2023

2023 Environmental, Social and Governance Report

360 Security Technology Inc.

REPORT PREFACE

About the Report

This is the second Environmental, Social and Governance (ESG) Report released by 360 Security Technology Inc. This Report has been prepared in accordance with the principles of impartiality, standardized reporting, transparency, and completeness, and provides details on 360 Security's ESG actions and performance in 2023.

Reporting Period
This report covers the fiscal year 2023 (January 1, 2023 to December 31, 2023). To establish benchmarks and ensure comprehensiveness, certain information may pertain to dates or periods outside the specified reporting period.

Reporting Scope
This Report presents the performance of 360 Security Technology Inc. and all its subsidiaries. Unless otherwise specified, the reporting scope of this Report aligns with 360 Security's consolidated financial statements.

Reporting Guidelines
This Report has been prepared in accordance with key reporting standards and guidelines, including Rules Governing the Listing of Stocks on Shanghai Stock Exchange, Guidelines No. 1 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies – Standardized Operation, Guidelines for the Preparation of Chinese Corporate Social Responsibility Reports (CASS-ESG 5.0) issued by Research Center for Corporate Social Responsibility of Chinese Academy of Social Sciences, GRI Standard 2021, and the United Nations Sustainable Development Goals (SDGs).

Data Sources
This Report has been prepared based on information from official sources of 360 Security. We have implemented appropriate procedures to ensure that the Report does not contain any false or misleading representations and that information presented herein is accurate and complete.

Report Release Method
This Report is available for download in electronic format from the website of the Shanghai Stock Exchange (SSE) (http://www.sse.com.cn).

Message from the Chairman

"Focusing on AI and security while accelerating the development of new quality productive forces"

In 2023, China's focus on technological innovation continued to drive high-quality development in the industrial sector, fueling growth in the digital economy and fostering "new quality productive forces". The rise of large AI models has sparked a new wave of innovation in the global AI industry. Large AI models have become a key battleground in the global technology race, with the potential to transform the economic landscape. The deep integration of AI into manufacturing, especially the deployment of advanced AI models in key industries, is an inevitable trend promising to transform China's modern industrial system and propel it up the global value chain.

As digitization unlocks new opportunities, it also opens more doors for cyber criminals. AI is also a double-edged sword. While it enhances production efficiency, it also introduces new vulnerabilities that cyber attackers can exploit, resulting in an evolving threat landscape that constantly pushes the boundaries of network and information security systems. The rapid rise of security threats in the digital age necessitates that the cybersecurity industry continuously adapt, innovate, and elevate its capabilities.

At 360 Security, we are committed to leveraging our expertise in digital security and AI to support small and micro enterprises. By closely aligning with the SDGs and integrating ESG principles into our daily operations, we aim to maximize our positive social and environmental impact and create sustainable value for all stakeholders. We aim to catalyze sustainable development throughout the industry by fostering collaboration with a diverse array of partners.

360集团创始人:周鸿祎

"Prioritizing breakthroughs in critical technological areas"

At 360 Security, we leverage our technological expertise to serve our country, prioritizing investment in research and development to drive positive change. In 2023, our R&D spending amounted to 1.560 billion yuan, accounting for 34.64% of our revenue, marking a 1.21 percentage-point increase from the previous year. Our focus is on addressing AI security concerns and advancing homegrown general-purpose large model technology, ensuring we have control over the technology. Our homegrown cognitive large model, 360 Smart Brain, boasts hundreds of billions of parameters and tackles a wide range of application scenarios. Its robust capabilities solidify its place among the leading large models in China. By integrating our security and AI capabilities, we've developed homegrown solutions that safeguard national network security. We've identified 54 national-level advanced persistent threats (APTs), overcoming a major hurdle in national-level cyber attack detection. These achievements position us as a leader in national cyber defense. We launched the 360 Security Large Model, the country's first security-focused large model, cementing our position as the industry leader.

"Implementing a Blue Ocean Strategy to empower industry digitalization"

We empower businesses with our AI and security solutions, helping them capture "blue oceans". During the reporting period, we launched an enterprise-grade AI large model solution, facilitating customized deployment of large models across diverse scenarios. We've embarked on a mission to develop large models specifically tailored to the needs of the Chinese market. By leveraging the power of large models, we've enhanced our entire product and service portfolio. This includes introducing innovative AI-powered offerings like the 360 AI Browser and 360AI Search. In the security domain, we have embraced the "Security as a Service" concept and launched the 360 Security Cloud. Our cloud-based, service-oriented approach integrates national-level threat identification with large models. This powerful combination allows us to deliver comprehensive security solutions tailored to the needs of cities, governments, and businesses. We are dedicated to transforming security into an important element of digital infrastructure, promoting inclusive access to digital security, and driving the development of the cybersecurity industry. These efforts are crucial for shaping a secure environment that empowers the development of "new quality productive forces".

