

# + 2021

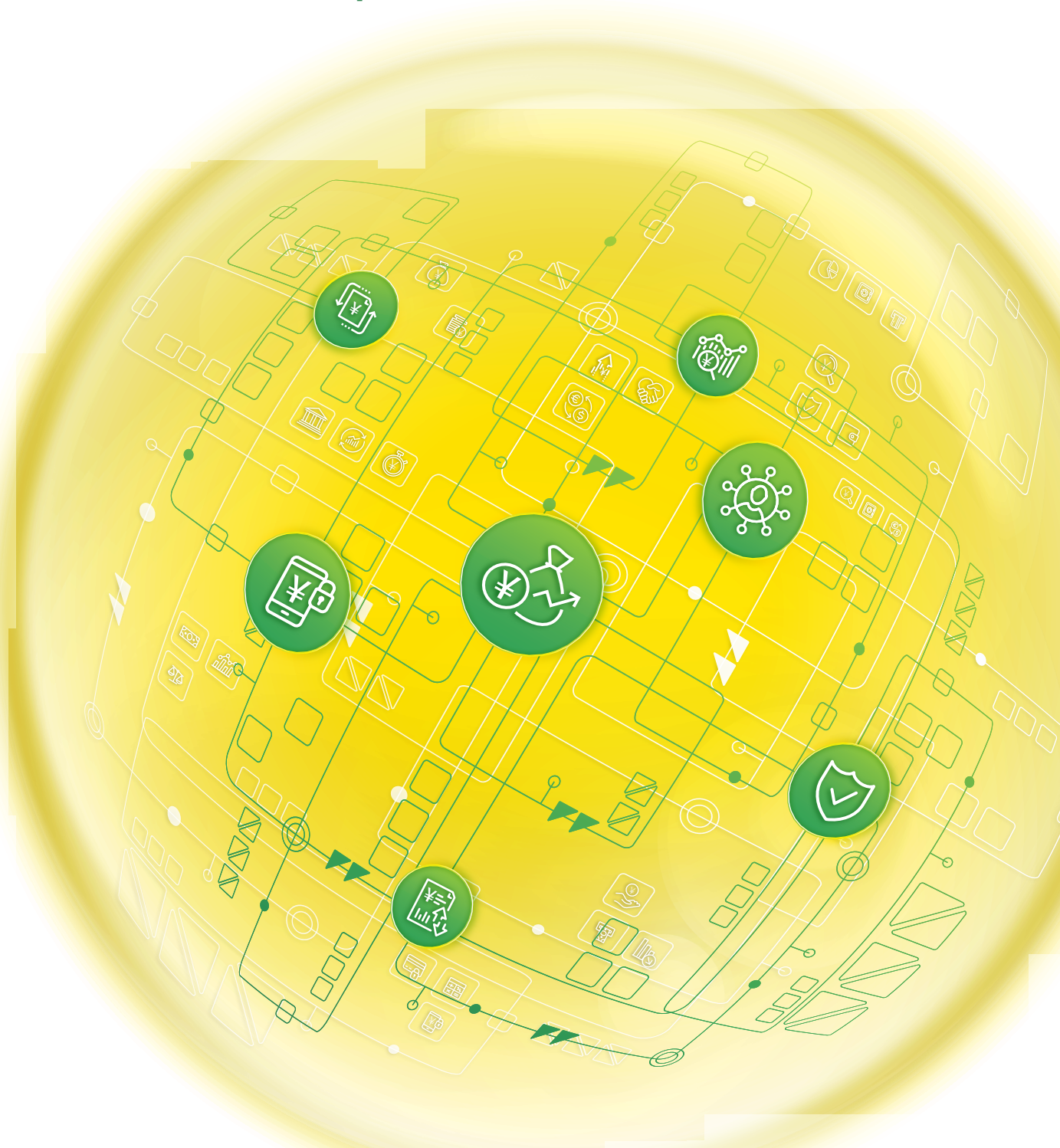
ESG  
Environmental,  
Social and  
Governance Report



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# About The Report

- **Reporting period**

This report covers the period from January 1, 2021 to December 31, 2021

- **Objectives**

This ESG Report aims to identify the material sustainability issues most relevant to the company, and provide information on how the company is mitigating the risk and exploring the opportunities presented by them so as to provide our stakeholders with a better understanding of our social values, strategies and sustainability initiatives.

- **The scope of reporting**

The content of this ESG report takes into account the importance of sustainable development of the company's operations. Since the Company is a financial technology company established in Shanghai, China and its main revenue is derived from its business in the Chinese market, this ESG report mainly reflects the ESG performance of the Shanghai headquarters and branch companies during the period from January 1, 2021 to December 31, 2021.

- **Reporting standards**

The Report is compiled based on the Environmental, Social and Governance Reporting Guide, Appendix 27 of the Hong Kong Exchanges and Clearing Limited Listing Rules. We use a consistent methodology to make fair comparisons with historical data and disclose ESG performance comprehensively and objectively.

- **Indicators selection**

The indicators in the Report are selected and elaborated upon following the principles of “materiality, quantitative, balance, and consistency” to disclose Company performance in the material issues. We will make continuous adjustments and optimization to the disclosure indicators in subsequent reports.

**Materiality:** 360 DigiTech uses the stakeholder right-interest model, stakeholder engagement mechanism and materiality assessment matrix to identify corporate and social responsibility issues that are material or relevant to the Company and its stakeholders.

**Quantitative:** 360 DigiTech embodies the quantitative principle by disclosing measurable key performance indicators.

**Balance:** 360 DigiTech presents its work in environmental, social and governance aspects in a fair and objective manner in this Report.

**Consistency:** 360 DigiTech has adopted a consistent approach to data disclosure, compared the data over the years in the Report, and noted changes in statistical methods and key performance indicators.

- **Source of information**

The qualitative and quantitative information used in the Report is sourced from 360 DigiTech Inc.'s public information, internal documents and relevant statistics.

- **Company name in short**

For ease of presentation and reading, “360 DigiTech, Inc.” is also referred to as “360 DigiTech”, “the Company” or “We” in this report.

- **Form of release**

The online version of the Report is available for download on the websites of 360 DigiTech, Inc. (<https://ir.360shuke.com/>).

- **Feedback**

This report aims to provide stakeholders and the public with a better understanding of the company's corporate social responsibility and corporate values. We welcome your comments on this report and its contents, which will help us build a consensus on corporate social responsibility. Please contact us at [ir@360shuke.com](mailto:ir@360shuke.com).

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# Company Overview

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360 DigiTech in 2021









# Company Overview

## 360 Introduction

We are a leading fintech platform in China, dedicated to empowering financial institutions through technology to provide better and more accurate financial products and services to consumers and small and micro business owners. With powerful artificial intelligence technology and in-depth user insights, we provide solutions that have significant advantages in helping financial institutions acquire customers, match optimization, risk assessment and post-loan management, including 360 IOUs, 360 small and micro loans, 360 installments, etc.



## Honors of 360 DigiTech in 2021

Named one of KPMG's Top 50 Leading FinTech Companies for three consecutive years

Awarded the "Golden Brick Award • Small and Micro Service Outstanding Contribution Institution" by Southern Metropolis Daily

Selected for the FTSE Emerging Markets and FTSE Asia ESG Low Carbon Select Index

Wins World Bank Global SME Finance Forum "Product Innovation of the Year"

Awarded the Davos Forum's 2021 New Champions Award, becoming the only winner in Asia

Awarded Benzenga "Product of the Year"

Selected as "Zhuoxin Big Data Program" of China Academy of Information and Communications Technology of the Ministry of Industry and Information Technology

Listed on the list of "2021 Top 30 Banking Technology Service Providers" by Zero One Finance

Won three awards from The Asian Banker, namely "China's Annual Anti-Fraud Technology Implementation", "China's Annual Risk Data and Analysis Technology Implementation" and "China's Best Digital Loan Service"

The Journal of the Operational Research Society, the UK's top operations research journal, features 360 GBST algorithm papers in several subjects

Awarded the Anti-Fraud Contribution Award by the Internet and Financial Anti-Fraud Alliance

Selected as the first camp of IDC China's "2021 Noteworthy Fintech Ecosystem Atlas"

Awarded the "Leading Scientific and Technological Achievements Excellent Project" of the 2021 China International Big Data Industry Expo and was included in the national social science award directory

Selected into IDC's "China Retail Credit Risk Control Solutions Market Vendor Evaluation Report"

Won the "Best Fintech Company" award of the year "TheAsset"

Selected by KPMG 2020 China's Leading Fintech 50 Companies List

360 DigiTech Flush won the "Most Influential Hong Kong and U.S. Stock Award"







# Analysis of Material Issues

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# Analysis of Material Issues

## Identification, Evaluation and Ranking of Substantive Issues

In accordance with the HKEX's ESG Reporting Guidelines, the company has identified material issues that have a significant impact on itself and its stakeholders across a wide range of material issues, in conjunction with internal and external communication and discussion. These issues contribute to the development of ESG governance and risk management measures at the company level and ensure that companies effectively address the significant concerns of stakeholders. These topics help to develop ESG governance and risk management measures at the company level and ensure that the company effectively addresses the major concerns of stakeholders.

According to the principle of importance, the company ranked the identified major substantive issues through the importance matrix and passed the review of the management. The results are as follows:

### Highly important substantive issues

- 1 Product quality assurance
- 2 Innovation and R&D
- 3 Intellectual property protection
- 4 Compliance operation
- 5 Staff training and development
- 6 Employee health and safety
- 7 Customer first

### Moderately important substantive issues

- 8 Supplier management
- 9 Emission management
- 10 Employee rights
- 11 Community public welfare

### Minor important substantive issues

- 12 Resource use
- 13 Response to extreme weather

According to the relevance / importance of key issues to the company, the rating is 0-5:

0 - Irrelevant; 1 - Not very Important; 2 - A little Important;

3 - Important; 4 - Very Important; 5 - Extremely Important



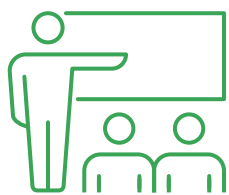


## Stakeholder Communication

We welcome stakeholders to provide feedback and exchange with the company on sustainable development issues. For a long time, we have maintained continuous and close communication with stakeholders through a wide range of channels (including but not limited to regular business activities, media platforms and various reports), in order to better understand their views on the current social practice of the company, and to gain insight into the deficiencies that need to be improved.

