



2021

About the Report

Yonyou Network Technology Co., Ltd. ("Yonyou", "the Group", "the Company" and "we") has been disclosing its non-financial information annually since 2014, with a total of seven social responsibility/sustainability reports issued by 2020.

Reporting Scope

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

Reporting Period: From January 1, 2021 to December 31, 2021. Part of the Report is beyond the reporting period in order to ensure consistency.

Release Cycle: This is an annual report. The previous report was released in March 2021.

Reporting Standards

The report has been prepared to comply with the GRI Sustainability Reporting Standards by the Global Sustainability Standards Board (GSSB) and the United Nations 2030 Agenda for Sustainable Development (SDGs). For the disclosure of indicators in this report, please refer to the "GRI Content Index" and the "SDGs Index" in the "Content Index" section.

Data and Information Disclosure

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

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

All financial data disclosed in the Report is derived from the *Yonyou Network Technology Co., Ltd. 2021 Annual Report* ("Annual Report"). Should there be any inconsistencies between the Report and the Annual Report, the Annual Report shall prevail. Unless otherwise indicated, the currency used is RMB.

How to Get the Report

The Report is released in electronic version. The digital version of the Report can be downloaded from our website:

<http://www.yonyou.com/>

CONTENTS

01	ABOUT THE REPORT
03	CHAIRMAN'S MESSAGE
05	ABOUT YONYOU
07	FEATURE STORY: AIM AT THE HIGH-QUALITY DEVELOPMENT TO START A NEW JOURNEY OF COMPREHENSIVE DIGITAL AND INTELLIGENT INNOVATION IN ALL ASPECTS
45	LOOKING FORWARD
47	CONTENT INDEX



I ADHERING TO SOUND GOVERNANCE

- 14 OPTIMIZING CORPORATE GOVERNANCE
- 14 ENSURING OPERATIONAL COMPLIANCE



II IMPLEMENTING GREEN DEVELOPMENT

- 23 TAPPING THE POTENTIAL OF CLEAN TECHNOLOGIES
- 28 DEEPENING GREEN OPERATIONS



III PROMOTING EMPLOYEE GROWTH

- 32 STRENGTHENING EMPLOYEE RECRUITMENT
- 33 OPTIMIZING EMPLOYEE DEVELOPMENT
- 37 CARING FOR EMPLOYEES



IV BUILDING A BEAUTIFUL COMMUNITY

- 42 EXPANDING THE EMPLOYMENT ECOLOGY WITH EXPERTISE
- 42 PROTECTING CHINESE COMMERCIAL CULTURAL HERITAGES
- 43 DIGITAL & INTELLIGENT TRANSFORMATION OF THE PUBLIC WELFARE SECTOR
- 44 PROMOTING DEVELOPMENT OF EDUCATION, SCIENCE AND CULTURE
- 44 ENCOURAGING EMPLOYEE VOLUNTEERING

Chairman's Message

In 2021, we celebrated Yonyou's 33rd anniversary. In this year, global economic restructuring has been accelerating with a new round of technological revolution and industrial transformation, and we have stepped into a new wave of digital economy characterized with digitalization and intelligence. With the establishing and operating of YonBIP, the world's leading business innovation platform, and the upgrades of the integrated service matrix and cloud service ecology, Yonyou has entered its 3.0-II development stage with steady steps, while helping our enterprise customers realize digital and intelligent transformation and innovative development along the way.

"To drive business and social progress with creativity and technology" is the unwavering mission of Yonyou. In 2021, besides achieving solid business performance, Yonyou had also deepened the integration of the concept of sustainable development, and grew together in collaboration with our partners, injecting new development connotations into the Yonyou 3.0-II stage.

Focusing on governance to ensure compliance. Since our listing in 2001, we have strictly complied with laws and regulations and various regulatory rules, optimized our corporate governance structure, strengthened our internal

controls, implemented information disclosure in accordance with the laws and regulations, managed investor relations, insisted on equity distribution and value management, and attached great importance to the protection of the rights and interests of our shareholders and creditors.

Enabling enterprises by promoting digital and intelligent transformation.

Facing the demand for high-quality development of enterprises under the new normal, we worked together with our ecological partners to serve enterprises' digital and intelligent transformation needs, promoted the innovation and development of industrial Internet, actively developed the enterprise cloud service industrial ecology, and strengthen the cultivation of digital talent. YonBIP has become a digital intelligence enabling platform for many leading enterprises in the industry.

Protecting the environment and deepening green development.

Focusing on the "Carbon Peaking" and "Carbon Neutrality" goals and the use of clean technology, we provided multi-dimensional sustainable development solutions for our partners based on our professional technology and products, and helped our customers and partners achieve cost reduction and efficiency gains and environmentally friendly operation. We also established a

sound management mechanism and continuously optimized our green operation and environmental protection efforts.

Improving systematic support for employee growth.

We continued to care about and systematically promote the development of employees, make efforts to attract high-quality talent, enhance talent retention and employee capacity building, implement medium- and long-term incentive plans such as equity incentives, and actively build a platform for employees to work happily, achieve their careers and share their success, achieving the common development of both employees and the Company while enhancing the value of the Company.

Caring for society and striving for harmonious development.

We strove to support the development of the employment ecology and the digital and intelligent transformation of the public welfare sector with our own technological expertise, continuously supported the protection of commercial cultural heritages, and education, sciences and cultural programs, making continuously contribution to building a harmonious and beautiful society. We also established the YouCare employee volunteer service team, turning a new page in offering professional volunteer services.

Looking into the future, we will adhere to sustainable development concept of pursuing the healthy growth of enterprises, society, and industrial ecology, and further integrate our digitalized and intelligent development with in-depth business and management services in the new era. Yonyou strives to grow together with our stakeholders to write a new chapter in the digitalized and intelligent era with professional services, high-quality products, and prosperous ecology, making continuous contribution to industrial progress and high-quality development of economy and society.

Wang Wenjing

Chairman & CEO

Yonyou Network Technology Co., Ltd.



About Yonyou

Company Profile

Founded in 1988, Yonyou Network Technology Co., Ltd. (Stock Code: 600588) is a global leading provider of cloud services, software for enterprises and public organizations. Yonyou is committed to using creativity and technology to promote business and social progress. It built and operated a world-leading business innovation platform, YonBIP, to help enterprises conduct digital and intelligent transformation and business innovation. It has helped over 10 million enterprises with on-demand enterprise cloud services and ubiquitous digitalization and intelligent capabilities to enable efficient, convenient business innovations.

Yonyou provides customers with digital, intelligent, highly flexible,

secure, trustworthy, platform-based, ecological, global and social enterprise cloud service products and solutions in the fields of digital marketing, smart procurement, agile supply chain, corporate finance, smart finance, digital human resources (DHR), collaborative office and digital intelligence platform services.

Yonyou is dedicated to creating value for customers by offering services that are user-friendly, continuing to innovate, and striving to achieve more. Currently, Yonyou owns over 230 branches and 10,000 ecological partners in the world, and YonBIP is the choice of many industry-leading companies for digitalized intelligent business innovation platform.

230

branches

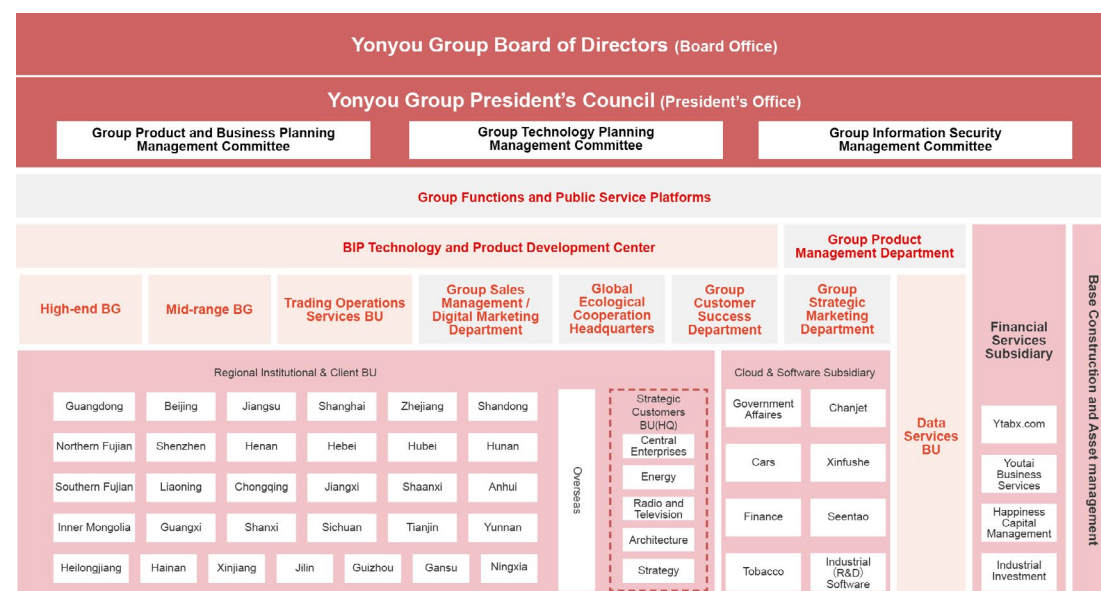


10,000

ecological partners



Organizational Structure



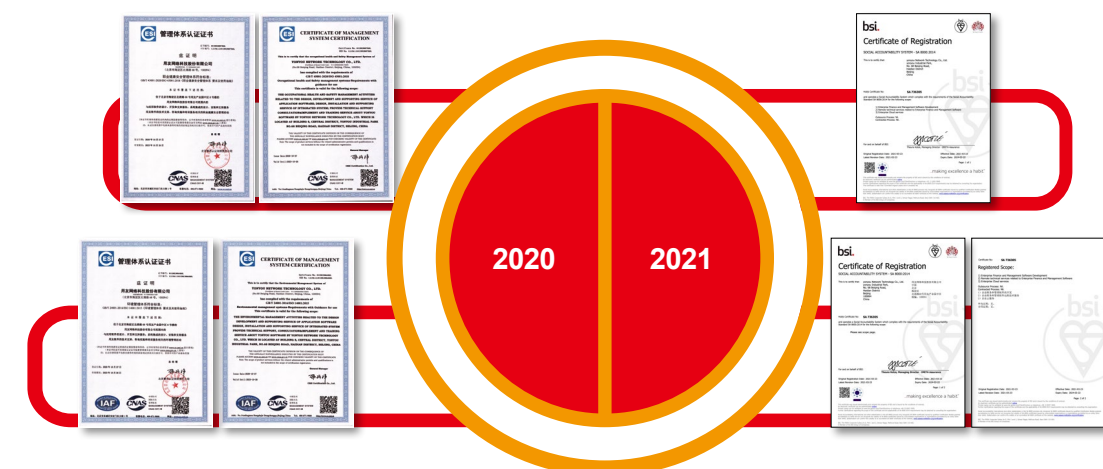
Awards and Recognitions

Granted By	Awards
The 15th China Brand Festival	"Huapu" Award, the top annual award on branding achievements for Chinese enterprises Top 500 Chinese Brands
China Academy of Information and Communications Technology	Digital Transformation Empowerment Service Collective
Soft6.com, Hap Academy, China Software Industry Association Application Software Product Cloud Service Branch	2021 China Digital Platform Annual Influential Product Award 2021 China Low-Code Platform Annual Influential Product Award
Soft6.com, Hap Academy, China Software Industry Association Application Software Product Cloud Service Branch	2021 China Information Technology Application Innovation Industry Cloud ERP Champion Award 2021 China Information Technology Application Innovation Industry PaaS Platform Champion Award
China Electronics and Information Industry Federation	2021 Top 100 Competitive Enterprises in Software and Information Technology Services
Human Resources Development of China	Outstanding Human Resources Digital Transformation Suppliers
CCIDNET.com, Digital Economy Magazine	2021 Most Innovative Development Platform
TMTpost 2021 EDGE AWARDS Global Innovation Award	Annual Industrial Ecological Innovation Pioneer Enterprise
Software and Information Service Industry Network	2021 Most Valuable Brand in Software and Information Service Industry
Southern Weekend	2021 Annual Innovation Case at the 2021 Dream Builders Charity Conference

Social Responsibility Certifications

In 2021, Yonyou further improved its social responsibility management policies and mechanism to be more organized, professional and systematic. In addition to the ISO 14001 (Environmental Management System)

and the ISO 45001 (Occupational Health and Safety Management System) certifications obtained in 2020, the Company applied and obtained the SA8000 Standard certification in 2021.



