



CAPINFO

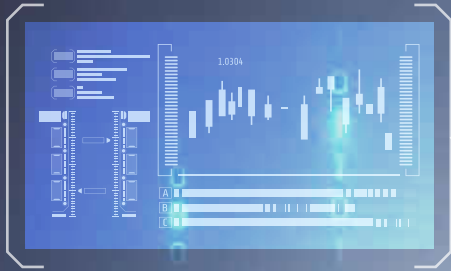
Capinfo Company Limited

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

(Stock Code : 1075)

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

2021



CONTENTS

- 2 About this Report
- 4 Greetings from Capinfo
- 6 Statement of the Board of Directors on ESG
- 7 About Capinfo
- 11 ESG Management
- 15 CSR Spotlight
 - 15 Feature 1: Forging Ahead on the Journey of the New Era, We Set Sail for the 14th Five Year Plan Period
 - 20 Feature 2: Giving Full Play to the Guiding Role of Party Building, We Work Together for a New Chapter of Development
 - 23 Feature 3: Ensuring the Success of the Beijing 2022 With our Technologies
- 29 Governance: A Solid Foundation in Management for Stable and Sustainable Development
- 35 Economy: Digital Innovation Creates Diversified Values
- 46 Environment: Green Operation Facilitates Carbon Peak and Neutrality Goals
- 51 Society: Joint Efforts for Common Prosperity
- 67 Outlook for 2022
- 68 Index Table of The SEHK ESG
- 70 2021 Focus: Progress in Implementing SDGs
- 72 Feedback Form

ABOUT THIS REPORT

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

SCOPE OF THE REPORT

The report covers Capinfo and its subsidiaries and branches.

NAMING

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

REPORTING PERIOD

The report covers from January 1, to December 31, 2021, and also includes additional information beyond the stated reporting period.

REPORT COMPILATION PRINCIPLES

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



ABOUT THIS REPORT

DATA SOURCE

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

ACCESS TO THIS REPORT

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

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



GREETINGS FROM CAPINFO

During this extraordinary year, Capinfo accelerated cloud-network integration and fostered the modernization of the government's governance capability and system. With better business operation, we got the 14th Five-Year Plan off to a good start and strode towards the goal of becoming a "leading smart city and data industry operator".

The year 2021 was a milestone in the history of the Communist Party of China (CPC) and our country, which was the first year of the 14th Five-Year Plan period. As the timeframes of the Two Centenary Goals converged, we embarked on a new journey of fully building a modern socialist country. During this extraordinary year, Capinfo followed the leadership of the Party committees of State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality and Beijing State-owned Assets Management Co., Ltd. Taking enhancing the Party's political building as the overarching principle, we supported the 100th anniversary celebration of the founding of the CPC and the preparation for the Beijing 2022 Winter Olympics with good communication services. We promoted the construction of major projects related to people's livelihood, accelerated cloud-network integration and fostered the modernization of the government's governance capability and system. With better business operation, we got a good start for the 14th Five-Year Plan period and strode towards the goal of becoming "a leading smart city and data industry operator".



GREETINGS FROM CAPINFO

Optimizing the management mechanism to build a solid foundation for development. We implemented full and strict Party self-governance as our political guidance and guarantee, and promoted the three-year action for SOE reform. We continued to step up efforts in building the ESG management system, and incorporated ESG governance into business operations, daily management and our corporate culture. We operated in compliance with laws and regulations, improved Party conduct to create a wholesome political atmosphere, and achieved steady operation and high-quality development.

Innovating in digital services to create multiple value. We have followed the national strategies, performed our function of supporting the capital city development, and aimed at creating value for customers. With increased efforts in independent innovation and application researches in cutting-edge technologies about smart cities such as big data, blockchain, artificial intelligence, 5G, etc., we focused on building an innovative business pattern “one focus, two platforms and four fields” to provide customers with high-quality products and services. We also participated in industry activities, and jointly promoted industry development with our partners.

Promoting green development to contribute to carbon peak and carbon neutrality goals. We earnestly implemented the philosophy that clean waters and green mountains are just as valuable as gold and silver. In active response to China’s 30·60 Decarbonization Goal (peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060), we incorporated the idea of low-carbon development into the whole process of business operation, continuously improved our environmental management system, and promoted a green development mode and an eco-friendly lifestyle. In this way we protect an efficient, clean and sustainable ecological environment, thus facilitating a beautiful China.

Giving back to the community together with our partners. While achieving high-quality development, we strove for harmonious labor relations, and protected employees’ rights and interests. We provided a platform for them to realize career dreams, and continuously enhanced their sense of happiness and belonging. Together with our partners, we achieved common growth and shared achievements. We strengthened our supplier management, and built a responsibility value chain with suppliers to create mutual benefit. We valued contributions to the society and carried out public welfare activities to serve communities, thus building a harmonious society. By making use of our technologies, we tried to narrow the digital gap between eastern and western China, and help Tibet achieve transformation and development.

Embarking on a new journey, we will keep forging ahead. 2022 is the year when the Beijing 2022 Winter Olympics amazes the world, which is also a crucial period for Capinfo to continue its development plan for the 14th Five-Year Plan period. We will continuously advocate the corporate culture featuring “firm political stand and high sense of responsibility and reliability”, shoulder our responsibilities as a SOE, perform our function of serving the capital city, and further carry out the three-year action of SOE reform. We will focus on value creation for customers, optimize management mechanisms, and enhance our risk control capabilities to ensure high-quality development. We will strive for “a leading smart city and data industry operator”, and set the stage for the 20th CPC National Congress with concrete actions.

Chairman and Party Secretary of Capinfo Company Ltd.
Yu Donghui

STATEMENT OF THE BOARD OF DIRECTORS ON ESG

Capinfo is well aware of the importance of corporate governance and risk management to business operations, as well as ESG management, which is critical to a company's sustainable development.

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

In 2021, the Board continued to strengthen management of key ESG topics through organizing meetings from time to time, and improve the ESG management process.

In 2022, the Board will further improve the ESG management, information collection and reporting systems to keep enhancing the Company's ESG management level.

ABOUT CAPINFO

CORPORATE PROFILE

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

ABOUT CAPINFO

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

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

ABOUT CAPINFO

DATE OF 2021

- Total assets: RMB2,378.50 million
- Operating revenue: RMB1,426.77million
- Total profit: RMB45.64 million
- Net profit attributable to owners of the Company: RMB1,142.22million
- R&D input: RMB122.88 million
- Total employees: 1,812
- Training opportunities offered to employees:14,053
- Social insurance enrolment rate of employees: 100%
- Coverage of employee health checks and health files: 100%
- The total social contribution is RMB543.62 million

RESPONSIBILITY

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

Corporate Culture: Be politically principled, accountable and trustworthy

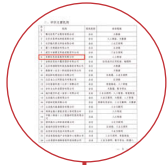
Corporate Mission: Make innovation of digital services, so that our cities will be smarter and our lives will be more wonderful

Business Philosophy: Act under the leadership of the construction of the Communist Party of China, give priority to services and pay attention to benefits

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

ABOUT CAPINFO

CSR IMAGE: CAPINFO EVENTS 2021



JANUARY

- Capinfo's government cloud platform obtained the qualification to provide cloud services for Party and government institutions.
- Capinfo was selected into the *List of Talent Capability Evaluation Institutions in Key Fields of Industry and Information Technology in 2021* by the Ministry of Industry and Information Technology of the People's Republic of China.



FEBRUARY

- Capinfo made every effort to prepare for the Beijing 2022 Winter Olympics and Paralympics (Beijing 2022).
- CapCloud Technology Co., Ltd., a subsidiary of Capinfo, was certified as a National High-tech Enterprise.
- The system of "Internet + primary-level social governance" developed by Capinfo supported the 2021 elections of village and community Party organizations in Beijing.



MARCH

- Capinfo completed the big data platform building for the National Speed Skating Oval.



APRIL

- Capinfo's "Beijing 1.4G private broadband trunking network emergency communications team" was acknowledged as a municipal-level professional emergency rescue team in Beijing.
- Capinfo adopted new technologies to ensure the stable operation of the points-based household registration system.
- As the vice-chairman, Capinfo attended the 2021 Information Technology Innovation Conference and the Inaugural Meeting of the Information Technology Innovation Committee.



MAY

- As the vice president unit of Beijing Integrated Service Alliance for Informationization and Industrialization, Capinfo initiated and served as the chairman Smart City Committee of this alliance, and held the 2021 Smart City Summit.



JUNE

- Capinfo developed a complaint APP for Xicheng District, the first district-level mobile application for handling complaints upon receipt in Beijing.



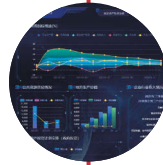
JULY

- Capinfo successfully guaranteed the events to celebrate of the 100th anniversary of the founding of the Communist Party of China.
- The first 5G+ commercial street in Beijing, a 5G smart business project developed by Capinfo, passed the final inspection.
- Capinfo became the vice president unit of Beijing Integrated Service Alliance for Informationization and Industrialization.



AUGUST

- Capinfo led the city brain pilot project of Beijing. Based on that project, it developed "Huitian Brain" for Changping District, which is "replicable, growable, and transferable". With recognition from leaders of the CPC Beijing Municipal Committee.
- Capinfo became the vice chairman president unit of Zhongguancun Digital Economic Industry Alliance.
- "Central Green", Beijing's first ecological environment management platform, was developed by Capinfo and put into use for the Central Green Park in Beijing Municipal Administrative Center.



SEPTEMBER

- Capinfo built the first district-level platform for macroeconomic analysis in Beijing.
- Capinfo government cloud and Beijing municipal government cloud passed the "enhanced" cloud service security assessment by the Cyberspace Administration of China.



OCTOBER

- The Beijing 12345 Public Hotline upgrade project undertaken by Capinfo passed the final inspection of Beijing Citizen Hotline Service Center.
- Capinfo initiated the AI Committee of China Communications Industry Association and served as its vice president unit.



NOVEMBER

- Capinfo completed the "Internet + government service" platform project of Fengtai District, the most integrated government service project at the district level in Beijing.



DECEMBER

- Capinfo held the kick-off meeting of the first Training on CCSC Network Security Awareness Certification.
- The website of the People's Government of Beijing Municipality developed and operated by Capinfo won the first place in 2021 evaluation of municipal government websites, and was rated excellent in terms of digital government service capability at provincial level in 2021.