In addition, we regularly review the company's sustainable development practices related to environment, society and governance to ensure that the company meets the expectations of stakeholders, regulators, and other market participants. The following are the concerns and communication methods of stakeholders:

Stakeholders	Substantive issues of concern	Response of enterprise
Client	Innovation R & D	Increase R&D investment in product innovation
	Product Quality Assurance	Improve customer service quality
	Customer First	Turn customer complaints into front-end risk control
		Customer complaint handling mechanism
Staff	Employee rights	Implement advanced employment standards
	Employee health and safety	Strengthen safety knowledge education
	Staff training and development	Improve relevant training mechanisms
	Employee compensation and benefits	Improve the salary system
	Labour standards	Establish and improve internal system
Shareholder	Corporate governance	Implement ESG governance
	Compliance operation	Compliance management system
		Establish anti-fraud reporting mechanism and policy
	Innovation and R&D	Establish industry standards and promote industry progress
Supplier	Supplier management	Supplier evaluation and communication
		Green Supplier Management
Business Partner	Intellectual property protection	Establish intellectual property protection policies
		Strengthen training on intellectual property protection
Government and Regulatory Agencies	Compliance and anti-corruption management	Information disclosure
Environmental Organization	Resource use	Policy formulation and Implementation
	Emission management	Strict management of emissions
	Extreme weather response	Implement ecological protection measures
Community	Community public welfare	Participate in public welfare activities
	Poverty alleviation charity	Organize poverty alleviation charity assistance
	Carbon neutralization program	Supporting policies related to carbon neutralization



# Corporate Responsibility Governance

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Compliance and 14

Anti-corruption

Management



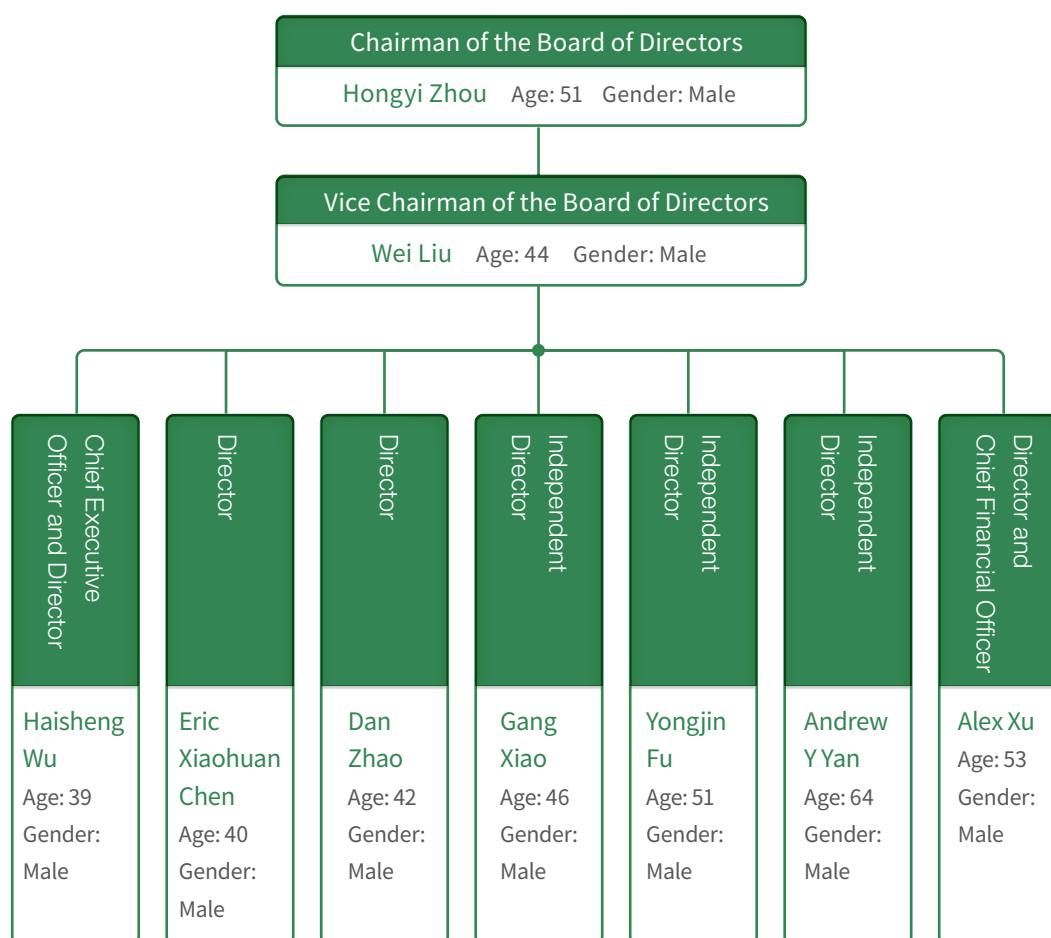




## Corporate Responsibility Governance

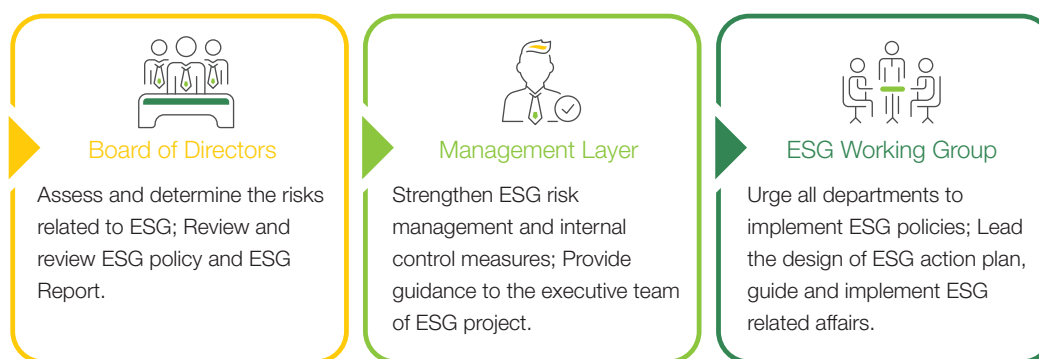
360 DigiTech, Inc. has established a modern organizational structure in compliance with the requirements of laws, regulations and normative documents including the *Companies Ordinance*, the Securities Law, and the Code of Corporate Governance for Listed Companies etc. As of December 31, 2021, the Board of Directors of the Company has 9 directors in total, including 3 independent directors. The Board of Directors has Audit Committee, Remuneration Committee and Corporate Governance and Nomination Committee, and establish corresponding implementation rules to meet the development demands of the company.

### Board of Directors



## Corporate Governance

360 DigiTech, Inc. promotes sustainable strategy within the company and regards it as one of the core competitive advantages of the company in the future. Our board of directors is responsible for formulating the sustainable development strategy and supervising its implementation. It is committed to building a green office environment, as well as improving the utilization rate of enterprise resources, so as to fulfil the responsibilities of 360 DigiTech, Inc. to shareholders and society. The company has set up an environmental, social and governance working group to lead the company's sustainable development management. The working group, including all key functional departments, takes the lead in designing an ESG action plan, regularly discusses the problems encountered in the process of work and reports to management, which then reports major matters to the board of directors as appropriate.



### Case

#### 360 DigiTech, Inc. were selected into FTSE Emerging ESG Low Carbon Select Index and FTSE Asia ex Japan ESG Low Carbon Select Index

On September 17, 2021, FTSE Russell, the index company under the London Stock Exchange, announced that 360 DigiTech, Inc. were selected into its two low-carbon select indexes — FTSE Emerging ESG Low Carbon Select Index & FTSE Asia ex-Japan ESG Low Carbon Select Index. The selection of the Company in ESG index indicates that 360 DigiTech, Inc. is not only recognized by the capital market as a subject with deep investment value, but also verifies the fruitful development achievements of 360 DigiTech, Inc. as a technology company in the low-carbon strategy.

In order to actively respond to the national “3060” carbon neutralization goal, 360 DigiTech, Inc. released the *2021 carbon neutralization plan* this year, promising to gradually realize the carbon neutralization of operational emissions (include scope I and scope II) from this year and reach the carbon peak in 2030; achieved zero net greenhouse gas emissions for both internal businesses and client activities before 2060.

In addition, while pursuing efficient ESG governance, the company continues to pay attention to enterprise risk management. The board of directors is responsible for supervising and reviewing the effectiveness of risk management and internal control system related to the sustainable development of the company, reviewing the annual risk management report and ensuring that an effective risk management and internal control system has been established. The company insists on tracing back the company's operation status according to the risk point, constantly optimizing the company's risk management system, and strives to become a pioneer in the industry and global sustainable development.

## Compliance and Anti-corruption Management

360 DigiTech, Inc. adheres to the principle of compliant operation and regards it as the cornerstone of sustainable development. In carrying out various businesses, the company strictly abides by the provisions of relevant laws of the country and region where it is located, such as compliance operation, environmental protection, and occupational health and so on, strictly abides by the code of business ethics, and adheres to the principles of honesty and dedication, discipline and law-abiding, fair competition and honest operation.

### Compliance Management

In 2021, the company's compliance department further formulated a series of compliance risk management related systems as a management standard for supervising the company's compliance work on the basis of the original compliance management. In addition, the compliance department continued to take the lead in carrying out daily compliance inspection and risk monitoring, organizing compliance training, and reviewing the compliance of the company's internal rules, regulations, products, and business processes & project agreements in relation to business compliance operation.

### Compliance Training

We take note of the training of employees' compliance knowledge. In 2021, the Compliance Department carried out training work many times through face-to-face teaching, live broadcast or online courses. Training topics include, but are not limited to, network security and data compliance, financial consumer rights protection, and compliance operations. So as to enhance the compliance awareness and self-discipline ability of all employees.