Feature Story

Aim at the High-quality Development to Start a New Journey of Comprehensive Digital and Intelligent Innovation in All Aspects

In recent years, a new generation of information technology has been developing rapidly, and the economy and society have entered the era of intelligent connection of all things, and "digitalized intelligence" has become a higher demand for transformation and development based on information technology. The development of cloud computing, big data, artificial intelligence, and other digital technologies has continuously pushed the enterprise information construction to upgrade and integrate to digital intelligence. In 2021, Yonyou focused on the requirements of high-quality development under the new economic normal, comprehensively promoted the innovation of digital and intelligent technology application, and worked together with ecological partners to actively take actions in the digital and intelligent transformation of enterprises, the innovation and development of industrial internet platform, the ecological construction of information technology application innovation industry ("ITAI Industry"), and the training of digital talents, etc., to start a new journey of digital intelligent innovation in all aspects and achieve outstanding results.



Comprehensive Support for the Digital and Intelligent Transformation of Enterprises

Yonyou 3.0 aims to support the digital and intelligent transformation and high-quality development of enterprises and promotes their use of cloud and platforms with the world's leading Business Innovation Platform (YonBIP) that the Company has built and operates. In 2021, Yonyou continued its leadership in the development of enterprise cloud services and digital industry in China, with the cumulative number of Yonyou Enterprise Cloud Services users reached more than 6 million, including over 10,000 large enterprise clients and several million small, medium, and micro enterprise clients.

For large enterprises, the Company took the opportunity of large enterprises' upgrading of their digital and intelligent products and technologies, focused on eight key market applications such as finance, human resources, marketing and procurement, etc., and actively promoted hybrid cloud solutions for large enterprises by taking advantage of the accumulation and innovation of the product matrix of "YonBIP Sensitive Business Innovation + NC Cloud Stable Management" for large enterprises. During the year, the Company signed a number of contracts with large enterprises, such as State Development and Investment Corporation, China Aerospace Science and Technology Corporation, and South-to-North Water Diversion Corporation, etc., to deeply explore its own technical potential and help these industry leaders march forward to achieve high-quality development with the digital and intelligent capabilities.

6 million



Yonyou Enterprise Cloud Services users, including

10,000+



large enterprise clients

CASE

Innovated Enterprise Operation Management Mode by YonBIP

South-to-North Water Diversion Corporation

Based on YonBIP, South-North Water Diversion Corporation builds a digital platform that has the function of financial integration, platform integration, open integration and information sharing for accounting, financial management, asset management and operation decision making, with the core of project operation management. It comprehensively improves the management capability of funds, budget, assets, etc. and operational decision-making capability including project management, report analysis and risk management.

China State Shipbuilding Corporation Limited

The 716 Institute of China State Shipbuilding Corporation Limited has built a facility-wide operation management platform based on YonBIP to open up product information lines and realize data management, sharing and integration throughout the project life cycle. The management platform covers core applications such as planning, production, outsourcing, procurement, quality management and human resources, and links multiple business systems at the same time, breaking "data silos" and realizing a cross-business scenario and comprehensive application of enterprise operation management mode, which greatly improves production efficiency.



For medium-sized enterprises, the Company actively responded to the requirements of the *Notice on Supporting the High-Quality Development of Technologically Advanced Small, and Medium-sized Enterprises* issued by the Ministry of Finance and the Ministry of Industry and Information Technology, and provided a strong product portfolio and diversified layout, such as YonSuite, U9 Cloud and U8 Cloud, to meet the different needs of medium-sized enterprises. In 2021, the Company has signed up with high-quality medium-sized enterprise clients such as Shanghai National Nuclear Puyuan Corp., Shanghai Pylontech Energy Technology Co., Ltd., Nanxing Machinery, and CITIC Heavy Industries Co., Ltd.

CASE

U9 Cloud Helps JMPT Pursue Globalization Strategy

Jiangnan Mould & Plastic Technology Co., Ltd. ("JMPT"), established in June 1988, mainly engages in the development, production and sales of auto parts, plastic products, and moulded high-tech products. It is the designated manufacturer of many famous automobile brands.

JMPT's original information platform had many different types and scattered deployments, which restricted the efficiency of internal collaboration and global development. To address these problems, Yonyou built a multi-layer information platform for JMPT with U9 Cloud system as the core, realizing a four-layer full channel management from group control to business operation, to production execution, and to site management, helping the enterprise to achieve complete business integration and data sharing, and building a unified platform, unified control, internal interconnection, real-time information sharing and rapid replication of management models. It helps enterprises to build a unified platform, unified control, internal interconnection and interoperability, real-time information sharing, and rapid replication of management models, and comprehensively improve the efficiency of enterprise management and industrial chain synergy, helping enterprises to build a new model of intelligent manufacturing and realize globalization strategies.



For micro- and small-sized enterprises, Yonyou's subsidiary Chanjet focuses on digital taxation and digital business solutions for micro- and small-sized enterprises, seizing the industry development opportunities of electronic invoice and electronic file management, strengthening the No. 1 brand of cloud taxation micro- and small-sized enterprises, and promoting micro- and small-sized enterprises to improve the core elements of operation management ability around the needs of innovation and entrepreneurship and improving business management. By the end of 2021, Chanjet has served more than 3 million micro- and small-sized enterprises clients.

Chanjet has served

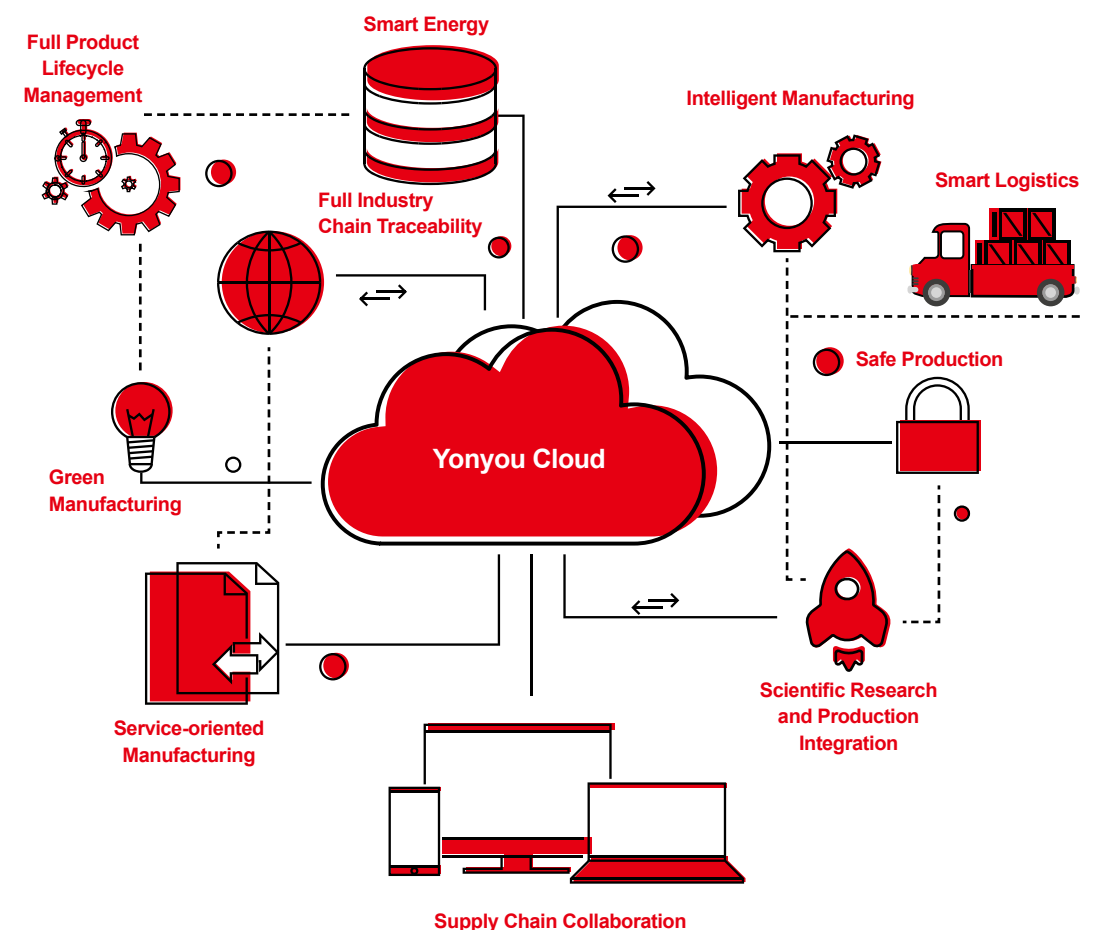
3 million+

micro- and small-sized enterprises clients



Innovating on New Connotations for the Industrial Internet Platform

Developing industrial Internet is the core strategy of Yonyou 3.0. Yonyou Jingzhi Industrial Internet Platform ("Yonyou Cloud") has become a leading comprehensive industrial Internet platform in China and has been selected as one of the first national cross-industry and cross-domain industrial Internet platforms by the Ministry of Industry and Information Technology for the list of cross-industry and cross-domain industrial Internet platforms for three consecutive years since 2019.



By the end of 2021, Yonyou Jingzhi Industrial Internet Platform services have covered 39 industrial categories and 9 application areas, served more than 1 million industrial enterprises, and ranked first in China's industrial cloud market share (source: IDC market research report), leading the development of China's industrial Internet industry. In the future, Yonyou Jingzhi Industrial Internet Platform will focus on the goal of "developing into the world's leading industrial Internet platform", innovate on mechanisms, deepen the cultivation of the "industrial Internet platform + industrial park" model, and promote the integrated development of large, medium and small enterprises, support the "Belt and Road" Initiative, explore the value of data resources, play a leading role in industrial digitalization, becoming a global leader from a domestic leader.

CASE

Yonyou Jingzhi Industrial Internet Platform Supports the Construction of Intelligent Manufacturing Base

Based on Yonyou Jingzhi Industrial Internet Platform, Atlantic China Welding Consumables, Inc. has built an intelligent manufacturing system based on the integration of software and hardware, and the interconnection of human-material-equipment-information system, creating a green, low-carbon, environmentally friendly and highly efficient welding material intelligent manufacturing base. It was the first time in China the new process of "temperature and humidity dual control" for welding rod drying and the new mode of centralized heating and waste heat recovery was applied, lowering its Comprehensive energy consumption per RMB10,000 of added value by 30%. The enterprise also achieved unattended multi-processes for the first time, which more than doubled its labor productivity by reducing the number of workers by 30-50%. The self-developed new technology and new equipment had also greatly improved the working environment of employees.

Multi-dimensional Drive to Promote the Vigorous Development of the ITAI Industry

In 2021, Yonyou continued to strengthen the layout of Information Technology Application Innovation Industry (ITAI-Industry) with multi-dimensional measures, deepen industrial cooperation with ITAI eco-partners, participate in ITAI-Industry cooperative alliance, promote product adaptation, and create joint solutions, and contribute to building a prosperous ITAI industrial ecology and promoting high-quality development of ITAI-Industry.

In terms of product compatibility, the Company's products have been fully compatible with CEC, Huawei, CETC of CEC, CAS of CAS and other ITAI-Industry systems, and has achieved full-stack technology compatibility with many mainstream domestic manufacturers from servers, chips, storage, middleware, operating systems, databases and other basic hardware and software, and has completed 210 compatibility and mutual certifications and obtained 141 compatibility and mutual certifications.