ESG MANAGEMENT

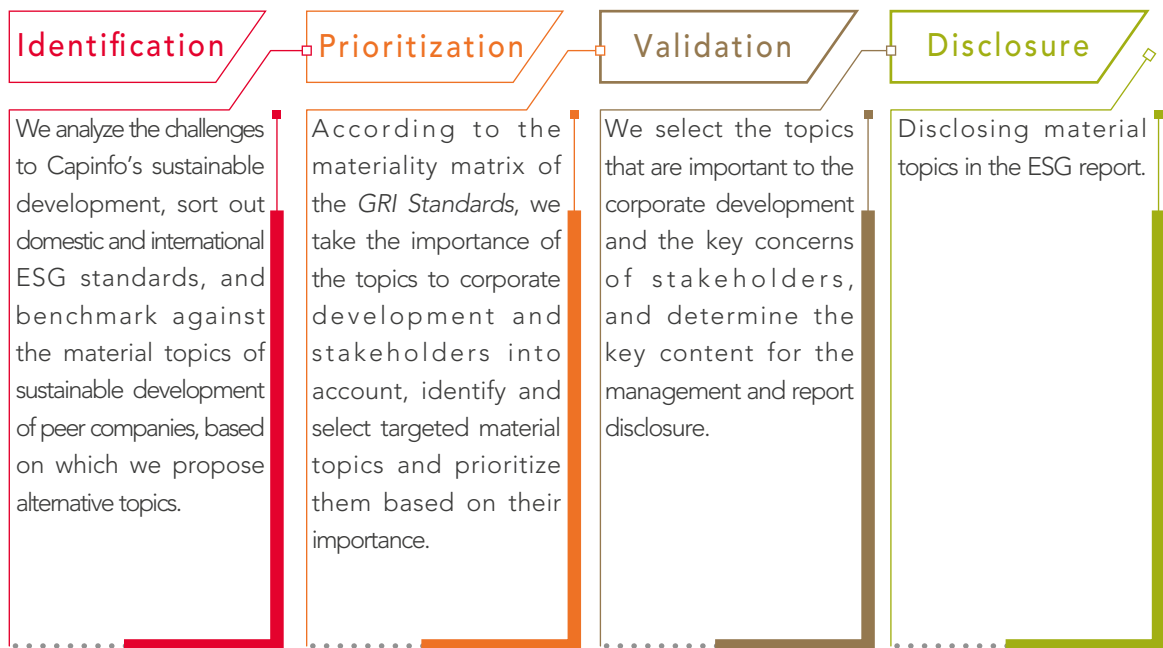
With the mission of “Make innovation of digital services, so that our cities will be smarter and our lives will be more wonderful”, Capinfo continuously improves ESG management, and integrates it into business operations, daily management and corporate culture, promoting balanced economic, social and environmental progress.

ESG MANAGEMENT STRUCTURE

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

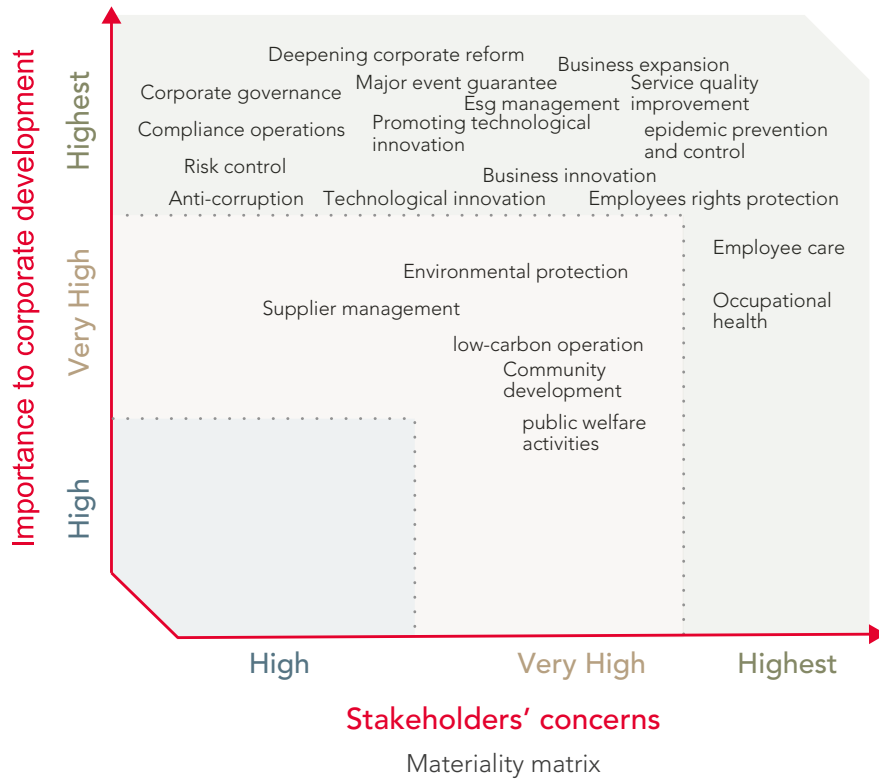
IDENTIFICATION OF MATERIAL TOPICS

From the perspective of stakeholders, and based on its strategies and business development, Capinfo collects the demands of internal and external stakeholders, and draws a materiality matrix through identification, prioritization, validation and disclosure of material topics. The matrix provides a basis for report compilation and information disclosure and helps us with ESG management, practices and business operations.



Identification process for material topics

ESG MANAGEMENT



STAKEHOLDER COMMUNICATION

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

ESG MANAGEMENT

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

ESG MANAGEMENT

CSR HONORS

- Capinfo won the title of “2020 Excellent Product in Digital Chinese Government” with its “smart +” government products.
- Capinfo’s Capinfo Technology obtained the certification of Good Level (CS3) of Information System Construction and Service Ability.
- Capitek was evaluated as national high-tech enterprise.
- Capinfo passed the CMMI 2.0 maturity assessment at the highest level 5.
- Capinfo 's Capcloud was recognized as a “National High-tech Enterprise”.
- Capinfo was included in the 2021 Directory of Organizations Evaluating Talents’ Capabilities in Key Fields of Industries and Informatization.
- Capinfo was evaluated as “2020 Contributor to China’s Work and Production Resumption”.
- Capinfo won the Second Prize for “Outstanding Outcomes in Reform and Development of Chinese Enterprises”.
- CapCloud passed the certification as “Zhongguancun high-tech enterprise”.
- Capitek passed the certifications for “software products and software enterprise”.
- Capinfo was awarded in the “Smart Changping Open and Innovation Competition” by the government of Changping District, Beijing.
- Capinfo's Capinfo Cloud was qualified as a cloud service provider for Beijing’s government service.
- The website of the Beijing Municipal People’s Government operated by Capinfo won the first prize in the 2021 municipal government website evaluation and was rated excellent in the 2021 provincial digital government service capacity evaluation.
- Capinfo won the prize for “GoldenBee 2020 Excellent Corporate Social Responsibility Report and Disclosure of Information on Employee Responsibilities”.

CSR SPOTLIGHT

FEATURE 1: FORGING AHEAD ON THE JOURNEY OF THE NEW ERA, WE SET SAIL FOR THE 14TH FIVE YEAR PLAN PERIOD

The year 2021 was extraordinary, which marked the 100th anniversary of the founding of the CPC, the achievement of the first centenary goal, and the start of the new journey toward its second centenary goal. Over the past year, to implement the requirements of the CPC Central Committee and State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality (Beijing SASAC) and Beijing State-owned Assets Management Co., Ltd., we applied the new development philosophy, and fully followed a new pattern of development. Working all-out for a good start for the 14th Five-Year Plan, we made sound plans and strategies for development and optimized the industrial layout. In the first year of the 14th Five-Year Plan Plan period, we secured extraordinary achievements and strode towards the goal of becoming a leading smart city and data industry operator.

Party history learning inspires employees to make new advances

Following the Party leadership in SOEs, Capinfo promoted the deepening of reform and innovation. Employees studied the Party history to understand its theories, enhance trust, cultivate virtues and take actions, and combined it with the twenty-three-year company history, which created strong momentum of enterprise development. By sustaining our revolutionary legacy, we got stronger better and larger, and created a loyal, clean and responsible high-quality team. With firm political stand and high sense of responsibility and reliability, they are ready to set sail for the great cause and new journey of enterprise development.

CSR SPOTLIGHT

Providing support for major events

To support the celebration of 100th anniversary the founding of the CPC, Capinfo sent elite teams to protect the stability of communication and information of the capital government network, and successfully completed the task with the standard of “striving for perfection and no chance of an error”. This moment marked a highlight in the history of Capinfo. The 2021 was critical for the preparation of the Beijing 2022 Winter Olympics. We formulated the *Overall Plan of Capinfo for Supporting Beijing 2022* and made careful arrangements for the Games. In order to improve the communication quality, we made our best to improve network access of the venues, further promoted the construction of network base stations, and sent more than 100 personnel for on-site support during the test events of the Beijing 2022. Our employees went all out to provide stable network communication, showing “capital quality” and satisfactory results.



Capinfo supports the success of the events to celebrate the 100th anniversary of the founding of the CPC



Capinfo provides a high standard network support plan for the Beijing Winter Olympics

CSR SPOTLIGHT

Committed to serving the development of smart cities

As a major SOE in the field of e-government in Beijing, Capinfo made full use of its resources. We initiated the Smart City Committee under Beijing Integrated Service Alliance for Informationization and Industrialization and served as its chairman, and became the vice president unit of the Zhongguancun Digital Economic Industry Alliance. We also initiated the AI Committee of China Communications Industry Association and served as its vice president unit. All these progresses strengthened our confidence in building smart cities.

Building our core competence according to circumstances

To serve the smart operation of the digital city, we leverage the driver of comprehensive digital transformation, and the opportunity of new infrastructure and new smart city development, to innovate in the data operation model, and accelerate product development, thus improving our social influence constantly.

Building a key empowerment platform to create value for customers. Adhering to a customer-centered principle, we meet customer needs, create value for them, and continuously support the digital transformation of governments, enterprises and institutions. In 2021, fully applying our technologies in big data and artificial intelligence, we completed the third-phase construction of the blockchain management platform and the big data center, developed the EA4.0 version of Capinfo, and finished the design and development of the integrated service management platform of the IoT perception system. Meanwhile, "Shouxintong", a product developed with the combination of cloud computing, big data, micro-services, and technological bases for APP development, obtained the software product certificate by China Software Industry Association and Beijing Software and Information Service Industry Association. The product has been applied in dozens of enterprises in Beijing, benefiting over ten thousand people.



Shouxintong

CSR SPOTLIGHT

Promoting the development of “government network + cloud security” to improve platform operation. Based on the construction of a high-speed, ubiquitous, secure and controllable digital information infrastructure that integrates space and ground, and the cloud and the internet, we ensured the safe and stable operation of Beijing’s e-government private network and the Internet of Things throughout the year, and sped up the building of the integrated network platform. In 2021, we laid 664.18 kilometers of optical cables, and built 122 base stations, achieving full network coverage over districts within the fifth ring road, the administrative office zone of Beijing Municipal Administrative Center, the venues of Beijing 2022, and the central urban area of the outer suburbs. In 2021, we successfully won the bid for being the Beijing government cloud service provider, providing secure and stable cloud services for more than 630 systems of 138 government departments including the CPC Beijing Municipal Committee and People’s Government of Beijing Municipality, and courts of Beijing. At the same time, we expanded the enterprise cloud market, and developed over 20 customers throughout the year, providing safe and stable cloud services for more than 200 systems of over 70 enterprises including Beijing State-owned Assets Management Co., Ltd..