### Anti-corruption Management

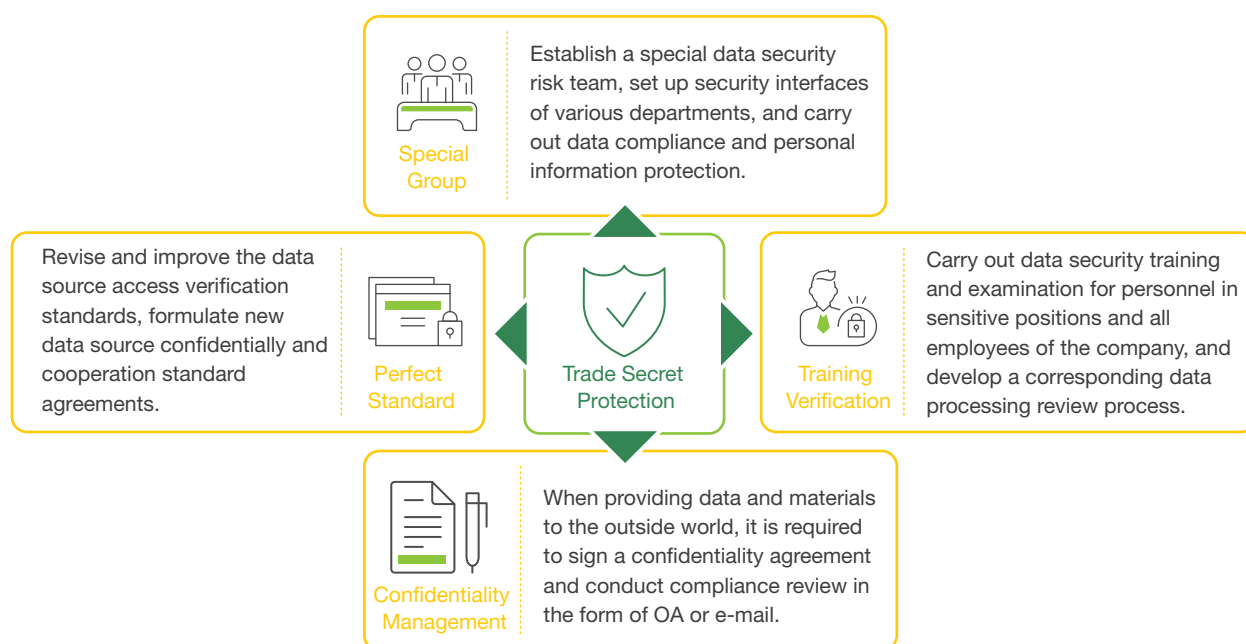
Anti-corruption management has always been a constant concern of all sectors of society, including customers, suppliers and other stakeholders. 360 DigiTech, Inc. has always implemented a "zero tolerance" standard for corruption, actively advocated the integrity of honest and trustworthy business behaviour, and resolutely resisted all forms of commercial bribery and corruption. In order to avoid the occurrence of corruption and standardize the management of conflicts of interest, the company has established *anti-fraud management regulations* and *whistle-blower protection and reward regulations* based on the requirements of applicable laws and regulations, benchmarking industry practice and combined with the actual situation of the company, clarifying the requirements for the prevention of fraud, anti-fraud investigation and handling of fraud. The main contents of the system include: the principle of conflict of interest, gifts acceptance, whistleblower protection, etc. In addition, we carry out the publicity and implementation of integrity culture for all employees of the company, strengthen the educational effect through irregular anti-corruption training, and form a fair and honest corporate culture. In 2021, we did not find any acts of corruption, bribery, extortion, fraud and money laundering, nor any litigation cases caused by the above matters.

### Confidential Information Protection

We also attach importance to the protection of trade secrets, consumer privacy and other information security. In order to prevent the leakage of trade secrets and the invasion of information security, our company has established a special data security risk team and set up security interfaces of various departments to carry out data compliance and personal information protection. Specific measures are as follows:



## Corporate Responsibility Governance

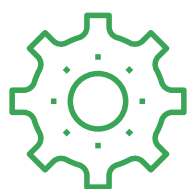


## Information Security

Information security is also an important foundation for company compliance operations. In order to strengthen information security management, the company complies with the local government's *Internet Information Service Management Measures*, *Software Product Management Measures*, *Data Security Law* and other relevant laws and regulations, and has established the Backup and Recovery Management System, System Security Management System, Data Hierarchical Management System and other related systems within the enterprise, strengthening network security construction from the management level.

In addition, in order to improve the overall security factor of the company, we need to validate the internal data security protection strategy in response to evolving attack methods. The company holds "information security attack and defense drills" irregularly, to uncover the company's security problems in the way of actual combat, to attack and test to prevent, to attack to promote defense, improving the overall internal security defense capabilities.

With the increasing complexity of Internet technology, common network attacks such as cracking corporate information security systems, email scams, phishing and social media scams are rampant. In order to protect data security and improve employees' awareness of information security, the company regularly pushes information technology compliance knowledge for employees, organizes relevant training and activities, and enhances employees' awareness of network security, so as to reduce the possibility of employees and data being exposed to such threats. For example, in June 2021, China promulgated the *Data Security Law of the People's Republic of China*. We actively responded to and studied the relevant policies, and conducted training on the "Data Security Law" for all members of our information security working group; In September 2021, in order to improve employees' awareness of cyber security, the company's information security department organized a "cyber security theme" training; throughout 2021, the information security department held "information security answering activities" regularly in a lively and interesting form so as to let employees absorb relevant knowledge and popularize safety culture.



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# Responsible Operation

## Innovation and R&D

Since its establishment, the company has always been committed to providing safe, fast and inclusive financial services for individuals and families through scientific and technological innovation to create a better life. In compliance with relevant laws, regulations and regulatory policies of the industry, such as *the Measures for The Administration of Internet Loans of Commercial Banks*, *the Interim Measures for The Administration of Online Microfinance Business* and *The Measures for The Administration of Credit Investigation Business*, we have established a strong innovation and R&D team, which collaborates with more than 100 national and local financial institutions. Through technology export empowerment, we develop various technology projects to help financial institutions connect hundreds of millions of Internet users, realize the integration of capital and technology, improve the efficiency of financial services, and solve the problems of difficult and expensive financing.

The visual risk control engine developed by the company can be used to identify 20+ risk scenarios such as criminal people, gambling venues, loan agency companies, etc., and has constructed 100+ visual features, with a daily using of nearly 100,000 times, which increases the manual efficiency by 50%. It can also improve the accuracy of fraud identification and effectively supplements the fraud identification ability in API, H5 and other data missing scenarios. The application of the visual risk control engine has greatly improved the recognition efficiency, and also completed the risk confirmation for users, and practiced the corporate responsibility for risk user identification.

### Case

#### Research and development of Intelligent Voice Robot project

During the reporting period, 360 DigiTech, Inc. intelligent voice robots made a breakthrough in bionic dialling technology, and fully applied this technology to the internal new electric sales man-machine integration project, truly realized the service mode of man-machine seamless integration, and greatly improved the user experience. The new telemarketing human-computer integration project combines self-developed ASR, acoustic cloning technology, conversion prediction model and other intelligent technologies to follow up the dialogue with customers in real time, so as to ensure that the user's intention can be judged after lower rounds of interactive Q&A. At the same time, the artificial agent can monitor the dialogue between the robot and the customer in real time with the help of senseless intervention technology, so as to achieve senseless intervention and replace the dialogue. Based on the overall effect analysis, the new e-marketing model of man-machine integration has obvious advantages over the old model, and the improvement range of new man-machine completion rate, new credit rate and single customer cost is very obvious compared with the old model. In view of the successful performance of intelligent voice robot in the application of internal new electric marketing man-machine integration, the project won the "excellent project" award of 2021 Leading Scientific and Technological Achievements issued by the international big data industry expo.





## Case

## GBST Algorithm Pioneered by 360 DigiTech, Inc. included in Top International Journals

In July 2021, the paper “Gradient boosting survival tree with applications in credit scoring” published by 360 DigiTech, Inc. research was included in the Journal of the operational research society, an old top-level operational research journal in the UK, which focuses on the application of technical methods in various fields. 360 DigiTech, Inc. risk control research team takes the most popular cutting-edge “survival analysis model” in the field of credit risk analysis in the world as the starting point, combined with the integrated tree model, to more accurately describe the change trend of risk over time, so as to make more accurate risk decisions.

In the risk control scenario, the algorithm can more accurately predict the default probability of customers after instalment borrowing, and make longer-term risk decisions in the future with the minimum time cost, such as pre-loan risk access, high-quality customer group recovery in the loan, etc. In addition, the model can help the risk control strategy formulate more reasonable quota, pricing and period strategies, and realize personalized product customization.

In the marketing scenario, the GBST algorithm is used to predict the dynamic lending willingness of stock customers in the time dimension, assist the marketing department in user marketing, help to realize a diversified, multi customer group and multi state online marketing strategy, and improve power generation and user conversion rates while saving marketing costs.

## Case

## Continuously Upgrading Anti-fraud Technology

The anti-fraud level of 360 DigiTech, Inc. has always been in a leading position in the industry. In the case of rapid iteration of black product fraud, 360 DigiTech, Inc. applied the underlying technologies such as artificial intelligence and big data, and continuously attacked fraud gangs and individuals by building layers of protective walls.

360 DigiTech, Inc. self-developed “passive face recognition,” based on living detection, provides insight into the abnormal operation of the account and perceives whether the account is operated by the account owner, so as to curb fraud. Unlike many Fintech companies that build face recognition, image recognition and other technologies by introducing third-party technical forces, 360 DigiTech, Inc. not only applies the self-developed recognition technology to its own business scenarios, but also outputs it to other financial institutions for anti-fraud applications in combination with risk control models and blacklists. In 2021, the system built by the visual anti-fraud project was fully launched after internal testing, and it has been used throughout the company. At present, the average daily volume of the visual anti-fraud system is stable at about 60,000. It involves patented innovative technologies such as image recognition, anti-fraud, user portrait and visual recognition. It can be applied to a total of 15 anti-fraud scenes, such as intermediary agency identification, suspected underworld related identification and suspected use identification.

## 1 Risk Group Capture

## Intermediary Agency

1. Replacement identification
2. WIFI/LBS Background Similarity
3. In car application
4. Application with backpack

## Suspected Triad Related

1. Malignant tattoo recognition
2. Rough gold chain accessories
3. Bald head, large area bare

## Doubtful Use

1. Medical background recognition

## 2 Targeting

## Prohibited Occupation

1. Suspected soldier
2. Suspected students

## Occupation Label

1. Coach driver
2. Freight driver
3. Courier
4. Environment suspected Entertainment

## Suspected MLM related personnel

1. Pyramid scheme sensitive words

## 3 Build Visual Label Library

## Facial Features

1. Analyze the detailed parameters of facial features and output the specific parameter values

## Human Contour Position Label

1. Output the contour position in the image where the human body is located as the input of other models, such as the scene that needs to distinguish the background from the human body.