In terms of industrial ecology, the Company has actively invested in the construction of the ecology of the ITAI-Industry, cooperated with many strategic ecological partners, and initiated the establishment of the professional committee of the Convergence Ecological Alliance, the Alliance of Leading Vendors of Enterprise Digital Services and other ITAI organizations. In 2021, the Company joined hands with the China Academy of Information and Communication Technology, the Network Security Industry Development Center of the Ministry of Industry and Information Technology, Peking University and Tsinghua University to establish the "Zero Trust" alliance, which is dedicated to expanding the application of the "Zero Trust" architecture in the independent security information

210

compatibility and mutual certifications completed



141

compatibility and mutual certifications obtained



creation ecology, promoting the integration of "Zero Trust" education, technology and industry, and accelerating the formation of a positive ecology of talent training, technological innovation and industrial development. As a leading enterprise digital transformation service provider, we have joined hands with JD.com, Alibaba and Baidu to launch the "Digital Collaborative Innovation Alliance for Local State-owned Enterprises", which will play an active role as a link and platform for digital transformation and digital technology application innovation of local state-owned enterprises. Together with many partners, the Company has launched the "Jinlan Ecological Plan" and joined the "Haiguang Industry Ecological Cooperation Organization" and "Kirin Application Ecological Alliance" to continue to build a perfect ecological system for the ITAI-Industry.

Integrating Industry with Education to Cultivate Digital Talents

Yonyou focuses on promoting the integration of production and education to cultivate digital talents, software talents and new engineering talents on a large scale. The Company carries out university-enterprise cooperation in new forms such as practical teaching, professional co-construction, and college co-construction, and has established seven digital talent training programs in smart finance, digital marketing, smart manpower, blockchain and finance, industrial Internet, software development, and innovation and entrepreneurship system, and actively participate in the construction of characteristic demonstration software colleges. By the end of 2021, the Company has cooperated with more than 4,000 colleges and social institutions across the country, building more than 7,000 practical teaching bases, more than 350 majors jointly established by schools and enterprises, and training more than 1.3 million students. Meanwhile, the Company built and operated the "1+X" certificate examination platform, and actively promoted the implementation of the "digital talent training program" in colleges and universities across the country.

7,000+

practical teaching bases established



1.3 million+

students trained



Intensifying R&D to Enhance Independent Innovation Capabilities

In 2021, Yonyou continued to increase investment in R&D and introduced senior R&D talents, with R&D personnel accounting for more than 35% of the Company's total headcount and R&D personnel becoming the first sequence of personnel. The Company laid out and established product innovation R&D centers in Shenzhen, Shanghai, Hangzhou, Suzhou, Chengdu, and Chongqing to increase investment in innovative R&D of industry digital intelligence products and solutions. During the year, the Company continued to maintain and retain major qualifications such as National Enterprise Technology Center, National Local Joint Engineering Research Center, and National High-tech Enterprise. In 2021, the Company promoted the license operation qualification of the secondary node for industrial Internet logo resolution and Yonyou 3.0 platform strategy from software-as-a-service (SaaS) to data-as-a-service (DaaS) and business-as-a-service (BaaS) business innovation. The Company also delivered the National Development and Reform Commission Reform Commission, the Industrial Internet Application Innovation Experience Center of the Ministry of Industry and Information Technology, and the Beijing Industrial Internet Platform of the Beijing Municipal Bureau of Economic and Information Technology and passed the acceptance, significantly enhanced the capacity of independent innovation and support for national strategic scientific and technological forces.

Optimizing Corporate Governance

In 2021, the Company continuously optimized its governance capabilities by focusing on building a sound governance system and improving information disclosure.

Regarding the performance of the Board of Directors, the Company stipulates the minimum attendance requirement for board meetings in the *Articles of Association of Yonyou Network Technology Co., Ltd.*, specifying that board meetings can be held only when more than half of the directors are present. In 2021, the directors of the Company performed their duties diligently and there was no absence for board meetings. During the year, the Company convened 3 General Meetings of Shareholders, 17 Board Meetings, 8 Meetings of the Board of Supervisors, and 17 meetings of special committees of the Board of Directors, and reviewed a number of key issues, including the new round of equity incentives, the share transfer of Shenzhen Qianhai Yonyou Lihe Financial Service Co., Ltd., and the establishment of special accounts for raised funds.

Regarding the capacity building of the Board of Directors, in 2021, the Company actively arranged for its directors, supervisors and senior management staff to participate in trainings organized by the Shanghai Stock Exchange, the China Association of Listed Companies, Beijing Securities Regulatory Bureau, and other regulatory agencies. In 2021, our Chairman participated 2 meetings organized by Beijing Securities Regulatory Bureau on the supervision of listed companies, and our directors and supervisors successfully completed the 2020-2021 Beijing Listed Companies Association's training and examination for the Class-I Regulatory Group and the Class-I Service Companies.

Regarding information disclosure, adhering to the principles of compliance, transparency and professionalism, the Company completed the high-quality preparation of four regular reports, including 2020 Annual Report, 2021 Mid-year Report, Q1 Quarterly Report, and Q3 Quarterly Report, passed the CSRC's governance assessment with efficiency and accuracy, and submitted the Listed Company Governance Report required by CSRC. In addition to regular information disclosure, the Company also prepared and disclosed 182 special announcements on topics such as share repurchase, equity incentive, etc.

In 2021, the Company did not receive any inquiry or penalty from regulatory authorities.

Ensuring Operational Compliance

Yonyou strictly implements regulatory policies and requirements, continuously optimizes the accountability system for compliance management, strives to integrate business ethics concepts and system into daily operations, and systematically conducts supervision, assessment, and training to ensure operational compliance. The Company also strives to build a responsible procurement system, working closely with suppliers to fulfill social responsibilities, and strictly adheres to the bottom line of compliance and ensure data security and privacy protection.

Adhering to Business Ethics

Yonyou attaches great importance to "sunshine" management and is committed to building a corporate culture of integrity in all aspects, raising awareness of business ethics through stipulating policies and management systems, as well as organizing anti-corruption trainings.

111001011001110110011010 111001101000110010000001
111001111010100010110011 111001011000000110100101
111001101011001010111011 111001111001000010000110

Adhering to Sound Governance

For modern enterprises, a sound governance system is the foundation for sustainable development. Yonyou continuously optimizes corporate governance, and ensures strict operational compliance by focusing on key governance issues. As a cloud service and software provider, Yonyou regards data security and privacy protection as the bottom line of its operation, and strives to strictly ensure system-wide comprehensive protection of information security and privacy protection.



Improving Management Policies

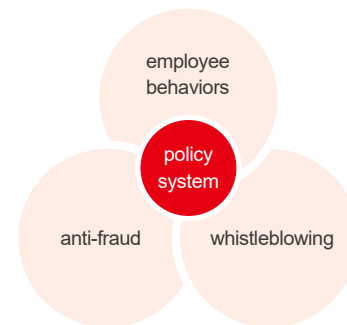
The Company strives to build a three-in-one management policy system covering employee behaviors, anti-fraud, and whistleblowing. Focusing on building a sound policy system, the Company has formulated a series of policies and systems applying to all employees, including the *Yonyou Network Technology Co., Ltd. Internal Audit System*, *Yonyou Network Technology Co., Ltd. Supervision System*, *Yonyou Network Technology Co., Ltd. Discipline Policies for Employee Violations*, and *Yonyou Employee Business Code of Conduct*, etc., so as to deepen the employees' understanding of the importance of compliance, building a solid foundation to ensure operational compliance and healthy development of the Company.

In 2021, the Company optimized 6 audit and supervision policies and organically integrated existing policies into the *Yonyou Network Technology Co., Ltd. Supervision System*, optimizing the Company's anti-fraud management in terms of the responsibilities and authorities of supervision personnel and related procedures, etc. The Company also integrated the *Communication Mechanism for Establishing a Joint Meeting on Major Matters of Auditing and Supervision* with the *Yonyou Network Technology Co., Ltd. Disciplinary Regulations for Employee Violations*, further clarifying the disciplinary actions and procedures for different types of violations of employees.

Optimizing Management Mechanisms

The Company has established a business ethics management mechanism, with the directors and senior management directly in charge, and each functional department given clearly defined responsibilities. The Vice President of the Company acts also as the Director of the Audit and Supervision Department, which conducts internal audits, investigates whistleblowing incidents, and adopts disciplinary actions for violations, directly reporting to the Chairman of the Company and the Administrative Office and the Audit Committee of the Board. Human Resources Department carries out employee compliance trainings and education programs.

In 2021, the Company carried out a total of 50 audit and internal control self-assessment projects, mainly including post-departure audits, performance audits, comprehensive audits, and internal control assessment. During the year, there was no incident of business ethics violation in the Company during the year.



100%

whistleblowing complaint cases handled and closed



In 2021, the Company released an updated version of the *Yonyou Group Whistleblowing Management Regulations*, which applies to all employees (including interns, labor dispatch personnel, external consultants, service personnel of suppliers, and co-developers of ecological partners). The regulation specifies that whistleblower shall be protected during the investigation process, and employees who handles or investigates the reported incidents shall strictly ensuring confidentiality and shall not disclose the identity information of the whistleblower to any department or individual without proper authorization. The regulation also strictly forbids all forms of discrimination or retaliation against whistleblowers.

During the year, the Company received a total of 9 whistleblowing complaints over business integrity issues and carried out investigations in accordance with the *Yonyou Group Supervision System*. Employees who violated Company regulations were disciplined. All whistleblowing complaints were handled properly with a case completion rate of 100%.

Promoting Business Integrity Education

At the beginning of each year, the Company requires all full-time employees to study the *Yonyou Employee Code of Business Conduct* and pass the follow-up examination. Newly recruited employees are also required to study and pass the examination online during their probationary period. The Company continuously promotes employees' business code of conduct compliance training through both online and in-person formats and implements training assessments to comprehensively promote the internalization of business integrity concepts. In 2021, the Company carried out a total of 43 in-person trainings on corporate culture and values for 2,869 new employees, provided online learnings for 12,352 employees, organized 48 workshops under the theme of "Answering the Call of Duty of Promoting Business and Social Progress with Innovation and Technology" for 2,304 employees, and organized all employees to complete the online study of the *Yonyou Employee Code of Business Conduct*, with a passing rate of 95.5% of the follow-up examination.

The Company also actively promotes the awareness of honesty and integrity among employees, suppliers and partners. In 2021, the Company carried out 9 integrity training and cultural events, covering all employees, suppliers and partners.

2,869

new employees

received orientation training on business ethics & corporate culture



Post-Departure Audits	<ul style="list-style-type: none"> Evaluate how an employee meets the performance targets, whether there are major decision-making errors and gaps of control in management, and whether there are incidents of fraud regarding all other issues within the employee's scope of responsibilities. Carried out 23 post-departure audit projects during the year.
Performance Audits	<ul style="list-style-type: none"> Evaluate the authenticity of the performance of employees. Carried out 10 performance audit projects during the year.
Comprehensive Audits	<ul style="list-style-type: none"> Comprehensively evaluate the management results of an entity. Carried out 6 comprehensive audit projects during the year.
Internal Control Assessment	<ul style="list-style-type: none"> Conduct internal control assessment of subsidiaries and branches of the Company in accordance with CSRC requirements for listed companies. Carried out 11 internal control self-assessment projects during the year.

Employees	<ul style="list-style-type: none"> Used emails and in-person training as the main communication channels. Emailed all employees to urge them ensure compliance with laws and regulations, specifying that all employees shall "uphold integrity and operate in the sunshine". Optimized training content and formats based on employee feedback, ensuring business integrity concepts were "learned, remembered, and practiced" by employees.
Suppliers and Partners	<ul style="list-style-type: none"> Emailed all suppliers and partners, requiring all parties to abide by business ethics and emphasizing on the "zero tolerance" policy of the Company towards bribery and corruption, so as to jointly build a business environment of mutual trust and win-win results.

Responsible Procurement

In 2021, Yonyou formulated the *Yonyou Group Procurement Management System* and the *Yonyou Group Supplier Management Measures (Trial Version)* to continuously strengthen its responsible procurement system. The Company also took a series of measures to ensure the fairness, impartiality, and openness of procurement activities.

Bidding Procurement	<ul style="list-style-type: none"> Fully implemented the provisions of sunshine procurement policies in key procurement processes, such as the selection of procurement team, the review of bidding documents and supplier lists, Q&A, the participation of internal and external judges in bidding review, and the approval of winning bid by multiple departments.
Price Competition Purchase	<ul style="list-style-type: none"> Ensured competition and fairness by requiring diversified sources of suppliers and strictly ensuring the confidentiality of quotations.
Direct Procurement	<ul style="list-style-type: none"> Only applicable to small purchases (lower than RMB 50,000), with price comparison with major e-commerce platforms required.
Single Source Procurement	<ul style="list-style-type: none"> Required explanation for the reason and the quotation of single source procurement, and strictly limited the scope of application of single-source procurement. Required the participation of the Group Procurement Management Department in single-source procurement negotiations for transactions over RMB 100,000 in value, ensuring strict supervision with the requirement for higher level of approval authorization.