"Supporting micro, small and medium-sized enterprises (MSMEs) and fostering digital common prosperity"

In the digital transformation journey, we recognize the significant challenges faced by small and medium-sized enterprises (SMEs). Limited financial resources, manpower shortages, and lack of access to advanced technologies are major hurdles to their digitalization efforts. To help them address these challenges, we launched a subsidy program through the 360 Security Cloud for Enterprises and set aside 10 billion yuan for this program. The program provides annual subsidies ranging from 10,000 to 20,000 yuan for each SME, as well as complimentary access to Security as a Service (SECaaS) solutions, including asset security, network security, and data security. By supporting MSMEs in their digital journey, our aim is to bridge the digital divide and contribute to digital common prosperity.

AI is a powerful catalyst for the development of new quality productive forces. Digital security is the foundation for their sustainable development. Looking ahead, we'll deepen our focus on AI and security. Committed to sustainable development, we will continue to leverage the innovative power of Chinese technology companies to accelerate the development of new quality productive forces and propel China's modernization journey. As pioneers in AI and security, we champion sustainable value creation and embrace the "Technology for Good" movement. By fostering new quality productive forces, we contribute to the continuous evolution of both AI and security, driving technological innovation and industry transformation.

Our Contribution to the SDGs

The SDGs cover the three dimensions of sustainable development: economic, social, and environmental sustainability. Recognizing the importance of these goals, 360 Security has adopted a systematic approach to sustainable development, actively addressing sustainability challenges and pursuing opportunities in an orderly manner.

Sustainable Governance: Strengthening Accountability

- Female managers
- High-quality development of the Company
- Fair competition
- Standardizing corporate governance
- Hosted over 300 investor receptions during the reporting period
- Reported zero significant deficiencies in internal control during the reporting period
- All employees have signed the Integrity Commitment Letter

Sustainable Business Practices: Solidifying Digital Security

- Contributing to a thriving industry ecosystem
- User privacy protection
- Obtained ISO 27001 information security management system、ISO 27701 privacy information management system
- Reported zero major information leakage incidents during the reporting period
- Achieved 100% employee security training

Sustainable Innovation: Spearheading Digital and AI Transformations

- Technological innovation
- User experience
- Our R&D team consisted of 3,332 individuals, comprising 55.6% of our total workforce
- R&D spending totaled 3.104 billion yuan, representing 34.28% of revenue.
- Response rate to customer complaints reached 100%
- Customer satisfaction rate>96%

Sustainable Empowerment: Growth Hand in Hand with Partners

- Occupational health
- Work environment for females
- Talent training and development
- Equal employment
- Supply chain management
- Women represented 20.1% of our management team
- Persons with disabilities represented 1.5% of our workforce
- Achieved 100% employment contract signing rate
- Ensured 100% employee social insurance coverage
- Employee satisfaction rate > 95%
- Achieved 100% employee training
- Over 90% of our suppliers received the excellent rating

Sustainable Development: Jointly Pursuing a Better Future for All

- Supporting rural revitalization
- Social welfare
- Energy conservation and emissions reduction
- Green operations
- Donated 6.49 million charitable causes
- Greenhouse gas emission intensity 0.85tCO2e/million yuan of revenue
- Reported zero environmental pollution accidents
- Our data center reported a PUE of 1.3

About 360 Security

Feature: "All in AI" Fuels the Development of New Quality Productive Forces

Sustainable Governance: Strengthening Accountability

Sustainable Business Practices: Driving Growth in Digital Security

Sustainable Innovation: Spearheading Digital and AI Transformations

Sustainable Empowerment: Growth Hand in Hand with Partners

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Chapter One

About 360 Security

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○ Corporate culture   ○ Rewards and honors

○ Business segments   ○ ESG Management

Corporate profile

Founded in 2005, 360 Security is committed to empowering users with free cybersecurity solutions. Over the past 20 years, the Company has established itself as a global leader in AI-powered digital security solutions.