## Project Objective

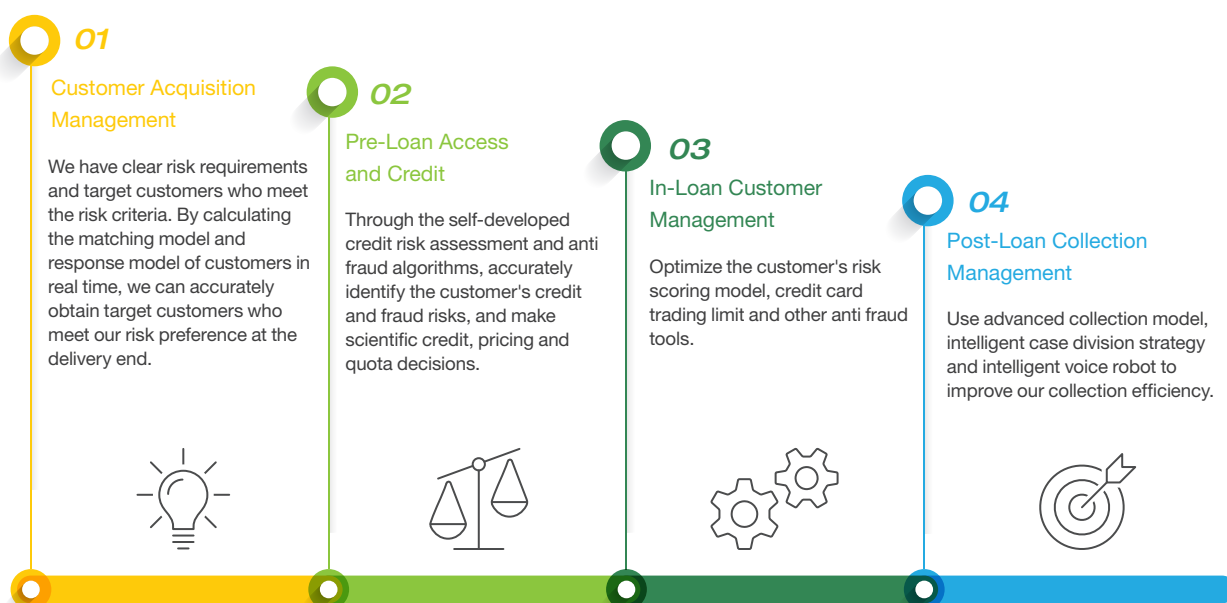
- Output to investigation and trial, and use manual efficiency
- The application of over return and manual trading strategies to improve the accuracy of the current strategy

- Output innovation value label
- As input to other models



## Product Risk Management

As a technology driven company, loan risk has always been regarded as one of our main risks. Therefore, the company has always regarded loan risk control as the core risk control issue. 360 DigiTech, Inc. branch continues to improve loan risk management measures to minimize the possibility of risk, and effectively identify, manage and minimize the risk of each loan by establishing an orderly internal credit risk control system. The risk management of corporate loans is mainly divided into four management stages: customer acquisition, pre-loan access and credit granting, in-loan customer management and post-loan collection:



In these four main management stages, we could further categorize them into top-level strategy application, middle-level algorithm and model, and bottom-level technology and system. Taking the in-loan risk management as an example: the top level is the customer's trading strategy and rules; the middle layer is the relationship graph supporting these rules, XGboost and other machine learning models and algorithms, including our own patented GBST and other unique advanced algorithms; and the bottom layer is the support of our decision engine, model engine, graph calculation, flow calculation and other middle desk systems, as well as the support of application systems such as intelligent risk control platform Argus. As our intelligent platform, Argus, integrates 100,000+ customer dimensions, deploys 10,000+ risk decision rules and 400+ machine learning model inputs. This guarantees an excellent performance of more than 99% correctness in automated decision-making and less than 0.2% fraud rate.



## Case

### Argus intelligent risk control platform won the “Annual Product Innovation” Award

In October 2021, the Argus intelligent risk control platform won the authoritative award of “annual product innovation” in the field of Inclusive Finance again. The award was sponsored by the International Finance Corporation (IFC), a member of the World Bank Group, and the global SME finance forum, while supported by the G20 Global Partnership for Financial Inclusion (GPFI). Argus dual center model solves audit, judgment and other problems through comprehensive risk management, makes full use of the risk control advantages accumulated in the field of consumer finance, and forms a dual center risk control model suitable for small breeze control based on the past “C-end” single center model. On the basis of fully understanding the personal risk of business owners, this model introduces an enterprise relationship network to identify the risk status of enterprises. With more than 400 real-time operation models formed by the intersection of more than 100,000 dimensions and more than 6,000 variables at the individual risk control level of business owners, more than 10,000 enterprise information derived variables are formed through feature engineering mining.



## Intellectual Property Protection

In order to ensure the continuous promotion of innovation, we pay attention to the protection of the company's intellectual property rights and patents. The legal department of the company is responsible for dealing with intellectual property and patent-related affairs, including formulating and implementing the company's intellectual property strategy and plan, establishing an intellectual property risk management system, mitigating intellectual property and patent related risks, managing and implementing patent layout, mining and application management, and assisting in dealing with intellectual property-related litigation, when necessary.



## Intellectual Property Management

With reference to the *Patent Law of the people's Republic of China*, the *Trademark Law of the people's Republic of China*, the patent examination guide and other relevant laws, regulations and normative documents, we implemented a management system of intangible assets such as patent rights and trademark rights, and formulated the *Intellectual Property Management System* and the *Patent Inventor Reward System*. Through the establishment of a systematic program, we have standardized the management of intellectual property rights and patents, established a maintenance and guarantee mechanism for patents, trademarks and other intangible assets, and actively safeguarded the company's core rights and interests in patents, trademarks, copyrights and trade secrets.

In order to encourage employees to apply for patents and improve the quality of patents, the company has set up a patent bonus. The reward standard shall be confirmed by the president of the company after each invention patent application, and the Technical Committee shall determine the patent grade according to its importance and distribute a reward according to the grade. In terms of Honour Awards, the company has a special patent wall, and each obtained patent and associated inventor is presented on the patent wall. In addition, the company awards an organizational contribution award to inventors with outstanding contributions and the title of "Patent Inventor" at the annual meeting.



## Intellectual Property Training

360 DigiTech, Inc. carries out intellectual property training for all business lines. For ongoing patent projects, the company provides patent communication meetings, deeply excavates the innovation points in the project, forms patent materials, ensures synchronization of the project and intellectual property protection, and coordinates the launch of the project. In addition, for the brands and trademarks of 360 DigiTech, Inc., during the reporting period, the company carried out many training activities on trademark registration requirements and review rules, popularized the basic knowledge of trademarks, discussed alternative solutions of product names/logos, improved the awareness of trademark protection and paid attention to legal risks of all business lines, and standardized the registration and use of product names/logos and other trademarks, in order to avoid the risk of trademark infringement.

## Resist Piracy

360 DigiTech, Inc. firmly resisted pirated software and actively monitored the infringing applications that counterfeited our company's "360 debit note", "360 revolving spirit" and other products in Apple App store and Android application markets such as Xiaomi, Huawei, Samsung, Vivo and OPPO. A total of 18 infringing applications were removed from the shelves, including "360 instalment loan", "360 revolving fund", "360 loan king", "360 white note instalment flower", etc., to protect the rights and interests of consumers to the greatest extent.



# Mutually Beneficial Cooperation

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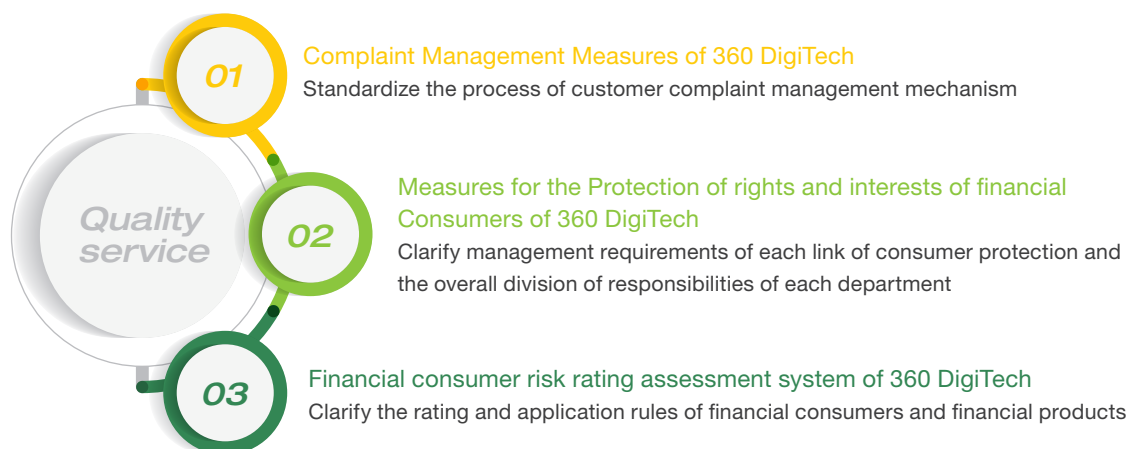
# Mutually Beneficial Cooperation

## Customers First

360 DigiTech is committed to providing assurance and trust to our customers. As a leading Internet company driven by data intelligence technology in China, we are committed to providing excellent customer experience and continuous high-quality services. We always believe that improving customer satisfaction is the first element of professional services. Therefore, we not only pay attention to our commitment to customers, actively fulfilling our responsibilities related to consumer rights protection, but also provide customers with high-quality services at reasonable prices.

## Quality Service

We are committed to providing responsible and transparent products and services to our customers, implementing internal rules and regulations related to consumer rights protection, and providing guidance for business operations. During the reporting period, in order to implement the relevant requirements on the financial consumer rights protection system, the company established the Consumer Rights Protection Department, took the lead in establishing and improving a number of internal regulations related to consumer rights protection, and clarified the division of labor among various departments, so as to provide institutional basis for the development of customer protection work.



## Customer Satisfaction

We listen carefully to our customer feedback through various communication channels, regularly review and monitor customer service performance and identify areas for improvement.

In 2021, we responded promptly to the opinions put forward by customers, and our customer service satisfaction rate reached 98.5%, which has made great progress in consumer service.