The Company requires all suppliers to sign the *Sunshine Cooperation Commitment and Supplier Social Responsibility Commitment*, requiring suppliers to commit to sunshine procurement and comply with the SA8000 Standard and other relevant local laws and regulations. To ensure that suppliers can effectively fulfill their social responsibility commitments, the Company conducts background check on suppliers' relevant legal proceedings in the supplier qualification process and has integrated social responsibility indicators into the qualification review and evaluation process to encourage suppliers to improve their responsibility performance and operate with transparency.

The Company has been actively developing a local ecosystem and encouraging various local enterprises to participate in its procurement, with over 93% of procurement from local suppliers, including labor-intensive services such as property management, catering and marketing activities, skill-intensive services such as designing, intermediary and consulting services, and employee benefit services such as insurance and physical examination.

In 2021, the Company comprehensively expanded the use the Cloud Procurement Platform to cover all online bidding, price competition, single source procurement, and required the digitization of all bidding documents except for bidding projects with extraordinary values, which can retain less than 3 copies of hardcopy documents for record, greatly reducing the amount of paper bidding documents used.

Data Security and Privacy Protection

Yonyou attaches great importance to information security and privacy protection, and strictly abides by the *Data Security Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China* and other laws and regulations. Takes network security, data security, and privacy protection as the bottom line of its operation, the Company continuously strengthens the relevant management mechanisms, strengthen the information security system, and intensifies relevant employee awareness raising efforts. In 2021, there was no incident of data security and user privacy breaches in the Company.

Management Mechanism

The Company has established the Information Security Management Committee, chaired by a senior vice president of the Company and directly reports to Chairman and CEO of the Company, to oversee the information security management, with members from R&D, IT, human resources, legal affairs and other departments.

The Information Security Management Committee consists of an Information Security Leading Group and an Information Security Working Group. The former, composed of the management staff in charge of information security at each organization, formulates the overall information security strategy and ensures the resource support for information security management. The latter, composed of full-time information security personnel of different entities and departments at all levels, is responsible for the internal awareness raising on security issues and the implementation of the information security requirements of the Company. By the end of 2021, the Company had a total of over 200 dedicated information security personnel, and the number kept growing.

Information Security System

With reference to ISO 27001 (Information Security Management System) certification, graded protection, and other standards both home and abroad, the Company has established a sound information security system, covering security issues at all levels, including network security, data security, development security, and host security, etc. The Company relies on both technical measures and operational processes to ensure the effective implementation of various security management measures.

200

dedicated information security personnel



Network Security

- Ensured in-depth security protection with multiple perimeter security protection measures and the implementation of strict access control.



Host Security

- Deployed situational awareness system to continuous monitor threats, so as to detect and respond to security risks in real-time.



Development Security

- Integrated security design and security testing tools into the development process and released the *Product Security Specifications* and *Product Security Baselines* requirements, adding security requirements to product requirement analysis, product design, and product testing.
- Conducted security testing during product development and before product launch to effectively improve product robustness.



Data Security

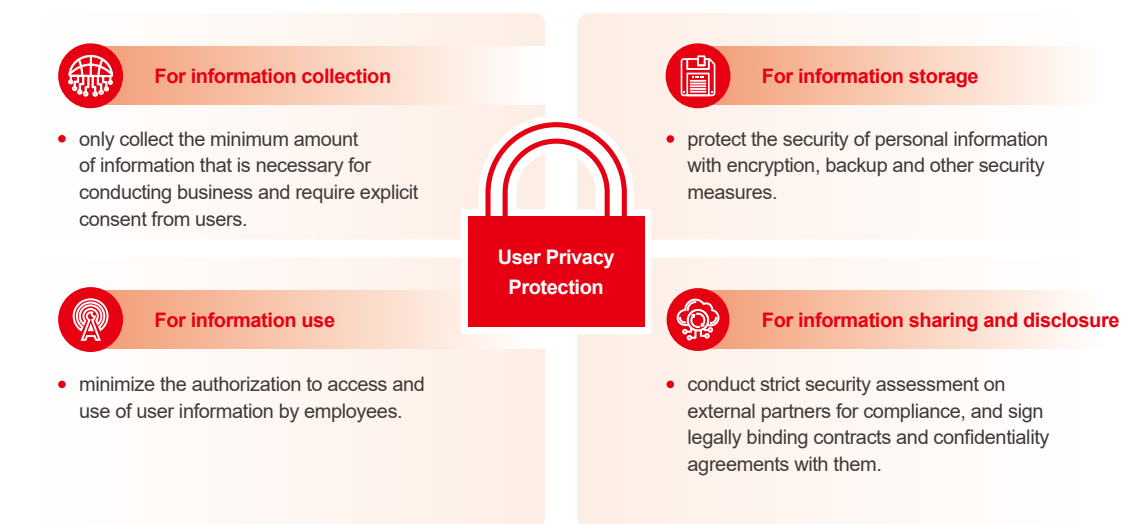
- Managed data assets by category and grade, and provided targeted protection measures for data in high sensitivity grades.
- Protected data security in the entire life cycle of transmission and storage through encryption, desensitization and other technical measures.

Information Security System

In addition to technical control and policy requirements, the Company also conducts regular security audits, reviewing the implementation of information security requirements every six months, and conducting a third-party comprehensive review of IT governance each year. In 2021, no existing or potential information security incident was found during the various security audits.

User Privacy Protection

The Company attaches great importance to the protection of user privacy and has issued the *Personal Information and Privacy Management Protocol*, formulated the Cloud Service Privacy Agreement covering all product lines, specified the requirements for the collection, storage, use, sharing, disclosure, deletion, and other processes of handling personal information, and ensured the implementation of these requirements in operation.



Supplier Management

The Company pays attention to the information security management of suppliers, and signs the Supplier Information Security Agreement with all suppliers, clearly requiring suppliers to fully comply with relevant provisions on information security to prevent information security risks on the supply of products and services.

System Information Security Requirements (excerpt)

- The supplier shall establish a security assurance system, implement the security management of products and/or services, conduct regular self-inspections and provide the inspection reports to the buyer. The buyer and/or customer have the right to review the supplier's security assurance system and its implementation.
- The supplier shall include key security personnel into security management, including but not limited to signing security agreements, conducting security trainings, reviewing employees' compliance with security requirements, and the improvement of issues identified during the audit.

Product Information Security Requirements (excerpt)

- The products provided by the supplier shall meet all security requirements of the buyer and shall not contain any Trojans, backdoors, worms, viruses, malicious codes, unknown functions and unknown permissions.
- The supplier shall explain all functional features of the products to the buyer, especially any function that may infringe personal privacy and freedom of communication, including but not limited to DPI deep message detection, interference with business flow, etc.
- The products provided by the supplier shall ensure that all communication ports that can manage or control the system (including but not limited to physical ports that can manage or control the system) must have access authentication mechanism (except for standard protocols without authentication mechanism), and the supplier shall provide the list of initial account numbers and corresponding passwords of its product or service certifications.
- If the products provided by the supplier contain the function of collecting or transferring customer/end-user data (including personal data), it must notify the buyer about it, and the customer/end-user shall have the right to decide whether to use or turn off this function.

Service Information Security Requirements (excerpt)

- Comply with the relevant laws and regulations and the safety requirements of the buyer and/or customers to ensure that there are no potential safe and security hazards or problems in the logistics service process.
- Comply with applicable laws and regulations on personal data and privacy protection, freedom of communication, and network security, and strictly comply with the agreement of both parties and the instructions of the buyer and/or customer for the processing, transfer and other relevant handling of personal data.
- Never access the buyer and/or the customer's system, or collect, possess process, modify, disclose and disseminate any data and information in the customer's network without the written authorization from the buyer and/or customer.

Employee Training

The Network Security Department of the Company organized regular information security training for all employees, with training content covering information security defense, high-frequency front-end vulnerabilities, privacy information security protection, threat intelligence active defense, etc. The training was carried out both online and in-person, mainly covering technological staff such as R&D, testing, operation and maintenance, and operations. The Company also issued the *Employee Information Security Management Measures* and *Employee Information Security Violation Incident Management Regulations* to all employees. Employees who violated the Company's security regulations were required to retake relevant trainings and pass the follow-up examination, to ensure that all employees could fully understanding the information security knowledge and skills required matching their job requirements.

Management System Certification

In 2021, the Company pass a series of high-level certifications covering privacy protection, cloud service information security management, information technology service operation and maintenance, and product life cycle security, etc., showcasing that the Company's information security and privacy protection has reached a new level.

ISO/IEC 27701 (Privacy Protection Management System)

EAL3+ Certification



Indicates that the Company has fully upgraded its information security management system to an information security and privacy protection system and upgraded information security and privacy protection to a strategic level.

Indicates that the security of the whole life cycle, including technology, development, management and delivery, of NCCloud products has reached the highest level in the industry, allowing it to provide a safe and reliable digital intelligent system for large enterprises.

ITSS (Information Technology Service & Support) Service Capability Maturity Level I Qualification Certification

ISO/IEC 27017 (Cloud Service Information Security Management System) and ISO/IEC 27018 (Public Cloud Personal Information Security Management System)



Comprehensively standardizes the IT service products and their components, such as personnel, resource, technology, and process.

Indicates that the Company has fully incorporated cloud services into its security management system, allowing the Company to provide customers with more secure and reliable digital intelligence services.

2 Implementing Green Development

Green and sustainability has become a core theme of the new development stage. Yonyou actively leverages its technological expertise to provide clients and partners with sustainable solutions that focus on their operation processes and strives to develop an environment-friendly operating model covering both the supply and demand sides by implementing green operation requirements, such as using clean energy, energy consumption management, and raising awareness of environmental protection.



Tapping the Potential of Clean Technologies

Yonyou actively responds to government policies such as the *Opinions on the Complete, Accurate and Comprehensive Implementation of Carbon Peaking and Carbon Neutrality Goals in Accordance with the New Development Philosophy and Plan for Green Development of Industry during the '14th Five-Year Plan' Period*, and strives to use its technological advantages to support clients and partners to achieve resource and energy savings and environmental impact of their operations. On the one hand, YonBIP helps enterprises reduce energy consumption by bringing down their need for their own servers, IT equipment and other hardware through centralizing and optimizing the use of idle computing power based on new-generation enterprise computing technologies such as mobile Internet, cloud computing, big data, artificial intelligence, Internet of Things and blockchain. On the other hand, the Company also leverages its advantage in public digital infrastructure construction to help enterprises to further reduce carbon emissions by helping them upload, transfer and integrate their key operation nodes, such as manufacturing, procurement, finance, and collaboration, to cloud with a variety of cloud products and their derivative platforms. In 2021, the Company increased its R&D spending and introduced high-end R&D talent to further enhance the core application capabilities of its cloud service products and platforms with optimized functionalities. The 2021 R&D spending of the Company reached RMB2.35 billion, representing a year-on-year increase of 40.7%, and accounting for 26.4% of its annual revenue, which has increased by 6.8 percentage points year-on-year.

During the year, the Company formulated the *2022 Yonyou Group Annual Product Planning Guidelines* to further integrate the use of clean technology with the Company's product planning and promote clean technology development at the strategic level in product development. In the future, the Company will keep focusing on the "Carbon Peaking" and "Carbon Neutrality" goals and work together with a greater number of clients and partners to build an environmentally friendly operation and production model with lower costs and higher efficiency.

