



ESG Report

2023

Venustech

About the Report

This is the first ESG Report published by Venustech covering from January 1, 2023, to December 31, 2023, and where specified, presents information over a wider time frame spanning before or after 2023.

Organizational Scope

The report presents the ESG policies, management, and implementation progress of Venustech (“Venustech” , the “Company” , or “we”) and its subsidiaries.

Data Overview

The data and information in this report are sourced from the Company's internal statistical forms and information collection questionnaires, both qualitative and quantitative, conducted during the report preparation process. Unless specified otherwise, all monetary figures in this report are presented in RMB.

Reference Standards

The report is written in alignment with the UN Sustainable Development Goals (SDGs), the GRI Sustainability Reporting Standards from the Global Sustainability Standards Board (GRI Standards), the Guidelines No.1 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies—Standard Operation of Companies Listed on the Main Board by the Shenzhen Stock Exchange, and the CASS-ESG 5.0 by the Chinese Academy of Social Sciences, etc.

Quality Assurance

This report undergoes rigorous review by the Company's management before release, and the Company commits to the absence of false records, misleading statements or material omissions, and is responsible for the objectivity and authenticity of the relevant data in this report.

Report Languages

This report is published in both Chinese and English. In the event of discrepancies between the Chinese and English version, the Chinese version shall prevail.

Report Access

You can download the electronic version of the report from the Company's website <https://www.venustech.com.cn/>.

If you need to acquire a printed copy or share your comments and suggestions regarding the report, please don't hesitate to contact us in the following ways:

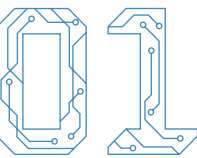
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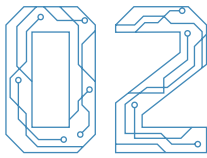
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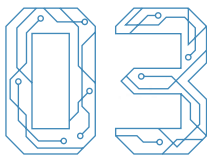
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Letter from Chairman

As time progresses, a glorious chapter is continually renewed. In 2023, we insist that "Security is the Prerequisite for Development, and Development is the Guarantee of Security" as our top priorities and adhere to the mission and vision of "Safeguarding Digital China, Navigating Information Security". With profits growing steadily, our annual revenue has soared past 4.5 billion RMB, marking a new record high. We continue to hold our position as a leader in the core and traditional segments of the cybersecurity industry, while also acting as a pioneer in the emerging and cutting-edge segments. Additionally, we serve as a pillar for a sustainable and healthy business model and industry ecosystem. Our strategic integration with China Mobile is accelerating, proactively responding to China Mobile's BASIC6¹ Sci & tech Innovation Plan. We are fully integrating our distinctive cybersecurity expertise into China Mobile's infrastructure services, delivering a comprehensive suite of cybersecurity capabilities that are infrastructure-based, operational-oriented and service-oriented across a diverse spectrum of industries. This approach creates value across industry segments, scenarios in various sectors, technological contexts, and client scenarios, thereby contributing to the construction of Digital China. Dedicated to advancing cybersecurity technology, we aim to leverage its protective role for the digital economy, offering robust security safeguards to support the digital and intelligent transformation across society, the development of new quality productive forces, and sustainable development.

Fortify the defense line to provide a secure foundation for the development of new quality productive forces.

The overall upgrade of the cybersecurity industry will provide strong support for the stable and long-term development of new quality productive forces. Venustech, with unwavering commitment to independent innovation, focuses on breakthroughs in key core technologies. Guided by the Security Business Value Strategy Framework, we gather innovative resources, strengths and advantages, continuously increasing investment in technological R&D. It solidifies our technical foundation, builds our own product architecture, and improves our security technology system. With a security mindset that emphasizes "native-based technology, scenario-based innovation, and operation-based delivery", Venustech creates more comprehensive, effective, faster, and smarter security products and services. It provides more reliable security assurance capabilities and engages in all-around, multi-level, and wide-ranging in-depth cooperation with various industries. Together, they shape a new pattern for the cybersecurity industry, providing a systematic security capability as a safety foundation for the healthy development of China's new quality productive forces.

Maintaining people-oriented philosophy to ensure the benefits of development are equitably distributed throughout society.

Venustech is steadfast in its holistic strategy to attract, nurture, and effectively leverage talent. We are dedicated to refining our talent development framework, which encompasses robust training, incentive, and support systems. This commitment fosters a secure and healthy workplace for employees and opens up expansive career opportunities, safeguarding their fundamental rights. By doing so, we aim to convert our human capital into a competitive edge and a driver for business growth. With an unwavering commitment to excellence, we are constantly enhancing the quality of our products and services. We are equally focused on refining our after-sales support to surpass client expectations and build lasting trust. Venustech operates on the principle of mutual benefit, fostering growth in collaboration with strategic partners and sharing responsibilities with suppliers, thereby aiding our development and propelling the cybersecurity industry towards a path of health and stability. Furthermore, we are deeply committed to social responsibility. We proactively align ourselves with the broader socio-economic development goals, leveraging our resources and influence to actively participate in public welfare initiatives, charitable causes, rural revitalization efforts, volunteer services, and the collaborative advancement of the Belt and Road initiative. Through these tangible actions, Venustech is not only fulfilling our corporate social responsibilities but also working towards the creation of a society that is more equitable, sustainable, and secure for all.

Laying a solid foundation for contemporary businesses with sound governance.

Venustech has been dedicated to establishing a corporate governance system where the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and General Manager and Management can each perform their duties efficiently. We are committed to enhancing the concepts of integrity, compliance, and legal operations, and improving the level of risk management and internal control. We also work to safeguard investors' legitimate rights and interests, carry out high-proportion shareholder dividends, prevent and mitigate various risks, strengthen corporate ethics and anti-corruption efforts, and maintain a responsible corporate reputation. We place great emphasis on the role of ESG in sustainable development and deeply integrate ESG management into corporate governance. We have established a Sustainable Development Steering Committee and a Sustainable Development Office at the group level, creating an ESG management mechanism that spans decision-making and execution levels to maximize the creation of comprehensive economic, social, and environmental value. We accelerate scientific and technological innovation, optimally allocate scientific and technological resources, and accelerate the breakthrough of key core technologies. We prioritize the development of cybersecurity talent and establish a highland for innovation within the cybersecurity industry. Taking the responsibility for cybersecurity as our own, Venustech continuously deepens the operation and management of cybersecurity, effectively enhances the cybersecurity service guarantee capability, actively participates in cybersecurity promotion, and contributes positively to building a cybersecurity defense line.

Utilizing Green transformation, contributing to the goals of Carbon Peak and Carbon Neutrality.

Venustech actively embraces the concept that "green mountains and clear waters are as valuable as mountains of gold and silver," striving to achieve harmonious coexistence between humans and nature. We integrate the concept of green development into our production and operation system, strengthen environmental management, adhere to green operations, participate in environmental protection public welfare, deeply understand the contemporary value of green development, strictly control pollution emissions, promote energy conservation and consumption reduction, accelerate the transformation and upgrading of green development, and unswervingly follow the path of low-carbon development, committed to the construction of a beautiful China.

Real heroes never hesitate to take to the sea, cut through the waves and reach the summit. The year 2024 is a crucial year for achieving the goals and tasks of the 14th Five-Year Plan, and it marks the beginning of a new situation for the strategic integration between China Mobile and Venustech. Facing this new journey, Venustech will adhere to stability as the top priority and seek progress within stability. We will set our sails and move forward with courage and determination, consciously shouldering the mission and responsibility of being a leading enterprise in cybersecurity. We will tirelessly pursue our duties and live up to the expectations of the times and the people. We are committed to safeguarding the digital security barrier, solidifying the security foundation for the development of new quality productive forces, and contributing to the new situation of high-quality development in Digital China.

Chairman of Venustech Group Inc.
Jane Wang

¹ BASIC6 refers to Big Data, AI (artificial intelligence), Security, Integration Platform, Computility Network and 6G.

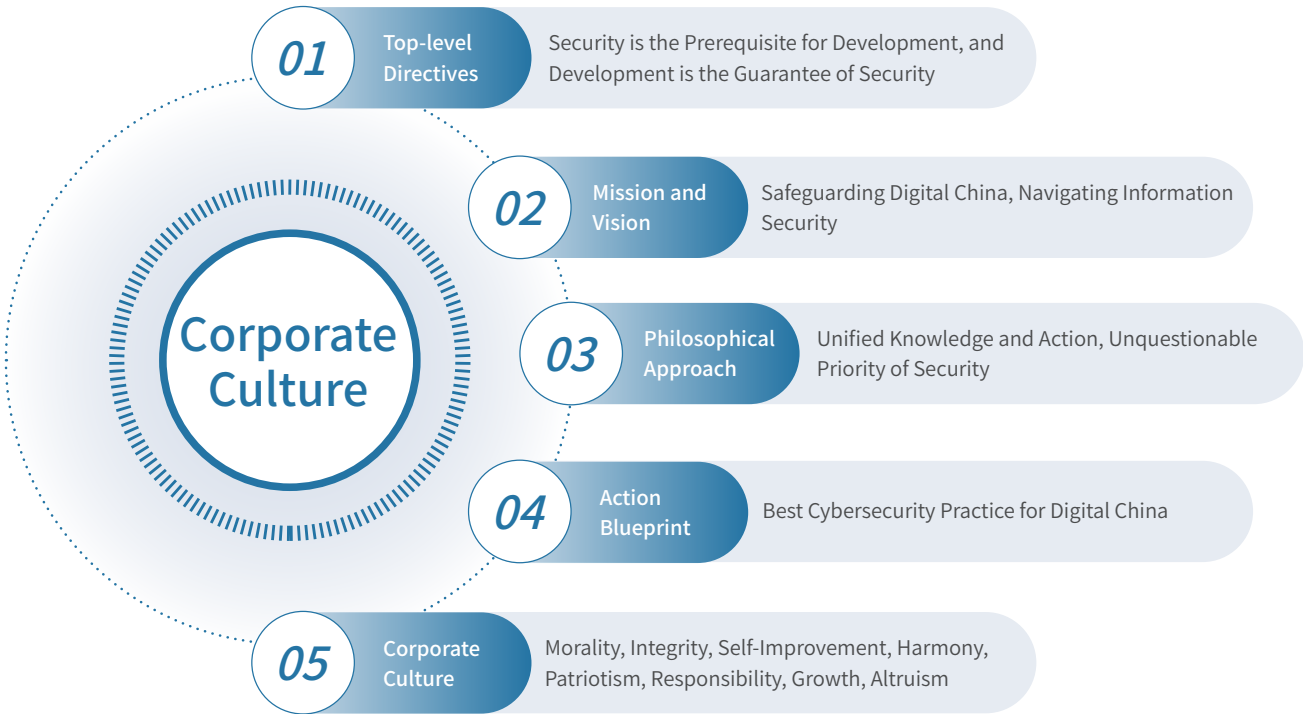
About Venustech

Company Profile

Venustech Group Inc., (hereinafter referred to as "Venustech"), was founded in 1996 and listed on the Shenzhen Stock Exchange's A-share market in 2010 (stock code: 002439.SZ). As the first listed private enterprise in China's cybersecurity industry, Venustech is a leader in the core and traditional segments of the cybersecurity industry, a pioneer in the emerging and cutting-edge segments, a pillar for a sustainable and healthy business model and industry ecosystem. Over the years, Venustech has been persistently delving into the cybersecurity industry, consistently prioritizing client needs as the core impetus. By integrating scenario-based security mindset into the actual business contexts of clients, the Company has engaged in continuous innovation and practical implementation to facilitate the establishment of robust security frameworks for clients. As a result, Venustech has progressively emerged as the premier choice for top-tier corporate clients across various sectors in China, including governments, telecommunications operators, energy enterprises, financial institutions, transportation sector, tax authorities, and manufacturing industry. Venustech has an array of products that have consistently maintained a leading position in the market for many years, including Intrusion Detection/Prevention Systems, Unified Threat Management, Security Management Platforms, Data Security, Operations and Maintenance Security Audits, Database Security Audits and Protection, Vulnerability Scanning, Industrial Firewalls, Managed Security Services, among more than 10 categories. The Company's headquarters is strategically located in Venustech Plaza, within the Zhongguancun Software Park in Beijing. The Cloud Security division is headquartered in Suzhou High-tech Zone, while the Data Security division is based in Hangzhou High-tech Zone (Binjiang). Branches have been established throughout various provinces, cities, and autonomous regions across the nation, creating a channel and service system that encompasses the entire nation. This extensive network enables the Company to offer a comprehensive range of cybersecurity products, services, and solutions to clients.

In June 2022, Venustech signed an Investment Cooperation Agreement with China Mobile Capital. In January 2024, with the listing of new shares issued by Venustech to designated entities, China Mobile officially became the actual controller of Venustech. As a specialized subsidiary in the realm of cybersecurity under the leadership of China Mobile and acknowledged as an industry leader with core competitive advantages, Venustech is committed to supporting the development of China Mobile's cybersecurity capability system internally. Externally, the Company will jointly expand the cybersecurity market with China Mobile and quickly integrate into China Mobile's management system. Venustech aspires to become a provider of security product capabilities for China Mobile's clientele and to emerge as a pivotal force in the national cybersecurity domain, striving to be a world-class entity in the field of cybersecurity.

Value

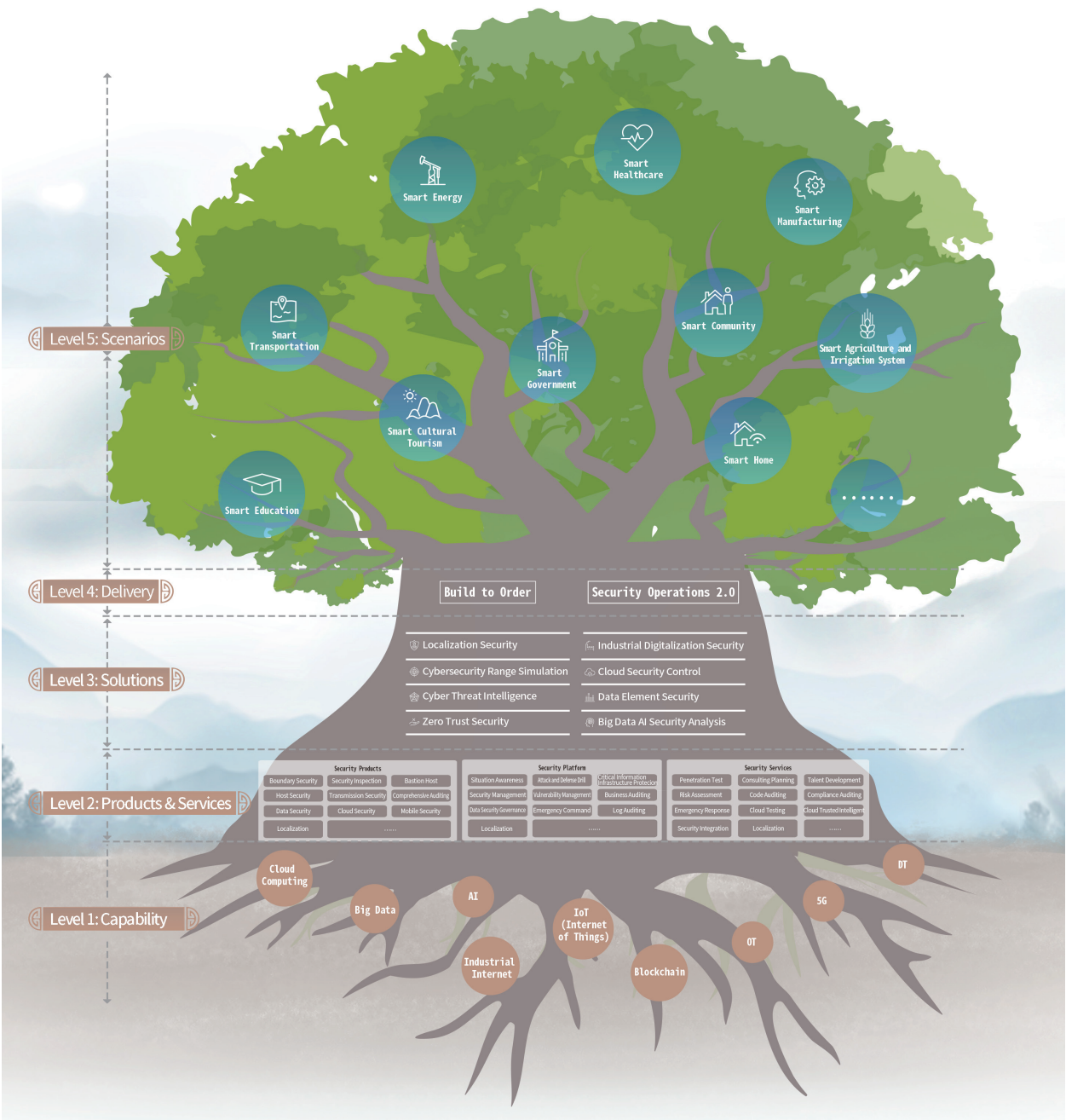


Development Strategy

As a leader in cybersecurity industry, Venustech has always adhered to technological innovation as the core driving force. The Company has proactively engaged with China Mobile's BASIC6 Sci-tech Innovation Plan and integrating the distinctive security expertise into it. By devising a strategic framework centered on "native-based technology, scenario-based innovation, and operation-based delivery" to embody the Security Business Value Strategy Framework, Venustech collaborates with China Mobile to fortify the "S" or security within BASIC6 Sci-tech Innovation Plan. This partnership aims to solidify the security foundation of new quality productive forces and to co-create a secure digital infrastructure. The objective is to achieve a transformation of security business value for clients across CHBN (Customer market, Home market, Business market, New market) sectors. Venustech is dedicated to providing comprehensive security assurance capabilities that are infrastructure-based, operational-oriented and service-oriented to a myriad of industries. This commitment creates value across industry segments, scenarios in technology and client engagement, and propels the evolution of the cybersecurity sector. In conjunction with China Mobile, Venustech is not only contributing to the construction of a new larger robust cybersecurity sector but also aspiring to be a pioneer and leader within it. The Company is dedicated to high-standard security measures that safeguard the quality of development, thereby better supporting the construction of a digital China.

