee of the Beijing State-owned Assets Supervision and Administration Commission and the Party Committee of the Beijing State-owned Assets Management Co., Ltd. on poverty alleviation and targeted assistance to villages with weak collective economy, rural vitalization, Capinfo has established a leading agency to integrate resources to formulate a detailed annual assistance plan based on its strength in information technology as well as the actual condition of Taishang Village, Qingshui Town, Mentougou District in Beijing. We carry out various assistance models through Party building, developing local industries, donating, and purchasing local agricultural products in Taishang Village.

In 2022, Capinfo participated in “Practices in Progress”, a series of activities organized by Beijing State-owned Assets Management Co., Ltd. we also launched the “Walking along Selected Rural Routes” campaign for employees to go to Taishang Village to experience rural life, providing an important opportunity for employees to feel in person the new changes in the capital’s rural areas in the context of the national rural vitalization strategy. Exploring the new model of helping in rural economic revitalization, we continuously expanded our ideas and assist the development of rural tourist industry by helping villages to attract collective investment while tapping their own advantages in natural resources, including its lucid waters and green mountains. Meanwhile, we developed the high-end and boutique ecological agricultural industry to create more employment opportunities for the village, achieving industrial upgrading and expanding the collective economy for Taishang Village as well.

10. INJECTING DIGITAL MOMENTUM INTO RURAL VITALIZATION

Case: Vitalizing rural collective economy

In September 2022,, Capinfo went to Taishang Village, Qingshui Town, Mentougou District, to launch a themed activity of "vitalizing rural collective economy". We organized employees to experience the rural life style in all aspect and tried to support the development of the rural tourist industry and explore a new model for the Company to help in rural economic vitalization.

Capinfo and the Village Committee of Taishang Village conducted in-depth discussions and exchanges on specialized industries, cultural resources, high-quality routes planning as well as local foods promotion. We listened to the report of the village's Party branch on the Party building in Taishang Village, the history of the village in the revolutionary and construction periods, and the current planning of collective entrepreneurship and income increase, and paid filed visits to investigate the local environment for industrial development. As the first batch of "guests" of Taishang Village's "Walking along Selected Rural Routes" campaign, we visited the village environment and residence, and appreciated folk cultural works. The event not only enriched the spiritual and cultural life of our employees, but also made a modest contribution to supporting the rural collective economy, and further boosted rural vitalization to make new progress.



The themed activity of "revitalizing rural collective economy".

FUTURE OUTLOOK

In 2023, Capinfo will continue to serve the development of the capital in the new era with greater contributions, while working on developing high-value business chains.

Gathering wisdom to deepen reform and innovation. Capinfo will grasp the opportunities of the digital economy market and gather wisdom to fuel its innovation and transformation. We will carry out in-depth reform and innovation to further improve corporate governance and management, contributing our wisdom and strength to the development of the capital as well as the building of China into a world leader in science and information technology with concrete actions.

Spreading green concept to ensure ecological sustainability. Committed to green development, Capinfo keeps improving the environmental management system and carrying out energy conservation and environmental protection. We adhere to green operation and incorporate the green development philosophy into the work and life of employees to spread the green concept and jointly protect the green planet.

Sharing development fruits to create a better life. With the concept of openness and sharing, Capinfo works with stakeholders such as employees, customers, suppliers and communities and shares development fruits. We will continuously strengthen and standardize supplier management to help suppliers improve their ability to perform their responsibilities. With the concept of "win-win cooperation", we will carry out close cooperation with governments, enterprises, industry organizations, etc., to establish a cooperation and exchange platform to achieve win-win results. Putting people first, we will continue to care for the well-being of employees, protect their legitimate rights and interests, attach great importance to employee growth, and pay attention to their physical and mental health, so as to improve their sense of happiness in work and life. We will actively give back to society by boosting local development and promoting rural vitalization with our strength in information technology, thus contributing to the building of a better China.



INDEX TABLE OF THE SEHK ESG

Environmental				
Aspect	Index number	Disclosure	Report location	Notes
A1: Emissions	General Disclosure	disclosed	39-43	
	A1.1	undisclosed		In the future, we will organize carbon inventory
	A1.2	undisclosed		In the future, we will organize carbon inventory
	A1.3	undisclosed		Not applicable
	A1.4	undisclosed		Not applicable
	A1.5	disclosed	41	
	A1.6	disclosed	41	
A2: Use of Resources	General Disclosure	disclosed	39-41	
	A2.1	disclosed	39	
	A2.2	undisclosed		Not applicable
	A2.3	disclosed	41	
	A2.4	disclosed	41	
	A2.5	undisclosed		Not applicable
A3: The Environment and Natural Resources	General Disclosure	disclosed	41	
	A3.1	disclosed	41	
A4: Climate Change	General Disclosure	undisclosed		The product development and manufacturing did not involve the emission of nitrogen oxides and sulfur dioxide, exerting little impact on the air.
	A4.1	undisclosed		The product development and manufacturing did not involve the emission of nitrogen oxides and sulfur dioxide, exerting little impact on the air.