YonBIP Manufacturing Cloud

YonBIP Manufacturing Cloud was developed based on IoT (Internet of Things), AI (Artificial Intelligence), 5G, digital twin and a new generation of cloud-native microservices architecture. It helps enterprises improve competitiveness through digital transformation around safety control, quality improvement and cost reduction with the integration of the whole value chain of the production process, including intelligent IoT platform (AIoT), R&D management, smart factory, industrial brain, safety and environmental management, logistics services, etc. Yonyou Jingzhi Industrial Internet Platform ("Yonyou Cloud") is a comprehensive application of YonBIP for industrial enterprises. In August 2021, Yonyou released Jingzhi Industrial Internet 3.0. With the comprehensively upgrades of five technology engines, including IoT, edge computing, industrial big data, digital twin and AI, and newly released ten innovative application scenarios, such as "5G + Industrial Internet + Scrap Grading", the system established three new platform foundations such as "Yonyou Industrial Internet Identification Recognition Secondary Node", to realize the visualization of carbon footprint and achieve waste reuse. Through solutions such as energy management, safety and environmental management, and scrap grading, Yonyou helps enterprises reduce energy use, resource consumption, and emissions, allowing industrial enterprises to effectively reduce carbon emissions and realize green manufacturing, contributing to achieving the "Carbon Peaking" and "Carbon Neutrality" goals. By the end of 2021, Yonyou Cloud had been deployed in 33 provinces with regional sub platforms being set up and running, which connected to 1.38 million sets of industrial equipment and 22,000 industrial apps, allowing more than 2.3 million industrial enterprises to continuously reduce costs and enjoy higher value services.

2021 R&D spending

RMB2.35 billion 

year-on-year increase

40.7% 

Accounting for

26.4% 
of annual revenue

year-on-year increase

6.8% 

Yonyou Cloud is connected to

1.38 million 
sets of industrial equipment,
and

22,000 
industrial apps

CASE

Yonyou Cloud: A Core Tool to Help Enterprises Reduce Consumption and Increase Efficiency

Jiyuan Iron & Steel

Henan Jiyuan Iron & Steel (Group) Co., Ltd. ("Jiyuan Iron & Steel"), which was founded in 1958, is a large steel backbone enterprise in China with an annual production capacity of over 4 million tons of steel and iron. The Company has been working with Jiyuan Iron & Steel to support its efforts to achieve high-quality green development through production digitization, and network and intelligence transformation.

In 2019, Jiyuan Iron & Steel used YonBIP Manufacturing Cloud to comprehensively upgrade its production process. The new system, covering all its 62 branches and subsidiaries, offers a variety of scenarios, including management system, scrap intelligent determination, ultra-low fugitive emission system, etc. Among its branches and subsidiaries, the newly founded Jiyuan Iron & Steel Intelligent Control Center realized the visualization of operations based on centralized data collection through AIoT, allowing it to comprehensively manage key production nodes such as procurement, sales, production, energy and safety and environment in real time.

The Scrap Intelligent Determination System was built on the most advanced convolutional neural network deep learning algorithm, which allowed it to realize the remote monitoring of scrap inspection, the intelligent grading of scarp and the intelligent determination of impurity levels. Other intelligent functions of the system included hazardous material alarm, oversized scrap alarm, oil stain reminder and scrap type analysis. With the year, the system has successfully helped Jiyuan Iron & Steel reduce the unloading time by 5 minutes per truck with grading accuracy rate over 93%, saving more than RMB10 million per year for the enterprise.

Jiangxi Copper Guixi Smetler

Guixi Smetler of Jiangxi Copper Corporation Limited ("Jiangxi Copper Guixi Smetler") is the world's largest single copper smelting plant, with a number of core economic indicators top the world. In 2017, Jiangxi Copper Guixi Smetler implemented the "Copper Smelting Smart Factory Pilot Demonstration" project with the help of the Yonyou Jingzhi Industrial Internet Platform. As an intelligent manufacturing demonstration project of the Ministry of Industry and Information Technology, the project aimed at building China's first intelligent factory of the copper smelting industry. The project has achieved a 0.5% increase in the full-load operation rate of the flash furnace, a 1% increase in the air delivery rate of the converter, a 5% reduction in the energy consumption of the anode furnace per ton of copper, a 0.25% increase in the qualification rate of anode copper, and a 20% reduction in the failure rate of the slag ladle.

Fujian Petrochemical Group

Yonyou Cloud helped Fujian Petrochemical Group Co., Ltd. build an intelligent factory with eight key applications, including system integration, planning optimization, device optimization, material balancing, production and sales separation, energy balancing, mobile inspection, and real-time cost calculation, allowing it to open up the data flow from production execution to operation decision, so as to provide accurate and real-time production data for operation decision-making, realizing intelligent operation, intelligent manufacturing, and intelligent equipment operation. With the new system, the enterprise could save RMB1.6 million per year just from the electrolysis process.

Xinpeng Lianzhong

Shanghai Xinpeng Lianzhong Automotive Co., Ltd. built a digital twin factory based on the Yonyou Jingzhi Industrial Internet Platform, which helped solve the challenge for medium-sized intermittent manufacturing enterprises to make profit. With the realization of smart IoT, intelligent logistics, mobile management, real-time traceability, and industrial chain collaboration, the system helped the enterprise reduce labor cost by 31%, increase per capita output by 79.8%, increase total production by 22%, and reduce defect rate from 0.3% to 0.1%.

An Environmental Protection Enterprise

An energy-saving and environmental protection equipment manufacturer, a conglomerate enterprise with total assets of more than RMB10 billion, used Yonyou Cloud's "5G + IoT" technology to upgrade its traditional high energy-consumption environmental protection equipment. With the upgrade, a total of 46,000 pieces of equipment can be identified and remotely monitored, allowing the enterprise to help its clients reduce operational energy consumption by 30% through customized energy-saving solutions.

YonBIP Procurement Cloud

YonBIP Procurement Cloud is an Internet service platform built to address the core needs of enterprises and help enterprises reduce the total cost of products by achieving global procurement and networked collaboration in the most effective way. Enterprise users of YonBIP Procurement Cloud can realize paperless and electronic bidding and contract management, significantly reducing the consumption of paper, ink cartridge, packaging materials, as well as the carbon emissions generated in related physical shipping processes with the traditional procurement model. By the end of 2021, 220,000 supply enterprises has registered on YonBIP Procurement Cloud, and more than 400 large and medium-sized enterprises had used YonBIP Procurement Cloud to complete 18,000 online biddings, saving a total of RMB65 million in travel expenses, equivalent to the reduction of carbon emissions of 13,000 tons based on the calculation of Rmb1.5 per kilometer of air travel.

YonBIP Procurement Cloud helped 400+ large and medium-sized enterprises reduce carbon emissions by

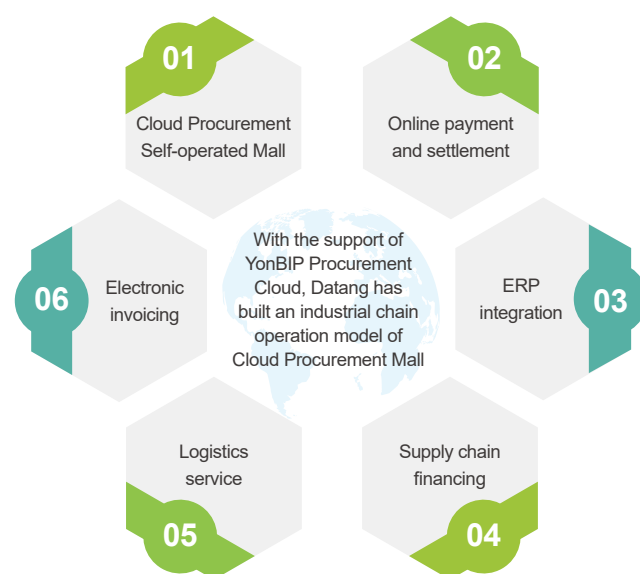
13,000 tons



CASE

YonBIP Procurement Cloud Helps Reduce Procurement Costs

China Datang Corporation Ltd. ("Datang") is a World Top 500 enterprise, and it mainly engages in the development, investment, construction, operation and management of electric power and energy, with 142 million kilowatts of installed power generation capacity in service and a total of about 100,000 employees. With the support of YonBIP Procurement Cloud, Datang has built an industrial chain operation model of Cloud Procurement Mall, realizing the integration of comprehensive management and operation such as Cloud Procurement Self-operated Mall, online payment and settlement, electronic invoicing, ERP integration, logistics service, supply chain financing, etc., allowing it to realize electronic procurement process and online collaboration, ensure sunshine procurement, reduce procurement costs and improve procurement efficiency. This enterprise procurement mall solution helped Datang reduce its overall procurement cost by about 20%, improve procurement efficiency by about 10%, creating an annual saving of more than RMB2.5 billion.



20%

YonBIP Procurement Cloud helped Datang reduce procurement costs by

10%

Increase procurement efficiency by

YonBIP Tax Cloud helped clients reduce carbon emissions by

722.4 tons



equivalent to an electricity saving of

722,400 kWh



YonBIP Tax Cloud

YonBIP Tax Cloud relies on cloud system technology to comprehensively reduce the consumption of natural resources generated in traditional financial and taxation business models. The e-invoice management platform built on YonBIP helps enterprises effectively realize low carbon and environmental protection in taxation management processes by leveraging the technical advantages of large capacity and high degree of automation. By the end of 2021, there were more than 46,000 taxpaying enterprises that provide tax-related, invoice-related, and electronic accounting file archiving services. In total, they had issued 138 million copies of electronic invoice, and handled 17.7 million invoices and 205.68 million electronic accounting statements (excluding the electronic version of business documents and attachments). Calculated at the carbon emission reduction of 0.002 kg of CO2 per single sheet of A4 paper, YonBIP Tax Cloud has helped achieve a total carbon emission reduction of 722.4 tons, which is equivalent to 722,400 kWh of electricity saving.

Cloud Invoice Management

Using the cloud platform to provide multi-port and multi-category invoice management functions to enhance management efficiency.

Electronic Accounting Records Management

Providing systematic file management functions covering the whole life cycle of accounting files, such as collecting, sorting and archiving, changing the traditional paper-based accounting file management mode and effectively reducing paper consumption.

Online Learning Platform

Help Center providing online operation manual, FAQs and other services, significantly reducing paper consumption for user manuals.

CASE

Electronic File Management Platform: Helping Build Resource-Saving Enterprises by Going Paperless

Henan Water Investment

Henan Water Conservancy Investment Group Co., Ltd. ("Henan Water Investment") is a group company with operations throughout Henan Province. In order to promote its own digitalization process, Henan Water Investment worked with Yonyou and launched the electronic archives pilot project, developing an integrated "one-click" archiving solution covering expense application, invoice collection and verification, reimbursement handling, and the final settlement of funds.

With the support of YonBIP Tax Cloud, Henan Water Investment was able to reduce paper use through electronic certificates, electronic invoices, electronic bank statements, and other paperless solutions in 2021, creating a cost saving of approximately RMB1 million.

BEWG

Beijing Enterprises Water Group Limited ("BEWG") is a leading enterprise in the water and environmental protection industry, with core businesses in the fields of water supply and wastewater treatment, etc., and integrated operations covering industrial investment, design, construction, operation, technical service and capital operation. Since 2019, BEWG has been working with YonBIP Tax Cloud on the Electronic VAT Invoice Reimbursement, Entry and Filing Pilot Project, significantly boosting the level of paperless office through the electronic filing system, and effectively reducing the consumption of paper and printing supplies, as well as saving on long-term storage costs. It is estimated that the pilot project could help the headquarters of BEWG achieve a comprehensive cost reduction of more than RMB20,000 each year from the printing supplies saved.

RMB1 million

YonBIP Tax Cloud helped Henan Water Investment reduce cost by

RMB20,000 per year

YonBIP Tax Cloud helped BEWG reduce costs of office supplies by

YonBIP Collaboration Cloud

YonBIP Collaboration Cloud is a new generation of enterprise collaborative office platform, which provides enterprises with collaborative office, and serves as a digital work portal, taking into account the connection between internal employees and external partners, as well as upstream and downstream industrial chains. Accessible from mobile, web and PC desktop terminals, YonBIP Collaboration Cloud has become a comprehensive digital collaboration platform with integrated functions such as centralized enterprise service portal, business collaboration, office collaboration and corporate culture activation, providing many enterprises with a more convenient electronic office solution with lower access threshold and allowing them to effectively reduce the consumption of natural resources. By the end of 2021, YonBIP Collaboration Cloud had served more than 4,000 enterprises and organizations. The "You Space" collaboration platform built on YonBIP Collaboration Cloud had served more than 6,000 large and medium-sized customers, 120,000 paying enterprise customers, and more than 7 million end users. It has been included in the recommended product catalog of more than 30 provincial and municipal governments, providing enterprises with a one-stop collaboration portal and diversified communication and collaboration channels, allowing more enterprises to go paperless to further reduce carbon and energy consumption in business operations.