After becoming a dedicated subsidiary of China Mobile specializing in cybersecurity, Venustech has fully integrated into various systems of China Mobile, including strategic, scientific and technological innovation, marketing, financial, and talent systems, to fully leverage the strength of a state-owned enterprise. Additionally, the Company strictly follows the corporate governance practices of listed companies and actively maintains the vitality of a private enterprise. The primary focus is on consolidating three fundamental areas:

- i. To fully integrate Venustech's superior cybersecurity technologies into China Mobile's infrastructure services, thereby forging an unbreakable network and a secure, trustworthy cloud.
- ii. To incorporate Venustech's leading cybersecurity product capabilities into industry expansion endeavors, positioning cybersecurity as a novel selling point within China Mobile's corporate market.
- iii. To collaborate in the construction of China Mobile's cybersecurity service system, establishing an integrated security operations center to provide ongoing cybersecurity empowerment to clients, and simultaneously driving the growth of all business.



Security Business Value Strategy Framwork

Performance

2023

Operating Income

4.51 billion RMB

YoY Growth

1.58%

Net Profit Attributable to Shareholders of the Listed Company

741.14 million RMB

YoY Growth

18.37%

Total Assets

14.87 billion RMB

YoY Growth

48.53%

Net Assets Attributable to Shareholders of the Listed Company

12.00 million RMB

YoY Growth

62.29%

Revenue from New Business Segments

2.14 billion RMB

YoY Growth

13.82%

Cash Dividend

331.24 million RMB

Dividend Ratio

44.69%

VenusTech has released more than 5,000 original security vulnerabilities through CNVD/CNNVD/NVDB/CVE platforms.

Note:

- i. CNVD refers to China National Vulnerability Database.
- ii. CNNVD refers to China National Vulnerability Database of Information Security.
- iii. NVDB refers to National Vulnerability Database.
- iv. CVE refers to Common Vulnerabilities and Exposures.

Product Strength

Continuously leading the cybersecurity market, Venustech's multiple products have maintained the top market share and development capabilities in China for several consecutive years. Venustech holds a prime position in numerous subcategories, including security management platforms, situation awareness, VPNs, industrial control system security auditing, industrial control system vulnerability scanning, industrial control system host security, industrial situation awareness, AI (Security Analysis, Threat Intelligence), RO (Response and Orchestration), consulting services, and security training.

Data Security



- **Data Security**
 - Ranking first in China's market share since 2015
- **Database Security Audits and Protection**
 - Ranking first in China's market share since 2014
- **O&M Security Audit**
 - Ranking first in China's market share since 2016
 - Recognized in the Asia/Pacific Context: Gartner Magic Quadrant for Privileged Access Management 2021
- **Data Security Infrastructure Management Platform**
 - Endorsed by IDC Tech Scape, Venustech was a recommended supplier for data security infrastructure management platform according to China Data Security Technology Development Roadmap 2022
 - IDC Market Scape recommended Venustech as the leader in China's data security management platform in the China Data Security Management Platform Supplier Evaluation 2023
- **Data Security Service**
 - IDC Perspective recommended Venustech as a managed security service provider in the China Data Security Service Market Insights 2022

Zero Trust



- **Zero Trust Network Access Solution**
 - Rated as China's leader in zero trust network access solutions by IDC Market Scape in the China Zero Trust Network Access Solution Provider Evaluation 2022
 - Ranking fourth in IDC's China Zero Trust Network Access Solution Market Share for 2022

Security Operations



- **Managed Security Service**
 - Ranking first in market share since 2019
- **On-Site Managed Security Service**
 - Ranking first by IDC in China Managed Security Service (On-Site, Remote, Cloud Managed Security Service) Market Share for 2022

IoT Security



- **IoT Security Cameras**
 - Ranking first in China's market share since 2021
- **IoT Video Boundary Security**
 - Ranking first in China's market share since 2021

Industrial Control System Security



- **Industrial Firewall**
 - Ranking first in China's market share since 2018
- **Industrial Control System IDS**
 - Ranking first in China's market share since 2019
- **Industrial Control System Gateway**
 - Ranking first in China's market share since 2019
- **Industrial Control System Security Management Platform**
 - Ranking first in China's market share since 2022
- **Industrial Internet Security**
 - Ranking first in China's market share since 2021

Application Security



- **Hardware Web Application Firewall**
 - Shortlisted in Gartner WAF Magic Quadrant in 2017
 - Ranking first in Greater China and China's market share since 2018
 - Being recognized in Gartner's SIEM Magic Quadrant in 2017 as the first domestic enterprise and maintaining that position in subsequent years

Basic Security



- **Log Audit**
 - Ranking first in China's market since 2019
- **Vulnerability Scanning**
 - Ranking first in China's market since 2017
- **Security Gateway**
 - Ranking first in China's market since 2007
 - Shortlisted successively in Gartner's UTM Magic Quadrant since 2016
- **GAP**
 - Ranking first in China's market share since 2013
- **IDS/IPS**
 - Ranking first in China's market share since 2002
 - Shortlisted successively in Gartner's IDPS Magic Quadrant for several years since 2016
- **Cybersecurity Hardware**
 - Ranking first in China's market share since 2022



 Company Recognition

Recognized as a **National Enterprise Technology Center** by the National Development and Reform Commission, the Ministry of Science and Technology, the Ministry of Finance, the General Administration of Customs, and the State Taxation Administration for 13 consecutive years.

Awarded **the title of an A-level Cybersecurity Emergency Service Response Unit** for ten consecutive years by CNCERT/CC.

Received **the National Industrial Information Security Emergency Service Award for Excellence in Support**.

Recognized as an **Outstanding Contributor** at the 6th Key Information Infrastructure Security Innovation Forum.

Shortlisted **in the first batch of technical support units for the Ministry of Industry and Information Technology's NVDB**, honored as an **Excellent Vulnerability Reporting Institution and Excellent Vulnerability Tackling Unit**.

Recognized as a **New Generation Information Technology Leading Enterprise**, awarded for **New Generation IT Innovative Products**, and honored for **Digital Innovation Best Practice** in the 2023 Competition on IT Top Market Performers.

Enlisted as a **National Digital Economy Benchmark Enterprise** by the 2023 Beijing Digital Economy Benchmark.

Ranked as a **Top 10 Excellent Enterprise in Cybersecurity** by the Graded Protection Evaluation Authority.

Designated as a **Premium Member Unit** by CCIA in 2023.

Recognized as a **2023 Excellent Alliance Member Unit, 2023 Excellent Technical Support Unit, and CICSVD Member Unit** by the National Industry Information Security and Development Alliance.

Recognized as a **Network and Data Security Support Unit and Recommended Security Service Provider** by the Shanghai Network and Information Authority.

Venustech ADLab, a core member of Microsoft's MAPP program, was once again included **in the List of MSRC Top Security Research Institutions for the first Quarter of 2023**.

Selected as a **representative in the field of China CPS Safety** by the Hype Cycle for Smart City and Sustainability in China 2023.

Rated as a Cyan Loong Enterprise at **the 2023 Data Security Platform** and awarded **the CSA2023 Security Monolith Award and CSA2023 Excellent Council Member** at the 7th Cloud Security Alliance Greater China Region.

Venustech ADLab was included in the Honorary Security Award List 2023 and rated as an **Excellent Partner by the Honor Security and Privacy Program**.

Rated as an **Outstanding Contribution Unit for Network System Security** at the 2nd Shanghai Cyber Security Fair and Summit Forum 2023.

Venustech Strategic Security Service Center won **the Beijing Youth Model Unit** Award.

Venustech's Strategic security service team, as one of the 20 outstanding youth teams in Haidian District, won **the title of Haidian Youth Role Model** in 2022.

Rated as **the Zhanjiang Cybersecurity Support Unit** during the 2023 Cybersecurity Week and won **the Qingdao Network and Information Security Expert Award**.

Rated as an **Outstanding Unit for Intelligence Support of Financial Cybersecurity Situation Awareness** at the 2023 Beijing International Financial Security Forum and Fintech Ecosystem Conference.

Became **the pioneering manufacturer to collaborate with the Open Euler community on security baseline configuration**.

 Distinguished Products and Services

Selected **in the 2023 Digitalized Listed Companies Report** and included **in 2023 Successful Cases of the Digital Economy Development**.

The Cloud Native Security Operation Solution was granted **the Golden Wisdom Award** and named **Best Solution of the Year** in China cybersecurity and information industry for 2022-2023 by the Information Security and Communications Privacy.

The Identity-based Attack Traceability Solution and Multi-Cloud Security Management Solution received **the Annual Innovative Solution Award** at the 2023 IT168 Technology Excellence Award selection event.

Venustech's new smart city security operation service solution, secure data circulation solution, and Leadsec political and legal committee big data center security solution each won **an award in three categories (developer' influence, innovative products, and solutions) at CSDN**.

The Data Security Risk Assessment & Solution based on the Data Security Capability Model and the Solution of Zhibai Cybersecurity Talent Cultivation System received **the Annual Innovative Solution Award**.

Venustech's IDS for industrial control systems, industrial control system gateway, industrial control system security management platform, and industrial control system firewall secured **the top positions in both market position and development potential** in CCID Consulting's 2022-2023 China Industrial Internet Market Research and China Industrial Control System Security Market Research (2023). Additionally, several of our **industrial control security products are leading the industry**.

The Super SIM security gateway was rated as **one of the Top Ten Cybersecurity Star Products** in the graded protection evaluation.

The Security Big Model, Super SIM Security Gateway, and the Deception Defense System were honored with **the 2023 China IT Industry Security Innovative Product Awards** during the IT Impression · Continuous Innovation · Digital Age year-end selection for Chinese enterprises.

The intelligent auto insurance service plan submitted by Venustech was included in **the Cybersecurity Service Case Study Catalogue** of the Ministry of Industry and Information Technology.

The Venustech Tianxun Endpoint Threat Detection, Protection, and Management System received **the SKD Special Award and the ATT&CK Security Capability Award** in the 2023 SKD evaluation.

Venustech's Dock Scenario-Based Industrial Control System Security Project and the Leadsec Industrial Control System Cybersecurity Solution for a Gas Group were selected as **typical applications of Industrial Security Systems 2022** by ICSISIA.

The Hangzhou Data Management Bureau's third-party data security assessment project and the scenario-based smart dock industrial control system security solution were awarded as **the Best Digital Innovative Practice**.

Venustech's trusted firewall was widely awarded as **one of the first 14 trusted computing products**.

Tianyue Security Gateway System V6.0 was selected for **the Network Information Innovation Vanguard List and won the Excellent Product Award** at the Sixth Key Information Infrastructure Autonomous Security Innovation Forum.

Venustech's data circulation and risk monitoring solution, 5G-XDR threat perception solution, and Private Guard Premium Edition each won an award **in three categories (developer' influence, innovative products, and solutions) at CSDN 2023**.

The New Generation Intelligent Security System, Integrated Solution of Public Security Video Network, Data Security Oasis, and Full-stack Localization Security Solution were awarded **the 2023 Excellent Localization Security Award** at the 16th (2023) China International Public Security Products Expo.

Venustech's provincial medical and healthcare cybersecurity monitoring and early warning project was selected as **a typical case of the medical industry** in the Report of Cybersecurity in Medical Industry 2022.

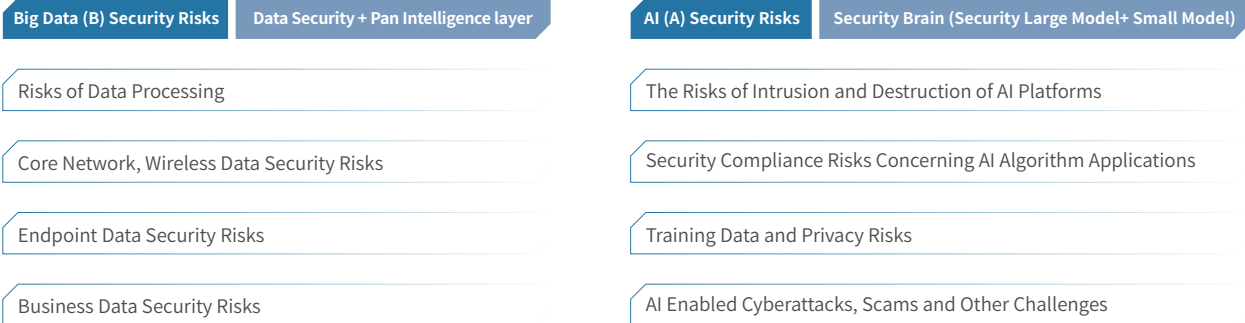
The Data Outbound Transfer Security Assessment and Monitoring Program based on the Business Scenario of Jinpan Smart Technology, jointly declared with Jinpan Technology, was successfully selected into the Best Practices of Data Security Management Pilot in the Industrial Field and the List of Outstanding Areas and **Typical Case of Data Outbound Transfer Security Management**.

Topic

Integrating Strategy into BASIC6 to Open a New Chapter

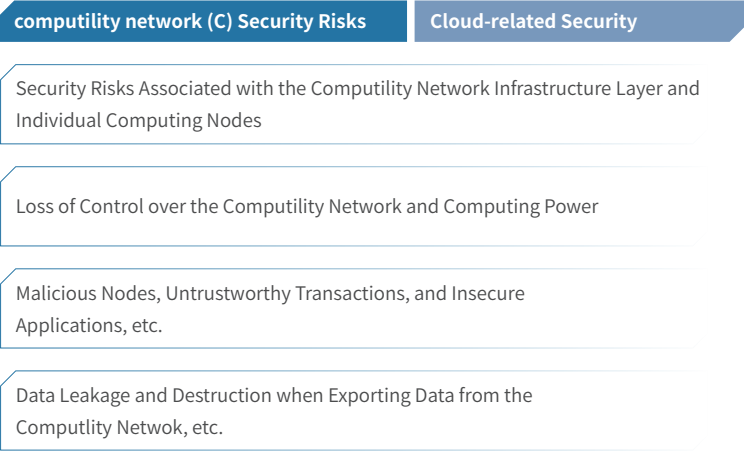
China Mobile, a key driving force for the Digital China, Cyber Great Power, and Smart Society initiatives, has launched the BASIC6 Sci-tech Innovation Plan. This plan serves as a blueprint for advancing digital infrastructure and nurturing innovation. Its main objective is to create a "Capability Cube" that seamlessly integrates infrastructure, operations, and services, thereby establishing a resilient infrastructure cluster. The cluster aims to streamline convenient and secure access to services for enterprises and institutions, enabling them to concentrate on core business development and expedite the online availability of their services.

The BASIC6 Sci-tech Innovation Plan encompasses six key domains: big data, artificial intelligence, security, integration platform, computility network, and 6G, each corresponding to a facet of the cube. Among these, A, B, C, and 6 denote the four technical capabilities of artificial intelligence, big data, computility network, and wireless networks of 5G and 6G. S signifies security and is tightly integrated with the technical capabilities, functioning as a fundamental element with cryptography and identity trust as its cornerstone. The letter I represents the integration platform, which incorporates A, B, C, 6, and S to deliver services to users through operation and service.



Identity Trust Infrastructure
Direction of Cryptography and Trust Technology

Security Infrastructure
Cryptography and Security Countermeasure Strategies



“BASIC6”
Sci-Tech
Innovation Plan

Dual-wheel Drive for a New Cybersecurity Framework

Venustech is well aligned with the BASIC6 Sci-tech Innovation Plan and has deployed strategic initiatives on identity trust, data security, pan intelligence layer, security brain, security operations, and cloud-related security. This concerted effort shapes a dual-wheel drive model, emphasizing the integration of security and business strategy while fostering synergy. Through this approach, Venustech establishes a "symbiotic, integrated, and collaborative" relationship, unlocking the multiplier effect of "Security X" and molding a new security landscape. Its goal is to safeguard new developments with an innovative security pattern while collaborating with China Mobile to jointly usher in a new era of cybersecurity and propel the advancement of the cybersurity security industry.

Identity Trust

Venustech leverages the super access of the SIM cards and resources pool of China Mobile, comprehensive inhouse security capabilities and hard-core technologies to build an identity trust infrastructure. We strive to establish a 1-to-N trusted and traceable identity mapping system and lay a solid foundation for digital asset rights confrimation, exchange, transaction, governance, and security. This infrastructure will undoubtedly empower the digital transformation of various industries.

Pan Intelligence Layer

With threat intelligence generation technologies, data insights, and operation system at the core, we aim to construct a comprehensive Pan Intelligence Layer framework leveraging China Mobile's cloud network. This framework aggregates data from multiple sources, conducts standardized analyses, and synchronizes feedback of shared applications across different levels. Additionally, we strive to enhance intelligence channels and collaborative mechanisms among regulatory agencies, security vendors, and related entities to bolster security consciousness, enable full-cycle management, and provide comprehensive cybersecurity support.

Data Security

Venustech integrates Data Oasis with data interconnection and aims to build a data element security system featuring data security and business synchronization. It builds a highly centralized and efficient data infrastructure, providing end-to-end security compliance and control capabilities for data circulation, which underpins the healthy and efficient development of China's data element circulation in the digital economy.

Security Operations

To ensure continuous expansion, and sustainable development of corporate business, we integrate security operations with cloud computing, dedicated bandwidth, IDC, and 5G. Additionally, we deliver security services through various channels, including cloud-endpoint collaboration, and multi-cloud Moreover, we pay special attention to regional and pioneering clients through crafting operational platforms to cover more cities. This strategic shift has propelled our business from tailored solutions to scalable and enhanced capabilities.

Security Brain

Venustech is committed to building a Security brain with a large vertical security model at its core, aiming to innovate the security service model and provide accessible and efficient premium intelligent security services to society. We approach AI security systematically and conduct security planning for all levels, including platform, algorithm, data, and business, to ensure robust, controllable, and interpretable security services.

Cloud-Related Security

Aligned with the diverse requirements of cloud computing, we present a robust and unified cloud security protection framework tailored to cloud side (including public cloud, private cloud, and hybrid cloud), edge side, local level, and endpoint computing. We give precedence to infrastructure security, identity security, network security, data security, and application security, bolstered by seven core technologies: secure access service edge, scalable detection and response platform, cloud infrastructure access management, cloud security posture management, cloud-native application protection platform, SaaS security posture management, and cloud access proxy. This holistic approach guarantees the fulfillment of the security requisites for full-stack development.

Leveraging Business Advantages to Drive Integrated Planning

Harnessing business synergies, Venustech leverages its technological prowess and security products and services to seamlessly integrate with the BASIC6 Sci-tech Innovation Plan and its marketing system. It aims to establish a trusted capability to offer solutions for various application scenarios such as cloud computing, big data, and new industrialization, thus empowering our client with one-stop security services.