Supporting China's digitalization strategy has long been a core mission of 360 Security. In 2023, we positioned AI and security as the twin pillars of our business strategy. Considering "security as a service" the bedrock of a thriving digital economy, we strive to empower industrial digitalization with AI large models. Our strategy can be broken down into three prongs: i) championing disruptive innovation in key technological sectors; ii) empowering industry digitalization with the Blue Ocean Strategy, and iii) supporting MSMEs. Through these efforts, we contribute to fostering China's competitive edge in the digital landscape.

Corporate culture

Vision
Provide innovative solutions for a safer world

Mission
Make the world safer and better

Core values
User first, mission-driven, innovation, open collaboration, and integrity

用户
至上

使命
必达

创新
突破

开放
协作

诚信
正直
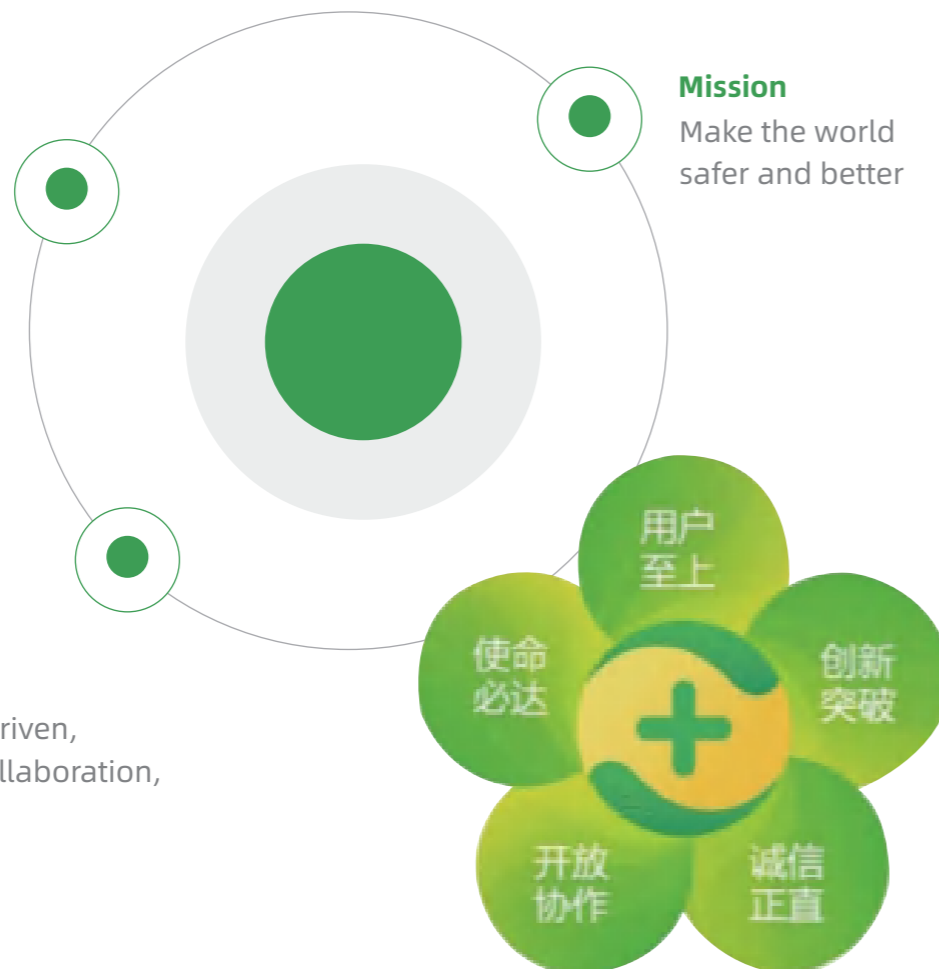
Business segments

360 Security primarily operates in four sectors. We integrate the large model capabilities of 360 Smart Brain into all aspects of our business operations, embodying a commitment to 'ALL IN AI'.

Digital security

AI

IoT & Smart Life

Internet services

◆ Digital security

In line with our commitment to developing homegrown digital security solutions, we launched 360 Security Cloud, a new-generation digital security product. This cloud platform consolidates two decades of cybersecurity expertise, data, intelligence, and knowledge to offer a one-stop Managed Security Services (MSS) solution for users, delivering state-grade protection to cities, governments, and businesses (including SMEs).