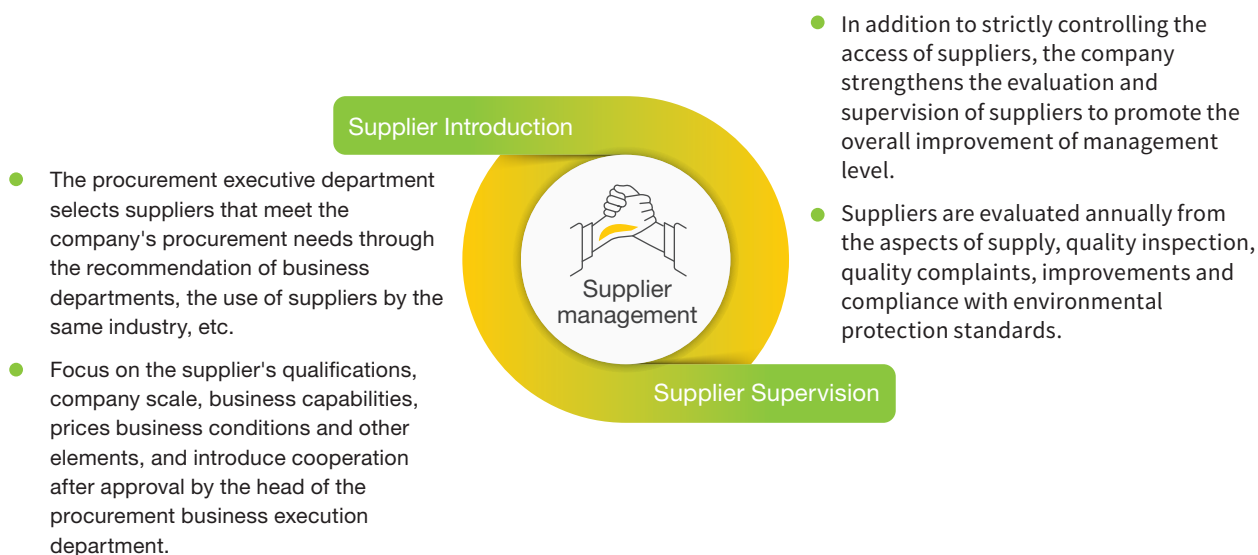
The Consumer Rights Protection Department actively promotes the standardization of the customer service system, improves the consumer protection system and builds a consumer protection assessment mechanism, and incorporates the assessment results into the company's comprehensive performance evaluation system and human resources management system to effectively ensure the implementation of all requirements for consumer rights protection. In addition, the Consumer Rights Protection Department has established a consumer protection publicity and education mechanism, actively carried out internal training and participated in various consumer rights protection publicity and education activities initiated by regulatory agencies.

Refined Management	Through deep cultivation of intelligent customer service and refined management, we provide consulting services 75,000 times per day every year, the telephone connection rate is 92%, the text connection rate is 97.6%, the intelligent customer service resolution rate is 92%, and the intelligent customer service accuracy rate is 98.8%.
Warning & Monitoring	Monitor the company's service experience through indicators such as satisfaction, Net Promoter Score, work order resolution rate, complaint rate, service resolution rate, etc. And build a good reputation of the company by warning business departments.
System Construction	Through industry accumulation and business research, a new generation of customer service system is designed and developed, and the operation efficiency is increased by 84%; at the same time, due to the ease of operation and strong functionality of the system, it has become a company-wide operation system.
Analysis & Notification	Put forward rectification suggestions for hidden dangers of consumer protection found by supervision and track the rectification of the problem, then form a closed-loop management of "inspection-rectification-promotion".

During the reporting period, for the complaints received by the company, we use AI and big data to establish high-frequency complaint user tags and scores to prevent and control user complaints in advance. Through complaint analysis, led the business departments to optimize 99 items of customer experience and effectively control internal and external complaints.

## Supplier Management

The company attaches great importance to supply chain management, establishes the *360 DigiTech Procurement* Management policy, and follows standardized procedures during procurement.. In the policy, there are clear requirements for supplier management, including supplier source, supplier qualification examination, supplier quantity for bidding/inquiry, and supplier database arrangement and maintenance.



In 2021, the number of 360 DigiTech cooperative suppliers reached nearly 195, and the proportion of Chinese suppliers reached 100%. Among them, the number of suppliers in North China is the largest, accounting for 42%. 360 DigiTech has established long-term and mutually beneficial cooperative relations with suppliers. In the selection of suppliers, 360 DigiTech also comprehensively considers the supplier's measures in social responsibility and environmental management, whether they use environmentally friendly materials as much as possible, and whether they have obtained corresponding system certification. For those companies with major defects, 360 DigiTech adopts a one-vote veto to urge suppliers to make more efforts in social responsibility and environmental governance. The company also attaches great importance to environmental and social responsibilities related to office supplies. For example, in the procurement of consumables, we try to strike a balance between environmentally friendly products, user-friendliness and price.

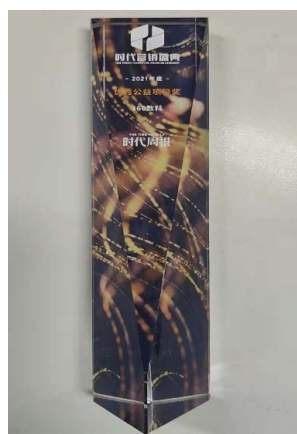


## Charitable Giving

360 DigiTech has always been committed to giving back to society, contributing to the development of the community and improving the quality of life, and striving to become an excellent corporate citizen in the society. The company actively encourages and supports various social development measures by participating in various charitable activities and promoting the concept of corporate social responsibility within the enterprise. During the reporting period, the company relied on its outstanding performance in corporate governance and its outstanding responsibility to give back to society, especially the measures it took to deal with the COVID-19 epidemic and the rainstorm disaster in Henan Province. It is the only Asian company to win the “New Champions Community Awards – Excellence in Agile Business Governance 2021” issued by World Economic Forum. The company is also the winner of the “2021 – Outstanding Public Welfare Project Award” issued by the Times Weekly, and has been an active participant, practitioner and leader in helping social welfare and community services. In 2021, we donated a total of 21 million RMB to the community to fulfill our social responsibilities as corporate citizens.



Excellence in Agile Business Governance 2021



2021-Outstanding Public Welfare Project Award

## Case

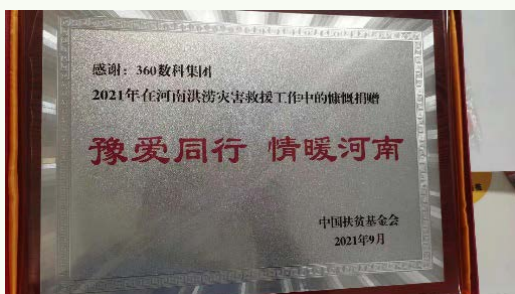
## Help Henan flood disaster

In July 2021, Henan was hit by a heavy rainstorm. 360 DigiTech immediately established an emergency relief team and donated 20 million RMB through the 360 Public Welfare Foundation to protect the personal safety of local people, purchase emergency relief materials and contribute to post-disaster reconstruction work. In addition, in order to support the reconstruction and rehabilitation of the disaster area, 360 DigiTech linked its product business lines to form a joint force for disaster relief. What's more, 360 DigiTech also organized all local employees in Henan to actively participate in rescue operations under the premise of ensuring safety.



Distribute disaster relief living materials to the masses

As the scope of the disaster expanded, the 360 DigiTech continued to organize rescue efforts and donated 1 million RMB to the China Foundation for Poverty Alleviation through 360 Public Welfare Foundation to support the purchase of materials, emergency rescue and post-disaster reconstruction in Xinxiang, Henan province. The spirit of "support from all directions when one party is in trouble" was also recognized and appreciated by the people and the government in the disaster area. The governments of Huixian City and Muye District, Xinxiang City, Henan Province sent a letter of thanks to 360 DigiTech for their timely assistance in the flood relief and reconstruction work.



Foundation Honor Plaque



Foundation Donated excavators

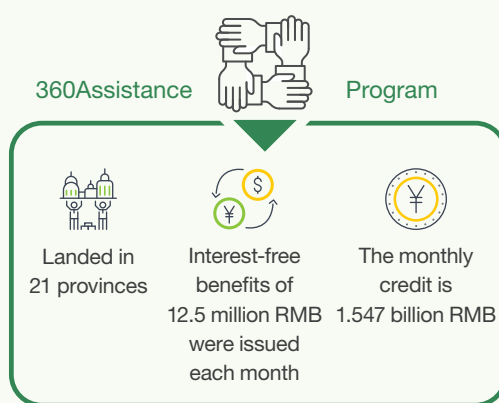
## Case

## 360 DigiTech launched small and micro assistance program

Compared with small and micro enterprises, individual industrial and commercial households have a weaker ability to fight financial risks, and it is particularly critical for them to be able to obtain “short, small, frequent and urgent” financing in a timely manner. In this context, on June 18, 2021, 360 DigiTech officially announced the launch of the “Small and Micro Assistance program”. All merchants of the Agricultural and Sideline Products Trading Center will be provided with preferential products with a maximum quota of 200,000 RMB and a maximum interest-free period of 30 days. Meanwhile, special green channels will be opened to help merchants solve difficulties in capital turnover. On August 26, 2021, 360 DigiTech launched the second round of “Small and Micro Assistance Program”. While providing preferential products, 360 DigiTech relaxed the requirements for individual industrial and commercial household declaration materials, simplified the relevant review process opened up loan coupons, interest-free bonus pools and other measures to help individual industrial and commercial households to warm up for the winter.

On November 1, 2021, 360 DigiTech announced the opening of the theme service month of “smart peers, work together”, under the guidance of the China Association of Small and Medium-sized Enterprises, we joined hands with more than 100 partners such as Kingdee, Nono, Yonyou, and Baiwang to invest 1 billion RMB to help small and micro enterprises grow smartly. This small and micro theme service month has carried out comprehensively around the company’s product upgrade. In terms of product category, 360 DigiTech has improved the product system, concentrated on launching a variety of special products such as commercial supermarket loans, supply loans, logistics loans, etc., leveraging the partner ecology, and accurately exerting different market segments. In terms of preferential treatment, as the largest small and micro special activity of 360 DigiTech this year, the theme month accumulated 10 million RMB of interest-free benefits to make profits for the development of small and micro enterprises. In terms of form, the company has opened a green dual channel, on the one hand, giving priority to partner channels, while on the other hand, we will strengthen offline strength and help small and micro enterprises with implementation.