Comprehensive Product and Service Portfolio

Venustech boasts a comprehensive security protection capability as evidenced by the fact that its product offerings span 11 categories encompassing cybersecurity protection, cyber threat detection, application security, situation awareness & management, and mobile & endpoint security. Additionally, it provides over 40 types of security services for nearly 200 digital business applications and has successfully executed over 1,000 security service projects.

Nurturing Cybersecurity Industry Clusters

Venustech concentrates on emerging industries such as SOC, data security, cloud-related security, industrial Internet security, V2X security, localization security, computility network security, identity and trust infrastructure, and large GPT-like AI model security. We remain steadfast in our commitment to the integrated innovation of the cybersecurity industry and cultivation of cybersecurity industry clusters.

Envisioning a Comprehensive Cybersecurity Landscape

Venustech continues to embrace new technologies and applications and advance our cybersecurity capabilities, evolving from fundamental security technologies to security products capabilities and to all-encompassing security solutions. Our goal is to create a holistic cybersecurity environment and offer guidance for integrating into the BASIC6 Sci-tech Innovation Plan and its implementation.

Synergy Outcomes with China Mobile

Strategic Synchronization and Capability Enhancement

Venustech has signed **62** strategic agreements with China Mobile, comprising **8** corporate agreements, **17** with provincial-level subsidiaries, and **37** with municipal-level subsidiaries.

Capabilities Continues Deployment

32 solutions have been included in two batches on the Smart Platform, with **29** products and services selected for the core capability list.

Cloud Synergies for Unique Selling Proposition

Venustech has co-launched the CM Cloud|Venus Security brand and unveiled the Cloud Security Brain at the China Mobile Cloud Conference. To date, **14** products and **7** services have been introduced.

Productive Output with CMIC

Venustech has collaboratively launched the Super SIM Security Gateway, and our IDaaS products have seamlessly integrated with the security gateways. It is dedicated to constructing identity trust infrastructure, offering collective, intelligent and efficient identity trust services with Chinese characteristics.

Capabilities Continues Updating Inventory

5G standardized products have been added to the A12 database, and several products have been incorporated into the government and enterprise DICT integration database.

Strategic Positioning Layout

5 multi-directional research laboratories have been established for exploring a joint security operations model.

Continuous Setting New Standards

A total of **9** cybersecurity white papers have been released or in drafting progress with the China Mobile Information Security Center.

Integrated Planning for Key Business Initiatives

The OneS Security Operations Center has been established, and Venustech has been accredited as an authorized cybersecurity service provider. Venustech has conducted **25** strategic R&D projects and participated in or organized in **over 50** industry conferences.

The "5+2" Structure for Cybersecurity Core Technologies

Vulnerability Attack and Defense Technology

- Vulnerability and Vulnerability Exploits
- Attack Detection
- Pan Intelligence Layer, Deceptive Defense

Cryptographer Control Technology

- Cryptographic Techniques
- Identity and Access Control
- Blockchain

Technical Scenario Technology

- Cloud Native, SASE
- OT Industrial Control System, 5G+Industrial Internet, IoT, V2X
- CT Communication

Capability Enhancement technology

- AI and big data analysis, such as Taihe Security Model
- Parallel Simulation Techniques

Industry Scenario Technology

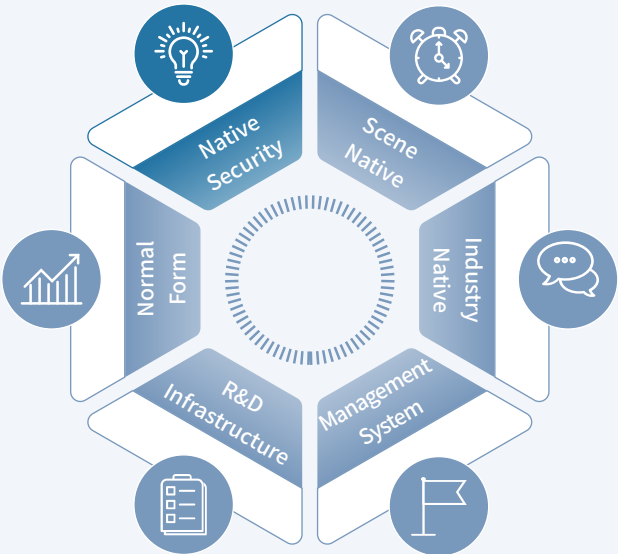
- Industry scenarios, such as finance and Electricity
- Application scenarios, such as ports

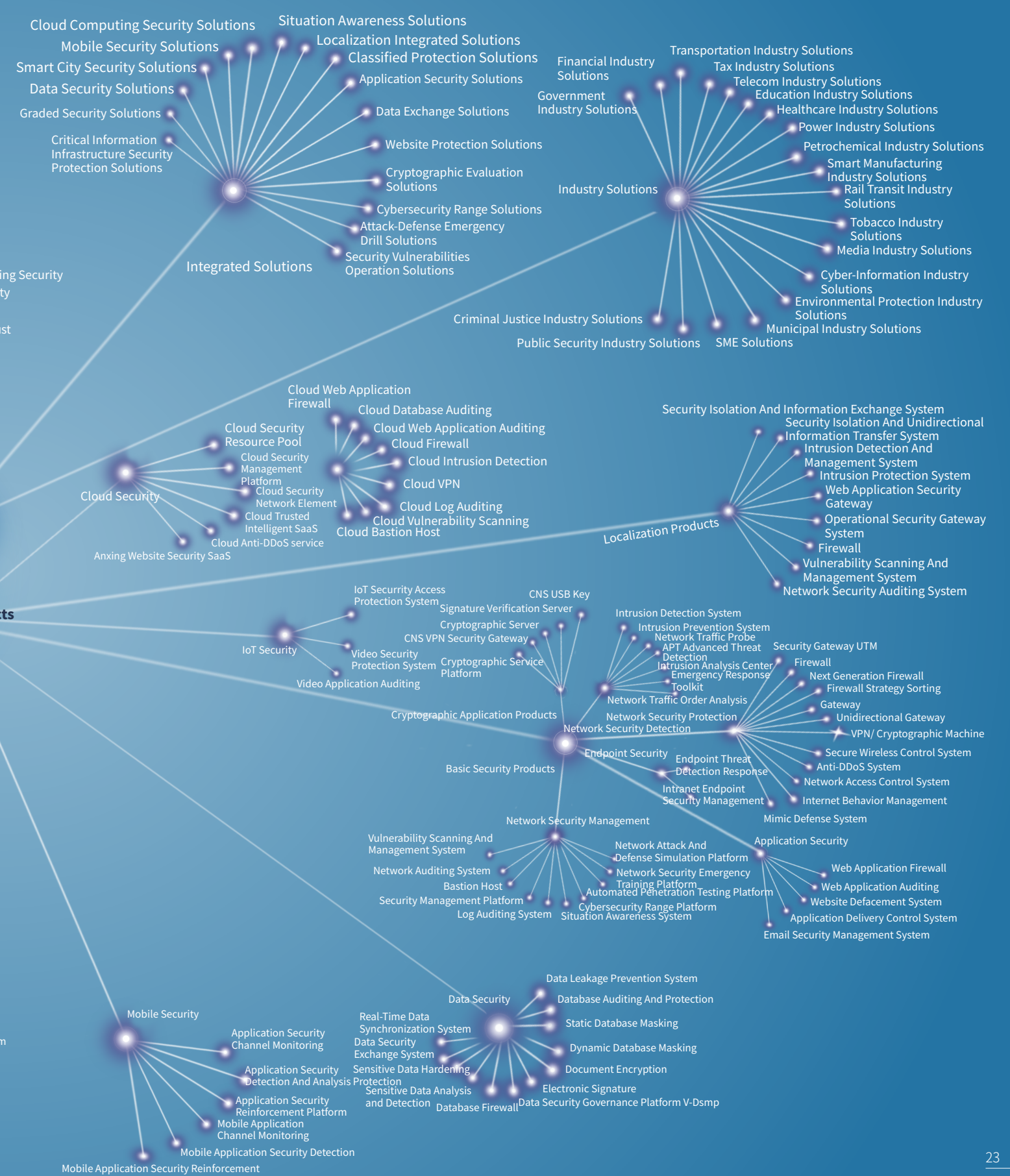
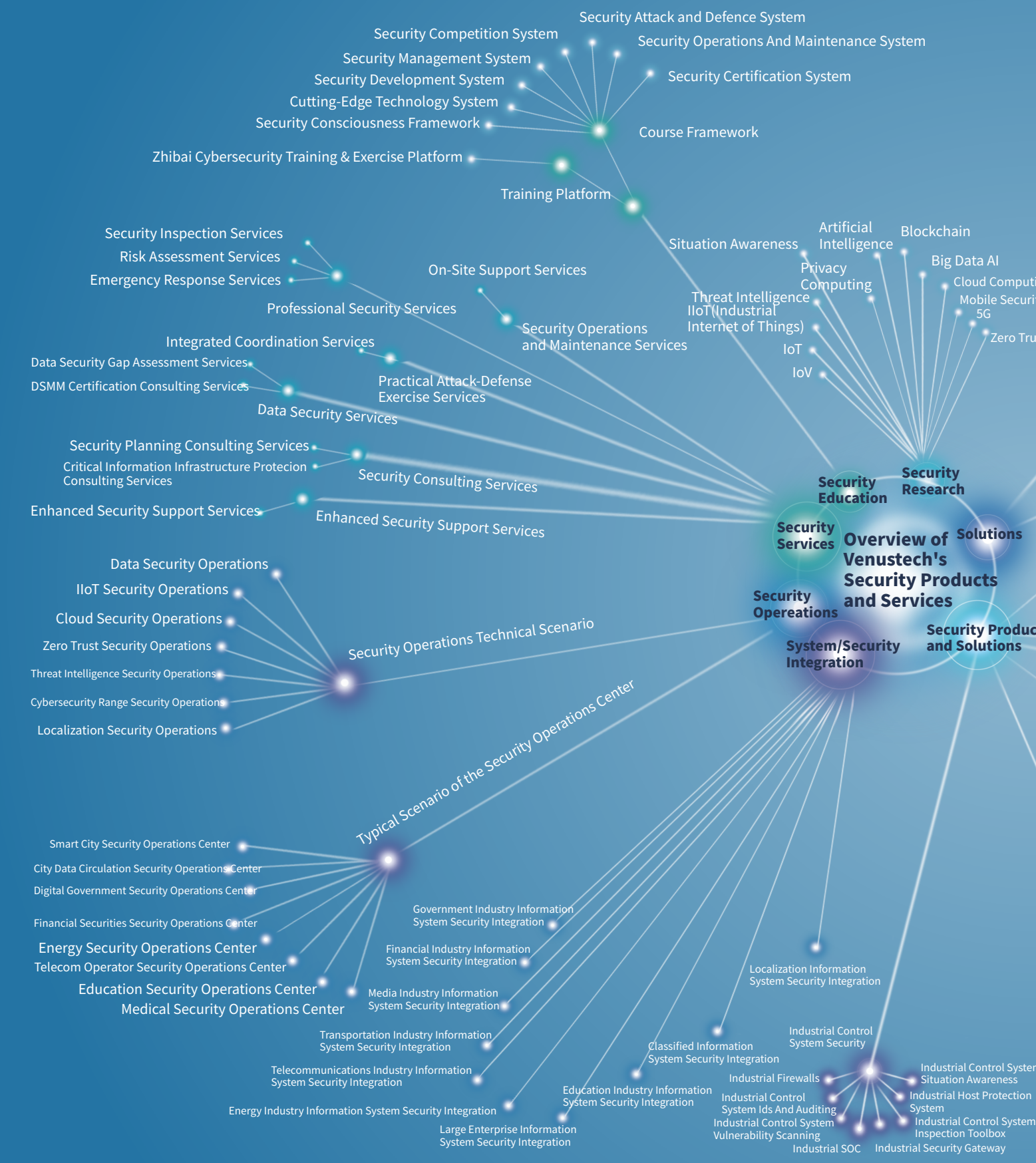
R&D Realization Technology

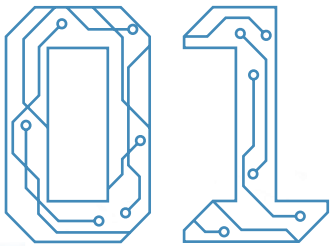
- Chip
- R&D Platforms, such as Pangu

Systematic Scenario Management Ability

- Management System ISMS
- Governance System DSMM







Governance

Pursuing Corporate Prosperity with Proactive and Prudent Approach

As the ancient Chinese saying goes, "To have integrity is to follow the path of heaven; to think with integrity is to cultivate the mind of humanity." Venustech remains dedicated to upholding integrity in our operations, adhering to ethical business practices, and fulfilling our mission of safeguarding the high-quality development of the cybersecurity industry. We continuously improve corporate governance, fosters technological innovation, and promote efficient cybersecurity operations management to contribute to the construction of Digital China.

► Venustech's Scoreboard:

Percentage of
Female Directors:

43%

Percentage of Independent
Directors:

43%

Compliance Training
Participants:

1,725

► Our Response to the SDGs



Achieving Sustainable Development through Comprehensive Law-based Corporate Governance

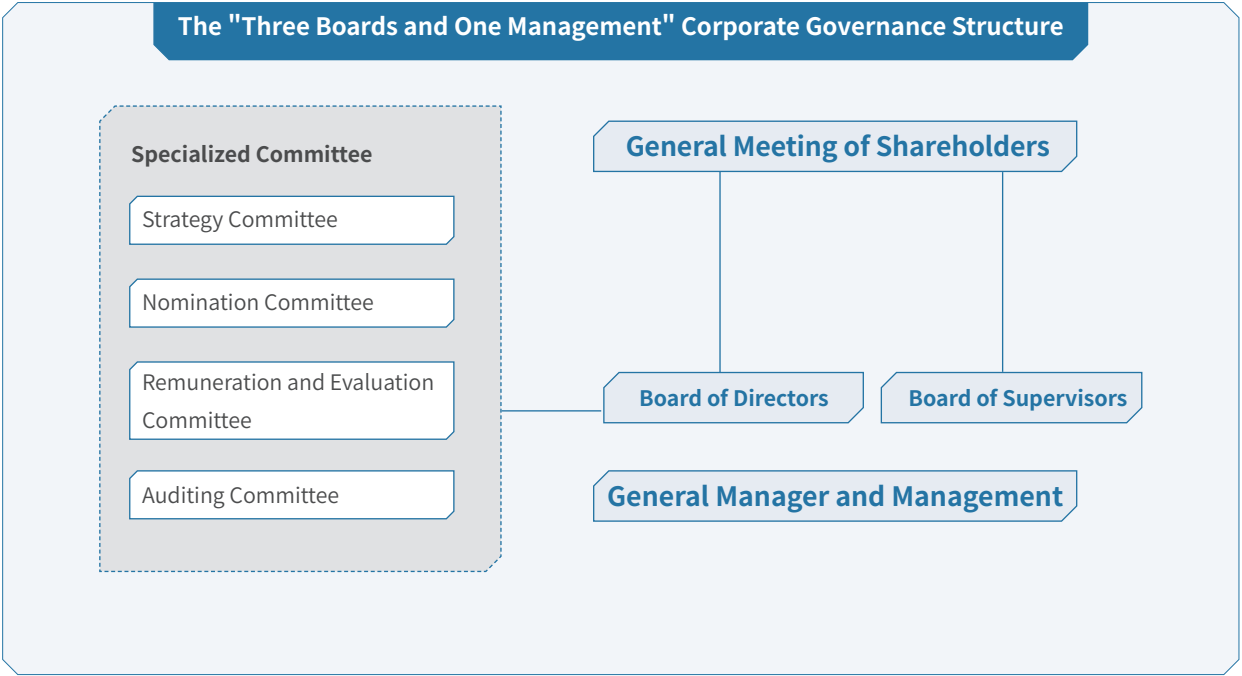
"When laws are effectively enforced, and discipline is upheld, there is no country that cannot be governed, and no people that cannot be transformed," as the old Chinese saying goes. Venustech strictly adheres to *the Company Law, Securities Law, Code of Corporate Governance of Listed Companies, and the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange*, etc. We consistently enhance our corporate governance structure, reinforce compliance management practices, and establish a robust risk management and internal control system, thereby standardizing operations and achieving high-quality development.

Strengthening Corporate Governance Capabilities

Venustech prioritize the protection of shareholders interests and prevention of ongoing returns of shareholders. We continuously enhance our governance mechanisms. We have established a governance system characterized by sound structure, strict regulations and efficient operations to ensure healthy development on all business fronts.

Standardized the "Three Boards and One Management" Governance System

We standardize the mechanism of the Three Boards and One Management (i.e., General Meeting of Shareholders, the Board of Directors (the BoD), the Board of Supervisors, and the the General Manager and Management). By delineating clear responsibilities and boundaries for each governance entity with power delegation, we have established an effective mechanism among the decision-making bodies, supervisory framework, and management unit. This converts effective governance into a driving force for development.

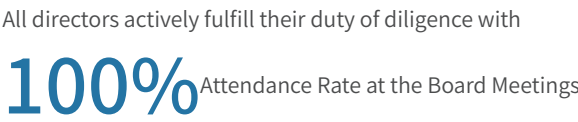


Effective and Efficient Operation of the BoD

In 2023, the Board of Directors consisted of 7 directors. The responsibilities of the BoD include convening the General Meeting of Shareholders, formulating financial budgets, finalizing profit distribution plans, reviewing and approving major business matters, and administrating information disclosure matters. The BoD has four specialized committees: Strategy, Nomination, Remuneration and Evaluation, and Audit, to ensure that the BoD are properly informed with fair, professional, unbiased and independent consultations for its decision-making.

Venustech emphasizes the independence and diversity of the BoD. We have drafted *the Independent Director Working System of Venustech Group Inc.* When nominating and appointing board members, we carefully consider gender, age, educational background, and industry experience to ensure a diverse range of expertise across all business segments. Moreover, we remain dedicated to promoting gender diversity within our managerial roles. Presently, the BoD comprises 3 independent directors and 3 female directors, each accounting for approximately 43% of the total directors.

In 2023, directors, managers, and related personnel participated in 14 on-site and online training sessions organized by regulators, with a total of 23 participants.