CASE

YonBIP Collaboration Cloud Helps Enterprises Improve Efficiency and Reduce Energy Consumption

Realizing Industrial Chain Collaboration

A Chinese ginseng enterprise relies on YonBIP Collaborative Cloud for the indication of fields, growing, raw materials, and products, building a field-to-fork whole industrial chain collaborative system including crop growing, primary processing, finishing processing and commodity distribution, which has greatly improved the competitiveness of the enterprise.



Inter-facility Collaboration

A national 4A comprehensive service logistics and transportation enterprise used the indication function of the YonBIP Collaborative Cloud to achieve the accurate matching of the 340,000 vehicles in its fleet with cargos for shipping, reducing vehicle-cargo allocation time to 8 hours, improving vehicle utilization rate by 85%, and reducing transportation cost by 15-20%, and significantly reducing the energy consumption required for internal collaboration. A cement plant uses license plates to identify shipping vehicles and has realized unmanned operation throughout the entire process, from vehicle entry, weighing, handling and receiving, book keeping, and vehicle exit, significantly improving logistics efficiency, reducing shipping costs, and the energy consumption and greenhouse gas emissions of shipping vehicles.

85%

YonBIP Collaboration Cloud helped a logistics client improve vehicle utilization by

15-20%

Reduce transportation cost by

Deepening Green Operations

Yonyou attaches great importance to the harmonious coexistence between with the environment. Adhering to the concepts of green, environmentally friendly and intelligent, Yonyou has formulated the *Regulations on Energy Conservation Management of Yonyou Industrial Park*, striving to build environment-friendly industrial parks by actively exploring the use of clean energy, and keeping optimizing its energy consumption management and waste management mechanism.

Using Clean Energy

Ground Source Heat Pump & Energy Storage Central Air Conditioning System

Installed ground source heat pump units and energy storage central air conditioning systems in Yonyou Industrial Park(Beijing) and Yonyou Industrial Park(Nanchang) to achieve the intelligent operation of cooling in summer and heating in winter. Energy consumption was significantly reduced, with a total of 1,289,046 kWhs of electricity saved in 2021, equivalent to the reduction of 778.58 tons of carbon dioxide emissions.

Photovoltaic Power Generation

Built photovoltaic power stations in Yonyou Industrial Parks. By the end of 2021, the Company has built a of 280KW photovoltaic power station Yonyou Industrial Park(Nanchang), which could generate 400 kWhs of electricity per year, equivalent to the reduction of 241.76 tons of carbon dioxide emissions.

Reducing Energy Consumption and Improving Operational Efficiency

The Company formulated the *Regulations on Energy Conservation Management of Industrial Parks*, requiring all industrial parks under its management to set up an Energy Conservation Leading Group. The Group, in charge of making and implementing energy saving plans, was let by the Facility Management Department, and supported jointly by the Park Operation Department, the property management company, and the maintain company of the air conditioning terminals. The Company also issued the *Yonyou Industrial Park Energy Conservation Initiative* to all employees, carried out regular inspection to identify and stop energy waste, and encouraged all employees to cultivate the concept and habit of saving.

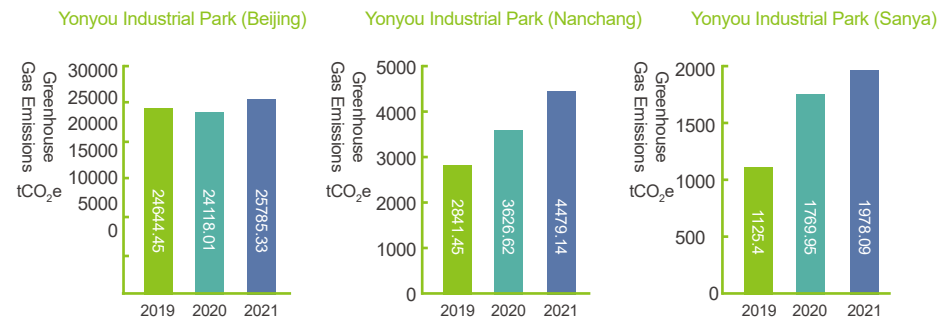
Lighting Continued to implement the lighting system upgrade in Yonyou Industrial Park (Beijing), with 1,794 energy-saving LED lamps installed to replace traditional lights, creating an annual electricity saving of 43%.

Water Continued to promote the use municipal gray water for irrigating use in the industrial park. In 2021, the park was connected to the municipal gray water system and reduced groundwater use by 40,000 during the year.

Office Supplies Encouraged employees to go "paperless" and implemented the "Mail for Printing" program to reduce paper consumption. Promoted the use of recycled paper, and preset printers to "double-side" mode use less printing and copying paper, saving a total of 80,702 sheets of paper in 2021.

Reducing Greenhouse Gas Emissions

The Company actively responded to China's "Carbon Peaking" and "Carbon Neutrality" targets and carried out annual carbon audit of Yonyou Industrial Park (Beijing), which started in 2016. With the help of qualified third-party organization, the audit produced a complete and accurate carbon mapping report of the industrial park, allowing us to carry out targeted carbon reduction measures based on it.



In 2021, the Company realized 240 tons of carbon dioxide emission reduction by using electric shuttle buses in its industrial parks. In addition, Yonyou Industrial Park (Beijing) and Yonyou Industrial Park (Nanchang) installed 69 and 9 new electric vehicle charging piles respectively to encourage employees drive electric vehicles to reduce carbon dioxide emissions generated by employees' commuting.

Waste Management

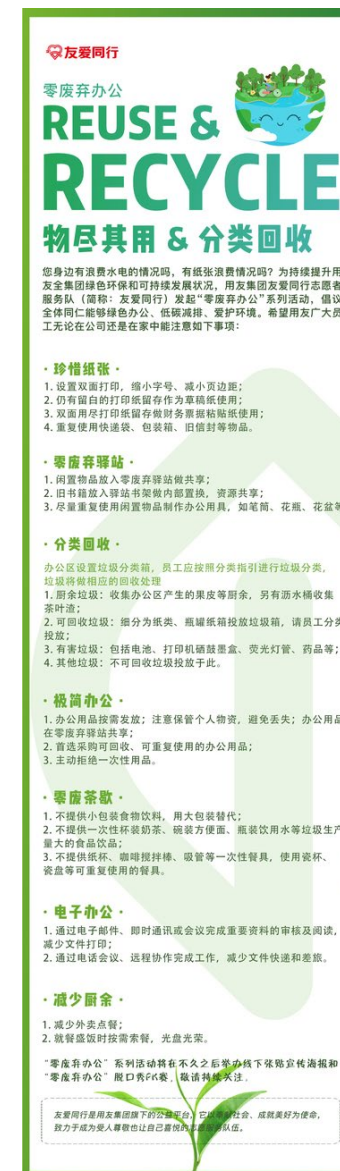
Strictly abiding by the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution from Solid Waste*, the *Measures for the Prevention and Control of Environmental Pollution from Electronic Waste*, and other relevant laws and regulations on waste management, the Company has formulated the *Measures for the Management of Office Stationery Waste* specify the treatment process of different types of waste. There was no incident of violation related to waste disposal during the year. In 2021, the Company also continued to implement waste classification, and work with professional waste management companies to further improve the effectiveness of its waste classification efforts.

CASE

Deepening Waste Classification Practice at Yonyou Industrial Park (Beijing)

The Company has established a waste classification roadmap, including deploying waste classification bins, awareness raising, monitoring and supervision, and centralized treatment at waste stations:

- Deployed separate waste disposal facilities for four categories of waste in the park in accordance with the *Beijing Municipality Management Regulations on Domestic Waste Disposal*, including food waste, recyclable waste, hazardous waste, and other waste.
- Placed separate bins for the four waste categories, and placed easily identifiable signs on waste stations.
- Food waste was handled by qualified third-party waste management companies. Employees participated in engagement industrial tenants to conduct awareness raising activities regarding the *Beijing Municipality Management Regulations on Domestic Waste Disposal* and monitored their implementation. Tenants were required for classifying the waste into respective collection sites, from where sanitary workers took over the garbage and ship it to centralized waste handling facilities.



Raising Environmental Awareness

Yonyou actively encourages employees to integrate environmental protection concepts into their daily office life, building an environment-friendly office culture from little things, and through the participation and action of everyone. In 2021, the Company launched a series of "Zero Waste Office" initiatives to encourage all employees to act green, reduce carbon emissions, and protect the environment.



Setting up "Zero Waste" Stations

- Encouraged employees to place idle items here for others to use.
- Encouraged employees to place used books on the shelves here for sharing.



Advocating Minimalist Office

- Required employees to apply for office supplies based on their needs, and encouraged employees to use office supplies placed in the "zero waste" station first.
- Gave priority to recyclable and reusable office supplies in procurement.
- Stopped using disposable products.



Implementing "Zero Waste" Tea Break

- Stopped providing snacks and drinks in small packages.
- Stopped providing heavily packaged snacks and drinks, such as milk tea in disposable cups, instant drinks in paper bowls, and bottled water.
- Stopped providing paper cups, plastic stirring rods and straws, and other single-use disposable utensils, and replacing disposable tableware with reusable such as china and glass plates.

3

111001011000010110110001 11100100101111110000011
 111001011001000110011000 111001011011011110100101
 111001101000100010010000 111010011001010110111111

Promoting Employee Growth

For modern enterprises, it is of vital importance to their vigorous development to build organic connection between employee growth and corporate development. Yonyou regularly optimizes its recruitment mechanism to keep attracting high-quality talents, makes continuous efforts to improve the quality of employee training and expand career channels for employees, improves the effectiveness and efficiency of talent retention, and enhances its employee care system, so as to build an equal, comfort, safe, and dynamic workplace, and grow together with employees in the pursuit of a better life.



20,998

employees



Strengthening Employee Recruitment

Strictly abiding by the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China* and other relevant laws and regulations, Yonyou strives to realize its vision of "a platform for employees to work happily, achieve careers, and share success", and build a hiring system with compliance, harmony and equity by formulating a series of recruitment policies, such as the *Yonyou Group Recruitment Management System* and the *Yonyou Group's Intern Management Measures*, etc.

The Company strives to build a strong employer brand and achieve effective and efficient recruitment by allowing job candidates to have in-depth employer information and user experience thorough an employer brand communication matrix it has built over various social media channels, such as its official WeChat account and WeChat Short Video account. As of the end of 2021, the Company had a total of 20,998 employees, an increase of 2,916 employees year-on-year, and had provided 4,149 internship opportunities during the year.



The Company insists on equity and diversity in recruitment and supports the career development of female employees and ethnic minority employees. Its proportion of female employees has been increasing for three consecutive years and reached 34.4% in 2021. The number of ethnic minority employees was 986, reaching the record high.

Campus Recruitment

The Company continued to deepen its campus recruitment mechanism, actively responding to the adverse impact of the epidemic with online briefings and other measures, to help bring fresh graduates more employment opportunities. In 2021, the Company held 4 online recruitment briefings for Class 2022 graduates, including a Nowcoder Live Broadcast, a VIP Coffee, an Alum Talks, and a Special Briefing on R&D Job Positions. A total of 13,210 job candidates participated in these events online, among which 1,232 joined the Company.

Online recruiting events
participation

13,210 persons



Intern Programs

In 2021, the Company cooperated with more than 10 universities, including Tsinghua University, Harbin Institute of Technology, Beijing University of Aeronautics and Astronautics, Central University of Finance and Economics, etc., providing practical training opportunities for college students and establishing joint laboratories to help cultivate high-quality talents with both outstanding academic achievements and strong hands-on capabilities. During the year, a total of 703 interns chose to join the Company upon the completion of their internship.

703 interns

became full-time employees



Optimizing Employee Development Mechanism

Yonyou optimizes its employee development mechanism by building a hierarchical training system to help employees continuously improve their core competitiveness, as well as a multi-channel employee development system covering different employee groups to organically connect employee capacity-building with the development of the Company.