Wu Haisheng, CEO of 360 DigiTech, said: “China’s hundreds of millions of small owners and shopkeepers are the epitome of people’s livelihood and the basic cell of promoting the real economy and common prosperity. Based on the technical accumulation and practical experience of 360 DigiTech over the years in the field of intensive cultivation of financial technology, we have the ability and responsibility to shoulder the due responsibilities of financial technology enterprises in the implementation of “six stability” and “six guarantees.”

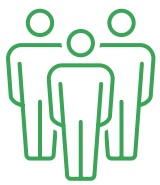


17 PARTNERSHIPS FOR THE GOALS

Support for the United Nations Sustainable Development Goals (SDGs)<sup>1</sup>

<sup>1</sup> The Sustainable Development Goals (SDGs) are 17 global development goals formulated by the United Nations. 360 DigiTech takes the Sustainable Development Goals as a framework of the organization, which can help the company to develop sustainably in the dimension of economy, society and environment.





## People Oriented

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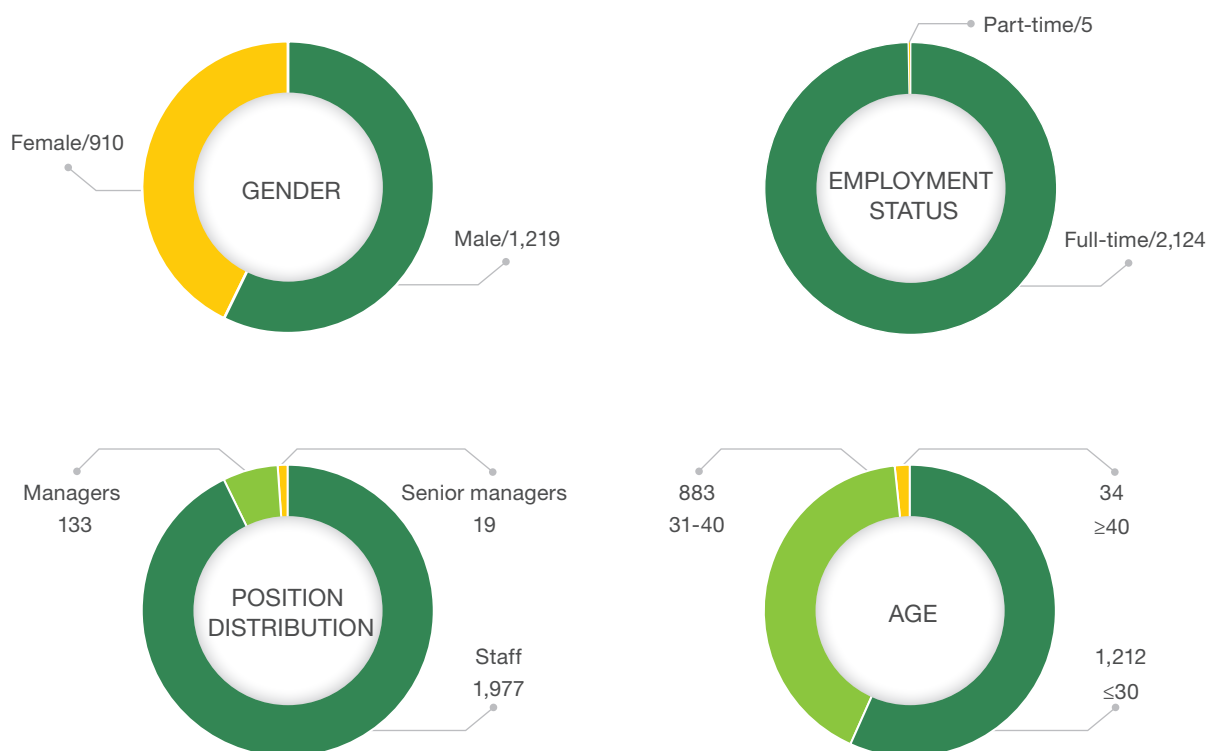




## People Oriented

360 DigiTech believes that employees are the core assets of the company's sustainable development and success. As a technology-driven company, we are committed to providing more outstanding talents with broad development space. 360 DigiTech has formulated the *Employee Handbook* and *Social Recruitment Process Specification* within the enterprise, and established scientific employment, training, health and safety standards to ensure the health and safety of employees, create a friendly and harmonious employment relationship, and build a talented team that meets the company's culture and strategic requirements. Based on our entrepreneurial and development experience, we have summarized the unique talent concept of 360 DigiTech: self-driven, able to get results, leather, positive energy, and open mind. Around such a talent concept, we actively implement relevant policies to attract and retain talents, and create an inclusive and equal working environment to improve the work experience of employees.

In 2021, the total number of employees in the company is 2,129, of which 42.7% are female employees and 57.3% are male employees. There are 2,124 full-time employees, accounting for 99.8% of the company's employees. In addition, our employee structure is dominated by young people, and the proportion of young employees is increasing. Employees under the age of 30 account for 56.9%, which enhances the vitality of the company.





## Compensation and Benefits

360 Digital adopts the concept of comprehensive compensation, reflecting the value and contribution of employees from multiple perspectives, the organic integration of multiple motivation methods creates a positive bond between the organization and the employees, so that the employees and the company can achieve mutual growth.

Our salary system is diversified, in addition to the monthly salary, it also includes annual bonuses, excellent employee bonuses, excellent project bonuses, and transportation allowance subsidies and long-term incentives, etc. Through the periodic salary review, 360 DigiTech considers and adjusts salary from different perspectives, like the staff's knowledge and experience, professional skills, service cycle, key performance indicator, and development potential and other dimensions so as to ensure that employee compensation is fair internally and mutually equitable, externally competitive and every employee could get reasonable returns. In addition to paying employee social insurance in accordance with the law, the company also provides supplementary medical insurance, holiday gift benefits, wedding and funeral birthday gift benefits to improve employees' happiness.

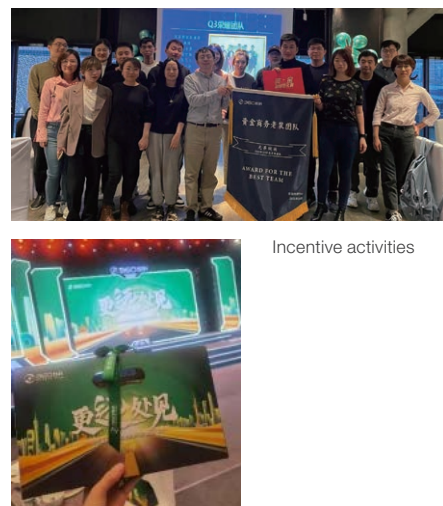
In order to ensure the work-life balance of employees, we provide flexible working hours for employees to arrange flexibly. The company provides professional instant messaging tools. In the event of special circumstances, employees can also choose to work from home and accomplish their jobs through a convenient online communication system. In addition to enjoying statutory holidays such as weekend double breaks, annual leave, various holidays, maternity leave, breastfeeding leave, maternity leave, marriage and funeral leave, etc., employees of the 360 DigiTech also enjoy paid sick leave of 1 day per month so that they can seek medical attention in time and rest adequately.

From employee welfare aspect, according to the objective conditions of the workplace in various places, we provide employees with afternoon tea, canteens, gyms, various sports clubs, shuttles, infirmaries, small medicine boxes, etc. according to the objective conditions of the workplace in various places. It fully reflects the company's care for employees.

The company holds a variety of team building activities every year, and each department arranges its own time and team-building content to promote team integration and value recognition. In addition to going out for team building, the company conducts real-time incentive activities every quarter, and conducts multi-frequency small incentives for employees with excellent performance so as to enhance the sense of belonging of employees while setting up team benchmark. At the end of each year, the company also holds an annual meeting and recognition conference to summarize the annual achievements and celebrate the hard harvest.



Team building



Incentive activities

Annual conference

## Health and Safety

360 DigiTech takes care of the physical and mental health employees, and strives to create a healthy and safe working environment. The company guarantees the occupational safety and health of employees by organizing employee physical examinations, carrying out health promotion activities, organizing safety training, and carrying out safety inspections. We provide physical examination benefits for all employees and upgrade the physical examination package every year, including general examination, liver and kidney function examination, full digital X-ray, high-definition color Doppler B-ultrasound, etc. In addition, the company pays special attention to the mental health of employees and has set up a special training course on “Workplace Stress Management” for colleagues in need. The course is aimed at people with high occupational stress or employees who want to improve their professionalism, then provide them with guidance on emotional management. A total of 460 employees participated in the online learning. After research, the training received an average score of 4.7 out of 5 from the participants, which was approved by many participants.

During the COVID-19 epidemic, the company also introduced relevant epidemic prevention measures. For example, the temperature of returning employees is checked and recorded in real time, the internal inspection process is actively arranged, special personnel are arranged to manage the inspection every morning and afternoon. Comprehensive disinfection and sterilization and office cleaning work are carried out. In order to prevent the spread of the epidemic and alternate infection, the company implemented staggered peak meals and distributed daily hygiene materials such as mask disinfectant to employees. It is forbidden to carry out meetings of more than ten people offline in the conference room, and it is advocated to arrange meetings online.

## Development and Training

The company pays attention to the training and improvement of employees’ knowledge, skills and professional quality, and has established a mature training and development system. To this end, we have developed a comprehensive talent development system to improve employee self-drive, thinking power and problem-solving ability. From the beginning of their employment, employees go through a development path that includes new employee landing, training, value creation, performance management, promotion etc., then grow together with the company.

## New Employee Landing

We welcome and value every partner who chooses to join 360 DigiTech. Through “new employee landing care”, new employees can integrate smoothly into the team and get to work as soon as possible. Our leaders will communicate with new employees regularly to ensure that any problems encountered by employees are solved immediately. In addition, we also provide each new employee with a rich training, from the company’s business, organizational culture, rules and regulations, benefits and other aspects, showing a detailed explanation, through a variety of interesting interactive sessions, so that employees have a clearer understanding of the company’s business development.

### Case

#### New employee orientation

The company carries out relevant special training for new employees once or twice a month to help new employees quickly integrate into the company culture, fully understand the responsibilities of the position and improve work efficiency. The online courses include information security, OKR introduction, financial consumer rights protection and other related content, and the offline courses include the company’s business products, cultural values, rules and regulations (HR, administration, finance) and other business knowledge. According to the survey, the training received an average score of 4.9 points (out of 5 points) from the participants, and was approved by many new employees.