In 2023

3 independent directors

3 female directors

each accounting for approximately **43%** of the total

directors, managers, and related personnel participated in **14** on-site and online training sessions organized by regulatory bodies

with a total of **23** participants

■ Enhancing the Transparency of Information Disclosure

We ensure true, accurate, complete, and timely disclosure of information according to the Shenzhen Stock Exchange Listing Rules and our Company's Information Disclosure Regulations. Venustech is committed to strengthening our information disclosure management and levelling up the quality of information disclosure. The Company has set up the Securities Advisory Department and Investor Relations Department to facilitate communication with shareholders and investors and provide related announcements, materials and services. During this reporting period, the Company released 186 announcements to help investors understand our business development, financial status, and important decisions. Venustech earned an A rating of the 2022-2023 Information Disclosure Assessment, a distinction awarded to only 18.17% of Shanghai and Shenzhen listed companies. We have achieved this result for four consecutive years, an honor given to only 6.51% of Shanghai and Shenzhen listed companies, Shanghai and Shenzhen listed companies.

■ Strengthening Investor Relations Management

Venustech values investor relations and the protection of investors' interests as or top priorities, and strictly comply with relevant laws, regulations and our Company's policies to disclose information truly, accurately, completely, promptly and fairly. To this end, our Investor Relations Department is directly led by the Vice President / Board Secretary. Meanwhile, we appointed a dedicated personal to be responsible for investors communication liaison. Besides of implementing *Investor Relations Management Measures of Venustech Group Inc.* and *Information Disclosure Measures of Venustech Group Inc.*, we have also introduced an investor relations column on Venustech's website to facilitate online interaction. This section addresses investor inquiries, complaints, and suggestions.

We utilize various communication channels, including the Company's website, WeChat and Weibo official accounts, Douyin, telephone, fax, and email. Our communication encompasses General Meetings of Shareholders, investors meetings, roadshows, site visits, seminars, and securities firms' strategy conferences. To enhance investors' engagement, we showcase our achievements and capabilities through distinctive venues such as the honor exhibition hall, the city security operations centers, the Beidou Cube laboratory, and the industrial control system laboratory. Furthermore, we have established an investor communication hotline to address queries, and answered over 750 calls in 2023, with a maximum of 7 calls per day. A communication mechanism for major events has been established to inform investors when formulating major plans involving shareholders' rights and interests.

We insisted on communicating with investors on a regular basis through all channels. In 2023, we held annual, half-year and quarterly earnings calls. These activities shed light on the Company's operations and allowed us to interact with investors in person and online. Moreover, we actively participated in over 500 sessions organized by securities firms. All of these activities will turn into a more transparent and sustainable development for the Company.

In 2023

the Company released
186 announcements

To 2022-2023

Venustech earned an **A** rating of the 2022-2023 Information Disclosure Assessment, a distinction awarded to only **18.17%** of Shanghai and Shenzhen listed companies. An honor given to only **6.51%** of Shanghai and Shenzhen listed companies for **4** consecutive years.

In 2023

answered over **750** calls this year
with a maximum of **7** calls per day

we actively participated in over **500** sessions organized by securities firms



Venustech's Open House



Touring the Beidou Cube Security Operations Center

■ The Protection of Shareholders' Rights and Interests

We encourage minority investors to engage in decision-making processes and protect their rights to be informed, to participate, and to vote through their practical actions. 1,154 shareholders participated and exercised their voting rights in the fourth general meeting of shareholders 2023. Remarkably, 1,152 of these shareholders were minority shareholders, representing 36.26% of the Company's total shares with voting rights.



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Shareholders' Meetings in 2023

- March 17, 2023** The 1st EGM in 2023: the approval of resolution on the Analysis and Justification Report for the Issuance of A-Shares to Specific Investors and the approval of proposal to Authorize the Board of Directors and Its Authorized Representatives to Handle All Matters Related to the Issuance of A-Shares to Specific Investors.
- April 12, 2023** The 2nd EGM in 2023: the proposal of resolution on the Related Party Transactions.
- May 16, 2023** 2022 AGM: the approval of resolutions on the followings: the 2022 Annual Report of the Board of Directors, the Report of the Board of Supervisors, the Financial Statements, the Annual Report and Its Executive Summary, the Profit Distribution Proposal, the Renewal of the Contracts with the Auditing Agencies, the Remuneration of Directors and Supervisory Board Members, the Repurchase and Cancellation of the 2022 Restricted Stock Incentive, as well as the Change of Registered Capital and the Amendment of *the Articles of Association*.
- May 31, 2023** The 3rd EGM in 2023: the approval of resolutions on the Revised Draft of the 2022 Restricted Stock Incentive Plan, Its Executive Summary and the Implementation Measures.
- October 17, 2023** The 4th EGM in 2023: the approval of resolutions on the Period Extension of the Resolution for the Issuance of A-Shares to Specific Investors and to the Extension of the Authorization Period for the Board of Directors and its Authorized Representatives to Handle All Matters Related to the Issuance.
- December 12, 2023** The 5th EGM in 2023: the approval of resolutions on *the Amendment of the Independent Director Regulations* and the Proposal on the Proposed Related Party Transactions 2024.

The Company's senior management places great importance on the relationship with shareholders, investors, and analysts, as evidenced by the meetings they attended:

The 2022 annual earnings call on Apr 20, 2023

The 2023 Q1 earnings call on Apr 26, 2023

The 2022 online results meeting on May 8, 2023

The 2023 Q2 earnings call on Aug 30, 2023

The 2023 Q3 earnings call on Oct 28, 2023

The above-mentioned calls covered significant topics such as overall performance, operational & financial performance, strategy implementation, R&D innovations, and future outlook. These interactions have fostered mutual trust and understanding between the Company and its stakeholders, thus further enhancing Venustech's brand value.

Higher dividend ratio, higher return for Shareholders

Taking cash flow and future development needs into account, Venustech raised the dividend ratio to **45%** in 2023, resulting in the distribution of RMB **331** million to the shareholders.

Enhancing Compliance Management

Venustech firmly believes responsible business practices in accordance with ethics and the law are the prerequisites for the sustainable development. We compliance national laws, regulations, and management guidelines of relative departments, and we are committed to continuously enhancing our compliance management system, providing relevant training, and strengthening anti-corruption efforts. These initiatives aim to establish a governance framework based on the rule of law.

Strengthening Compliance Management

We've established the Legal and Complain Management Center, alongside the Internal Audit Department, to ensure that all our business operations adhere to legal requirements and compliance standards.

Compliance Training in Motion

We regularly organize compliance training to help employees understand our compliance goals, adhere to the compliance requirements, and enhance their compliance capabilities.

Upholding Business Ethics

We are committed to anti-commercial bribery laws and regulations and have established a robust anti-fraud mechanism. We enforce institutional measures such as *the Venustech Employee Code of Professional Ethics and Conduct* and *the Venustech Whistle-Blowing Policy and Procedures* to regulate employee behavior and foster a culture of integrity. Notably, no corruption cases were ever reported in 2023.

Transparent Whistleblowing Channels

Employees and external personnel can use our established channels to report any malpractices anonymously or non-anonymously by telephone, letters and emails. Reported misconduct cases have been handled following *Venustech's Whistleblowing Policy and Procedures System and Procedures*. Moreover, protecting the confidentiality of whistleblower's personal information is our top priority.

Whistleblowing Channels:



Dedicated hotline:
13661375124

Email:
ts@venusgroup.com.cn

Director's Office:
010-82779015

Fax:
82779000

Mailing Address:
Building No. 21, Zhongguancun Software Park, No. 8 Dongbeiwang West Road, Haidian District, Beijing, P.R.China, 100193

Sound Risk Control Mechanism

At Venustech, we prioritize risk management and internal control at the core of our business operations. Following *the Basic Standers of Internal Control for enterprises*, we embrace the "Three Lines of Defense" risk management model. Tailoring it to our specific circumstances, we continuously enhance our internal control mechanisms to ensure effective risk management.

First Line of Defense:

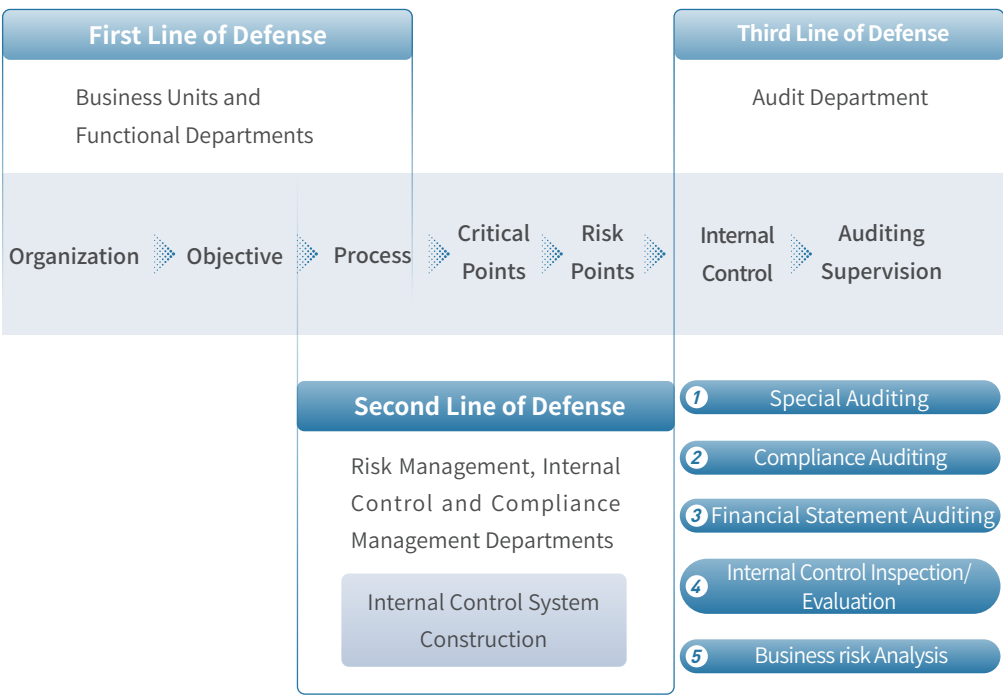
All BUs and functional departments execute, manage and direct various tasks to achieve organizational goals and objectives.

Second Line of Defense:

The risk management, internal control and compliance management departments support and supervise the first-line operations, offering professional guidance and raising pertinent questions regarding risk management.

Third Line of Defense:

The audit department objectively confirms and consults on the effectiveness of internal controls.



Innovating with Integrity to Safeguard the Digital China Initiative

"Persistent striving as the principle, pursuit of innovation as the path" as the old Chinese saying goes. Venustech believes that the foundation of its development lies in technological innovation. With the philosophy of "adhering to the concept of upholding integrity and embracing innovation," the Company, driven by market demands, focuses on breaking through core technologies and leverages technology transformation to enhance the construction of the technological innovation system. By fostering a dynamic environment for innovation, the Company endeavors to forge an independent path in the cybersecurity industry during the new era.

Perfecting the Innovation Management System

In alignment with the Security Business Value Strategy Framework, Venustech focuses on strengthening the top-level design of its innovation system. The Company has established an innovative organizational structure and constructed an innovative institutional system, thereby laying a solid foundation for fostering innovations.



Organizational Foundation:

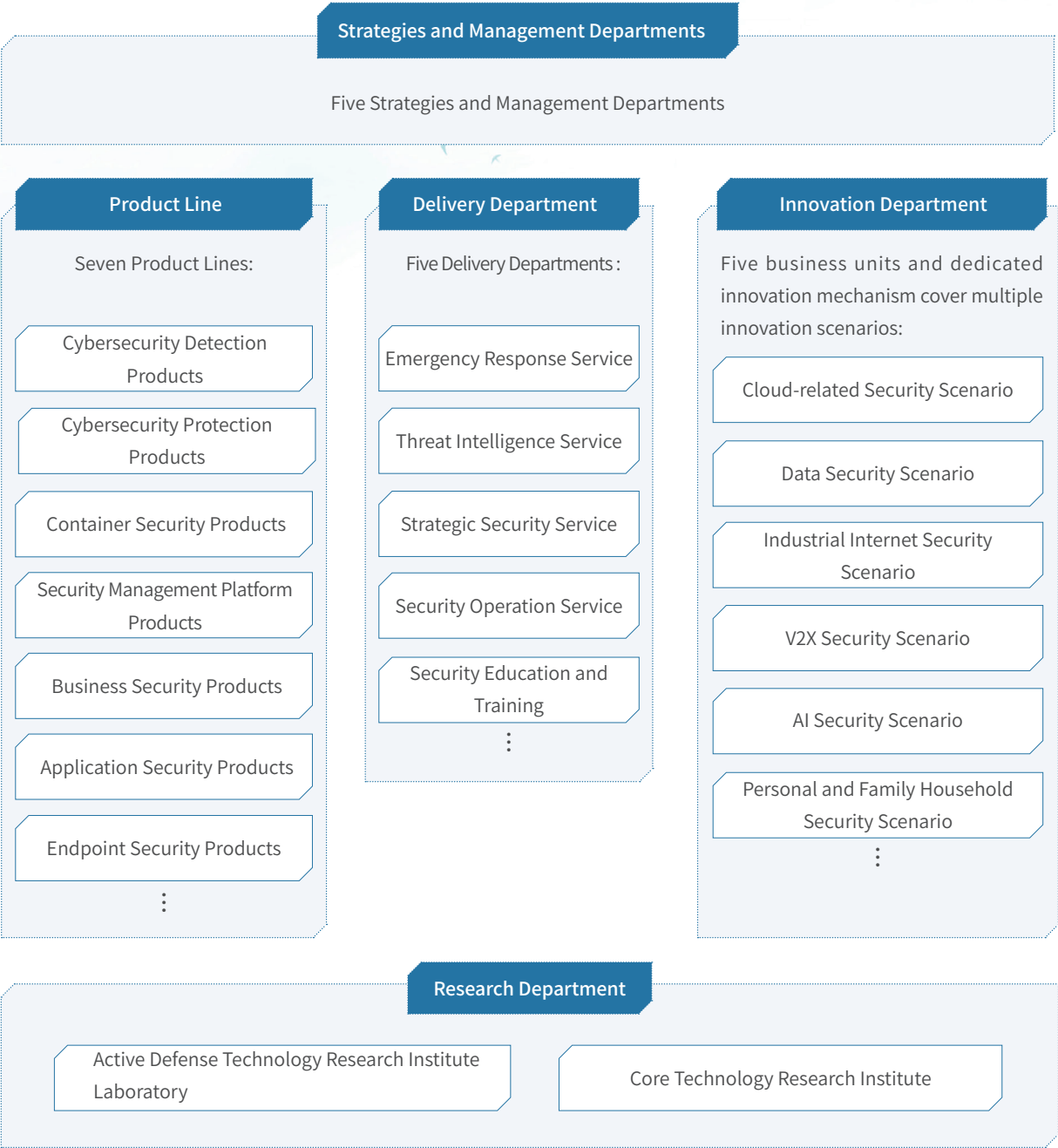
We have established a R&D organizational structure led by top-level R&D and strategic management departments, and set up a dedicated expert technical group responsible for driving technological innovation; we have established a cross-departmental cooperation mechanism to promote collaborative innovation among departments such as R&D, product design and sales.



Institutional Foundation:

Policies and management systems have been formulated around the initiation, process management, intellectual property management, output evaluation, and incentives of R&D innovation projects. These clarify the relevant workflows and specific steps to ensure that innovation activities are standardized, institutionalized, and scientific.

R&D Organizational Structure



Continuously Stimulating Innovative Vitality

We continuously increase R&D investment and innovation efforts, aiming for breakthroughs in core technology. We fully harness innovative resources, crafting a cybersecurity innovation ecosystem that includes talent cultivation, research and development, and achievement transformation. These efforts will unleash our innovation potential.

★ Optimizing the R&D Layout	We have established a research and development structure that links the Group Headquarters in Beijing and the Data Security Headquarters in Hangzhou, creating a dynamic north-south axis. We have also set up R&D centers in Shanghai, Guangzhou, Chengdu, Changsha, Zhengzhou, and other locations. In August 2023, we further strengthened our R&D capabilities by establishing our cloud headquarters in Suzhou High-tech Zone.
★ Innovation Platform Construction	Leveraging the Active Defense Laboratory, we focus on talent cultivation and conduct in-depth attack and defense research on network and information security. We pioneered the establishment of the first enterprise-level cybersecurity postdoctoral workstation in China. This initiative has enabled us to lead the development of state-of-the-art cybersecurity technologies and participate in key national research projects, resulting in a wealth of remarkable research outcomes. Additionally, we have established the Core Technology Research Institute to explore foundational, strategic, and cutting-edge technologies in areas such as big data security analysis, AI-enabled threat analysis and detection, and security knowledge graph.
★ Fostering an Innovation Atmosphere	Since 2017, we have held annual R&D innovation competitions driven by our core business and user needs. This yearly event facilitates technology breakthroughs, transforming ideas "from 0 to 1" and then leapfrogging "from 1 to N." In this way, an innovative culture and an atmosphere of creativity have been fostered.
★ Providing Innovation Incentives:	We reward teams that emerge victorious in the annual innovation competition. We also encourage our R&D teams to apply for patents, providing them with subsidies according to <i>Patent Management Standards</i> . Additionally, we have an incentive mechanism dedicated to R&D innovation projects. Based on the characteristics of each project, we offer incentives to the respective R&D teams to fuel their motivation and commitment to innovation.

Vigorously Cultivating Innovative Achievements

Aligned with trends in the cybersecurity industry, Venustech emphasizes intellectual property protection while driving the commercialization of innovations. This approach ensures that innovations are transformed into tangible productivity, offering robust support for the Company's high-quality development.

Venustech's R&D Layout



As of 2023,

Over **300**
invention patents
have been
authorized.

Over **500**
applications for computer
software copyrights have
been filed.

Over **60** applications for
domestic and international
registered trademarks have
been submitted.

Completion of over **30** major
national, provincial, and municipal
R&D projects.

Focusing on Core Responsibilities, Strengthening the Foundation of Cybersecurity

As the saying goes, "Stay vigilant in peaceful times, and adversity shall be averted." Venustech firmly believes that the network is boundless but security has its boundaries. Therefore, we continuously improve our cybersecurity management system to minimize security risks, strengthen cybersecurity training, and foster the sustainable and healthy development of our cybersecurity operations.

Enhancing Cybersecurity Management

The Company abides by the philosophy of "Proactive prevention, in-process control and responsive management post-incident." With security governance at our core principle, guided by maximal risk control, and grounded in compliance with security regulations, we continuously enhance our cybersecurity management system and propel our security management efforts to new heights.