Supporting the development of smart business in four fields step by step to create new business drivers. Capinfo is steadily expanding in smart government. In terms of personnel management business, Capinfo ensured the stable operation of key systems throughout the year such as the points-based household registration, talent introduction, examination and civil servant management. As for Internet+ government service business, Capinfo has built up the Internet+ primary-level social governance system to help nearly 15,000 primary-level organizations complete the general election, and has won the “2020 Excellent Product in Digital Chinese Government” with its independently developed “smart +” government products. Also, Capinfo has completed the “Internet + government service” platform of Fengtai District, created 24-hour self-service areas, won the bid for the government service project of Xicheng District, and developed a new website for the People’s Government of Yantai in Shandong Province. In terms of housing provident fund business, Capinfo has made new progress in nationalization with an intelligent product line. Capinfo has signed new projects with Shijingshan District, Miyun District and Changping District to further promote its IT application and innovation business. Capinfo enhanced the information technology construction of the Window of the Capital (a group of websites set up by the state organs of Beijing), bj148.org and the subcenter of the capital throughout the year, and also upgraded services such as the access to all government services through a single window and the blockchain platform.



Fengtai District Government Service Center

CSR SPOTLIGHT

As to smart medicine, the integrated credit-based medical settlement platform developed by us has been applied in Beijing Shijingshan Hospital, and created a “credit medical care” service model by which payment is made after diagnosis and treatment. We have made great progress in value-added services of hospitals, commercial insurance settlement business, hospital informatization and Internet Plus hospital development, which achieved remarkable results in the medical market of Beijing.



The integrated credit-based medical settlement platform

In the field of smart governance, Capinfo finished the development and maintenance of the QR code management platform for road facilities in Haidian District and Daxing District. We also supported the operation of the grid-based management platform for of Dongcheng District to improve city management. The systems of the Beijing Municipal Ecological and Environmental Monitoring Center we built have been running stably. “Central Green”, Beijing’s first ecological environment management platform developed by us, was put into use for the Central Green Park in Beijing Municipal Administrative Center and ran well.



“Central Green”, the ecological environment management platform

CSR SPOTLIGHT

As for smart enterprises, Capinfo has launched an independent, controllable, and secure digital collaborative innovation cloud solution for state-owned enterprises to promote their digital transformation. We also ensured stable operation of the enterprise cloud platform, and promoted domestic production of 18 systems. We have cooperated with many customers and manufacturers such as Beijing Enterprises Group Company Limited, and the ecological partnership of state-owned enterprises has gradually formed.

At the new historic starting point, Capinfo will remain mindful of potential risks and keep working hard. Following our strategic plan during the 14th Five-Year Plan period, we will continue to seize the initiative and forge ahead in the new era and new journey, and fully take our political and social responsibilities as a SOE. We will foster high-quality development to build Capinfo into a “leading smart city and data industry operator”.

FEATURE 2: GIVING FULL PLAY TO THE GUIDING ROLE OF PARTY BUILDING, WE WORK TOGETHER FOR A NEW CHAPTER OF DEVELOPMENT

The Party’s 100-year journey surges forward with great momentum. Its original aspiration remains even firmer one hundred years later. From the small red boat where the first CPC congress concluded, to a great ship that navigates the rejuvenation of Chinese nation, the Communist Party of China has made historic achievements in the past century, and left us precious experience and spiritual wealth. Capinfo devotedly carried out a series of activities to celebrate the 100th anniversary of the founding of the CPC, through which we understood the original aspiration and mission upheld by communists from generation to generation, and guided high-quality development with Party building.

Taking solid steps in Party history learning and forging ahead together

Earnestly implementing the *Notice of the CPC Central Committee on Carrying out Party History Learning Activities in the Party*, and the arrangement of Party history education of the CPC Beijing Municipal Committee, and Party Committee of Beijing SASAC and Beijing State-owned Assets Management Co., Ltd., Capinfo advanced and completed Party history learning tasks with high standards and high quality, guiding Party members to study the Party history, understand its theories, enhance trust, cultivate virtues and take actions to make new advances. We effectively completed our work, such as self-studying, discussions, Party lectures, use of revolutionary resources, online learning, the activity themed “serving the people with concrete actions”, the meeting of criticism and self-criticism, special trainings for Party members, and publicity campaign for employees, “Daily History Learning”, etc. We supported the celebration of the 100th anniversary of the founding of the CPC, as well as the Beijing 2022 in the capital city. Meanwhile, we did a great job in actions on improving people’s and employees’ satisfaction and playing the exemplary role of Party members. By constantly drawing wisdom and strength from the 100-year Party history, we strive to make new breakthroughs in our business development.

CSR SPOTLIGHT



The Party committee of Capinfo's meeting on planning Party history learning

Capinfo explored new forms of learning such as visiting heritage sites and organizing special activities, which generated an upsurge of enthusiasm for Party history. We also carried out the "Daily History Learning" activity to share essentials about Party history and Party building work every day, so that employees would keep the original aspiration in mind, understand the history and love the Party and the country. Capinfo also launched a "VR Exhibition of Party History", allowing Party members to have an immersive experience of the Party history as if they were in a real exhibition hall. The VR exhibition stimulated their interest in Party history learning and produced good effects.

Promoting Party branch building with regulations

Focusing on improving the organizational capacity, Capinfo stepped up efforts in the building of primary-level Party branches with regulations. We gave full play to the guiding role of primary-level Party branches and the exemplary role of Party members to promote enterprise reform and development. In 2021, Capinfo formulated the *Plan of Party Committee of Capinfo on Promoting the Building of Primary-level Party Branches with Regulations* and the *Assessment Standards for Party Building*, which were broken down to 32 specific standards for 17 projects. We held a meeting to plan for standardized Party branch building, and motivated employees at all levels by organizing Party branch secretaries and officials to participate in the special training class of Beijing State-owned Assets Management Co., Ltd., and providing four trainings specially for Party branch secretaries, members and Party affair workers. Every two months, we held a meeting with Party branch secretaries to know the difficulties and problems in Party building, which also promoted communication and mutual learning among Party branches, and improved the Party building level.

CSR SPOTLIGHT

Championing the great founding spirit of the Party and modeling ourselves on exemplary Party workers

On June 30th, 2021, the Party Committee of Capinfo held the ceremony to celebrate the 100th anniversary of the founding of the CPC and honor outstanding Party members, exemplary Party workers, and advanced community-level Party organizations in the Company. Party members and employees were inspired to learn from and draw great strengths from these good examples, and work hard for the Company's high-quality development. On the morning of July 1, 2021, the celebration of the 100th anniversary of the founding of the Communist Party of China was held in Tian'anmen Square. Nearly 1,000 employees of Capinfo watched it, listened to and learned from President Xi Jinping's important speech at the celebration, and experienced the glorious history and great achievements of the Party in the past 100 years, witnessing the great moment together.



Capinfo celebrated the 100th anniversary of the founding of the CPC and honored outstanding Party members, exemplary Party workers, and advanced community-level Party organizations

CSR SPOTLIGHT



Capinfo organized Party members to watch the celebration of the 100th anniversary of the founding of the CPC

In the future, Capinfo will vigorously carry forward the spirit of Party building, and unwaveringly follow the guidance of high-quality Party building to ensure high-quality development, providing strong political and organizational support for the fulfillment of our strategic plan during the 14th Five-Year Plan period.

FEATURE 3: ENSURING THE SUCCESS OF THE BEIJING 2022 WITH OUR TECHNOLOGIES

In 2021, Capinfo again provided network services for Beijing Winter Olympics after the 2008 Beijing Olympics. In order to complete the task of supporting the Winter Olympics and the Winter Paralympics, Capinfo made an all-out effort to prevent risks and ensure safety and stability by ensuring the support of the 1.4G broadband cluster and the technical support services for venues and the headquarters of the Beijing Organizing Committee, which has been recognized and appreciated by the Beijing Organizing Committee.

“By providing the technical services for preparing the Beijing 2022, Capinfo has shown a firm political stance. Its employees thought in big picture and accomplished their tasks very well, becoming a key force for guaranteeing the major work of Beijing Organizing Committee for the 2022 Olympic Winter Games (BOCOG).

—November 24, 2021, Luo Gang, Deputy Director of Department of General Administration of BOCOG

CSR SPOTLIGHT

Improving technical skills of support team with a solid ideological foundation

Attaching great importance to further enhancing the support for the Beijing 2022, Capinfo strengthened the education and training for the support team in technical skills, professional ability and ideology. Also, to care for front-line employees, Capinfo provided complete logistics services to support employees' work, laying a solid ideological foundation for the support team to assume its responsibilities and complete the task of supporting the the Winter Olympics.



Case: Capinfo carries out on-the-job training on supporting 2022 Winter Olympics and Winter Paralympics

On December 20, 2021, Capinfo carried out the on-the-job training on supporting the 2022 Winter Olympics and Winter Paralympics for 83 employees participating in the communication support for the Winter Olympics, which further improved the technical skills and problem-solving ability of the support team. At the launch of the training, Yu Donghui, secretary of the Party Committee and chairman of the Company, made a speech, requiring all trainees to improve their political awareness, bear in mind all disciplines and rules as well as the working process especially the operation and maintenance system, and behave properly when dealing with people. Eight professional trainers were invited to give lectures in five categories of knowledge and skills, including on-site service and service specifications, communication foundation, 1.4G broadband cluster private network, and basic knowledge of broadband cluster communication business. Besides, the Company's Party Committee, the Party Committee Publicity Department and the General Administration Department organized trainings and educations respectively for trainees on the confidentiality system and regulations, the ideological responsibility system and the work safety system.



CSR SPOTLIGHT

1.4G broadband cluster private network meets needs of Winter Olympics

From 2019 to 2021, the infrastructure construction of the Beijing 2022 was vigorously advanced. The engineers of Capinfo shuttled back and forth between downtown Beijing and the mountains and plains of Yanqing District to create a “new picture” of infrastructure for the Games. We not only realized indoor and outdoor coverage over competition venues and non-competition venues to achieve first-class communication quality of international competitions, but also expanded the network communication range to surrounding areas. Adopting the B-TrunC technical standards, which were self-developed with independent intellectual property rights, we built the high-speed, reliable, secure and controllable 1.4G private broadband trunking network with large capacity, and successfully completed the network construction projects for competition zones in Beijing and Yanqing. We built a total of more than 500 large-capacity base stations and provided emergency communication vehicles over urban areas within the fifth ring road and the entire Chaoyang District, the administrative office zone of Beijing Municipal Administrative Center, and the central urban area of the outer suburbs, and the key areas for the International Horticultural Exhibition and the Winter Olympics, provided the broadband cluster command and dispatching service to fully meet the needs of the Beijing 2022.