## Practical Training

360 DigiTech believes that 80% of human growth comes from actual combat. Based on this concept, we offer practical rather than generic training courses. From leadership perspective, we mainly provide employees with management basics courses based on the company's core goal management tool—"OKR". From professionalism perspective, the company invites high-performing employees internally and industry leaders externally to share practical knowledge and methods for employees to stimulate reflection and progress. In addition, in order to precipitate and pass on excellent knowledge, we have also established a learning platform, so that employees can freely arrange their time and improve themselves at any time.

### Case

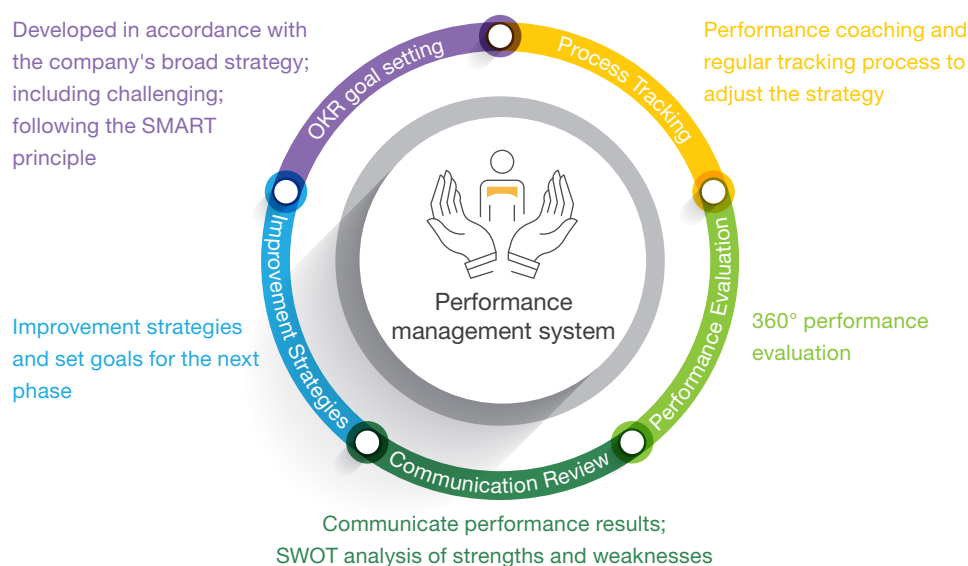
#### 2021 OKR Management Basics Course

In 2021, the company introduces the "OKR" Goals and Key Results Method as the company's core management tool. In order to promote the using of "OKR" management methods for all employees, the company gradually opened seven "OKR" management basic skills courses, from the introduction of tool methodology to goal setting, process tracking, result review and other sand table exercises, a total of 189 employees participated. This enables participating employees to become more proficient in advanced management tools so as to support individuals to carry out their work spontaneously and efficiently. After research, the training was evaluated by the participants with an effect satisfaction score of 9.45 out of 10 points, which was recognized by many trainers.



## Performance Management System

We have established a closed-loop performance management system, including OKR goal setting, process tracking, performance evaluation, and performance communication review and performance improvement. Though the formulation of challenging goals, performance coaching, and constantly review the improvement, Employees in the performance cycle could achieve their own performance improvement. Our performance evaluation is carried out in the middle of the year and at the end of each year, using the 360° assessment to ensure a comprehensive, objective and fair assessment of employees in multiple dimensions.



## Promotion

Employees of 360 DigiTech have the opportunity to promote every year, combined with past performance, development potential, etc., through promotion counselling, promotion defence and other links, employees can get promotion and be given higher responsibilities.

## Rotation Mechanism

In addition, we have established a rotation mechanism in qualified departments so that employees can have the opportunity to understand the work procedures and contents of relevant organizations and positions, on the one hand, it could enhance the communication, understanding, coordination and cooperation between departments and positions, on the other hand, it also could cultivate the comprehensive ability of employees and become "compound talents".

## Safeguard the Rights of Employees

360 DigiTech insists on equality and diversity in employment, strives to create an equal and inclusive corporate culture, and encourages employees to put forward different ideas and suggestions. In addition, the company complies with *Law on the Protection of Women's Rights and Interests*, *Provisions on the Prohibition of the Use of Child Labor*, *Law on Trade Unions* and other laws and regulations, the protection of women's rights and interests, the prohibition of child labor and the human rights principle against forced labor shall be incorporated into the management requirements of the company. We actively protect the legal rights of our employees in any form. If the rights and interests of employees are damaged, we are willing to communicate and negotiate with employees to effectively safeguard the legitimate interests of employees. During the Reporting Period, the Company did not have any violations of laws and regulations relating to child labor or compulsory labor.

In addition, in accordance with the values of openness and inclusiveness, we greatly respect the opinions and suggestions of each employee, and have established a variety of communication channels so that employees can fully express their ideas. We organize a "Townhall meeting" for all employees, during the meeting, executives will give employees a detailed introduction of the company's past events and future plans, and accept face-to-face questions and suggestions. In addition, we have also established an anonymous comment box for employees to speak freely. Every year, we also conduct employee satisfaction surveys and analyze the results to solve the problems that employees mention a lot.





Support for the United Nations Sustainable Development Goals (SDGs)<sup>2</sup>



<sup>2</sup> The Sustainable Development Goals (SDGs) are 17 global development goals formulated by the United Nations. 360 DigiTech takes the Sustainable Development Goals as a framework of the organization, which can help the company to develop sustainably in the dimension of economy, society and environment.



## Proud of Green

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## Proud of Green

Adhering to the green environmental protection concept of harmonious coexistence between man and nature, 360 DigiTech, Inc. attaches importance to the environmental impact in the process of operation, constructs a mature EHS management system, makes rational use of clean energy, effectively responds to climate change, continues to advocate the concept of low-carbon office, and actively carries out environmental protection activities, so as to effectively reduce the impact of the company's operation on the surrounding environment.

## Resource Utilisation

### Energy Consumption

Energy is an important material basis for national economic and social development. The resources we consume mainly include electricity, gasoline, paper and water. In compliance with the relevant provisions of the law of the people's Republic of China on energy conservation, we have formulated the *Internal system for emission reduction of 360 DigiTech, Inc.* within the company, established an energy-saving responsibility system, strengthened energy-saving management in office areas, comprehensively reduced resource consumption and improved employees' awareness of emission reduction, so as to reduce carbon footprint and resource waste.

Resource consumption category	Unit	Total
Gasoline	Litre	8,000
Electricity consumption	MWh	1,838
Power density	MWh/employee	0.86

In 2021, 360 DigiTech, Inc. implemented a series of energy-saving measures, aiming to further complete energy conservation and emission reduction on the basis of maintaining the previous energy consumption level:

- By default, the printer adopts double-sided printing and does not print paper conference materials to reduce paper consumption.
- Employees are encouraged to give priority to using e-mail, intranet and other electronic means to convey and distribute information.

- Put up the water saving sign
- Avoid excessive packaging of Express items



- Set the air conditioning temperature limit to practice power saving and low carbon.
- Provide recyclable straw, which can reduce 14g carbon emission each time.
- Set power-saving parameters on computers, printers and other equipment, advocate power-off and network disconnection of electrical equipment after work, and reduce standby energy consumption.
- Reduce the consumption of office pens, try to choose pencils, pens or pens with replaceable refills, and reduce the use of disposable signature pens.
- Reduce battery consumption. Try to use reusable charging equipment.

## Case

## 360 green building construction

In 2021, adopting the environmental protection concept of “eco + 360”, 360 DigiTech, Inc. built a new headquarters building and positioned it as a “green technology demonstration building”, showing the company’s business characteristics of “wisdom + characteristics” and realizing the goal of “two-way friendliness” to the environment and users. In addition, the company building also applies the construction policy of “Sponge City”. On the one hand, in the period of intensive precipitation, this policy strengthens the drainage capacity of the drainage system to help alleviate the pipe network pressure of the plot. At the same time, on the other hand, it also greatly improves the energy-saving rate of the whole building. During the reporting period, the total annual runoff control rate of the building can reach 70% and the annual runoff pollution control rate can reach 50%.



## Water Consumption

In terms of water use, the company uses the tap water supplied by the municipal government and has not encountered any problems in terms of water source. Our water consumption is already at a low level, and we aim to maintain a normal water consumption level in the future. Therefore, we strictly abide by *the law of the people’s Republic of China on the prevention and control of water pollution*, *the regulations on urban drainage and sewage treatment* and other laws and regulations, strengthen the publicity of water conservation for employees in the process of daily operation, publicize and implement the company’s annual water-saving objectives to employees, and replace all kinds of water-saving devices with water-saving models as far as possible.

Resource consumption category	Unit	Total
Total water consumption	Tons	93,600
Water density	Tons/employee	43.96

## Emission Management

The company is a financial enterprise focusing on business office efficiency with low energy consumption and light pollution. Therefore, it does not involve the discharge of industrial wastewater, waste gas and air pollutants and the consumption of finished product packaging materials. We strictly abide by *the law of the people’s Republic of China on the prevention and control of air pollution, the law of the people’s Republic of China on the prevention and control of waste pollution* and other laws and regulations, standardize our own emission management system, use environmental protection materials in the operation process, formulate and regularly review environmental protection emission targets, and strive for environmental sustainable development.

### Greenhouse Gas Emissions

In terms of pollutant gas emissions, our operations have no significant impact on the environment. However, the company still produces greenhouse gases due to the consumption of gasoline and purchased electricity. Therefore, the company has implemented a number of measures to reduce greenhouse gas emissions to demonstrate our determination to maintain environmental sustainable development.