INDEX TABLE OF THE SEHK ESG

Aspect	Index number	Social		Notes
		Disclosure	Report location	
B1: Employment	General Disclosure	disclosed	53-54	
	B1.1	disclosed	53-54	
	B1.2	disclosed	53-54	
B2: Health and Safety	General Disclosure	disclosed	55	
	B2.1	disclosed	55	
	B2.2	disclosed	55	
	B2.3	disclosed	55	
B3: Development and Training	General Disclosure	disclosed	58	
	B3.1	disclosed	58	
	B3.2	disclosed	58	
B4: Labour Standards	General Disclosure	disclosed	53	
	B4.1	disclosed	53	
	B4.2	disclosed	53	
B5: Supply Chain Management	General Disclosure	disclosed	44-47	
	B5.1	disclosed	47	
	B5.2	disclosed	44-46	
	B5.3	disclosed	44-46	
	B5.4	disclosed	44-46	
B6: Product Responsibility	General Disclosure	disclosed	23-28	
	B6.1	undisclosed		Not applicable
	B6.2	disclosed	28	
	B6.3	disclosed	23	
	B6.4	disclosed	28	
	B6.5	disclosed	28	
B7: Anti-corruption	General Disclosure	disclosed	23-24	
	B7.1	disclosed	23	
	B7.2	disclosed	23	
	B7.3	disclosed	23	
B8: Community Investment	General Disclosure	disclosed	62-65	
	B8.1	disclosed	62-65	
	B8.2	disclosed	62-65	



2022 FOCUS: PROGRESS IN IMPLEMENTING SDGs



ACTION

- Promoting rural vitalization to build better villages



ACTION

- Paying attention to the physical and mental health of employees and establishing occupational health files for all employees



ACTION

- Improving the employee training system to carry out diversified training programs



ACTION

- Valuing the development of female employees and protecting their legitimate and special rights



ACTION

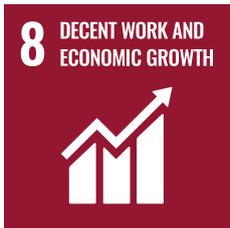
- Advocating water conservation and using water on demand



ACTION

- Using energy-saving and water-saving appliances, and eliminating energy-consuming equipment

2022 FOCUS: PROGRESS IN IMPLEMENTING SDGs



ACTION

- Providing all-round compensation and benefits guarantee for employees to help them realize career values



ACTION

- Promoting business and technological innovation, and Supporting major events



ACTION

- Adhering to equal employment with no tolerance of any discrimination



ACTION

- Strengthening product R&D in business fields such as digital government affairs, digital governance, digital medical care, and digital enterprises



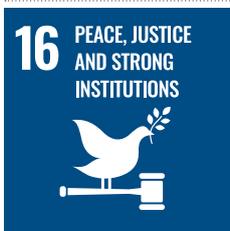
ACTION

- Practicing green and low-carbon operation to improve resource efficiency



ACTION

- Promoting green office and advocating green and low-carbon lifestyle for employees



ACTION

- Improving the corporate governance system and compliance operation

FEEDBACK FORM

Dear readers:

Thank you for reading this Report during you busy day. There are inevitable deficiencies in the reporting preparation. We hereby hope listen to your comments and suggestions so as to continuously improve our report and promote our social responsibility.

1. Your overall assessment of this Report:

Very Good Good Average Poor Very Poor

2. Your opinion on the structure of this Report:

Very Good Good Average Poor Very Poor

3. Your opinion on the layout design of this Report:

Very Good Good Average Poor Very Poor

4. Your opinion on the readability of this Report

Very Good Good Average Poor Very Poor

5. Your opinion on the quality of social responsibility information disclosed in this Report:

Very High High Average Low Very Low

6. What are your comments or suggestions on this CSR report or our performance?

How are you related to CAPINFO COMPANY LIMITED?

Shareholder Customer Employee Partner

The Government Media The Community/Public Other

You may mail the above feedback form to the following address:

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