During the test events in the second half of 2021, Capinfo provided the 1.4G broadband cluster private network service for 9 test events in 5 venues including the National Speed Skating Oval and the National Indoor Stadium. The private network and the VPN of the Beijing Organizing Committee were in normal operation, making 21,224 user cluster calls without network failures or user complaints.



Capinfo employees carefully lay cables and conduct inspections

CSR SPOTLIGHT



The 1.4G private broadband trunking network service project management team, who ensured stable and secure operation of the private network for Beijing 2022 Winter Olympics and Winter Paralympics

 Case: Beijing's first emergency communication vehicle for 1.4G broadband private network appeared and put into use in Yanqing for Winter Olympic test events

In November 2021, Beijing's first emergency communication vehicle developed by Capinfo for the 1.4G broadband cluster private network appeared and was put into use in Yanqing for the Winter Olympic test events, helping the Yanqing competition zone realize unified command and dispatching of communication. In order to be prepared for network emergency during the test events to ensure the safe operation of the network, Capinfo set profession equipment on the vehicle with various communication emergency service resources to realize unified command and dispatching. To prevent sudden network signal failure, Capinfo provided fast and timely emergency services to realize 100% coverage of private network signals in all competition zones during the event, so as to ensure strong signal, sufficient capacity and stable load of the multi-terminal platform. Besides, Capinfo provided sufficient personnel to ensure the timely disposal of various needs and start the 7 × 24 nonstop mode of the support team, so that all kinds of emergency needs can be fully satisfied in time.



Capinfo's emergency communication vehicle for the 1.4g broadband cluster private network

CSR SPOTLIGHT

Providing technical support services for venues and headquarters of Beijing Organizing Committee

Capinfo undertook the support of the terminal, network, video and terminal O&M of the office area of the headquarters of the Beijing Organizing Committee, the terminal management of all venues of the Winter Olympics, and the video support of some venues. It is an important support to ensure the normal operation of the online command system during the preparation of the Beijing Winter Olympics, ensuring the safe, stable and efficient operation of all important business systems during the period.



The support team for BOCOG headquarters and venue service behind the Beijing 2022

CSR SPOTLIGHT



Case: Providing a full range of intelligent application services for the first test event of the Beijing 2022

Between October 8 and 10 in 2021, the Speed Skating China Open themed “Meet in Beijing”, the first test event of the Beijing 2022 was held at the National Speed Skating Oval. In this test event, Capinfo deployed and applied the digital twin platform in the National Speed Skating Oval, and provided a full range of intelligent application services for the success of the event and the overall operation of the venue. The digital twin platform made the visualization of interior venue possible, and helped monitor the whole process of the test event with a full view. Thanks to our visual operation and maintenance system, the venue was visualized, and stable operation of venue facilities was guaranteed during the event. We also developed an APP featuring intelligent, personalized, and one-stop services to meet the needs for whole-process intelligent services. We built an emergency plan system to simulate emergency responses, and help make emergency rescue decisions.



The visual operation and maintenance system developed by Capinfo under the project themed “Research and application of key technologies in intelligent services for the National Speed Skating Oval” of Beijing Municipal Science and Technology Commission



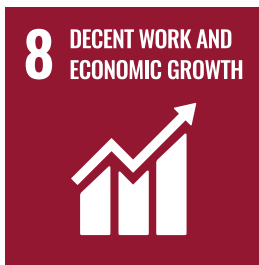
The digital twin platform for smart venues developed by Capinfo under the project themed “Research and application of key technologies in intelligent services for the National Speed Skating Oval” of Beijing Municipal Science and Technology Commission

Employees from Capinfo’s various departments gathered into a powerful force to work hard to support the Winter Olympics, demonstrating its image as a “political, reliable and trustworthy” state-owned enterprise.

1. GOVERNANCE: A SOLID FOUNDATION IN MANAGEMENT FOR STABLE AND SUSTAINABLE DEVELOPMENT

Capinfo has optimized operations management by improving the management mechanism and combining the efficient decision-making mechanism with strong execution. Adhering to compliance operation, we have enhanced the business operation and management process, taken solid steps in Party building and Party conduct improvement, and continuously developed our ability of compliance management and law-based corporate governance. We have improved our business development, value creation ability and core competence.

SDGs We Focus on



Key Performance

- Total assets: RMB2,378.50 million
- Operating revenue: RMB1,426.77 million
- Total profit: RMB45.64million

Key Topics

- Enterprise management
- Corporate governance
- Compliance operations
- Anti-corruption

1. GOVERNANCE: A SOLID FOUNDATION IN MANAGEMENT FOR STABLE AND SUSTAINABLE DEVELOPMENT

1.1 ENTERPRISE MANAGEMENT

Capinfo has sorted out the current rules and regulations in a comprehensive and systematic way, enhanced the long-term monitoring mechanism for the implementation of systems, and improved the enterprise operation mechanism, which provides institutional guarantees for decision-making for major issues on the basis of scientific, democratic and lawful deliberations, and continuously improves our management efficiency. In 2021, Capinfo formulated the *Collection of Rules and Regulations* to effectively improve the standardization of system building. By formulating the 2021 *System Development Plan*, we strengthened the coordination of system building between the headquarters and subsidiaries at all levels. We also issued the *Regulations on Rules Management*, in which the Company's existing systems were classified to promote the standardization of business management.

1.2 CORPORATE GOVERNANCE

Aiming of excellent corporate governance, Capinfo has been constantly improving corporate governance regulations and procedures. In strict compliance with the *Company Law of the People's Republic of China* and the *Articles of Association*, and based on its actual situation, Capinfo has established an effective corporate governance mechanism with General Meeting of Shareholders as the highest authority, the Board of Directors as the decision-making body, the Board of Supervisors as the supervisory body, and the management as the executive body. The coordinated and balanced mechanism helps further regulate business operation and improve our management. In 2021, Capinfo held 2 general meeting of shareholders and reviewed 10 proposals.

1. GOVERNANCE: A SOLID FOUNDATION IN MANAGEMENT FOR STABLE AND SUSTAINABLE DEVELOPMENT

1.2.1 Regulating the development of the Board of Directors

The Board of Directors of Capinfo has well-defined responsibilities, and the convening procedures comply with relevant laws and regulations. The Board elects its directors in strict accordance with the *Company Law* and the *Articles of Association*, and has established five specialized committees with different functions, including the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy Committee and the Legal Compliance Committee, to improve operational efficiency.

To enhance the directors' comprehensive understanding of our business, we make work reports at regular board meetings, and report important issues at special board meetings in due course. We also submit monthly reports about industry information and latest news to board members, so that they can keep abreast of the business performance. Our diligent and conscientious directors attend board meetings with a responsible attitude, fully exercise their rights and fulfill their obligations and responsibilities. They have promoted the standardized, stable and sustainable development of the Company, and provided different perspectives, insights and professional assistance for the decision making of the Board. In 2021, Capinfo convened 11 board meetings and approved 65 proposals.

1. GOVERNANCE: A SOLID FOUNDATION IN MANAGEMENT FOR STABLE AND SUSTAINABLE DEVELOPMENT



1.2.2 Regulating the development of the Board of Supervisors

The Board of Supervisors of Capinfo conscientiously performs its duties and reviews the Company's financial condition. It also supervises the performance of directors and senior managers, the compliance of procedures of decision-making meetings and the implementation of resolutions, in order to further promote compliance operation of the Company, and protect the interests of the Company and shareholders. In 2021, Capinfo held 4 meetings of the Board of Supervisors and reviewed 6 proposals.

1. GOVERNANCE: A SOLID FOUNDATION IN MANAGEMENT FOR STABLE AND SUSTAINABLE DEVELOPMENT

1.3 COMPLIANCE OPERATIONS

In strict compliance with national laws and regulations, Capinfo has established a sound legal risk prevention mechanism, continuously improved internal supervision based on auditing, and strengthened risk control. These efforts have improved our ability of compliance management and law-based corporate governance, reduced business operation risks, and ensured healthy and stable development of the Company.

1.3.1 Strengthening auditing-based supervision

Capinfo gives full play to the role of internal audit in supervision, evaluation, management and service. The Company further strengthens role of pre-audit in risk control, promotes the building of the internal audit system, and carries out internal audit projects in accordance with laws and procedures. We also improve internal audit rules and regulations, and continuously optimize the internal control system, to identify weak links in internal control and risk management and enhance the quality and effectiveness of internal audit. In 2021, Capinfo carried out post-investment evaluation of CapCloud's projects and expanded the audit scope, which helped make sound project investment decisions, achieve more effective post-investment management, and improve the compliance of investment procedures.

1.3.2 Enhancing risk control

Capinfo continuously strengthens the control of financial management, internal audit, contract management, and legal risks, and has established risk management processes covering internal environment, risk assessment, monitoring, information communication and supervision. We would identify and evaluate the risks facing us, and allocate resources to manage them based on their severity accordingly. By doing so, we have comprehensively strengthened our risk control ability to ensure the Company's healthy development. In accordance with the requirements of Beijing State-owned Assets Management Co., Ltd. for building internal control systems, we have formulated the *Work Plan for Building the Compliance Management System*, *Plan for Building the Compliance Organization System*, and *Compliance Management Manual* to further improve the organization systems for compliance management. Meanwhile, we have formulated the *Work Plan on "Strengthening and Improving the Building of the Internal Control System of Municipal Enterprises to Improve the Capability of Major Risk Prevention and Control"*. We carried out self-examination, and gave full play to the role of internal control system for consolidating the corporate foundation, thus enhancing the Company's ability to prevent and resolve major risks.

1. GOVERNANCE: A SOLID FOUNDATION IN MANAGEMENT FOR STABLE AND SUSTAINABLE DEVELOPMENT

In 2021, Capinfo formulated the *Regulations on Financial Work Handover*, *Regulations on the Confidentiality of Financial Information*, and the *Financial Management Measures for Overseas Investment*. And we also revised the *Regulations on Financial Settlement and Funds Approval* to further improve the financial system, and effectively control financial and operational risks. At the same time, we strengthened legal risk control, and conducted compliance reviews on laws, regulations, industry standards and business ethics related to major business operations, which effectively prevented legal risks. In 2021, Capinfo carried out 4 compliance trainings with 1,726 participants.

1.3.3 Protecting intellectual property

Strictly abiding by Chinese laws including the *Patent Law*, and the *Law Against Unfair Competition*, the Company continuously strengthens the management of corporate intellectual property rights, and enhances employees' awareness of intellectual property protection. In 2021, Capinfo improved the response mechanism for intellectual property disputes. According to the *Regulations on Intellectual Property Management*, we organized relevant departments and personnel to investigate and deal with potential intellectual property infringements, and they made quick responses and protected the legitimate rights and interests of the Company. In 2021, we obtained 1 authorized patent and 17 registered software copyrights.