Strengthening Organizational Construction

We've implemented a robust organizational support system that fosters close coordination across departments. Each dedicated department assumes responsibility for key areas such as risk assessment, security plan development and execution, security operations, emergency response, penetration testing, and security consciousness training.



Venustech prioritizes "Safety First, Prevention Foremost" and has implemented regulations such as *the Office Network Management Measures* and *Server Room Management Measures* to strengthen intranet security management.

Implementing Robust Regulations

Mitigating Cybersecurity Risks

We place great emphasis on the prevention of cybersecurity risks, effectively guarding against and resolving such risks through the strengthening of cybersecurity platform construction and the carrying out of special cybersecurity initiatives, thereby significantly enhancing the efficiency of cybersecurity management.

Construction of Ultra Trust Security Operation Platform



The integration of the telecom operator's super SIM card's real-name identity with the Ultra Trust security gateway has established an innovative security operation model combining "identity as the foundation with trust technology." On one hand, the Ultra Trust security gateway is utilized to strengthen the control of visitors' identity security, linking a mechanism of "trusted identity authentication, multi-dimensional trust assessment, and dynamic access control," to achieve the goal of "full-process trustworthiness" in identity, environment, resources, permissions, and behavior. On the other hand, the unique identification role of the real-name SIM card is fully leveraged, using the real-name identity as the source and starting point for isolating security risks. Distinguishing security events between "with identity" and "without identity" provides a "target" for security event handling and operation, allowing for precise and deterministic identification of suspicious targets. This approach narrows down predictable security events to the order of thousands, making the handling of security events manageable, controllable, and operable.



Featured Cybersecurity Special Initiative

We hold the Tiantian Cup attack and defense competition and special security operations to conduct attack penetration tests on the company's information systems and business systems, promptly discover security vulnerabilities and risks, and carry out rectification.

Venustech Held the 3rd Tiantian Cup (TTC) Network Attack & Defense Skills Competition

Case Study

In May 2023, Venustech hosted the 5-day Cyber Attack and Defense Skills Competition - the 3rd TTC. This marked the first time the TTC has been conducted in a real network environment since its inception. By uniting various departments in joint defense and multiple production lines in coordinated defense, the competition aimed to deeply explore potential security risks in the company's information systems and business systems, and comprehensively test the effectiveness of the network security defense system.



Venustech Hosted the 3rd TTC Network Attack & Defense Skills Competition

Conducting Cybersecurity Training

Strictly adhering to the laws and regulations for cybersecurity, Venustech makes efforts to develop a cybersecurity culture based on our corporate needs. We also conduct routine cybersecurity training to establish an ideological defense line among our staff.

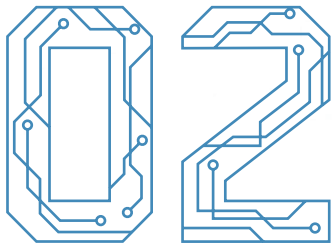
Venustech has Established a Regular Cybersecurity Training Mechanism

Case Study

Venustech attaches great importance to cybersecurity training, making it a compulsory course for new employees to strengthen their cybersecurity awareness and prevention skills. In 2023, training sessions were conducted on topics such as "New Era Cybersecurity Landscape", "Security Service Project Management System", and "Data Service Routing & Data Traffic Security Supervision Platform Products", with a total of 7,417 participants. Additionally, 2,883 participants passed the cybersecurity awareness quiz held.



Themed Training on "New Era Cybersecurity Landscape and Corporate Strategy" for New Employees



Society

Safeguarding Community Stability through Responsibilities of Goodness

“If one delights in being virtuous, even if fortune has not yet arrived, calamity will stay far away.” This proverb stresses the importance of virtue. At Venustech, being a responsible business is crucial for fostering sustainable development. We are dedicated to our social responsibilities and prioritize societal and national interests. We integrate corporate growth with social responsibility, seeking mutual growth with employees and partners. By contributing to community development, the Company collaborates with stakeholders to build a cohesive society.

► Venustech's Scoreboard:

Charitable giving statistics for 2023: RMB

10,166,500

Proportion of female managers:

31%

► Our Response to the SDGs



Maintaining People-oriented Philosophy to Foster a Contented Workforce

"Exceptional achievements require extraordinary people," as the saying goes. Venustech embraces a human-centered philosophy, placing emphasis on respect and support for talent and acknowledging employees as the Company's most valuable asset. We uphold the rights of our employees, ensure their health and safety, and prioritize their career development. Additionally, we promote work-life balance and cultivate mutual growth between the Company and our employees.

Safeguarding Employee's Rights and Interests

We uphold the rights of our employees by strictly adhering to compliant recruitment, democratic governance and competitive compensation and benefits packages. Furthermore, we enhance democratic management and protect employee privacy. These efforts ensure harmonious employment relations at Venustech. In 2023, revisions were made to *the Employee Handbook* regarding recruitment, compensation, and leave policies to safeguard employee rights and welfare.

In 2023

The average paid annual leave for each employee:

17 days

Paid sick leave for each employee:

5 days

Lawful and Fair Recruitment

We are committed to fair recruitment practices, ensuring equal treatment, and fostering a transparent and open atmosphere for talent recruitment. We adhere to labor laws and regulations and establishes employment relationships based on equality.

Protecting Employees' Privacy

Venustech prioritizes personal information protection. We have established policies to safeguard employees' personal information. Staff members with access to private employee information are required to sign confidentiality agreements. Additionally, *the Personal Information Protection Law* is integrated into our internal learning platform to enhance privacy awareness.

Implementing Democratic Governance

We formulate policies based on employee suggestions, listen to their viewpoints, and safeguard their democratic rights.

Improving Employee Welfare

We have implemented a dual healthcare system with social medical insurance as the foundation, supplemented by our enterprise insurance. We offer additional medical, accident, and critical illness insurance for employees' welfare and improve their sense of security. With a people-centered employment concept, we continuously enhance our welfare policy. We provide anniversary gifts to foster a sense of belonging, prioritize employees' experiences, and offer paid sick leave and extra Spring Festival leave, alongside leaves mandated by relevant laws and regulations. Additionally, we implement flexible work arrangements to enhance work-life balance.

Improving the Salary System

We adhere to the principles of "One-Premise, Two-Fairness, and Three-Matching" to establish and refine the salary system: "One-Premise" ensures that the salary system remains within the Company's payment capabilities; "Two-Fairness" ensures both internal and external equity; and "Three-Matching" ensures that salaries align with position, capacity, and performance. Benefit and risk sharing are integral to the remuneration system, incentivizing employees to create long-term value and assume associated risks.

At the same time, we align our strategic planning and annual performance indicators to develop salary policies compliant with *Labor Contract Law of the People's Republic of China* and relevant regulations. These policies prioritize external competitiveness and internal equity, ensuring stable and competitive compensation for employees while inspiring enthusiasm and creativity.

Safeguarding Employee Health

We comply with occupational health and safety laws and regulations and emphasizes physical and mental well-being in the workplace. Safety is our priority, and we provide due protections that meet occupational health and safety standards. In 2023, our wholly owned subsidiaries, Beijing Venustech Information Security Technology Co., Ltd. and Beijing Leadsec Information Technology Co., Ltd., obtained the Occupational Health and Safety Certification.



Focusing on in occupational health

We offer free annual physical examination for all employees, with experts ready to help them understand their health status. Additionally, our Employee Assistance Program (EAP) features psychological professionals who provide long-term support to help employees overcome mental challenges when needed.



Creating a Safe Workplace

By routinely inspecting our facilities, installing advanced access control systems, and equipping restrooms with smoke detectors and anti-slip mats, we enhance workplace safety and ensure a secure environment for all employees.



Cultivating a Safety Culture

We conduct fire extinguishing drills to enhance employee safety awareness and improve their emergency response capabilities, thereby minimizing potential injuries and damage in case of fire.



Strengthening Emergency Management

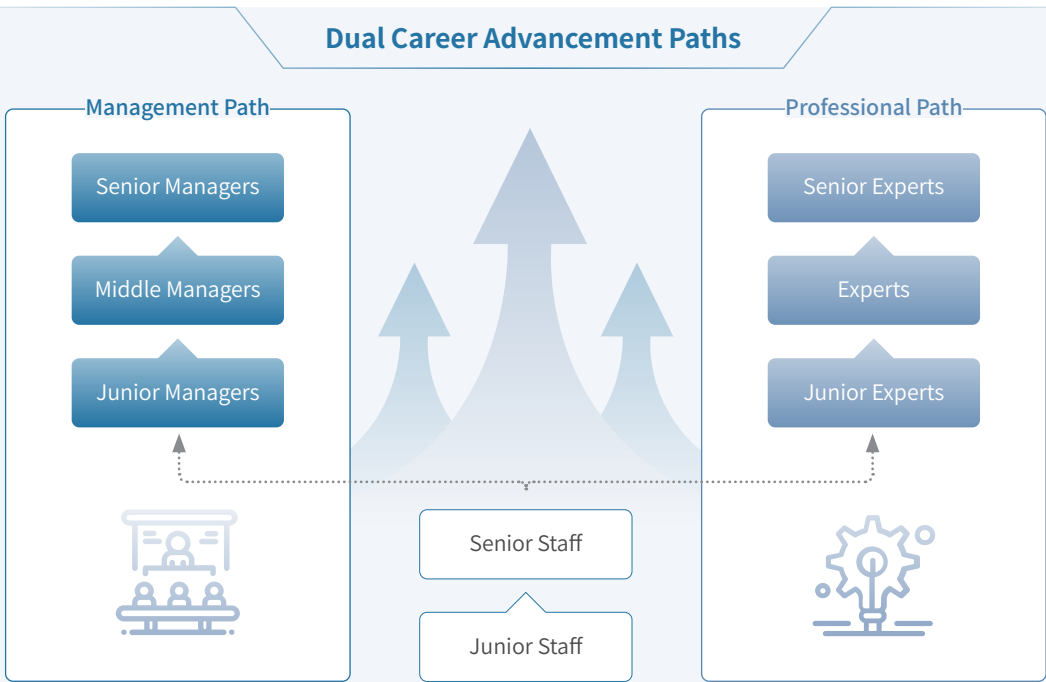
We have developed emergency plans, including *the Fire Evacuation Drill Guide* and *the Elevator Entrapment Drill Guide*, to guide emergency drills. These plans aim to ensure drills are conducted in a standardized manner, thereby enhancing the Company's preparedness and response capabilities.

Supporting Employee Career Growth

At Venustech, talents have always been our key assets and top priority. We attract talents through various channels, including campus recruitment and social recruitment. We provide our employees with a wide array of training and development opportunities, incentivizing them to maximizing their abilities, realize their potential, and support their career aspirations, thereby fostering mutual growth of our people and the Company.

■ Expanding Career Advancement Channels

We provide our employees with dual career advancement paths, offering both professional and management tracks. Additionally, we select candidates through open competition and reward employees based on their contributions. We encourage innovation and fair competition, ensuring transparency and fairness in their career progression.



■ Improving Training System

We have designed a life-cycle training system that supports every stage of employee development. Our approach includes rigorous training standards encompassing needs assessment, planning, organization, and evaluation. Across our curriculum, we offer over 1,000 courses spanning five key areas: ideological construction, fundamental knowledge, professional skills, general competencies, management courses, and technical proficiency.

Moreover, we have established a robust internal trainer cultivation program covering their selection, training, utilization, and motivation. This initiative has empowered us to cultivate a team of dedicated internal trainers who uphold our training standards.

We offer a variety of training modes, including live broadcasts, self-paced online courses, traditional face-to-face sessions, flipped classrooms, and hands-on workshops. This flexibility ensures that we effectively meet the diverse learning needs of our employees.

In 2023, we organized 49 specialized training sessions focused on compliance governance, risk management, security, confidentiality, and the code of conduct for on-site personnel. These sessions successfully involved a total of 12,243 participants throughout our organization.

Starlight Orientation Camp

For recent graduates, we employ a centralized training camp model that includes team-building exercises, corporate culture and industry integration, scenario-based empowerment of professional skills, mini-project combat experience, sharing sessions with industry leaders and outstanding employees, and visits to the hall of honor. These activities are designed to help new hires quickly assume their roles and fulfill their job responsibilities.

Starlight Shining Program

Tailored to diverse roles and qualifications, this comprehensive learning program integrates course-based learning, online examinations, and certification processes. It establishes a structured "learning-test-evaluation" pathway designed to meet the unique demands of each position. By the conclusion of 2023, the initiative had successfully supported 1,065 individuals, and 2,047 internal certifications were attained.

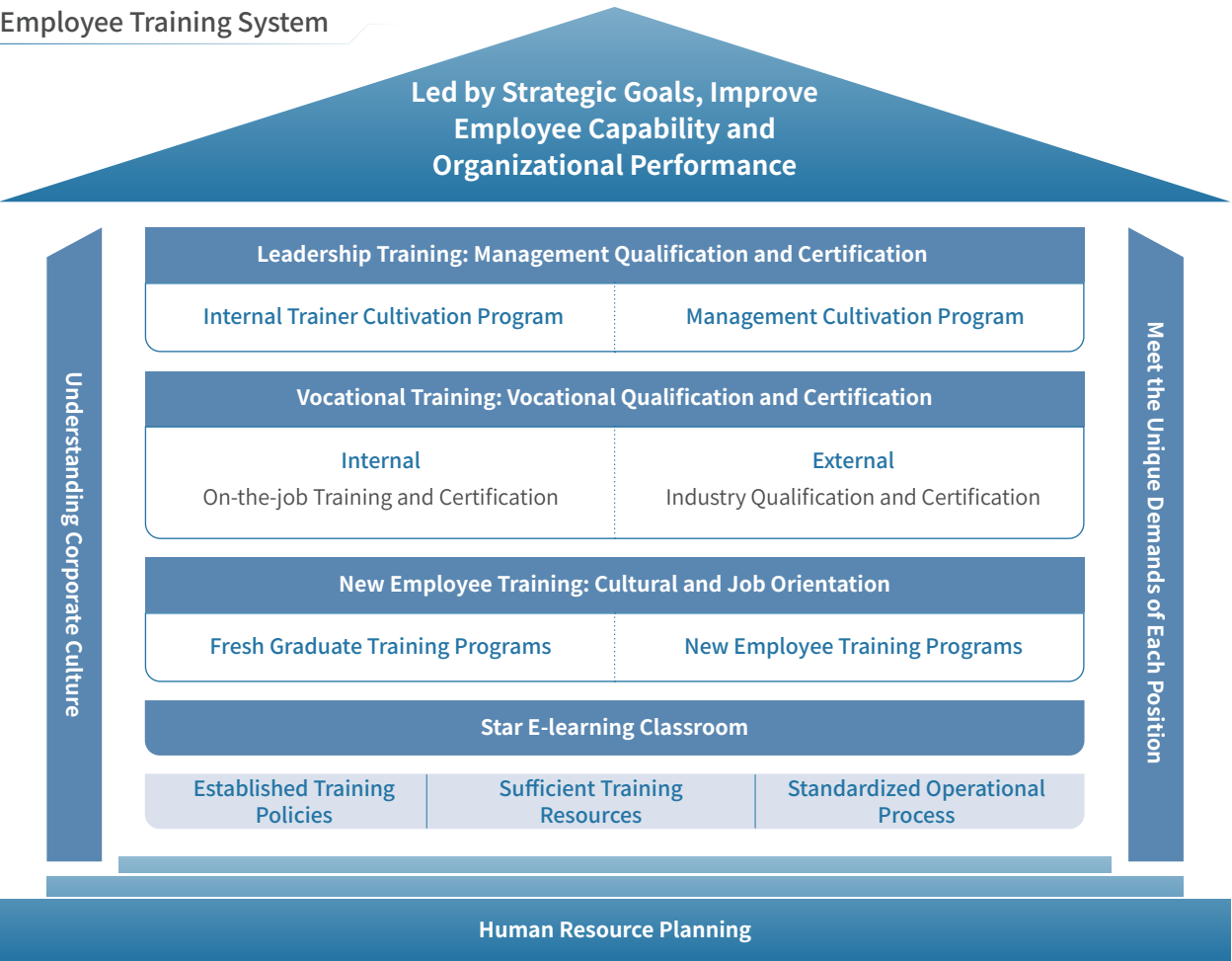
Starlight Kindling Program

This project is tailored for new employees and unfolds in three stages: fundamental knowledge training, comprehensive learning, and professional development. It operates in a hybrid format, blending offline training sessions with online broadcasts and recorded sessions. This approach aims to expedite the adaptation of new employees to their new roles.

Starlight Navigation Camp

For middle and senior management personnel, starting from the business line and capability line, comprehensive quality is improved through on-the-job practice, online coaching, case assignments, and other methods.

Employee Training System



Structure of Training Courses



Enhancing Employee Work-Life Balance

Venustech promotes employee well-being through cultural and sports events and assistance programs, aiming to cultivate a balanced work-life environment, enhance job satisfaction, and foster a strong sense of belonging and attainment.

Enriched Cultural and Sports Activities

We've created leisure spaces like yoga rooms and reading corners. Furthermore, we regularly arrange sports activities such as basketball and soccer matches to enrich employees' leisure time.



Employee Assistance Initiative

We've launched the Employee Assistance Initiative to support the needs of female employees, family members of employees, and those facing hardships. This initiative includes establishing baby care rooms, providing paid holidays on Women's Day, offering supplementary maternity medical insurance and newborn gift packages, extending medical insurance coverage to employees' children, and providing support to employees in difficulties, all aimed at enhancing their satisfaction and well-being.



A Cappella Lawn Concert



The 21st Venustech Cup Basketball Friendly Match



The China Mobile IT Cup Football League

Extended Reading: Special Fund for Love and Mutual Aid

Embracing the spirit of "when difficulties arise in one place, aid comes from everywhere," Venustech established the Special Fund for Love and Mutual Aid in 2008. This fund encourages voluntary donations to support employees in difficulties and their families affected by illness or natural disasters. Over the past 15 years, the fund has received more than RMB 2.8 million in donations and has helped nearly one hundred employees. In 2023, 150,000RMB yuan was spent to aid five employees who were ill.

Enhancing Collaboration and Building Mutual Success

As the saying goes, "a single flower does not make a spring, but a hundred in full bloom bring it to the garden." Venustech is committed to our mission of cybersecurity and joint development. We understand and meet customer needs, enhance quality management, and deliver premium products and services. At the same time, we implement responsible procurement practices to build a sustainable supply chain and foster joint growth with our suppliers. By adhering to industry regulations and embracing emerging opportunities, we support the high-quality advancement of the industry and contribute to national cybersecurity defenses.