Employee Training Mechanism

Yonyou has formulated a series of employee training policies, such as the *Administrative Measures for Training Delivery of Yonyou University*, *Administrative Measures for Knowledge Learning and Examination Certification*, etc., forming a 3-tier training system composed of the Yonyou Learning and Training Center, training personnel at headquarters business units, and training personnel in various front-line entities. The Company continued to strengthen its training system by aligning employee growth with corporate strategy and business goals, and the requirements for different job positions, allowing customized training and career development plans for different employee groups. In 2021, the Company's employee training programs achieved outstanding results, trained a total of 14,551 person-times of employees through 306 training sessions of the Yonyou Learning and Training Center, with a training satisfaction score of 4.5 (out of 5).

Training Sessions of Yonyou Learning and Training Center

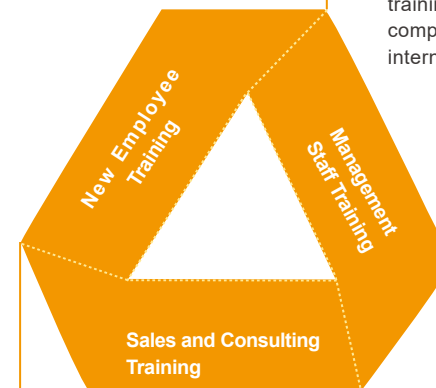
306

Annual training participations of Yonyou Learning and Training Center

14,551



- Required all newly hired employee to participated in the You Youth New Employee Cultural Orientation learning and examination, with a completion rate of 95.3%.
- Carried out 43 You Youth New Employee Training sessions and trained 2,869 new employees.
- Establish a hierarchical training system for new/grassroots/mid-level/senior management staff.
- Carried out 3 Launch Program training sessions for 465 new grassroots management staff to help them adjust their roles and improve their management capabilities. The training included both compulsory and elective courses and had an attendance rate of 100%.
- Carried out 70 training sessions for 2,319grass-roots, mid-level and senior management staff.
- Strengthened the Management Lecturer program to encourage more management and experts to teach, carried out train-the-trainer training on teaching skills, and completed the certification of 278 internal lecturers



- Established a layered skills training system for sales and consulting staffs, and carried out 73 training sessions, training 2,576 sales, pre-sales, fulfilment, service, and R&D staff.



The Company launched its e-learning platform named Ailexue, which was renamed Youlexue, providing employees with a variety of online training resources for different positions and management levels that they can learn from anywhere and at any time. In 2021, our employees completed 1,599 learning plans and 1,925 examinations on the Youlexue platform, with an online training participation rate of 99.99% and an average learning time of 142.4 minutes per person-month, increased by 17.5% year-on-year. On the platform, a total of 19,950 employees completed the study of the company-wide product knowledge program and participated in the follow-up examination with a pass rate of 97.8%, allowing our employees to better serve customers with greater insights on the various products of the Company.

Career Development Channels

Taking employee development system as an important pillar for realizing its vision, the Company has formulated a series of policies, such as the *Professional Staff Management Policy* and the *Management Staff Management Policy*, to further clarify the career development channels for employees. Adhering to its value of "striving for professionalism", the Company strives to organically combining the cultivation of employees' professional skills with their career development with a multi-channel career development mechanism, ensuring open career development channels for all employees. In 2021, the Company continuously optimized and finetuned its "Professional + Management" dual-channel employee development system based on a benchmark study of the job system of the Internet industry.

Career Development for Professional Staff

- Added a Scientist position as the top position for professional staff over the Senior Expert position, providing more career growth opportunities for professional staff.
- Clarified the career path, skill requirements and curriculum learning system for employees at different levels and encouraged employees above the Expert position to share best practices on the knowledge management platform, so as to enhance their influence and sense of achievement in the organization.
- Set up fast-track qualification for employees with outstanding capabilities and performance. During the year, 97% of the eligible employees were considered by the fast-track mechanism, of which about 90% of the new R&D employees received fast-track promotion, and over 1,000 employees were promoted to senior and expert positions.
- Encouraged employees to use their spare time to obtain degrees and certifications as reference for promotion, including 36 certifications such as PMP (Project Management Professional) and CPA (Certified Public Accountant), and developed the job certification guidelines for R&D and technological positions, and a dozen internal job certification courses, to support employees' self-improvement and career development.

Career Development for Management Staff

- Identified "mission, responsibility and capability" as development goals for management staff, providing a scientific model to support management staff to grow their capabilities.
- Developed development assessment tools for management staff and provided them with career growth diagnosis and coaching.
- Developed a talent pool of specific management career talents through internal reviews and talent scouting, including management position successors, core management personnel, and high potential management personnel, etc. A total of 3,500 employees were included in the talent pool during the year, laying a solid foundation for the continuous cultivation of a management team with cross-functional capabilities and holistic mindset.
- Continued to implement the EMBA program for senior management staff, with 3 senior management staff participated, of which 2 obtained certificates.
- Made plan to send key personnel to participate in the joint Master of Engineering Management (MEM) programs in cooperation with Tsinghua University and Harbin University of Technology in 2022, to help them improve their capabilities in software engineering, application, innovation, and their comprehensive capability in R&D management.

Talent Retention

The Company attaches great importance to talent retention and has formulated a sound system of policies regarding employee motivation, performance appraisal and employee communication, such as the *Yonyou Network Technology Co., Ltd. Performance Appraisal Policy*, *Yonyou Network Technology Co., Ltd. Stock Option and Restricted Stock Incentive Plan*, and the *Incentive Measures for Innovations*, etc., to optimize its talent retention mechanism in all aspects.

Incentive Mechanism

The Company has formulated the *Incentive Measures for Innovations* to specify the rewards for employees and teams with distinguished innovations in products and technologies, business models, solutions, management, etc., encouraging employees to perform better at their positions and create value both for themselves and for society. In 2021, the Company recognized 21 teams of employees with Key Innovation Awards and a total of RMB2.59 million as incentive. The Company also implements medium and long-term incentive plans such as equity incentives, to directly share its success with employees. In 2021, a total of 2,076 employees were awarded equity incentives because of their outstanding performance.

RMB2.59 million

awarded to employee innovation winners

2,076 employees

received equity incentives



Performance Appraisal

In 2021, the Company updated and issued the *2021 Performance Management Implementation Regulations* based on the *Yonyou Network Technology Co., Ltd. Performance Management System* and the *2020 Performance Management Implementation Regulations*, with specific revisions made on assessment scope, indicator setting, rating requirements, and other detailed steps of performance appraisal implementation. The target management system and performance appraisal system were also optimized, which helped the Company complete the task of providing concise and agile appraisal for its 17,168 employees. In addition, the Company collected employee feedback during the Talent Development Season event, receiving feedback from 2,576 employees with an organizational coverage rate of 100%.

In terms of communication of performance appraisal results, management staff, direct report or project manager of the employee assessed are required to give comprehensive feedback and communicate with the employee assessed after the appraisal process is over. Both the appraisal results and the follow-up

communication are uploaded to the "My Feedback" module of the You Space Continuous Performance System, and accessible by the employee assessed in real time.

Employee Communication

Our employees can voice their personal opinions and suggestions on management issues, technology development and other issues of the Company through various internal SNS communities, You Space, and other IT applications. The Company also hosts online discussions to solicit employees' opinions from time to time. The Company conducts employee satisfaction survey annually to better understand the major concerns of employees and incorporates them into its management process for improvement. The 2021 employee satisfaction survey resulted in a satisfaction rate of 75.5%, increased by 2.4 percentage points from 2020.

Caring for Employees

Yonyou continuously optimizes its employee care mechanism, striving to provide employees with a safe, comfortable, and inclusive working environment, organizes recreational and sports activities to help employees maintain work-life balance, and provides timely assistance for those in need. The Company attaches great importance to employee benefits and provides a number of extra coverages besides the "Five Insurances and Housing Fund" that required by laws and regulations, including:

- Supplemental medical expense reimbursement. In 2021, the Company reimbursed RMB 380,000 of supplemental medical expenses of employees at its own expense.
- Additional commercial insurance, including accidental injury insurance, traffic accident death and disability insurance, illness and death insurance, accident medical insurance, critical illness insurance, etc. In 2021, the Company paid RMB2,785,000 for additional commercial insurance coverage for employees.
- Annual physical examination. In 2021, the Company paid a total of RMB2,648,00 for physical examinations for employees.
- Miscellaneous benefits, such as meal allowance, transportation allowance, holiday allowance, and holiday gift, etc., totaling RMB81,725,900 in 2021.

RMB380,000

supplemental medical expenses of employees reimbursed



RMB2,785,000

expenses for additional commercial insurance coverage for employees



RMB2,648,00

expenses of Company-wide employee physical examinations



RMB81,725,900

expenses of miscellaneous benefits for employees



Office Environment

In 2021, the Company took various measures to provide a high-quality office environment for employees. For example, Yonyou Industrial Park(Beijing) carried out various measures to upgrade facilities and equipment, ensure food safety, fight the epidemic, and promote employee safety awareness raising, etc.

Facilities & Equipment Upgrades

- Ensured a safe office environment by requiring green and environmentally friendly office furniture made with Grade E1 particle board.
- Carried out regular air quality inspections and installed air purifiers in new offices.
- Carried out weekly cleaning and biweekly disinfection of central air conditioning units.
- Carried out monthly safety inspections on electricity, gas, combustibles, fire hazards, and extra inspections for specific occasions.
- Deployed both technological surveillance and dedicated personnel, on duty 24 hours a day, at key equipment rooms.
- Installed 28 new high-efficiency water boilers.

Food Safety

- Carried out safety inspections on catering service providers, including inspection of food samples, food quarantine documents, food containers, and food processing rooms.

Epidemic Response

- Arranged flexible work schedule in accordance with specific epidemic incidents.
- Implement a mechanism with management staff working onsite on rotation and other employees working from home to minimize the risk of clustered infection.

Employee Safety Awareness Raising

- Carried out safety hazards and fire hazards awareness raising activities, and distributed brochures and manuals on fire hazard prevention, use of fire distinguishing equipment, and electricity safety.
- Conducted regular fire drills twice each year.

Recreational Activities for Employees

The Company attaches great importance to the work-life balance of employees. In 2021, the Company organized a variety of group-wide cultural and sports activities for teambuilding and recreational purposes, including the "Mission Must Achieve" Badminton Game, the Spring/Fall Mini-Marathon, the West Lawn Music Festival, the Management & Expert Summer Camp, Love at Yonyou Wedding Photo Shooting, "People and Stories around Me" Writing Contest, Corporate Cultural Festivals, etc.



CASE

"People and Stories around Me" Writing Contest

In 2021, on the occasion of the 33rd anniversary of its founding, Yonyou initiated a corporate cultural event named the First "People and Stories around Me" Writing Contest of Yonyou". From the 1,207 stories submitted, all based on real people and real stories of the Company, a total of 117 stories were shortlisted for the preliminary round, among which 33 entered the semi-final stage. 33,194 employees participated in this event by voting for their favorite stories. Winning stories were compiled into a corporate cultural storybook, named Friends of Yonyou, providing encouragement, motivation and inspiration for more employees. The book was highly recognized both inside and outside the industry, and this event also became a hallmark corporate cultural IP event of Yonyou.



Assistance to Employees in Need

Supported

77 employees
with



The Company has formulated the *Medical Expenses Subsidy Measures for Employee with Major Illnesses and Personal Accident Injuries* to provide timely assistance to employees in need and reduce the burden of medical expenses for employees outside the coverage of regular medical insurance. In 2021, the Company provided a total of RMB1.15 million in medical subsidies for 27 employees.

RMB4.6 million+
employee assistance fund



The Company established the *Administrative Measures for Employee Assistance Fund in 2003* to help employees and their spouse, children, and parents get through difficult times when they encounter major illness, physical injury accidents or major natural disasters. As of the end of 2021, the total amount of Employee Assistance Fund reached RMB6.25 million. In 2021, a total of 77 employees and their family members received over RMB4.6 million in assistance fund.

4 Building a Beautiful Community

Fulfilling social responsibilities has become one of the core responsibilities of corporate development. Yonyou actively develops the industrial ecology, promotes innovation, and continuously contribute to a more efficient employment ecology. To better fulfill its social responsibilities, the Company also continuously funds the protection of Chinese commercial cultural heritages, supports the digital and intelligent transformation of the public welfare sector and the development of educational, scientific and cultural undertakings with its professional and technical expertise, and encourages employee volunteering through its dedicated employee volunteer service team, YouCare.