1.4 ANTI-CORRUPTION

Capinfo shoulders the primary responsibility for strict Party self-governance, earnestly promotes Party history learning and standardized Party branch building, and further integrates the fulfillment of full and strict Party governance with our business. We have continuously improved the Party conduct and anti-corruption work, and raised employees' awareness. We have boosted employees' consciousness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment with the central Party leadership. We have raised their confidence in the path, the theory, the system, and the culture of socialism with Chinese characteristics. We have also strengthened their support for Comrade Xi Jinping's core position on the Party Central Committee and in the Party as a whole and the Central Committee's authority and its centralized, unified leadership. Our continuous efforts in building a wholesome political atmosphere have provided a strong support for business development. In 2021, Capinfo carried out 13 sessions of anti-corruption lectures education with 300 participants.

2. ECONOMY: DIGITAL INNOVATION CREATES DIVERSIFIED VALUES

Capinfo strengthens independent innovation and application research on the cutting-edge technologies of smart city such as big data, blockchain, AI and 5G. With the aim of building a business pattern featuring the one core (creating value for customers), the two platforms (the Capinfo cloud platform and the dedicated network platform), and the four fields (smart government affairs, smart medical care, smart operation, smart enterprises), Capinfo provides customers with high-quality products and services like “smart government affairs”, “smart medical care”, “smart operation” and “smart enterprises”. Committed to becoming a leading smart city and data industry operator, Capinfo works with partners to jointly promote the development of the industry.

SDGs We Focus on



Key Performance

- Capinfo recorded an operating revenue of RMB122.88 million
- Customer satisfaction score on product and service: 96.93%
- No information security accidents

Key Topics

- Innovation-driven development
- Business optimization
- Enhancement of service value
- Industry exchanges

2. ECONOMY: DIGITAL INNOVATION CREATES DIVERSIFIED VALUES

2.1 INNOVATION-DRIVEN DEVELOPMENT

As a key software enterprise and high-tech enterprise in the national planning, Capinfo attaches great importance to the R&D of core and key technologies to constantly enhance its independent R&D ability of core software technologies and products. In 2021, Capinfo invested RMB122.88 million in R&D, and our subsidiary, Capinfo Technology, won two qualification certificates of “China Software Enterprise Evaluation” and “China Software Products Evaluation” by China Software Industry Association.



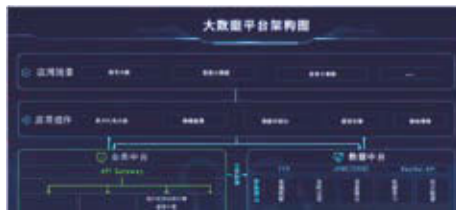
Capinfo's R&D practices in 2021

2. ECONOMY: DIGITAL INNOVATION CREATES DIVERSIFIED VALUES



Case: Strengthening the construction of digital city infrastructure

In 2021, in order to help improve the infrastructure and supporting system for Beijing's digital economy, and assist Beijing to become a global benchmark city for digital economy, Capinfo strengthened the construction of digital city infrastructure with consolidating foundation as the focus. To enhance its competitiveness, Capinfo has made breakthroughs in the construction of infrastructure platforms such as big data, blockchain and IoT, which has improved the Company's overall digital technology innovation and made further achievements in infrastructure construction with new products.



Case: Helping hospitals in Beijing to start a new model of credit medical care

In 2021, Capinfo implemented the self-developed integrated credit-based medical settlement platform in Beijing Shijingshan Hospital, based on its two advantages of the professional service with whole-process technical support and the medical credit matrix. Capinfo supports the Hospital as a pilot hospital to apply the "credit + medical care" settlement mode, which meets the payment requirement of the "whole-process service" in the highest grade 5 of the *Hospital Smart Service Rating System (Tria)* issued by the National Health Commission. The mode also provides patients with the latest convenient experience of "diagnosis and treatment before payment". Meanwhile, in light of the current COVID-19 prevention and control situation, it is conducive to lowering risks and creating a condition for quick diagnosis and treatment.



2. ECONOMY: DIGITAL INNOVATION CREATES DIVERSIFIED VALUES

2.2 BUSINESS OPTIMIZATION

To help build Beijing of into a smart city, Capinfo promotes the operation of smart city and the development of smart life by realizing the innovative business pattern featuring the one core (creating value for customers), the two platforms the Capinfo cloud platform and the dedicated network platform, and the four fields (smart government affairs, smart medical care, smart operation, smart enterprises), and focuses on empowering data platforms and developing smart products, improving the integrated network service platform and the Capinfo cloud platform, and expanding businesses in the four fields of "smart government affairs", "smart medical care", "smart operation" and "smart enterprises". All these efforts will facilitate smarter urban development, accelerate the digitization of government and enterprises, and realize the stable exploration of the nationwide market.

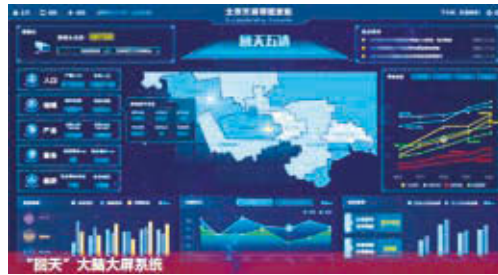


Capinfo's innovative business pattern featuring one core, two platforms, and four fields

2. ECONOMY: DIGITAL INNOVATION CREATES DIVERSIFIED VALUES

Case: Big data-driven regional primary-level governance

In 2020, in response to the instruction of the CPC Beijing Municipal Committee and Beijing Municipal Government on “managing the Huitian (Huilongguan and Tiantongyuan) area with big data”, Capinfo started the construction of the “Huitian Brain” screen system to realize functions such as area overview, situation awareness, risk warning and trend analysis. In 2021, based on the concept and functions of the “Huitian Brain” screen system, Capinfo has realized the grid-based fine dispatching instead of the traditional layer-based dispatching, bringing demands directly to the forefront. Making breakthroughs in system operation, it also effectively improved government efficiency and realized the big data-driven regional primary-level governance.



“Huitian Brain” screen system

Case: Promoting the integrated service of housing provident fund for city clusters

In 2021, with the aim of promoting the implementation of integrated service of housing provident fund, Capinfo promoted information data sharing and business standards by realizing the interconnectivity of city clusters respectively in Shanghai housing provident fund system, the Greater Bay Area housing provident fund sharing platform and Sichuan & Chongqing housing provident fund integrated platform, providing better housing provident fund services for enterprises and employees in these regions, and contributing to the integration of city clusters in the Yangtze River Delta, Greater Bay Area and Sichuan & Chongqing.

2.3 ENHANCEMENT OF SERVICE VALUE

With the idea of “creating value for customers”, Capinfo has established its quality management system, and improved its customer service ability and information security. We provide customers with safe and quality products and services with our technology advantages such as big data and AI, as well as our operation ability of the high-speed and ubiquitous “government network + Capinfo cloud” platform that integrates space and ground, and the cloud and the internet. In 2021, Capinfo won the title of Top 100 Enterprises of Beijing Software and Information Services Industry for six consecutive years.

2. ECONOMY: DIGITAL INNOVATION CREATES DIVERSIFIED VALUES

2.3.1 Improving Quality Management

With a complete quality management system, Capinfo advocates quality management culture and strengthens the development of standard systems, so as to continuously improve the quality of its products and services. In 2021, Capinfo carried out the internal audit and external supervision of ISO 9001, ISO 20000 and ITSS management systems, integrating several standard management systems to form the *Coverage and Organizational Structure of Management Systems*. By the end of 2021, Capinfo had 595 standard system documents, including 6 Grade-1 documents and 26 appendices, 82 Grade-2 (procedures and processes) documents, 128 Grade-3 (instructions) documents and 353 Grade-4 (templates, illustrations and examples) documents.



Capinfo obtains the ISO 9000 quality management system certification



Capinfo obtains the ISO 20000 service management system certification

2. ECONOMY: DIGITAL INNOVATION CREATES DIVERSIFIED VALUES

2.3.2 Improving Customer Experience

Capinfo continues to improve its operation and maintenance capability, optimize the management standards and tools of customer communication and service and strengthen the audit of project plans and settlement to provide customers with high-quality services. Also, Capinfo timely responds to customer needs continuously improve customer satisfaction. In 2021, Capinfo prepared the *Operation and Maintenance Plan* to further improve its operation and maintenance service and capacity. In addition, the Company followed up the opinions and suggestions put forward by customers in the 2020 customer satisfaction survey, formulated rectification measures and ensured the complete rectification.

Customer satisfaction
score on product and service:

96.93%

2. ECONOMY: DIGITAL INNOVATION CREATES DIVERSIFIED VALUES



Case: Capinfo recognized by Beijing 12345 Public Hotline

On April 8, 2021, the Beijing 12345 Public Hotline sent a letter of appreciation to Capinfo, praising Capinfo's quick response to the needs of the Beijing 12345 Public Hotline with professionalism and integrity since 2020, which was a strong support for the city's "handling complaints upon receipt" and for the quality and efficiency of complaint handling. The project team of Capinfo, as the letter wrote, undertook and fully completed all tasks on schedule with a high sense of political responsibility. In particular, the team constantly optimized the city's hot line system to ensure the normal and stable operation of the system based on the customized needs of the CPC Beijing Municipal Committee and Beijing Municipal Government in terms of COVID-19 prevention and the demands of seven accesses and five expectations. The team has developed the new integrated office system and optimized the whole process of online office. Also, it provided data analysis services for Citizen Hotline Report and related publications as well as for the monthly assessment with its leading advantages in technology. It played an important role in business support during the inspection by the main leaders of the CPC Beijing Municipal Committee and Beijing Municipal Government, laying a solid foundation for the public hotline to complete the tasks assigned by the leadership of the CPC Beijing Municipal Committee and Beijing Municipal.



The Beijing 12345 Public Hotline built by Capinfo

2. ECONOMY: DIGITAL INNOVATION CREATES DIVERSIFIED VALUES

2.3.3 Ensuring Information Security

To protect customers' rights and interests and privacy, Capinfo constantly improves its information security management mechanism to cover the relevant departments involved in operation, maintenance and integrated development. Capinfo also carries out information security risk assessment to strengthen customer information protection and win customer trust. In 2021, the Company's overall information security management system was in normal operation with increasing security awareness of employees and no information security accidents.

2.4 INDUSTRY EXCHANGES

Upholding the belief of win-win cooperation, Capinfo actively participates in industry activities to jointly promote industry development with industry partners. Devoting itself into the digital economy, Capinfo contributes to the building of a digital China and Beijing's goal to build a global benchmark city of digital economy.