Creating Premium Products and Services

The Company places a strong emphasis on product quality, carefully monitoring every stage from R&D and production to sales. Our goal is to provide customers with high quality, strong performance and reliable products and services. At the same time, we remain dedicated to a customer-centric approach, constantly enhancing our product and service experience to meet their satisfaction and expectation.

Total Quality Management

We always adhere to the principle of quality first, guided by scientific quality management principles and embodied in our quality management manual. We promote our subsidiaries to strictly follow national standards to establish and improve a comprehensive quality management system, to maximize the realization of our company's quality objectives, and to continuously enhance the level of quality management.

Strengthening Organizational Support

The general manager is the ultimate authority for the quality management system and all quality-related activities. Additionally, we have established an independent office responsible for overseeing the quality management system development, implementation, and supervision. Each department actively participates in daily quality management tasks to ensure comprehensive quality control throughout the organization.

Cultivating a Culture of Quality

We have nurtured a culture centered on quality that engages all employees. This is achieved through comprehensive training and quality awareness initiatives at various levels. Additionally, the achievement of quality objectives is incorporated into staff performance evaluations to encourage their participation in quality initiatives.

Solidifying the System Foundation

We have developed a comprehensive quality management framework according to the Quality Management System (QMS) and customized it to fit the Company's specific needs. This extensive collection includes over 600 pieces of documentation, consisting of quality manuals, procedures, and WI.

Establishing Robust Process Control Systems

We have established robust process control systems, which include procedures such as *Product Design and Development Control Procedure*, *Production Process Control Procedures*, *Procurement and Outsourcing Control Procedures*, and *Customer Service Control Procedures*. These systems enhance quality management throughout the entire product lifecycle, covering planning, design, development, procurement, production, and service stages, thereby eliminating potential quality issues from the outset.

Preventing Quality Incidents

We have implemented systems like *Non-conforming Output Control Procedures*, *Non-conforming Products and Corrective Measures*, and *Product Rework Control Procedures* to prevent and address quality issues. When a quality incident occurs, we promptly organize relevant departments to conduct thorough investigations and analyze the root causes. Based on the findings, we develop solutions to mitigate the adverse effects. Additionally, we continuously improve our system standards to prevent the recurrence of similar issues in the future.

Driving Continuous Quality Improvement

Each year, we create the *Annual Improvement Plan* to guide our quality enhancement initiatives. We evaluate and ensure the timely implement of improvement suggestions outlined in the plan and ensure their timely implementation. Additionally, we conduct regular reviews of our quality management system and internal audits according to the *Management Review Procedures* and *Internal Audit Procedures*. Drawing insights from these assessments, we refine our quality management system to strengthen the Company's long-term business development.

Excellent Customer Service

We leverage the customer service center as the cornerstone of our comprehensive customer service system. Through the professional skills and service capabilities of our customer service personnel, we promptly address customer complaints to earn their trust and support with exceptional service.

Multi-channel Response to Customer Needs

We ensure a timely understanding of customer needs and rapid response through multiple channels, including a 24/7 hotline, enterprise WeChat, the official website, online customer service, email, and dedicated phone lines.

Comprehensive Security Emergency Services

Adhering to principles of authorization, confidentiality, standardization, timeliness, and minimal impact, our emergency response team evaluates the category and severity of security incidents and delivers on-site and remote services.

High Standard Quality Commitment

According to Venustech's policy, we provide a one-year quality guarantee from the date of product shipment. During this period, software discs are replaced free of charge, hardware platforms are repaired at no cost, and delivery insurance fees are covered. After the guarantee expires, hardware platform repair services include an additional six-month warranty starting from the completion date of the repair.

Diversified After-Sales Services

We manage after-sales services according to *Evaluation System for Commercial After-sales Services (GB/T27922-2011)*, providing customers with regular support and on-site value-added services such as product installation, hardware repair, product standby, product upgrade authorization, log analysis, and customized strategies. This approach enables us to meet the diverse needs of our customers effectively.



Beijing Venustech Information Security Technology Co., Ltd. and Beijing Leadsec Information Technology Co., Ltd. have achieved the Quality Management System Certification

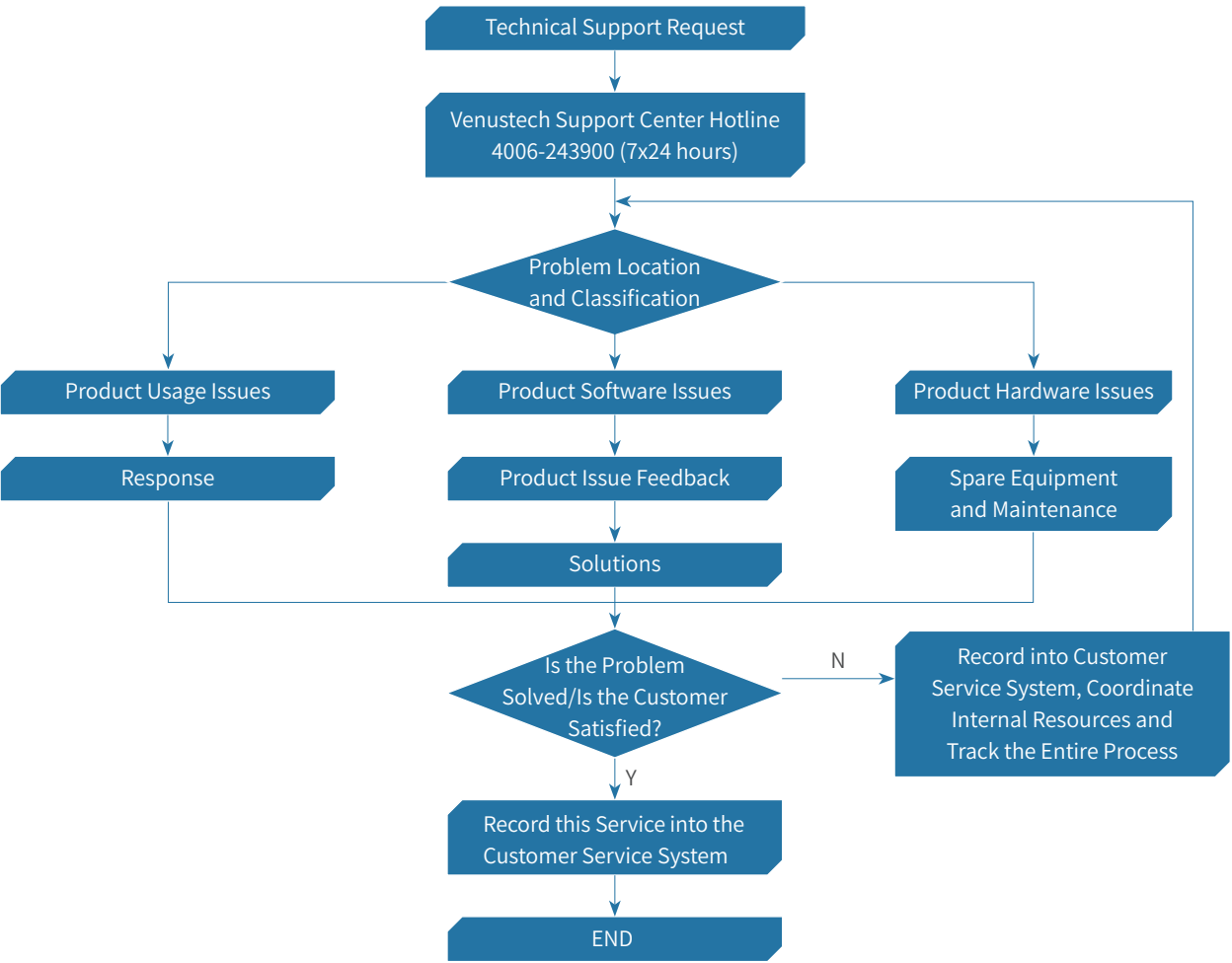
Standardized Complaint Handling Process

We handle customer complaints promptly and with a fair, impartial approach. We collaborate closely with relevant departments to resolve complaints effectively. Additionally, we keep customers informed of the outcomes to enhance satisfaction. In 2023, our customer service center managed 23 complaints with a 100% resolution rate.

Effective Customer Follow-up

We routinely conduct customer revisits to collect and analyze feedback, ensuring we grasp customer satisfaction with our products and services. These efforts deepen our interaction with customers and foster greater loyalty. In 2023, we conducted revisit activities with 629 customers, achieving an overall customer satisfaction rate of 93.71%.

After-Sales Service Process



Extended Reading: On-Site Value-Added Services

Our experienced customer service specialists or engineers provide on-site value-added services that differ from routine services. These encompass on-site inspections, security assurance during critical periods, log analysis, customized strategy development, on-site relocation, standby machine replacement, and comprehensive product support. This approach ensures personalized solutions that meet our customers' specific requirements.



Scan to learn more.

- **On-Site Inspection Services:** We follow the *On-Site Inspection Service Standards* and perform thorough on-site inspections to assess the hardware and software status. This proactive approach allows us to promptly identify any operational issues, mitigate security risks, and ensure the smooth functioning of both hardware and software components.
- **Security Assurance during Critical Periods:** For clients such as critical industries, we adhere to the Company's *Security Assurance Service Standards during Critical Periods* by offering specialized on-site services of their network system at designated times and locations. Our professional staff remains on-site standby 24/7 to guarantee secure and reliable network operations during critical periods.
- **Log Analysis and Strategy Customization:** Venustech offers on-site security incident analysis and strategy optimization services, assisting customers in swiftly identifying security threats and enhancing security operations and maintenance management.
- **On-Site Relocation Services:** Following the *On-Site Relocation Service Standards*, we develop a tailored relocation plan aligned with the customer's migration objectives. Our on-site relocation service ensures a seamless transition of networks and systems, facilitating a smooth and successful relocation process for our customers.
- **On-Site Standby Machine Replacement:** Following the *On-Site Standby Machine Replacement Service Standards*, we offer activation and deactivation services to facilitate reliable and efficient replacement of malfunctioning equipment. This ensures timely restoration of systems and networks affected by faults.
- **Product On-Site Support:** If issues cannot be resolved over the phone or through remote support, our technical staff will travel to the customer's specified location to troubleshoot and resolve anomalies related to product configuration, usage, and hardware or software on-site.

Promoting the Healthy Development of the Industry

Venustech has been deeply engaged in the cybersecurity industry, always shouldering the responsibility and commitment to safeguarding network security. We uphold integrity and fair competition, aiming to cultivate collaborative partnerships with win-win outcomes. Through active industry exchange activities, development of industry standards, and extensive research, we collaborate with partners to create synergy and support the stable growth of the industry.

Advancing Strategic Cooperation

We believe in long-term planning and the power of collective strength. Guided by the principles of "complementarities, innovation, development, and mutual benefit," we have forged strategic partnerships with enterprises, universities, and government bodies. By deepening cooperation, implementing collaborative measures, and ensuring mutual benefits, we foster a new landscape of complementary advantages, equal partnerships, shared resources, and joint development, to safeguard the construction of Digital China.

Enterprise Cooperation

We have launched a "headquarters-province-city" level engagement with China Mobile across the nation to deepen our cooperation in localization security, cloud-related security, and commercial cryptography security. Additionally, we are collaborating with Huawei, Hainan Industrial Investment, Shaanxi Daily, and Western China IoT to promote the high-quality development of the cybersecurity industry and a new industry ecosystem.

University Cooperation

We are strengthening our partnerships with universities such as the School of Cyber Science and Engineering at Southeast University and Beijing Railway Electrification College. Together, we advance joint professional development and talent cultivation initiatives. By combining our expertise, we aim to achieve synergistic effects of "1+1 > 2" that contribute to the building of Cyber Great Power.

Government Cooperation

Venustech has signed a contract with the Suzhou High-tech Zone Management Committee to establish Venustech national cloud security headquarters. This new facility, encompassing a cloud security R&D center and an urban security operation demonstration center, will contribute to the establishment of a Cloud Security Industry Cluster in Suzhou. This initiative acts as a catalyst, injecting fresh momentum into the development of Suzhou's innovative industries.

■ Deepening Industry Exchange

Recognizing the crucial role of interaction in advancing the industry, we actively participate in cybersecurity engagements. This includes attending conferences, forums, and exhibitions, as well as joining industry organizations. These activities enable us to stay abreast of the latest industry trends. We share our cybersecurity expertise, collaborate with stakeholders to explore cooperation opportunities, devise strategic security measures, and collectively shape the digital era.

Selected as the first batch of partners for the CICS-CERT's Long-term Cybersecurity Initiative

Joined the Kirin Software Security Ecosystem Alliance



Co-founded the National Industry-Research Community for the Digital Security Industry

Became the vice-chairman unit of the Zhongguancun China Information Infrastructure Protection Alliance (CIIPA)

Venustech Takes Part in the 2023 China Network and Data Security Industry Summit

Case Study

Venustech demonstrated its cutting-edge products, platforms, and solutions in data security at the 2023 China Network and Data Security Industry Summit. The Company unveiled a comprehensive security defense system and capabilities portfolio designed to handle various scenarios. Furthermore, Venustech, in collaboration with Jinpan Smart Technology, introduced the *Data Outbound Transfer Security Assessment and Monitoring Program based on the Business Scenario of Jinpan Smart Technology*, chosen as a pilot project for managing data security in the industrial sector. This initiative offers valuable insights into enhancing data security within the smart manufacturing industry.



Venustech participated in the awarding ceremony of the best cases and regions with outstanding achievements in industrial data security

Venustech has been Selected as the Vice-chairman Unit of the Mobile Cloud Integration-Application-Innovation Industry Ecosystem Alliance.

Case Study

In April 2023, Venustech participated in the "Cloud Empowering the Future, Intelligence and Trust Reshaping the World" 2023 China Mobile Cloud Conference. Alongside leading companies in the industry chain, Venustech helped establish an industry ecosystem alliance and was elected as the Vice-chairman Unit. The organization aims to unify efforts in creating comprehensive integration-application-innovation cloud solutions, fostering an open, inclusive, and cooperative industry ecosystem.

Venustech selected as the Vice-chairman Unit of China Mobile Cloud Integration-Application-Innovation Industry Ecosystem Alliance



Venustech Participates in Inaugural China Mobile Industry Investment and Cooperation Conference

Case Study

In October 2023, the first China Mobile Industry Investment and Cooperation Conference, themed "Gathering China Mobile Enterprises in Hunan for a Win-Win Future," successfully convened in Changsha, Hunan. Venustech participated in the release ceremony of the "AaaS and Ecological Circle" Cooperation Initiative and the Initiative on Collaborative Innovation and R&D Investment. Guided by China Mobile, Venustech aims to leverage its strengths by collaborating with partners to build an industry ecosystem, foster industry prosperity, share achievements, and contribute to the new developments in the digital economy.



Release ceremony of the "AaaS and Ecological Circle" Cooperation Initiative



Release ceremony of the Initiative on Collaborative Innovation and R&D Investment



In March 2023, Venustech participated in the China Mobile 5G Fully Connected Factory Launch Conference (First Station · Ningbo) and the 5G Fully Connected Factory Corps Formation Ceremony. Together with four other enterprises, Venustech jointly released the 5G Fully Connected Factory security capabilities.



In May 2023, Venustech showcased localization security system at the 2023 China Energy Network and Information Security Technological Exchanges.



In June 2023, Venustech was invited to participate in the 2023 Open-Source Security International Exchange Forum and signed the Open-Source Ecosystem Security Self-Regulation Convention.

Participating in Industry Research

With "ensuring information security" as our mission, we lead efforts to bolster China's standing as a Cyber Great Power. We leverage our technical expertise and strength and actively contribute to formulating industry standards and conducting industry research. The Company is reshaping China's cybersecurity industry by collaborating with our peers.

As the sole cybersecurity service provider among the drafting units, we actively participated in compiling the *Technical Specification for Urban Roads Intelligent Network Facilities in the Guangdong-Hong Kong-Macao Greater Bay Area*. Additionally, we contributed to various research efforts and standards, including the *2022 ICT Innovation Research Report*, the *Water Conservancy Data Classification and Grading Guide (Pilot Edition)*, and revisions and formulations of industry-related standards for judicial courts. These standards include *Guidelines for Construction of Security Isolation and Information Exchange Platforms (FYB/T53001—2020)*, *Requirements and Management Measures of Security Isolation and Information Exchange Platform (FYB/T 59006—2020)*, and *Technical Specifications for Court Cybersecurity Domain Division and Boundary Protection (FYB/T 53005—2020)*.

By the end of 2023, we had participated in formulating approximately 70 national/industrial standards in the cybersecurity industry and undertaking over 20 national research projects. Our efforts have resulted in the development of industrial Internet security products and solutions spanning sectors such as electricity, petrochemicals, intelligent manufacturing, tobacco, rail transit, and municipal services. We have established numerous demonstration cases and over a thousand industry application cases to enhance cybersecurity across these sectors.

Venustech Joins Hands with China Mobile to Launch Digital Government Cybersecurity Guideline Series

Case Study

In March 2023, leveraging our expertise in cybersecurity and think tank research, Venustech and China Mobile jointly unveiled the *China Digital Government Security System Construction Guideline*, *China Digital Government Data Security Practice Guideline*, and *Cybersecurity Legal Compliance Guideline for Digital Government Cloud Construction*. These guidelines mark the inaugural series in China's information and communication industry dedicated to digital government cybersecurity, offering comprehensive, systematic, and practical solutions to meet the fundamental requirements of digital government infrastructure.

■ Promoting Cybersecurity Awareness

Public cybersecurity awareness is crucial for industry development. Venustech actively engages in national cybersecurity promotion weeks through exhibitions, keynote speeches, forums, and competitions. These initiatives aim to promote cybersecurity awareness, educate the public on its significance, and improve China's cybersecurity landscape.

Demonstrating Cutting-Edge Solutions at Exhibitions

At exhibitions, Venustech showcases a wide range of products and solutions covering data security, IoT security, industrial Internet security, cloud-related security, identity security, and cryptographic application security. These presentations spotlight our strategic initiatives and accomplishments, providing a glimpse into our cutting-edge technological advancements and leadership in the industry.

Sharing Trending Perspectives

Our cybersecurity experts conduct seminars to discuss cutting-edge technology developments in key industry areas such as infrastructure, industrial Internet security, digital government security, and data security. These thematic seminars engage attendees in exploring emerging trends, technologies, and challenges in cybersecurity while contributing new ideas to advance cybersecurity infrastructure.