Greenhouse gas emission categories	Unit	Total
Scope I	Ton carbon dioxide equivalent	2.79
Scope II	Ton carbon dioxide equivalent	1,293.61
Total greenhouse gas emissions	Ton carbon dioxide equivalent	1,296.40
Greenhouse gas emission density	Ton CO <sub>2</sub> equivalent/employee	0.61



## Case

## 360 DigiTech, Inc. carbon neutralization program

In January 2021, the working meeting of the central bank proposed for the first time to “implement major decision-making and deployment of carbon peaking and carbon neutralization, and improve the policy framework and incentive mechanism of green finance”. The company knows that for enterprises, “carbon peak and carbon neutralization” are not only related to survival, but also related to development. Therefore, in order to actively respond to the national “3060” carbon neutralization goal, 360 DigiTech, Inc. issued the *2021 Carbon Neutralization Plan*, promising to gradually realize the carbon neutralization of operational emissions (scope I and scope II) in the future and reach the carbon peak in 2030, and to achieve net zero greenhouse gas emissions from its own business and its customer activities by 2060. In the plan, the company clearly pointed out that as an important support for the digital transformation of entities; enterprises must change their development mode, undertake corporate social responsibility and adhere to a green and low-carbon transformation. For Fintech enterprises, in addition to strengthening their own green governance, they should make good use of green financial tools to achieve the goal of energy conservation and emission reduction in financial activities, and guide the flow of funds to environmental protection and resource-saving industries. On the other hand, it outputs infrastructure application capabilities such as big data, cloud computing and artificial intelligence.

The company will implement the efforts under the carbon neutrality goal through four steps:

On the basis of finding out the annual carbon emissions, effectively identify emission reduction measures and formulate neutralization paths. At present, 360 DigiTech, Inc. is focusing on defining emission boundaries, confirming consolidation methods, identifying emission sources, obtaining emission data and emission factors, etc.



Conduct carbon screening

By launching the "Hulk plan", we will create a green office environment in conjunction with workplaces in Beijing, Shanghai, Shenzhen, Fuzhou, Hefei and Xi'an, advocate green travel, environmental friendly dining, paperless office and other relevant measures, establish an incentive mechanism, and advocate employees to practice



Strengthening green governance within enterprises

low-carbon office behavior, we will also carry out energy conservation and emission reduction transformation, improve energy efficiency and promote carbon neutrality in data centers.

In Fujian, we explore forest right mortgage loans in order to effectively ensure local ecological security, so as to increase forest farmers' income, and realize the organic unity of people and nature. This will also solve the financing problems such as the lack of mortgaged property for forest farmers, the inability to mortgage homestead and the inability to realize rural housing mortgage.



Increase preference for green financial business



Improve carbon inclusion

Combined with “carbon inclusive” and other elements, design “green finance” products, integrate carbon elements into 360 small an micro loans, 360 IOUs, 360 installments and other products, and promote emission reduction actions in four aspects: credit, consumption, insurance and fund. At the same time, strengthen carbon neutralization publicity on the product page and make subtle publicity to users.

Hazardous and Harmless Waste

The company classifies the wastes and disposes them according to different types according to the national catalogue of hazardous wastes implemented by *the law of the People’s Republic of China on the prevention and control of environmental pollution by solid wastes*. For recyclable paper, we implement centralized and unified recycling. For toxic and hazardous wastes, special personnel are responsible for standardized recycling and disposal (ink cartridges, ribbons, toner cartridges, waste batteries, office computers, etc. shall be recycled and disposed of by the company). Since the company’s business does not involve any industrial manufacturing activities, it does not produce a large amount of hazardous waste. Our hazardous waste is mainly used batteries, and harmless waste is mainly domestic waste and office waste paper. In the future, 360 DigiTech, Inc. will continue to reduce the waste generated by business operations in a responsible manner. During the reporting period, the company did not violate laws or regulations in any aspect related to environmental protection.

Resource consumption category	Unit	Total
Hazardous waste	Tons	0.12
Harmless waste	Tons	877.56
Total waste discharge	Tons	877.68
Waste discharge density	Ton/10K \$	0.41

Climate Response and Ecological Environment

Based on the nature of our business, 360 DigiTech, Inc. has not caused any direct and significant impact on the environment and natural resources in the process of business operation. The company has established emergency plans for various emergencies, defined the responsibilities of various departments in emergency disposal, and ensured that the emergency rescue work can be carried out in an orderly manner in case of emergency. In addition, the company conducts relevant emergency drills from time to time, so as to continuously verify and improve the emergency response ability of all departments, strengthen employees’ awareness of crisis response and reduce the risk of environmental pollution.

## Green Finance

Through artificial intelligence, big data risk control and other technologies, 360 DigiTech, Inc. makes good use of green financial tools to promote the implementation of products in the field of green consumption. During the reporting period, the company carried out special product design around new energy vehicles, carried out targeted measures such as green channel and low-carbon subsidies, achieved energy conservation and emission reduction targets in financial activities, guided funds to environmental protection and resource-saving industries, improved corporate intelligent governance and implemented corporate social responsibility.

Support for the United Nations Sustainable Development Goals (SDGs)<sup>3</sup>



<sup>3</sup> The Sustainable Development Goals (SDGs) are 17 global development goals formulated by the United Nations. 360 DigiTech takes the Sustainable Development Goals as a framework of the organization, which can help the company to develop sustainably in the dimension of economy, society and environment.





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# Appendix

## “ESG Guide” Content Index

Aspect	Description	Location
<b>A. Environment</b>		
<b>Aspect A1: Discharge</b>		
General disclosure	Information relating to waste gas and greenhouse gas discharge, sewage to water and land, hazardous and non-hazardous waste generation, etc.: (a) Policies; and (b) Comply with laws and regulations that have a significant impact on issuers.	Emission management
A1.1	Types of emissions and respective emissions data.	Emission management
A1.2	Total GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data statistics
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data statistics
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data statistics
A1.5	Description of emission targets devised and steps taken to achieve the targets.	Emission management
A1.6	Description of how hazardous and non-hazardous wastes are handled, targets devised for wastes reduction and steps taken to achieve the targets.	Emission management
<b>Aspect A2: Resource Use</b>		
General disclosure	Policies on the effective use of resources including energy, water and other raw materials.	Resource utilization
A2.1	Direct and/or indirect energy consumption (e.g. electricity, gas and oil) by type in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Data statistics
A2.2	Total water consumption and intensity (e.g. per unit of production volume, per facility).	Data statistics
A2.3	Description of targets devised for energy use efficiency initiatives and steps taken to achieve the targets.	Resource utilization
A2.4	Description of whether there is any issue in sourcing water, targets devised for water use efficiency initiatives and steps taken to achieve the targets.	Resource utilization
A2.5	Total packaging material used for finished products (in tonnes) and, where appropriate, with reference to per unit produced.	Data statistics
<b>Aspect A3: Environment and Natural Resources</b>		
General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Emission management
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emission management
<b>Aspect A4: Climate Change</b>		
General disclosure	Policies on identification and mitigation of significant climate related issues which have impacted, and those which may impact, the issuer.	Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
<b>B. Society</b>		
<b>Aspect B1: Employment</b>		
General disclosure	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee
B1.1	Total workforce by gender, employment type, age group and geographical region.	Data statistics
B1.2	Employee turnover rate by gender, age group and geographical region.	Data statistics
<b>Aspect B2: Health and Safety</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health & Safety

Aspect	Description	Location
B2.1	Number and rate of work-related fatalities in the past 3 years (including the reporting year).	Health & Safety
B2.2	Lost days due to work injury.	Data statistics
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health & Safety
<b>Aspect B3: Development and Training</b>		
General disclosure	Policies on improving employee's knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior and intermediate management).	Data statistics
B3.2	The average training hours completed per employee by gender and employee category.	Data statistics
<b>Aspect B4: Labor Code</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Employee
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employee
B4.2	Description of steps taken to eliminate the situation when discovered.	Employee
<b>Aspect B5: Supply chain management</b>		
General disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management
B5.1	Number of suppliers by geographical region.	Supply chain management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply chain management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management
B5.4	Description of practices used to promote environmental preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management
<b>Aspect B6: Product responsibility</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Operation
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Data statistics
B6.2	Number of products and service related complaints received and how they are dealt with.	Data statistics
B6.3	Description of practices relating to observing and protecting intellectual property rights.	IP Protection
B6.4	Description of quality assurance process and recall procedures.	Product Risk Management
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Corporate governance
<b>Aspect B7: Anti-corruption</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Corporate governance
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Corporate governance
B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Compliance and Anti-corruption Management
B7.3	Description of anti-corruption training provided to directors and staff.	Compliance and Anti-corruption Management
<b>Aspect B8: Community investment</b>		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests.	Community
B8.1	Focus areas of contribution (e.g. education, environment, labor needs, health, culture and sports).	Community
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community



## Data Statistics

Index	2021
<b>Emission</b>	
Total Greenhouse Gas Emissions (Scope 1 & Scope 2) (tons)	1,296.40
Direct Greenhouse Gases (Scope 1)	2.79
Indirect Greenhouse Gases (Scope 2)	1,293.61
Total GHG emissions per employee (tons/employee)	0.61
Total Hazardous Waste Discharge (tons)	0.12
Total hazardous waste emissions per employee (tons/employee)	0.01
Total non-hazardous waste discharge (tons)	877.56
Total non-hazardous waste emissions per employee (tons/employee)	0.41
<b>Water consumption</b>	
Water consumption (tons)	93,600.00
Total water consumption per employee (tons/employee)	43.96
<b>Energy consumption</b>	
Total energy consumption (thousands of kWh)	1,907.92
gasoline	69.92
electricity	1,838.00
Total energy consumption per employee (thousands of kWh/employee)	0.90
<b>Packaging Materials</b>	
Total amount of packaging material used in finished products (tons)	not applicable
<b>Employee</b>	
Total	2,129
<b>Gender</b>	
Female	910
Male	1,219
<b>Employee type</b>	
Full-time	2,124
Part-time	5
<b>Age</b>	
Below age 30	1,212
Age 30 to 40	883
Above age 40	34
<b>Regional distribution</b>	
China	2,129
Out of China	0
<b>Employee level</b>	
Senior	19
Intermediate	133
General	1,977
Employee Turnover	26%
<b>Gender</b>	
Female	23%
Male	28%

Index	2021
Age	
Below age 30	29%
Age 30 to 40	23%
Above age 40	0%
Regional distribution	
China	26%
Out of China	100%
Lost Days Due to Work Injury	0
Lost Days Due to Work Injury per person	0
The Percentage of Employee Training	
Gender	
Female	73%
Male	72%
Staffing level	
Senior	45%
Intermediate	96%
General	71%
Average Hours of Employee Training per person	
Gender	
Female	4.06
Male	4.00
Staffing level	
Senior	1.41
Intermediate	9.58
General	3.72
Number of suppliers by region	
Eastern China	67
South China	33
Central China	2
North China	82
Northwest Region	6
Southwest Region	5
Percentage of total product sold or shipped subject to recall for safety and health reasons	Not applicable
Number of concluded corruption lawsuits against companies or company employees	0