YonStore had

9,500
development partners
signed up



15,000
products and services signed up



311
new professional service partners



4,057
employees of new professional
service partners



Expanding the Employment Ecology with Expertise

Yonyou actively fulfills its corporate social responsibilities and contributes to the realization of the goal of common prosperity. YonBIP leverages ecological synergy and continuously provides significant number of entrepreneurial opportunities for ecological partners and individual developers, laying a solid foundation for the "new employment forms" powered by innovation. Its SaaS Accelerator Program encourages all kinds of developers to use the Yonyou Cloud Platform for innovative development work. And the YonBIP Low-code Development Platform is increasing used by innovation-minded enterprises, universities, research institutions, various independent software vendors (ISVs), ecological partners and developers.

In 2021, the Company continued to develop its cloud market application market, YonStore, with an integrated online and offline marketing and service platform and an online sales portal. There were already 9,500 development partners and 15,000 products and services signed up with YonStore, making it a leading integrated online and offline cloud ecological service platform in China. During the year, the Company cooperated with Huawei Cloud to organize the Third "Yonyou-Huawei Cloud Cup" Enterprise Cloud Service Developer Competition. The competition, with the newly added sub-groups for large enterprises and small- and micro-enterprises, attracted more than 10,000 developers and 500 teams to compete. Winners not only got the opportunities to join the Yonyou Cloud Ecosystem and the Huawei Cloud Ecosystem, and market their development work through the Yonyou Cloud and Huawei Cloud systems, but also were able to raise funds from industrial investment funds and the Huawei Investment Fund. In addition, the Company has been actively developing channel partners and professional service partners, with over a thousand channel partners all over China. The Cloud Service Business continued to develop new professional service partners, gradually forming a diversified channel system suitable for the cloud service business. In 2021, the Company added 311 new professional service partners, which hired a total of 4,057 employees, making effective contribution to creating job opportunities.

Protecting Chinese Commercial Cultural Heritages

In 2017, the Yonyou Foundation launched the Great Wall of Commerce project to provide coordinated, organized and long-term support for the collation and protection of Chinese commercial cultural heritages, leveraging its charity resources to support the inheritance and innovation of China's commercial culture and commercial technologies.

CASE

Yonyou Foundation's Great Wall of Commerce Funding Project

The Great Wall of Commerce project funds scholars working on the conservation of Chinese commercial cultural heritages, provides a platform for the general public to participate in the protection of Chinese commercial cultural heritages, and promotes the collation and protection of Chinese commercial cultural heritages, building a Great Wall of Commerce with joint efforts. Taking history as reference, the Great Wall of Commerce project aims to serve the needs of current commercial and social development with business technologies, methods and experience found and summarized in history. In July 2021, the Fifth Great Wall of Commerce Programs were announced at the 8th Quantitative History Research Conference held in Shanghai. A total of RMB4.5 million was donated to fund 20 outstanding Chinese commercial cultural heritages research and protection program at home and abroad. These programs were expected to generate thirteen books, a reference book, four sets of data compilations, five databases, three research reports, two policy advising reports, and over 30 high-quality papers. By the end of 2021, the Great Wall of Commerce project had already funded over 100 projects of more than 70 universities and research institution across China with a total of close to RMB25 million, which had produced 200 academic papers, more than 30 volumes of data compilations, as well as a variety of documentaries, databases, and research reports. In the future, Yonyou Foundation will continue its support for the Great Wall of Commerce project and keep optimizing its implementation according to development plans, to focus more on business technologies and methods, add a "Major Program" into the program classification, and strengthen the integration, transformation and promotion of findings of the funded programs.

Digital & Intelligent Transformation of the Public Welfare Sector

From August to September 2021, Yonyou Foundation conducted a study on the informatization status and needs of public welfare organizations through questionnaire surveys and in-depth interviews. The survey results were used to support the overall planning of the Yonyou Public Welfare Platform project, which aimed at allowing charitable organizations to manage their funds, assets, and program implementation in more scientific, transparent and efficient ways. For China's public welfare sector, higher degree of informatization and transparency leads to greater trust and participation of the public. During the year, the Company identified the YonSuite product line to serve the needs of small and medium-sized public welfare organizations and implemented three pilot programs in cooperation with three charitable foundations, namely Beijing HanHong Love Charity Foundation, Shenzhen Mangrove Conservation Foundation, and Beijing University of Technology Education Foundation. The Company plans to promote its Yonyou Public Welfare Platform to more public welfare institutions after the second quarter of 2022, to help more public welfare and charitable organizations provide better charitable services in the new era with improved digital capabilities.



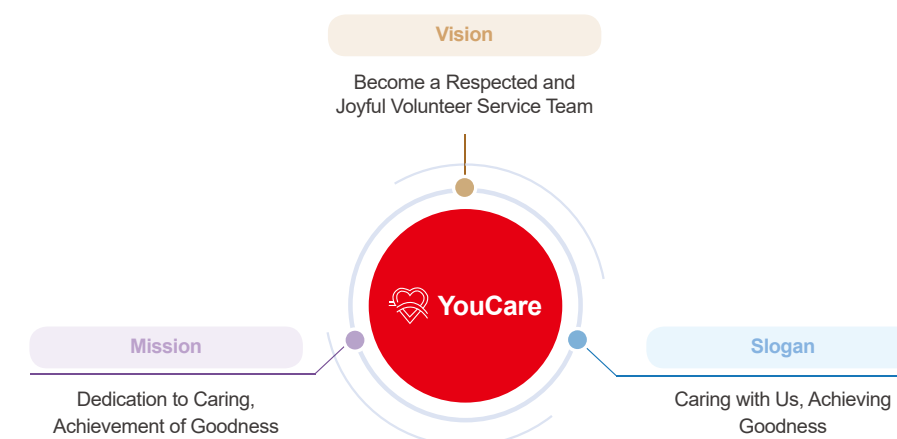
Promoting Development of Education, Science and Culture

Yonyou pays great attention to ensuring educational resources and building teaching platforms for the cultivation of professional talents. In 2021, the Company donated its Series B Managerial Accounting Teaching Platform to the School of Finance and Economics of Tibet University, which could be used to help both undergraduate and postgraduate students grow their professional capabilities. Focusing on data and intelligent capabilities, this upgrade of the teaching platform was going to help the school to cultivate more financial management professionals who meet the development requirements of the new era.



Encouraging Employee Volunteering

Yonyou encourages and supports employees to organize and provide volunteering services to serve society, carrying forward the Company's care and support for public welfare. In July 2021, the Company established a volunteer service team of YouCare, organizing employee volunteers into different teams, including a professional volunteer team, a sustainable development team, and a community service team, and organizing a variety of public welfare activities for them.



Looking Forward

In 2022, Yonyou will celebrate its 34th anniversary, and formally establish the Sustainability Steering Committee composed of senior management of the Company, forming a complete sustainability management system with the Sustainability Steering Committee in charge of planning and coordination, the Corporate Social Responsibility Department responsible for program designing, and various business departments closely cooperate and implement the sustainability programs, making an upgrade of the company's corporate social responsibility management from Stage 1.0 to the Stage 2.0.

Flash backs of our journey of development in the past 34 years constantly reminds us of our responsibility commitment of "not forgetting the original intention and fulfilling our responsibilities with expertise". Adhering to development concepts of "responsibility, openness, innovation, cooperation, and greenness", we actively fulfilled our economic, social and environmental responsibilities to realize the sustainable development strategy of "digital and intelligent inclusiveness, safety and trust, integrated ecology, and green development". With our world's leading business innovation platform - YonBIP, we not only serve the digital and intelligent transformation and business innovation of

enterprises, but also contribute to more efficient industrial development and greater green operation of society by leveraging our technological expertise and integrate our expertise with new directions in which production and society head for.

Eying our future, the digital and intelligent transformation is only a pathway. Our ultimate goal is to help enterprises achieve stronger competitive advantages, better business performance, and more sustainable development. Both as an enterprise and as a corporate citizen, Yonyou actively responds to key government strategies including the *14th Five-Year Plan and the Outline of the 2035 Vision*, and the goals of achieving "Carbon Peaking" by 2030 and "Carbon Neutrality" by 2060. On top of our existing commitments, we will intensify our efforts to develop the technological ecology centered on YonBIP at the core, continuously and systematically promote green development, industrial prosperity and community development, integrate governance with sustainable development, and closely work together with our employees and partners to achieve high-quality and harmonious development.



Content Index

GRI Content Index

Chapter	Content	GRI Standards			
About the Report	Reporting Scope				
	Reporting Standards	GRI-102-45 GRI-102-51	GRI-102-50 GRI-102-52		
	Data and Information Disclosure				
	How to Get the Report				
Chairman's Message		GRI-102-14			
About Yonyou	Company Profile				
	Organizational Structure	GRI-102-1 GRI-102-4	GRI-102-2 GRI-102-5	GRI-102-3 GRI-102-6	
	Awards and Recognitions				
	Social Responsibility Recognitions				
Feature Story: Aim at the High-quality Development to Start a New Journey of Comprehensive Digital and Intelligent Innovation in All Aspects	Comprehensive Support for the Digital and Intelligent Transformation of Enterprises				
	Innovating on New Connotations for the Industrial Internet Platform				
	Multi-dimensional Drive to Promote the Vigorous Development of the ITAI Industry	GRI-102-13			
	Integrating Industry with Education to Cultivate Digital Talents				
	Intensifying R&D to Enhance Independent Innovation Capabilities				

Chapter	Content	GRI Standards		
Chapter I Adhering to Sound Governance	Optimizing Corporate Governance	GRI-103 GRI-102-13 GRI-205-1 GRI-418	GRI-102-9 GRI-102-18 GRI-205-2 GRI-419	GRI-102-12 GRI-204-1 GRI-414
	Ensuring Operational Compliance			
Chapter II Implementing Green Development	Tapping the Potential of Clean Technologies	GRI-103 GRI-301-1 GRI-302-2 GRI-303-1	GRI-201-2 GRI-301-3 GRI-302-4 GRI-305-5	GRI-417 GRI-302-1 GRI-302-5
	Deepening Green Operations			
Chapter III Promoting Employee Growth	Strengthening Employee Recruitment	GRI-103 GRI-102-41 GRI-401-2 GRI-404-3 GRI-409	GRI-102-8 GRI-201-3 GRI-404-1 GRI-405-1	GRI-102-37 GRI-401-1 GRI-404-2 GRI-407
	Optimizing Employee Development Mechanism			
	Caring for Employees			
Chapter IV Building a Beautiful Community	Expanding the Employment Ecology with Expertise	GRI-103	GRI-413	
	Conservation of Chinese Commercial Cultural Heritages			
	Digital & Intelligence Transformation of the Public Welfare Sector			
	Promoting Development of Education, Science and Culture			
	Encouraging Employee Volunteering			
Looking Forward	/			
GRI Content Index	GRI-102-55			

UN Sustainable Development Goals (SDGs) Index

Chapter	Content	SDGs
Feature Story: Aim at the High-quality Development to Start a New Journey of Comprehensive Digital and Intelligent Innovation in All Aspects	Comprehensive Support for the Digital and Intelligent Transformation of Enterprises	
	Innovating on New Connotations for the Industrial Internet Platform	  
	Multi-dimensional Drive to Promote the Vigorous Development of the ITAI Industry	
	Integrating Industry with Education to Cultivate Digital Talents	  
	Intensifying R&D to Enhance Independent Innovation Capabilities	
Chapter I Adhering to Sound Governance	Optimizing Corporate Governance	 
	Ensuring Operational Compliance	
Chapter II Implementing Green Development	Tapping the Potential of Clean Technologies	 
	Deepening Green Operations	 

Chapter	Content	SDGs
Chapter III Promoting Employee Growth	Strengthening Employee Recruitment	
	Optimizing Employee Development Mechanism	   
	Caring for Employees	
Chapter IV Building a Beautiful Community	Expanding the Employment Ecology with Expertise	
	Conservation of Chinese Commercial Cultural Heritages	
	Digital & Intelligence Transformation of the Public Welfare Sector	 
	Promoting Development of Education, Science and Culture	
	Encouraging Employee Volunteering	

Yonyou Network Technology Co., Ltd.

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

Web: www.yonyou.com

E-mail: ir@yonyou.com

Tel: 010-62436838