■ Cultivating Cybersecurity Talent

Venustech is committed to our mission of defending national cybersecurity and recognizes its responsibility as a national talent incubator. We prioritize the development of high-end talent through initiatives such as sponsoring competitions and providing cybersecurity training. By the end of 2023, we had supported over 200 national, provincial, and industry-level competitions.

In 2023, we sponsored several cybersecurity competitions, including the 8th Cybersecurity Skills Competition for Shaanxi Provincial Party and Government Organizations, the 6th Shanxi Venus Cybersecurity Cup College Students Cybersecurity Knowledge Competition, the 1st Jiangsu Vocational Skills Competition on Data Security Technology, the Qinghai Mobile · Kunlun Cup Network and Information Security Vocational Skills Competition, and the 1st Panzhihua Municipal Cybersecurity Training 2023.

By the end of 2023

We had supported over **200** national, provincial, and industry-level competitions.

Venustech Sponsors Shandong 2023 Venustech · Taishan Cup Cybersecurity Competition

Case Study

In September 2023, the Shandong Venustech · Taishan Cup Cybersecurity Competition, sponsored by Venustech, concluded with great success. This competition is regarded as the most prestigious, largest in scale, and highly influential cybersecurity event in Shandong Province. Venustech provided exclusive technical support and end-to-end support through the Zhibai Cybersecurity Training & Exercise System. Through this competition, Venustech has further consolidated resources, outcompete its services, enhance industry interaction and grown together with the competition.



Shandong Venustech · Taishan Cup Cybersecurity Competition in 2023

Extended Reading: Zhibai Cybersecurity Training & Exercise Program

The Zhibai Cybersecurity Training & Exercise System is an independently developed platform by Venustech, designed to provide comprehensive, precise, and visualized talent training and selection for cultivating innovative network attack and defense professionals. This system enables the tracking of emerging trends in network attack and defense behavior research, facilitates the incubation of high-tech network attack and defense projects, and offers training for cybersecurity experts with an international mindset and practical expertise. Based on the overall capability requirements of network attack and defense, Zhibai Cybersecurity Training & Exercise System encompasses training content for different networks, systems, and applications catering to the needs of cybersecurity talent planning and selection criteria across various industries. The platform is built on virtualization technology, with course content and precise assessment methods at its core. It integrates knowledge training, skill development, simulation exercises, management assessment, competition operations and maintenance, question management, attack and defense visualization, and assessment selection, to meet the diverse needs of computer, information security, and information confrontation talent cultivation in different industries, including theoretical teaching, practical application, skill competition, and discipline construction.

Collaborating with Responsible Suppliers

The Company is committed to responsible procurement practices, which involve establishing enduring and stable partnerships with suppliers. This is achieved through robust supplier management processes, regular supplier evaluations, and initiatives that support the growth and development of suppliers. By collaborating with suppliers, the Company actively contributes to the cultivation and advancement of the cybersecurity industry, while simultaneously building a sustainable supply chain.

■ Emphasizing Supplier Management

We adhere to principles of fairness and integrity, evaluating suppliers based on economic factors such as quality, delivery, and technology. Additionally, we prioritize non-financial aspects like business ethics and environmental protection, identifying and mitigating associated risks. Guided by our *Supply Chain Risk Management System*, we utilize an information management system to strengthen procurement management and establish a robust mechanism for managing our supply chain throughout its lifecycle.



Supplier Quality Management

Quality standards are pivotal in our supplier selection process. We emphasize process quality management and employ tools such as 8D and monthly quality reports to ensure effective monitoring and improvement. We actively assist suppliers in enhancing product quality through remote communication or on-site guidance, providing timely support to establish long-term cooperative relationships that foster mutual development and growth.



Supplier ESG Management

We enter into *Anti-corruption Agreements* and *Environmental Protection Agreements* with our suppliers, mandating compliance with business ethics, environmental protection laws, and regulations. Suppliers must adhere to national guidelines restricting hazardous substances in electrical and electronic products. Additionally, they are required to provide a *List of Hazardous Substances* with their product deliveries.



■ Conducting Supplier Evaluation

Supplier audits are crucial for us. We have established a set of evaluation indicators and conducted onboarding audits and routine assessments regarding their service qualifications, technical capabilities, problem-solving efficiency, delivery capabilities, and customer satisfaction. These evaluations promote continuous improvement among our suppliers and ensure a secure and stable supply chain.

Establishing Evaluation Indicators	We have developed an evaluation system comprising 16 indicators, including on-site audits, personnel service capabilities, responsiveness, problem-solving capabilities, compliance with rules and regulations, and level of cooperation.
Quantifying Assessment Results	Suppliers are graded based on evaluation indicators and their scores according to the following rating scheme: 1.Excellent suppliers achieve a total score of at least 90 points. 2.Good suppliers score between 75 and 89 points. 3.Qualified suppliers fall between 60 and 74 points. 4.Unqualified suppliers receive a total score below 60 points.
Promoting Continuous Improvement	Through supplier assessments, we identify and evaluate supply chain risks, promptly provide feedback to suppliers, discuss improvement measures collaboratively, and encourage continuous improvement among suppliers. This approach helps us establish a sustainable and resilient supply chain.

■ Empowering Supplier Growth

We are committed to nurturing mutual growth with our suppliers through fostering close and cooperative relationships. We empower them with resources and support in product design, financial management, and quality improvement to drive their continuous growth and development.

Stakeholder Testimonials

Previously, the Quality Department at Embedway focused solely on problem-solving without embracing a mindset of continuous improvement and case-based learning. With Venustech's support, Embedway has elevated its capability in handling quality issues to a new level. According to the data, in 2023, we met Venustech's quality standards, resulting in an improved shipment acceptance rate compared to 2022.

— Embedway Technologies (Shanghai) Corporation

Collaborating with Venustech enhances our strength and competitiveness in the information security sector, expands our influence and market share in related industries, and improves our overall efficiency and sustainable development capabilities. Our two-decade partnership with Venustech witnesses the significant progress of our company.

— Lanner Electronics Inc.

Proactively Contributing to Society, Improving People's Welfare

As the saying goes, "The merits of those who help others are commendable, while inspiring good intentions in others creates boundless impact." Venustech is dedicated to serving the public through initiatives such as rural revitalization, participation in major events, support for social welfare programs, volunteering services, and involvement in the Belt and Road Initiative. These efforts underscore our commitment to enhancing social welfare and contributing to the betterment of society.

Active Involvement in Rural Revitalization Efforts

In response to the national call for rural revitalization, Venustech Foundation focuses on underserved regions such as Qinghai, Xizang, Hubei, and Jiangxi. Tailoring our efforts to the specific needs of each area, we are actively involved in initiatives ranging from educational and medical assistance to smart city construction. These efforts contribute to the progress of rural revitalization across these regions.

Providing Support for Rural Education

Venustech is actively participating in the Chunyu Rural Education Foundation's rural teacher sponsorship project in Qinghai, Xizang, Hubei, Jiangxi and other provinces, to enhance rural education development. Additionally, we have donated 28 smart blackboards to the First Ethnic Middle School in Tongren, Qinghai, to support building a digital campus. Furthermore, we have contributed 4,650 popular science books to Guangchang primary schools to enhance rural education.

Aiding Rural Medical Development

Venustech is making significant strides in rural healthcare through participating in the Highland Spine Health charity project. This initiative focuses on the highland population in Xizang and the Tibetan-inhabited areas of four provinces on the Qinghai-Xizang Plateau. In July, extensive medical charity activities took place across 11 counties in Changdu, reaching over 140 townships. More than 50,000 individuals benefited from the free medical services provided during these initiatives.

Furthermore, the Highland Spine Surgery Center was officially established at Luolong People's Hospital, providing free surgeries in Beijing for patients with complex conditions, ensuring that advanced medical care is accessible to needy inhabitants. In collaboration with the Beijing Lile Charity Foundation, Venustech launched A Lifetime Health Lesson charity project. This initiative included donating medical kits to primary and secondary schools in Chengduo and Zaduo counties of Qinghai Province. Additionally, a physical and mental health education class was conducted to promote the well-being of local students.

Smart City Project in Maqin County

Venustech also contributes to the smart city project in Maqin County of Qinghai Province through donations to enhance local facilities. These donations support the implementation of remote monitoring and intelligent management capabilities for wireless fire alarms, smart electrical safety systems, and fire equipment inspection.



Smart Blackboard Project



Chunyu Rural Education Foundation Inauguration Ceremony



Highland Spine Health Charity Project

Safeguarding National Important Events

With a commitment to our mission of "Safeguarding Digital China, Navigating Information Security", Venustech deploys our professional security service teams and Data Oasis support teams to safeguard network and data security before, during , and after national important events. We work closely with relevant units to conduct comprehensive security risk assessments and provide continuous round-the-clock security monitoring, incident analysis, response, and emergency response services. Our objective is to achieve pre-event risk management, eliminate hidden threats, and ensure zero incidents during the event. By enhancing the cybersecurity capabilities of essential system operators during critical events, we have provided dependable cybersecurity for the successful hosting of important events like the Hangzhou Asian Games and the Hangzhou Asian Para Games.

Full-Process
Online to
Safeguard
Important Events



■ Prior to the Event

Venustech conducts a series of security assessments and enhances security capabilities through comprehensive checks on thousands of public network assets to reduce vulnerabilities and enhance overall security. Multiple emergency plans and procedures are developed to ensure cybersecurity, information and data security.

■ During the Event

Venustech establishes an emergency support team to provide 24-hour on-site support and security monitoring services. For instance, during the Hangzhou Asian Games and the Hangzhou Asian Para Games, the Data Oasis team ensured the stable operation of public security big data projects in multiple locations, such as Zhejiang, Hangzhou, and Huzhou. Leveraging their extensive experience, technical prowess, and professional services, the team safeguarded the entire event.

Deepening into
all Regions and
Reinforcing
Security
Measures



■ In Hangzhou's Gongshu District

Venustech provided emergency plans and safety recommendations to ensure the secure and smooth operation of the e-sports events during the Asian Games. We also offered website defacement support for local critical systems, ensuring zero incidents across 36 system pages throughout the event. Additionally, a dedicated support team conducted 24-hour uninterrupted on-site monitoring for network attacks to ensure the stable operation of the event.

■ In Hangzhou's Chun'an County

Venustech provided 24/7 cybersecurity monitoring. Our technical staff also supplied manuals for handling common viruses and Trojans to enhance endpoint security. This approach enabled duty personnel to effectively remove endpoint virus programs, thereby reducing network attacks and ensuring the stable operation of key applications.

■ In Shaoxing's Zhuji City

Venustech has successfully provided 24/7 security operation services to multiple units in Zhuji City. Our skilled security service personnel implemented standardized processes and utilized advanced tools, with "assets, vulnerabilities, threats, and incidents" as core elements. Through these efforts, we effectively thwarted multiple network attacks, ensuring the stable operation of critical systems during the event.

Active Participation in Social Welfare Undertakings

Venustech remains dedicated to compassion and goodwill, actively engaging in public welfare initiatives centered around education, healthcare, and culture. Through these endeavors, we aim to cultivate a harmonious society and provide opportunities for everyone to enjoy a high quality of life.

Educational Scholarship Initiatives

We actively participate in the Hope Desk Project initiated by the Beijing Youth Development Foundation, donating desks, chairs, and lamps to underprivileged teenagers in Beijing and surrounding areas. This initiative aims to illuminate their path towards a brighter future.

Furthermore, since 2003, we have been steadfast in our support through the Talent-Cultivation Scholarship Fund in Haidian District. Over the past 20 years, this fund has supported impoverished students, helping them complete their education.

In collaboration with the School of Computer Science at Fudan University, we have established the Venustech Scholarship to nurture talented individuals in computer science, supporting their development and academic pursuits.



The Venustech Scholarship Awarding Ceremony

Public Cultural Initiative

Our Morning Star Project is a public welfare initiative integrating psychology practice with traditional Chinese culture. Through the wisdom of fine traditional Chinese culture, we aim to tackle modern psychological challenges, enhance mental and physical well-being, and promote personal growth. This initiative contributes to cultivating a resilient Chinese spirit, fostering core values, and strengthening national identity.



Successful 7th China Traditional Culture and Postmodern Psychology Summit Sponsored by the Beijing Venustech Charity Foundation and the Morning Star Project.

Medical Guardianship Program

We sponsor the Mingran Palliative Care Guardianship Program, which offers extensive hospice care for critically ill patients. This initiative prioritizes palliative care and life education, utilizing online and offline platforms. Our objective is to enhance the quality of life for terminally ill patients by providing them with comfort, support, and dignity during their difficult journey.

Motivating Employee Volunteering

We encourage our employees to volunteer through the Venustech Youth Volunteering Team. Guided by *the Volunteer Management Measures*, we mobilize our Company's resources to carry out various volunteer activities and contribute to community development.

Venustech Conducts Claim and Serve Intersection Traffic Guidance

Case Study

In November 2023, the Venustech Youth Volunteering Team organized the Claim and Serve Intersection Traffic Guidance near the Shangdi Office Center. This activity highlighted the dedication of our volunteers and made a valuable contribution to the urban governance of the Shangdi community.



Claim and Serve Intersection Traffic Guidance



Launch the 'Sunshine Reading: Accompanying Growth' Volunteer Reading Campaign

Contributing to the Belt and Road Initiative

The Company strives to be an active player of the Belt and Road Initiative. We continue to enhance the competitiveness of our products in the international arena and eagerly anticipates cooperation for a mutually beneficial future.

Venustech Enhances Cybersecurity Collaboration with China Mobile International, Safeguarding Overseas Users with Intelligent Security

Case Study

In June 2023, Venustech was invited to participate in the iSolutions seminar hosted by China Mobile International in Tokyo. During the event, we shared practical experiences and concepts related to cross-border data security solutions. Through this seminar, Venustech and China Mobile International collaborate to accelerate intelligent security protection for overseas customers and facilitate smart overseas security services for Chinese enterprises. This partnership aims to assist global customers and partners with a robust security protection system.

Extended Reading: Cross-Border Data Security Solutions

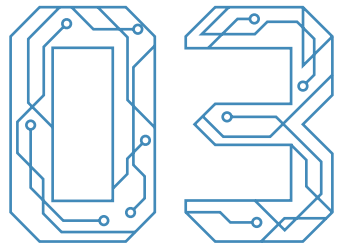
Venustech's cross-border data security solution centers on data, emphasizing compliance and risk management. Starting with data discovery and classification, Venustech aims to prevent and manage data risks effectively. Through strategies like data identification, management and control, monitoring, and operations, we assist enterprises in establishing comprehensive cross-border data security capabilities that span all business applications and the entire data lifecycle.

► Cross-Border Data Compliance Assessment:

We analyze vulnerabilities related to data export and assess the associated threats. Based on this analysis, we compile self-assessment reports and offer risk mitigation suggestions. This approach mitigates data export security risks, ensures the smooth operations of data export businesses, and enhances the efficiency of business systems.

► Cross-Border Data Risk Management:

We develop scenario-based solutions to achieve risk control throughout the data lifecycle. Leveraging identity and permission-based data security controls, trusted data usage environments, data availability without accessibility, and techniques like data watermarking and fingerprinting, we ensure traceable data sharing. Through continuous data security operation services, we deliver enhanced value to our clients.



Environment

Promoting Ecological Safety with Green Development

As the saying goes, "Humans follow the Earth, the Earth follows Heaven, Heaven follows the Dao, and the Dao follows what is natural." Respecting, conforming to, and protecting nature are inherent requirements for comprehensive development in building a modern socialist country. Venustech firmly established and have been practicing the concept that "green mountains and clear waters are as valuable as mountains of gold and silver". With the dual carbon strategic targets, we accelerate our green and low-carbon transformation and development. We consistently strengthen environmental management, prioritize green and efficient operations, actively participate in ecological and environmental protection education, and contribute positively to the promotion of a harmonious coexistence and the creation of a prosperous and clean Beautiful China.

► Venustech's Scoreboard:

Total Investment for
Environmental Protection: RMB

1.97 million

Total Power Consumption of the
Year:

7.06 million kWh

Carbon Dioxide
Emission Reduction:

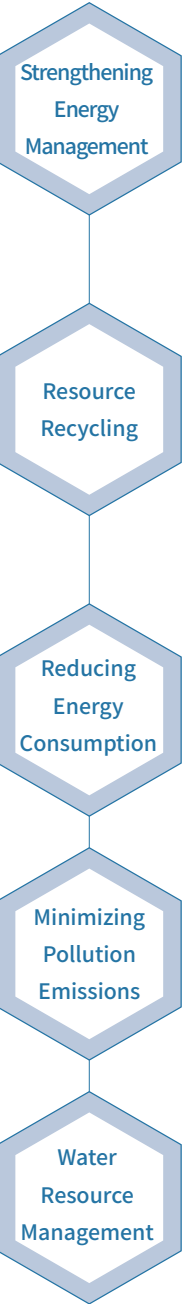
150.27 tons

► Our Response to the SDGs



Cultivating a Green Connotation, Strengthening Environmental Management

"To ensure the sustainable use of natural resources, manage the mountains and forests according to their characteristics and enforce the corresponding prohibitions," as the saying goes. Venustech fosters high-quality and green development by incorporating environmental protection principles into corporate management. We strictly control pollution emissions and strive to balance the economic benefit and the environment. The Company has not incurred any environmental violations or penalties for 2 consecutive years.



An intelligent energy monitoring system tracks real-time energy consumption has been installed, identifying and managing waste.

We have a thorough waste collection, processing, and recycling system to turn waste paper, plastic, and other materials into reusable resources. We prioritize recycling and reusing parts and materials such as light tubes, grilles, and door and window hardware from repair and renovation projects. Unclaimed bicycles are repurposed for employee transportation, ensuring their continued use. Additionally, we collect branches and leaves before winter, crush them, and turn them into organic fertilizer to reduce waste.

By adopting highly efficient low nitrogen condensing boilers, we can generate the same amount of heat while consuming less fuel and reducing energy costs.

The utilization of a ground source heat pump air conditioning system enables us to cool our facilities with groundwater, which safeguards the environment without causing pollution. Additionally, we have set up grease traps in vegetarian restaurants to separate water and oil and mitigate the negative impact on the environment.

The industrial park has a green area of 19,200 m² and is equipped with a spray irrigation system which reduces water consumption. Additionally, we lower water flow velocity so as to minimize grass damage and prevent soil erosion.