Capinfo participates in the Application Scenario Launch Event for Central SOE and Enterprises in Beijing, at the invitation of the Zhongguancun Digital Economic Industry Alliance

2. ECONOMY: DIGITAL INNOVATION CREATES DIVERSIFIED VALUES



Case: Capinfo becomes president unit of Beijing Smart City Committee

On May 26, 2021, the 2021 Smart City Summit Forum and the Launch of the Smart City Committee of Beijing Integrated Service Alliance for Informatization and Industrialization were held in Beijing. Capinfo established the Smart City Committee with 18 member units including Huawei, Smart City Institute of China Unicom, China Telecom Beijing Branch, Beihang University, Tencent Cloud, Alibaba Cloud, Qihoo 360 and Baidu. The committee would play its role as a smart city innovation platform to boost the development of smart city with emerging technologies such as big data, AI and blockchain, thus promoting the cultivation of Beijing's smart city industrial system.



The opening ceremony of the Smart City Committee

2. ECONOMY: DIGITAL INNOVATION CREATES DIVERSIFIED VALUES



Case: Capinfo becomes vice president unit of Zhongguancun Digital Economic Industry Alliance

On August 8, 2021, Zhongguancun Digital Economic Industry Alliance, initiated by leading enterprises in digital economy, held its first meeting under the guidance of the Beijing SASAC at Huawei Beijing Convention and Exhibition Center, electing Capinfo as the vice president unit, in an effort to fully implement the instructions of the Fifth Plenary Session of the 19th CPC Central Committee on developing digital economy, developing digital industry and transforming traditional industries with digital technologies, and promoting the deep integration of digital economy and real economy to build internationally competitive digital industrial clusters. Adhering to the development purpose of the alliance, Capinfo works with the member units to promote the development of relevant specialized committees and the integration of various resources for the subdivided fields of digital economy. Devoted itself into the digital economy, together with member units, Capinfo will contribute to the building of a digital China and Beijing's goal to build a global benchmark city of digital economy.



President Zhang Guilin issues the certificate of vice president unit to Capinfo

3. ENVIRONMENT: GREEN OPERATION FACILITATES CARBON PEAK AND NEUTRALITY GOALS

With the idea of "lucid waters and lush mountains are invaluable assets ", Capinfo constantly improves the environmental management system and enhances the management of energy conservation and consumption reduction in response to China's strategic goals of carbon peak and neutrality. Also, the Company publicizes environmental protection to create a low-carbon and energy-saving atmosphere and improves its capability of green development.

SDGs We Focus on



Key Performance

- Paper saved by green office: 18,50 pieces
- toner cartridges replaced and recycled:111

Key Topics

- Environmental Management
- Green Operation
- Spreading of Green Concept

3. ENVIRONMENT: GREEN OPERATION FACILITATES CARBON PEAK AND NEUTRALITY GOALS

3.1 ENVIRONMENTAL MANAGEMENT

Capinfo establishes a sound environmental management system in strict accordance with the *Environmental Protection Law* and other laws and regulations, and carries out environmental trainings to improve employees' environmental awareness and contribute to the Company's sustainable green development.

3.1.1 Environmental Management System

Capinfo minimizes the impact of its operation on the environment by improving the environmental management system and strengthening the management of environmental protection. We passed the ISO 14000 system certification in 2019 and our environmental management system was integrated into all departments and businesses in 2020. All our environmental indicators met related standards in 2021 and the environmental satisfaction of our project scored 98.97%, with no environmental incidents across the whole year.



Capinfo obtains the ISO 14001 environmental management system certification

3. ENVIRONMENT: GREEN OPERATION FACILITATES CARBON PEAK AND NEUTRALITY GOALS

3.1.2 Environmental Training

Capinfo vigorously carries out environmental protection training to encourage employees to be responsible for and participate in environmental protection, creating a good atmosphere for everyone to learn about and participate in it and contributing to the goals of carbon peak and neutrality.

📖

Case: Capinfo carries out publicity and training on waste sorting

In order to implement the *Regulations on Household Waste Management in Beijing*, further strengthen the concept of household waste sorting and the awareness of waste sorting as well as popularize the knowledge of waste sorting, on November 10, 2021, Capinfo launched a virtual training on “publicity of household waste sorting”. The training was about the significance and background of waste sorting in Beijing as well as how to sort waste in office and residential areas. Through this training, the employees’ environmental awareness and ability have been further improved, contributing to the environment-friendly and green environment for work and life.

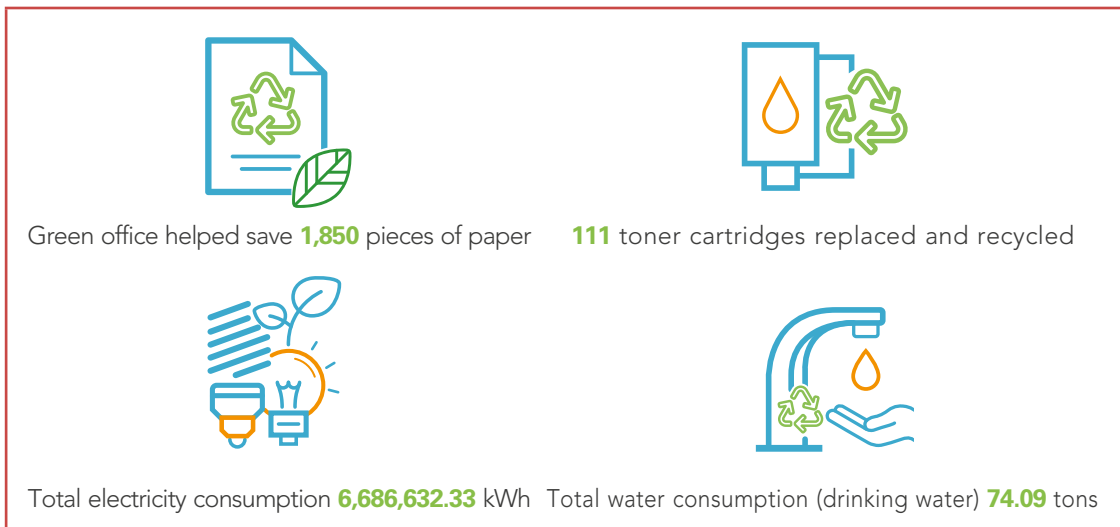


The training on publicity of household waste sorting

3. ENVIRONMENT: GREEN OPERATION FACILITATES CARBON PEAK AND NEUTRALITY GOALS

3.2 GREEN OPERATION

Energy conservation is an inherent requirement of ecological civilization, an important task for building a green Beijing, and also the source measure to reduce carbon and pollution. Capinfo continues to explore new low-carbon operation modes and improve energy efficiency by taking measures such as energy conservation and emission reduction, green office and so on. Capinfo continuously strengthen the management of various solid wastes, and strictly comply with relevant national laws and regulations for waste storage, transportation, disposal to prevent pollution risks and keep improving comprehensive utilization. In 2021, the Company’s water was mainly used in production operations and the water consumption mainly comes from domestic water use. The development and manufacturing process had a minimal impact on the local water resources and the atmosphere since it did not involve industrial use of water and the discharge of NO_x and SO₂.



Measures to Promote Green Office

Office supplies management	Improving working efficiency	Used equipment management	Saving water	Saving electricity
<ul style="list-style-type: none"> Standardize the allocation, procurement and requisitioning system of office supplies Special personnel are assigned to take charge of the procurement and management of office supplies and consumables 	<ul style="list-style-type: none"> Implement paperless office Starting to build a e-procurement management platform Call for reducing business trips and advocate teleconference, videoconference, etc. 	<ul style="list-style-type: none"> Designating departments to deal with outdated information equipment and office facilities Set up an internal recycle center for the centralized disposal of waste battery 	<ul style="list-style-type: none"> Repair leaking taps timely and turn off the tap when leaving Encourage recycling use of water Use the drinking water as needed and prohibit other uses 	<ul style="list-style-type: none"> Turn off or lock the screen of computers when they are not in use Turn off lights when leaving, use natural light as much as possible as well as energy-efficient bulbs Power off electric equipment to reduce standby power consumption Use air conditioners properly and control the temperature Eliminate high energy-consuming equipment and adopt energy-efficient technologies

3. ENVIRONMENT: GREEN OPERATION FACILITATES CARBON PEAK AND NEUTRALITY GOALS

3.3 SPREADING OF GREEN CONCEPT

Environmental publicity activities, such as waste sorting guide, are launched to spread the green and low-carbon concept among employees, community residents and other stakeholders. Together with them, we strive to build an efficient, clean and sustainable ecological environment.



Case: Capinfo participates in waste sorting guide

Although waste sorting seems like an act too small to notice, it is conducive to improving the basic governance capacity of the city and strengthening ecological civilization. In response to the call of the Company, the Party members of Capinfo went to communities of the city to help residents develop the habit of waste sorting and explain and guide them to protect the environment. Capinfo has also established close contacts with the streets where the office areas are located. Dozens of Party members in Longfu office area and Wankai office area volunteered to guide waste sorting in surrounding communities of the office areas. Our Party members in the office buildings popularized waste sorting knowledge for their colleagues and instructed the cleaning workers to sort waste in a right way. Outside the office buildings, they also helped pedestrians and nearby neighbors properly sort their waste.

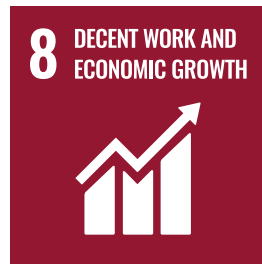


Waste sorting guide

4. SOCIETY: JOINT EFFORTS FOR COMMON PROSPERITY

Capinfo gives back to the society and shares development fruits with the society. Regarding employees as important resources and wealth for its development, Capinfo fully protects employees' rights and interests, and builds a stage for them to grow and realize their dreams. Capinfo improves supplier management to create diversified values with suppliers. The Company continues to carry out social welfare activities to bring love to the society with good deeds. We also apply information technology to boost the transformation of the Tibet plateau, contributing to the narrowing of the digital gap between the eastern and western China.

SDGs We Focus on



Key Performance

- Total employees: 1,812
- Public welfare donations: RMB300,000
- purchasing products from poor areas: RMB740,000

Key Topics

- Employee Development
- Win-win Cooperation
- Public Welfare Activities
- Regional Development

4. SOCIETY: JOINT EFFORTS FOR COMMOM PROSPERITY

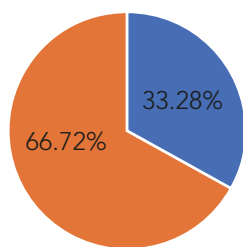
4.1 EMPLOYEE DEVELOPMENT

Putting people first, Capinfo protects the legitimate rights and interests of employees, meets their reasonable demands, cares their health and safety, and provides them with an excellent platform to realize their career dreams, thus continuously improving employees’ sense of happiness and fulfillment.