Beijing Venustech Information Security Technology Co., Ltd. and Beijing Leadsec Information Technology Co., Ltd. have achieved the Environment Management System Certification.

Advocating Green Operations, Supporting Low-Carbon Transition

"Confucius fished with a rod and line, not with a net. He shot birds in flight, not those at rest." Inspired by the teachings of Confucius, Venustech embraces the principles of green and low-carbon operations. We promote green office practices, encourage eco-friendly commuting, and advocate for low-carbon lifestyles throughout the organization. With a commitment to an environmentally conscious lifestyle, we collaboratively build a shared green home.

Green Office

To reduce paper consumption, we have promoted paperless office practices. Additionally, we have established recycling sites for printer cartridges, which are collected and recycled by the cartridge provider. We also advocate for office waste classification to support a low-carbon office environment.

Green Commuting

To alleviate urban road pressure and congestion, we provide shuttle bus services for our employees, encouraging them to reduce driving. This initiative effectively reduces vehicle carbon emissions and contributes to the urban environment.

Low-Carbon Lifestyle

We have opened a vegetarian restaurant to encourage employees to adopt a vegetarian diet and develop good habits of low-carbon living. Additionally, we have launched the Vegetarian Month Initiative, emphasizing animal welfare and healthy eating among our employees.

Venustech Contributes to Dual Carbon Targets through Environmental Protection Efforts

Case Study

In October 2023, Venustech organized a series of environmental protection activities. We launched a low-carbon environmental protection initiative for all employees, promoting degradable garbage bags and encouraging the conservation of meals, electricity, water, and paper. The initiative also included a month-long vegetarian campaign to raise awareness about the positive impact of vegetarianism on ecological sustainability and enhance employees' environmental consciousness.



The Vegetarian Month Initiative

Practicing Low-Carbon Concepts, Dedicating in Environmental Public Welfare

As the saying goes, "All things come into being after obtaining harmony, and seek nourishment to grow." Venustech embraces the strategic targets of carbon peak and neutrality, translating them into tangible actions that contribute to ecological development. We prioritize youth environmental education and fund carbon-neutral new energy bases. Additionally, we promote environmental protection knowledge and contribute to the harmonious coexistence between humans and nature.

Venustech Funds the Construction of a Solar Photovoltaic Science Education Center

Case Study

In January 2023, Venustech funded the construction of a solar photovoltaic science education center at Kunming Dongchuan Tuobuka Middle School, integrating new energy, low-carbon technology, environmental protection, and ecological knowledge into primary and secondary education. Additionally, we promoted education on sustainable development and innovation through lab experiments and scientific courses. Furthermore, we supported the establishment of green and environmentally friendly campuses, advocated for a green campus culture, and advanced green innovation research, thus contributing positively to achieving the Dual Carbon Targets. From 2014 to 2023, we have funded the construction of solar photovoltaic science education center at six schools.



Donation to the Solar Photovoltaic Science Popularization Science Education Center as Part of the Venustech Carbon Neutral and Sustainable Development Education Initiative.



Venustech acknowledges the significance of ESG management as an imperative part of the Company's sustainable development. The Company identifies and analyzes material issues in a pragmatic way, actively addressing stakeholders' expectations and continuously improving our ESG capabilities. Through ongoing refinement of our ESG practices, Venustech aims to achieve harmonious integration with the environment and society.

Establishing ESG Governance Framework

Guided by global enterprise standards and best practices, Venustech prioritizes effectiveness in our operational management. Considering our operational context, We continuously innovates management tools and methods to establish an effective governance mechanism for sustainable development.

Venustech has established a Sustainable Development Steering Committee as the highest decision-making body for the group's sustainable development initiatives. This committee deliberates on the Company's ESG strategy, goals, and risk management. It oversees the progress of ESG objectives, ensures the integration of ESG principles into company operations, and explores innovative sustainable development models that align ESG with business practices.

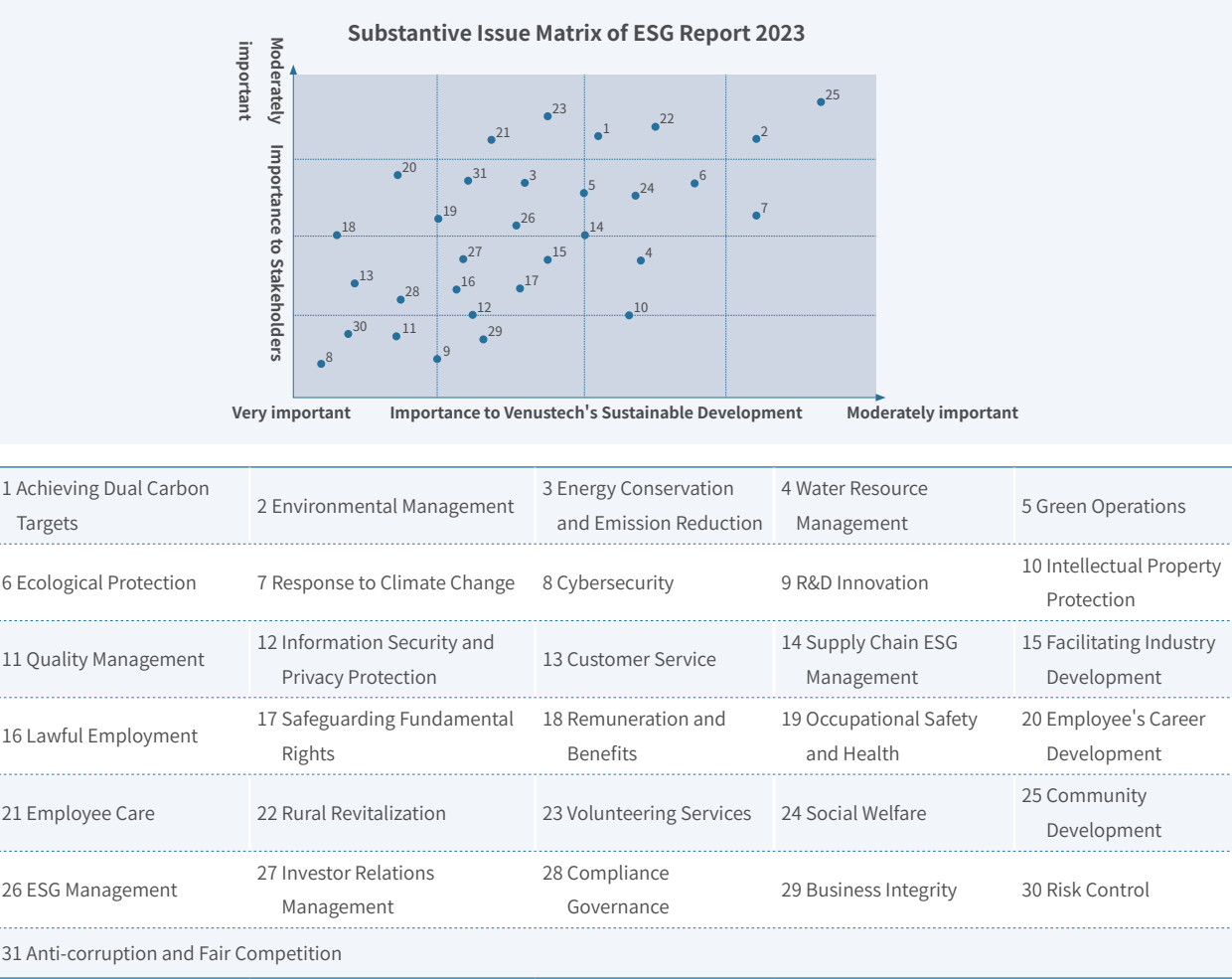
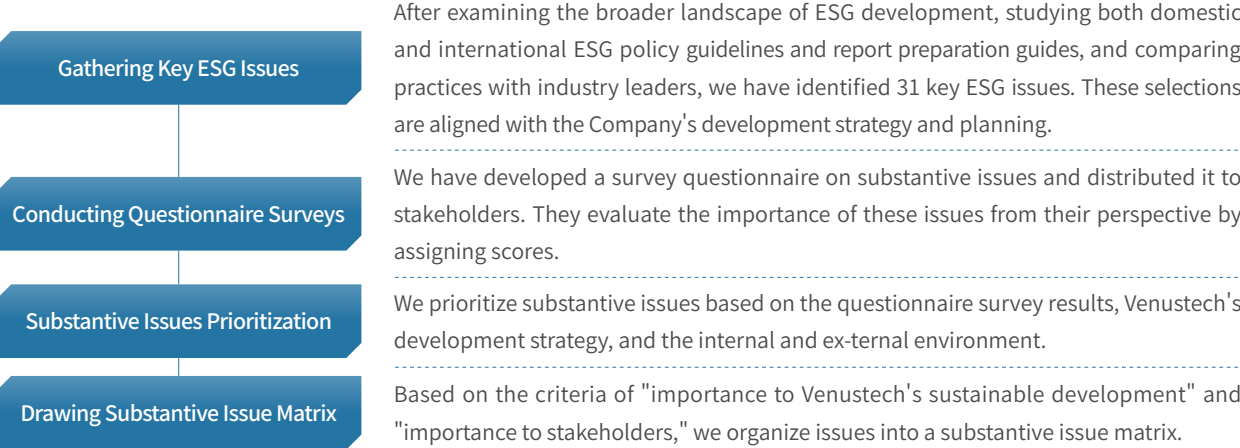
Under the leadership of Sustainable Development Steering Committee, Venustech has established the Sustainable Development Executive Committee, tasked with spearheading ESG initiatives. Additionally, the Sustainable Development Office, a permanent entity, has been set up to coordinate the Sustainable Development Executive Committee. Each business unit is responsible for implementing specific ESG initiatives.

The Sustainable Development Governance Structure of Venustech

Decision-making Level	Sustainable Development Steering Committee	Sustainable Development Steering Committee, headed by the Company's General Manager and consisting of leaders in charge of major business units, is fully responsible for the leadership and decision-making in the Company's sustainable development management.
Organizational Level	Sustainable Development Executive Committee	Sustainable Development Executive Committee, composed of leaders from major business units of the Company, is responsible for promoting and implementing key issues of sustainable development.
	Sustainable Development Office	Under the Sustainable Development Steering Committee, a permanent institution, the Sustainable Development Office, is established, responsible for convening the Sustainable Development Executive Committee.
Executive Level	All Business Units	All Business Units are Responsible for implementing the Company's overall requirements and management standards for sustainable development, and regularly reporting on the progress of sustainable development work.

Identification of Substantive Issues

Venustech enhances the management of substantive issues by identifying and selecting key topics that significantly impact our operations and are of broad concern to stakeholders. This process involves thorough research into the macro landscape of ESG development globally and domestically. It also includes an analysis of ESG practices among benchmark companies and aligns with the Company's development plans. Substantive issue surveys further inform these decisions. Through these efforts, Venustech constructs a substantive issue matrix, clarifying the focal points of our ESG efforts and defining the direction for future initiatives in ESG.



Stakeholder Communication

Venustech places a high priority on fostering effective communication and engagement with our stakeholders. Utilizing various communication channels such as our official website, WeChat account, investor interactive platforms, and interactions with mainstream media, the Company ensures transparent disclosure of information related to environmental, social, and governance matters. Additionally, We proactively seek and promptly addresses stakeholders' inquiries, including those from customers, shareholders, investors, and employees. These coordinated efforts aim to jiont hands with our stakeholders for a sustainable future.

Stakeholders	Expectations & requirements	Communication channels
Customers	· High-quality products · Quality services · Information security and privacy protection · After-sales service experience	· The 24/7 hotline · 5x8 online technical support · Official website and WeChat customer service · Corporate email · Customer satisfaction survey
Shareholders and Investors	· Cybersecurity product portfolio · Business ethics and anti-corruption · Compliance governance · Risk management and internal control · Information disclosure	· General Meeting of Shareholders · Investor relations column of the official website · Venustech investor relations public account · Weibo and Douyin accounts · Corporate periodic reports and announcements · Performance review meetings
Suppliers and Partners	· Fair competition · Strategic cooperation · Industry communication · Industry research · Cybersecurity talent cultivation · Responsible supply chain management	· Procurement activities · Industry forums and seminars · Supplier field trips · Event support
Employee	· Lawful and equal employment opportunities · Employee rights protection · Employee growth and career advancement · Employee health and safety · Employee care	· Corporate intranet portal · Employee training activities · Employee care initiatives · Performance communication mechanism · Employee grievance handling mechanism
Government and Regulatory Authorities	· Cybersecurity · Digital China Construction · Smart city construction · Serving rural revitalization · Contributing to the Belt and Road Initiative	· Routine reporting and communication · Themed research activities · Forums & exchange activities
Community and Environment Representatives	· Social welfare · Volunteering services · Implementing dual carbon targets · Energy conservation and emission reduction · Green operations	· Charitable donations · Environmental science education center · Green office

Organizing Specialized ESG Training

Venustech's senior management has prioritized ESG management. In 2023, We organized two ESG training sessions respectively themed the Introduction to ESG and High-Quality ESG Reporting. These sessions aimed to foster a thorough understanding of ESG principles among staff and management involved in ESG-related activities. The overarching objective is to integrate these principles into decision-making processes, management strategies, and business operations to enhance the Company's capability for sustainable development.

Appendix

Key Performance

Indicator	Unit	2021	2022	2023
Governance Performance				
R&D Investment	RMB 10,000	85,111.93	94,761.15	85,257.10
Accumulated Authorized Invention Patents	Case	282	286	305
Accumulated Software Copyright Registrations	Case	443	488	543
Cybersecurity Training Sessions	Times	2	11	22
Participants in Cybersecurity Training	Person-times	365	1,755	7,417
ESG Training Sessions	Times	/	/	12
Participants in ESG Training	Person-times	/	/	103
Duration of ESG Training	Hours	/	/	18
Lawful Compliance Training	Times	2	11	15
Participants in Law-abiding and Compliance Training	Person-times	365	1,755	1,725
Duration of Law-abiding and Compliance Training	Hours	3	19	21
Risk Control Training Sessions	Times	2	11	13
Participants in Risk Control Training	Person-times	365	1,755	1,603
Duration of Risk Control Training	Hours	3	19	19
Anti-corruption Training	Times	2	11	9
Participants in Anti-corruption Training	Person-times	365	1,755	1,103
Duration of Anti-corruption Training	Hours	3	19	15
Directors and Senior Executives Participating in Anti-Corruption Training	Person	6	6	6
Anti-Corruption Training for Directors and Senior Executives	Times	1	1	1
Social Performance				
Total Employees	Person	6,587	6,903	6,503
Female Employees	Person	1,745	1,770	1,643
Female Managers	Person	81	86	70
Proportion of Female Managers	%	37	39	31
Minority Employees	Person	378	393	375
Disabled Employees	Person	52	58	59
New Job Creation	Person	2,565	1,766	1,287
Rate of Labor Contract Signing	%	100	100	100
Average Paid Leave Days per Employee	Day	16	17	17
Social Insurance Coverage Rate	%	100	100	100

Indicator	Unit	2021	2022	2023
Employee Physical Examination Coverage Rate	%	100	100	100
Vocational Training Sessions	Times	20	27	49
Participants in Vocational Training	Person-times	5,688	6,142	12,243
Duration of Vocational Training	Hours	168	256	434
Safety Training Sessions	Times	10	11	13
Participants in Security Training	Person-times	106	95	181
Duration of Security Training	Hours	26	29	32
Occupational Injuries	Person	5	1	3
Occupational Deaths	Person	0	1	0
After-sales Service Satisfaction Rate	%	99.34	99.23	99.30
Comprehensive Customer Satisfaction Rate ¹	%	97.90	96.35	93.71
After-sales Complaint Resolution Rate	%	100	100	100
Product First-time Delivery Success Rate	%	99.16	99.10	99.16
Investment in Supporting Difficult Employees	RMB 10,000	42.50	31.50	15.00
Annual Investment in Rural Revitalization	RMB 10,000	149.50	49.26	164.05
Number of Beneficiaries of Rural Revitalization	Person-times	230,000	270,000	300,000
Total Annual Charitable Donations	RMB 10,000	655.10	869.66	1,016.65
Employee Volunteer Activities	Times	2	5	3
Participants in Employee Volunteer Activities	Person-times	120	150	200
Duration of Employee Volunteer Activities	Hours	500	400	600
Public Welfare Projects Participated in/Executed	Times	21	31	32
Environmental Performance				
Total Investment in Environmental Protection	RMB 10,000	/	/	196.69
Total Power Consumption of the Year	Ten thousand kWh	621.85	720.37	705.88
Total Annual Natural Gas Consumption	Cubic meters	95,458	94,064	62,005
Carbon Dioxide Emissions	Ton	5,426.19	6,240.03	6,089.76
Carbon Dioxide Emission Reduction	Ton	/	-813.84	150.27
Total Annual Fresh Water Consumption	Ton	27,238.01	30,144.95	34,220.00
Office Water Consumption	Ton	27,238.01	30,144.95	34,220.00
Office Paper Usage	Ton	0.119	0.131	0.135
Office Electricity Consumption	Ten thousand kWh	621.85	720.37	705.88

¹ The comprehensive customer satisfaction is calculated by the weighted calculation of sales, delivery, after-sales, products and other factors. Due to the increase of the number of survey users year by year, the satisfaction result has slightly decreased.

²As Venustech is a non-production enterprise, office water consumption represents its annual freshwater consumption.

³As Venustech is a non-production enterprise, office electricity consumption represents its annual electricity consumption.

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Feedback

Dear Readers,

Thank you for taking the time to review this report. We appreciate your input as we continue to enhance Venustech's ESG initiatives and advance our sustainable development goals. We kindly ask for your assistance in completing the feedback form to help us further understand your expectations and needs regarding our ESG efforts. Your feedback is invaluable to us as we strive for continuous improvement.

① How would you rate Venustech's Sustainable Development Report?

☐ Excellent ☐ Good ☐ Average ☐ Relatively Poor ☐ Poor

② Do you believe this report accurately portrays Venustech's influence on the economy, environment, and society?

☐ Yes ☐ Partially ☐ No ☐ No Clue at all

③ How clear, accurate, and comprehensive do you perceive the information provided in this report?

☐ Complete ☐ Satisfactory ☐ Average ☐ Relatively Poor ☐ Poor

④ What part of this report are you most content with?

⑤ What additional information would you like to grasp?

⑥ Do you have any suggestions for our future publications?



Kindly scan the QR code for your feedback.



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