4.1.1 Employee Rights Protection

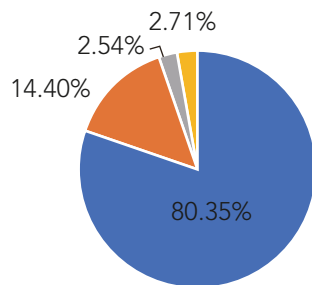
In strict accordance with laws and regulations, Capinfo fully protects the legitimate rights and interests of employees. Sticking to equal employment, we ensure that our salary and welfare management is in line with laws and policies. Moreover, we strengthen democratic management, improve safety management and protect the health and safety of employees. In 2021, we had a total of 1,812 employees, including 346 new employees and 304 recruited from the society. The overall employee turnover rate is 16%, including 4.49% for female employees, 11.51% for male employees, 11.57% for employees under 35, 3.63% for employees aged 35-44, and 0.81% for employees aged 45-54. Our social insurance coverage reached 100%, the average paid leave per employee was 9.75 days, and the aggregate paid leave of all employees reached 17,921 days. All employees joined the labor union and RMB80,000 was invested in 12 sessions of information security training, with 454 participants. Besides, the coverage of employee health checks reached 100%. There were no minor, serious, fatal work injuries, child labor or forced labor related incidents occurred throughout the year, with zero days lost due to work injuries and zero cases of occupational diseases.

Employees by gender



■ Female ■ Male

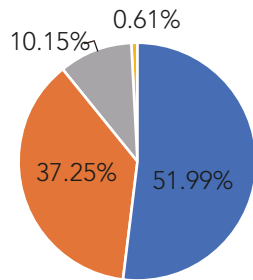
Employees by functions



■ Technical and R&D personnel ■ Management personnel
 ■ Call center personnel ■ Sales representatives

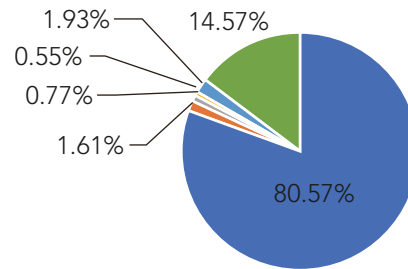
4. SOCIETY: JOINT EFFORTS FOR COMMOM PROSPERITY

Employees by age groups



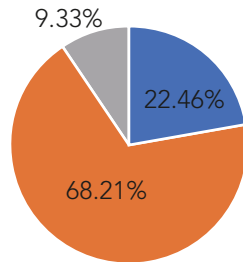
- Aged 35 below
- Aged 35 to 44
- Aged 45 to 54
- Aged 55 and above

Employees by geographical region



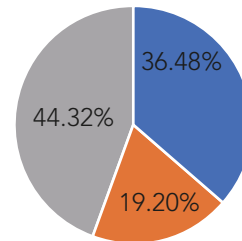
- Beijing
- Guangzhou
- Chongqing
- Shanghai
- Wuhan
- Other cities

Employees by educational background



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

Employees by service years



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

Information security training

Type	Total training hours
Senior management	10
Middle management	444
Ordinary employee	5,728

4. SOCIETY: JOINT EFFORTS FOR COMMOM PROSPERITY



Employee rights protection measures

4. SOCIETY: JOINT EFFORTS FOR COMMOM PROSPERITY



Capinfo's third staff congress



Capinfo passed the accreditation of the ISO 45001:2018 occupational health and safety management systems — Requirements with guidance for use

4. SOCIETY: JOINT EFFORTS FOR COMMON PROSPERITY



Case: Work safety training to enhance the sense of responsibility of all employees

On June 22, 2021, Capinfo organized the work safety training on the *Overview of Revised Work Safety Law and the Implementation of Corporate Responsibility of Work Safety*, and the *Safety Management Practice – Fire Fighting, Emergency and Safety Inspection*, with a total of 91 participants. Having enhanced the sense of responsibility of all participants and strengthened their emergency response ability, the training was conducive to the implementation of corporate responsibility of work safety, thus consolidating the foundation of and also improving the work safety management.



4.1.2 Employee Training

Valuing employees' demands for development, Capinfo improves the employee growth system and expands space for career development, so as to cultivate innovative talents and help them realize career values with stronger competitiveness. In 2021, the Company invested RMB493,100 in 103 professional and technical training sessions for 14,053 trainees, with a coverage rate of 100%. In 2021, Capinfo was selected into the *List of Talent Capability Evaluation Institutions in Key Fields of Industry and Information Technology in 2021* by the Talent Exchange Center of the Ministry of Industry and Information Technology, as a supporting institution for talent capability evaluation in the field of artificial intelligence.

4. SOCIETY: JOINT EFFORTS FOR COMMON PROSPERITY

Average training hours per capita

Category		Average training hours per capita
Gender	Male	26.82
	Female	27.77
Type	Senior management	18.22
	Middle management	33.74
	Grass employee	27.18



Case: Capinfo organizes the orientation training for new employees

From July 12 to 16, 2021, Capinfo held a five-day orientation training for fresh graduates of 2021. Based on the Company's core businesses and talent development, the training provided 25 courses in 6 categories, which included theory and practice as well as general and professional knowledge, with the goal of improving individual learning ability and team spirit. The training helped new employees quickly integrate themselves into the Company, master basic workplace skills and thus help complete the transition from college to the workplace.



Orientation training for new employees

4.1.3 Employee Care

Capinfo highly values the work and life balance of employees. Through various cultural and sports activities, we create a healthy and harmonious environment for employees. In addition, we help employees solve their problems in work and life, creating a positive and healthy workplace to constantly improve their sense of fulfillment and belonging. In 2021, we visited 4,242 employees in holidays, spent RMB203,000 in helping the needy employees, and set up a working fund for COVID-19 response to purchase disinfectant, alcohol, masks and other materials for employees.

4. SOCIETY: JOINT EFFORTS FOR COMMOM PROSPERITY



Case: Mother-and-baby rooms built for female employees

In order to meet the needs of female employees of childbearing age for mother-and-baby rooms, Capinfo set up a pilot mother-and-baby room in Longfu office area in August 2021 after collecting opinions and suggestions from employees. During the construction, the Company, after a thorough survey of the actual needs of targeted employees, purchased facilities like refrigerators, sterilizers, sofas, tea tables, lockers, screens. Disinfectant wipes are provided for free in the room, and a special post has been set to clean and disinfect indoor facilities and articles regularly, so as to create a clean, warm and comfortable environment.

With the Idea of "establishing pilot, promoting step by step and standardizing management", Capinfo has extended the successful practice of the mother-and-baby room in Longfu Building to Wankai and other office areas, with more innovative services both in content and method. As a harbor for female employees, mother-and-baby rooms provide more warm services for female employees of childbearing age, so as to care for female employees and safeguard their legitimate rights and interests and special interests.



Mother-and-baby room in Longfu office area

4. SOCIETY: JOINT EFFORTS FOR COMMOM PROSPERITY



The brisk walking activity by Capinfo



Fitness facilities for employees in Capinfo Longfu office area



Capinfo organized the brisk walking activity in the Olympic Forest Park



Visits to employees in summer by Capinfo

4. SOCIETY: JOINT EFFORTS FOR COMMON PROSPERITY

4.2 WIN-WIN COOPERATION

Upholding fairness, equality, and win-win cooperation, Capinfo is committed to establishing partnerships with suppliers and industry peers. Capinfo continuously improves the supplier management system and deepens cooperation with suppliers, partners and industry peers with a great sense of responsibility, and work with them to create value and win-win results.

4.2.1 Responsible Procurement

Improving the Supplier Management System

Capinfo continues to strengthen and standardize supplier management and promote centralized procurement, changing from the project-based procurement mode to the strategic procurement mode to improve its procurement efficiency and the green capability of partners. In 2021, Capinfo revised its *Management Measures for Non-bidding Procurement (Trial)* and the *Bidding Management Measures (Trial)* to further standardize procurement and outsourcing. In 2021, all products purchased by Capinfo were delivered on time.

4. SOCIETY: JOINT EFFORTS FOR COMMON PROSPERITY

Supplier selection

Capinfo adopts a strict and transparent supplier selection system, making sure that relevant rules comply with current laws and regulations as well as common requirements of the industry. In 2021, the Company signed a total of 639 purchasing orders.



Based on the need analysis, the needs of outsourcing or equipment purchase will be determined, highlighting outsourcing application or equipment purchase



Through preliminary assessment and review of suppliers, outsourcer assessment comparison, equipment purchase quotation comparison and calling for bid, etc., we assess suppliers in terms of their previous fulfillment records and risk evaluation to select and determine the most suitable supplier



We negotiate with the bid winner over outsourcing or equipment purchase needs, acceptance standards and relevant work statements, and formulate and sign the supplier contract (agreement) based on mutual consensus

Supplier selection procedure

4. SOCIETY: JOINT EFFORTS FOR COMMOM PROSPERITY

Supplier management

Capinfo has tightened process management, acceptance inspections, and ex-post evaluations of external suppliers to ensure stable supply. Meanwhile, in order to avoid any violations and risks in procurement caused by the inferior suppliers, Capinfo reviews suppliers’ background, historical performance, online credit information, bank credit certificate and other materials, and communicates with the referrers of suppliers to collect information like targeted cooperation projects, supplier products, and recommendation reasons. For suppliers that have been in our supplier pool, we strengthen the classification and tiered management by regular evaluation. All suppliers are classified into class A for core strategic suppliers, class B for preferred suppliers and class C for temporary suppliers.

In 2021, Capinfo improved the e-procurement platform to give full play to its role and promote the integration of multiple systems to build a unified supplier management and control platform. The establishment of the e-procurement management platform has standardized supplier management and procurement control, made procurement links transparent, and realized efficient supply coordination as well as the tiered supervision and management of suppliers by category. Also, Capinfo ensures that every procurement link can be traced, which makes the procurement process open, fair and impartial with no misconduct.



Suppliers in the blacklist

4. SOCIETY: JOINT EFFORTS FOR COMMOM PROSPERITY

Suppliers by region

Number of suppliers	Year 2021	
	Located in Beijing	1,019
Number of suppliers by geographical region	Outside Beijing	218
	Domestic	1,236
	Foreign	1

4.2 Strategic Cooperation

In line with the idea of “cooperation for win-win results”, Capinfo actively builds a platform for foreign cooperation and exchange, unblocks cooperation channels, and carries out strategic cooperation with the government, enterprises and industry organizations to achieve win-win results.

4.3 PUBLIC WELFARE ACTIVITIES

For a long time, Capinfo has been actively contributing to the community while pursuing high quality corporate development. We give back to the community by organizing public welfare activities to contribute to the community development and create a harmonious and friendly environment. In 2021, Capinfo made RMB300,000 of charity donations and spent over RMB740,000 on purchasing products from poor areas.

4. SOCIETY: JOINT EFFORTS FOR COMMOM PROSPERITY



Case: Capinfo donates to the Red Cross Society of China Beijing Branch

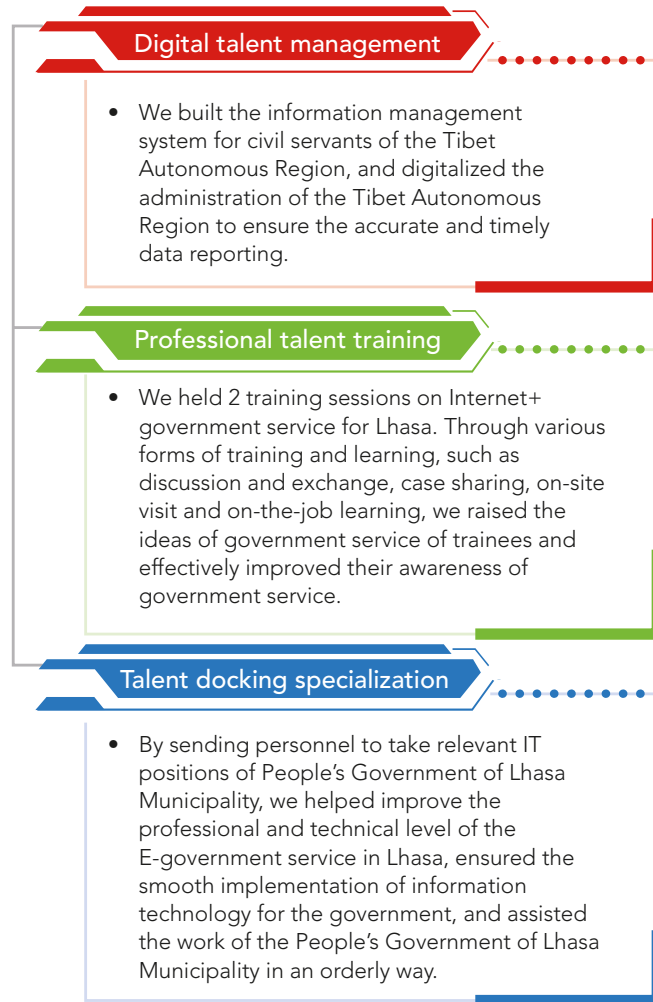
On May 7, 2021, to commemorate the 74th World Red Cross and Red Crescent Day, the Red Cross Society of China Beijing Branch held an activity with the theme of “Red Cross and the people”. Capinfo, as a corporate representative, donated RMB300,000 to the Red Cross Society of China Beijing Branch for building a “healthy Beijing”, a “safe Beijing” and a “harmonious and livable city” as well as for the centenary of the founding of the CPC.



4.4 REGIONAL DEVELOPMENT

In order to build a modern socialist Tibet that is united, prosperous, culturally advanced, harmonious and beautiful, and coordinate the development between the eastern and western China, Capinfo applies information technology to provide continued support for the high-quality development of digital economy in the Tibet Autonomous Region, especially Lhasa city. Based on the status quo of the Tibet Autonomous Region and Lhasa city, Capinfo aims to apply its experience to the western region with its own experience and advantages in the training of information talents. Capinfo has carried out a number of in-depth cooperation with the Tibet Autonomous Region in the areas of IT-based government service, talent training and experience sharing, assisting Lhasa city to organize various trainings such as the Internet +government service training session. Capinfo provides strong support for the training of officials of Lhasa Municipal People’s Government on information technology, so as to expand the local professional talent pool and fuel the Tibet Autonomous Region and Lhasa city in soft power development to make new progress in information technology application.

4. SOCIETY: JOINT EFFORTS FOR COMMON PROSPERITY



Empowering the Tibet Autonomous Region with information technology

4. SOCIETY: JOINT EFFORTS FOR COMMOM PROSPERITY



Case: Capinfo strengthens assistance to Tibet and changes from "giving fish " to "teaching fishing"

In 2021, Lhasa Pure Land Digital Economy Industry Group Co. Ltd held two sessions of government service training in Beijing, with the support of Capinfo. During the month-long training, the technical engineers of the company had on-the-post learning by practicing in key modules such as operation and maintenance service management, pre-job training for technical post and the IT-based municipal government service. Capinfo shared its experience directly and designed courses for them, including theoretical knowledge, technical exchange and discussion and on-the-post practice, with rich contents and various forms, in an effort to promote the company to develop their own endogenous power by internalizing experience. The training marked the upgrading of Capinfo's assistance to Tibet in information technology. Capinfo changes from the traditional "giving fish" mode to the "teaching fishing" mode to help Tibetan enterprises embark on their digital transformation.



The announcement of the on-the-post learning in Capinfo for Lhasa Pure Land

OUTLOOK FOR 2022

The year 2022 will witness the 20th CPC National Congress and the Beijing Winter Olympics, and it is also an important year for the implementation of China's 14th Five-Year Plan. Capinfo will actively integrate itself into the national strategy for the joint development of Beijing, Tianjin and Hebei, accelerate its nationalization based on the strategy of serving the capital, and explore the effective path of building a new business pattern to boost high-quality development.

- **Corporate governance**

Strictly abiding by relevant laws and regulations and upholding business integrity, Capinfo adheres to the Party's leadership to seek high-quality development with high-quality Party building, thus continuously strengthening corporate governance to give back to shareholders and the society with outstanding achievements.

- **Innovation-driven Development**

Based on the role of a leading smart city and data industry operator in China, Capinfo will strengthen the business pattern featuring the one core (creating value for customers), the two platforms (the Capinfo cloud platform and the dedicated network platform), and the four fields (smart government affairs, smart medical care, smart operation, smart enterprises). Being innovation-driven, Capinfo strives to lay a solid foundation for building a smart Beijing.

- **Low-carbon Operation**

To implement the concept of green development, Capinfo will actively carry out energy conservation and environmental protection to reduce the impact of its operation on the environment, so as to contribute to the goals of carbon peak and carbon neutrality, and build a green Capinfo.

- **Better community**

Capinfo will strengthen talent cultivation and care for employee development to unleash their potential and vitality, and help them achieve self-worth. We will take the initiative to benefit people's livelihood, and gather public welfare values with practical actions. Furthermore, we will transit from poverty alleviation to rural vitalization, and channel our community volunteer services to serve the construction of a harmonious community, pooling extensive forces to contribute to community development and jointly creating a more harmonious and better society.

INDEX TABLE OF THE SEHK ESG

Aspect	Index number	Environmental		Notes
		Disclosure	Report location	
A1: Emissions	General Disclosure	disclosed	47-49	
	A1.1	undisclosed		In the future, we will organize carbon inventory
	A1.2	undisclosed		In the future, we will organize carbon inventory
	A1.3	disclosed	49	
	A1.4	disclosed	49	
	A1.5	disclosed	49	
	A1.6	disclosed	49	
A2: Use of Resources	General Disclosure	disclosed	47-49	
	A2.1	disclosed	49	
	A2.2	disclosed	49	
	A2.3	disclosed	47-49	
	A2.4	disclosed	49	
	A2.5	undisclosed		Not applicable
A3: The Environment and Natural Resources	General Disclosure	disclosed	49	
	A3.1	disclosed	49	
Climate Change	General Disclosure	undisclosed		The product development and manufacturing did not involve the emission of nitrogen oxides and sulfur dioxide, exerting little impact on the air.
	A4.1	undisclosed		The product development and manufacturing did not involve the emission of nitrogen oxides and sulfur dioxide, exerting little impact on the air.

INDEX TABLE OF THE SEHK ESG

Aspect	Index number	Social		Notes
		Disclosure	Report location	
B1: Employment	General Disclosure	disclosed	52-53	
	B1.1	disclosed	52-53	
	B1.2	disclosed	52	
B2: Health and Safety	General Disclosure	disclosed	53	
	B2.1	disclosed	52	
	B2.2	disclosed	52	
	B2.3	disclosed	53-55	
B3: Development and Training	General Disclosure	disclosed	56-57	
	B3.1	disclosed	56	
	B3.2	disclosed	57	
B4: Labour Standards	General Disclosure	disclosed	52-53	
	B4.1	disclosed	53	
	B4.2	disclosed	52	
B5: Supply Chain Management	General Disclosure	disclosed	60-63	
	B5.1	disclosed	63	
	B5.2	disclosed	60-62	
	B5.3	disclosed	60-62	
	B5.4	disclosed	60-62	
B6: Product Responsibility	General Disclosure	disclosed	39-42	
	B6.1	undisclosed		Not applicable
	B6.2	disclosed	41	
	B6.3	disclosed	34	
	B6.4	disclosed	40-42	
	B6.5	disclosed	43	
B7: Anti-corruption	General Disclosure	disclosed	34	
	B7.1	disclosed	34	
	B7.2	disclosed	34	
	B7.3	disclosed	34	
B8: Community Investment	General Disclosure	disclosed	63	
	B8.1	disclosed	63-66	
	B8.2	disclosed	63-66	

2021 FOCUS: PROGRESS IN IMPLEMENTING SDGs



Action

- Developing regional smart cities with our rich resource



Action

- Caring for employees' physical and mental health and establishing occupational health files



Action

- Establishing and improving the multi-level and multi-channel staff training system



Action

- Sticking to equal employment and protecting the special rights and interests of female employees



Action

- Advocating water conservation and using water on demand



Action

- Choosing energy-saving and water-saving equipment and eliminating down energy consuming equipment

2021 FOCUS: PROGRESS IN IMPLEMENTING SDGs



Action

- Providing all-round salary and welfare guarantee for employees and unblocking the career development channel for employees



Action

- Promoting business innovation and technological innovation with to improve innovation capability and competitiveness



Action

- Promoting the use of information technology in the Tibet Autonomous Region to narrow the digital gap between the eastern and western regions



Action

- Strengthening product R&D in business areas such as smart government service, smart governance, smart healthcare and smart enterprises



Action

- Setting up a special department for the disposal of old information equipment and office equipment



Action

- Promoting green office and advocating employees to lead a green and low-carbon life

FEEDBACK FORM

Dear readers:

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

1. Your overall assessment of this Report:

Very Good Good Average Poor Very Poor

2. Your opinion on the structure of this Report:

Very Good Good Average Poor Very Poor

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

Very Good Good Average Poor Very Poor

4. Your opinion on the readability of this Report:

Very Good Good Average Poor Very Poor

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

Very High High Average Low Very Low

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

How are you related to CAPINFO COMPANY LIMITED

The government and superior regulators Shareholder Customer Employee
 Partner Media The Community/Public Other

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

CAPINFO COMPANY LIMITED

Add: 5/F, Longfu Tower, No. 95 Longfusi Street, Beijing, PRC

Postcode: 100191

Tel: (8610) 88511155

Fax: (8610) 82358550

CAPINFO

Capinfo Company Limited

www.capinfo.com.cn