360 security model

Pioneering the "AI + security" paradigm, we developed 360 Security Smart Brain, the industry's first security-focused large model. This AI innovation empowers our 360 Security AI Agent system, which seamlessly connects, configures, and manages various security tools, delivering a significant boost in security performance of both individual products and the entire system.

360 security cloud for enterprises

To help SMEs address challenges in digital transformation, we've launched a subsidy program through the 360 Security Cloud for Enterprises and set aside 10 billion yuan for this program. The program provides annual subsidies ranging from 10,000 to 20,000 yuan for each SME, as well as complimentary access to SECaaS solutions, including asset security, network security, and data security.

● **Over 1.6 million customers**　　● **Downloads surpassing 22 million**

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◆◇ AI

Our homegrown AGI large model, 360 Smart Brain, boasts hundreds of billions of parameters and tackles a wide range of application scenarios. Its robust capabilities solidify its place among the leading large models in China.

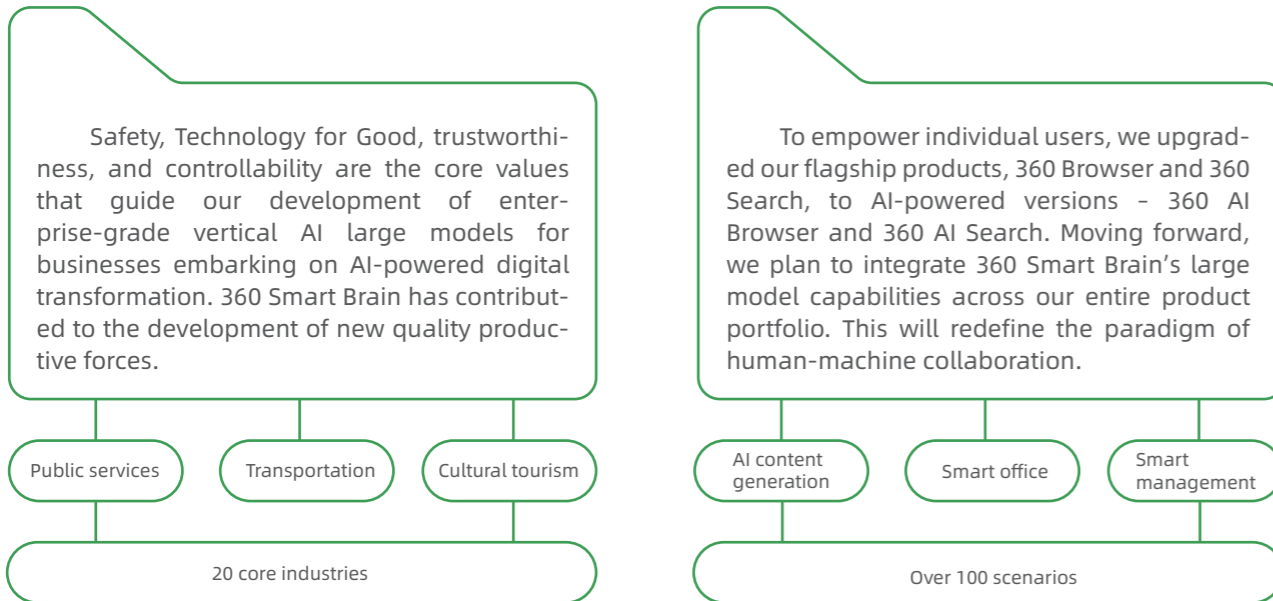Safety, Technology for Good, trustworthiness, and controllability are the core values that guide our development of enterprise-grade vertical AI large models for businesses embarking on AI-powered digital transformation. 360 Smart Brain has contributed to the development of new quality productive forces.

To empower individual users, we upgraded our flagship products, 360 Browser and 360 Search, to AI-powered versions – 360 AI Browser and 360 AI Search. Moving forward, we plan to integrate 360 Smart Brain's large model capabilities across our entire product portfolio. This will redefine the paradigm of human-machine collaboration.

Public services	Transportation	Cultural tourism

20 core industries

AI content generation	Smart office	Smart management

Over 100 scenarios

◆◇ IoT & Smart Life

Guided by the vision of Smart Security, we leverage our extensive technological expertise to create intelligent hardware products and cloud services powered by AI large models . Our smart security hardware business includes smart cameras, doorbell cameras, dashboard cameras, and more, offering families and SMEs comprehensive security solutions.

over **20** million users

more than **120** countries and regions

turst our security hardware and solutions
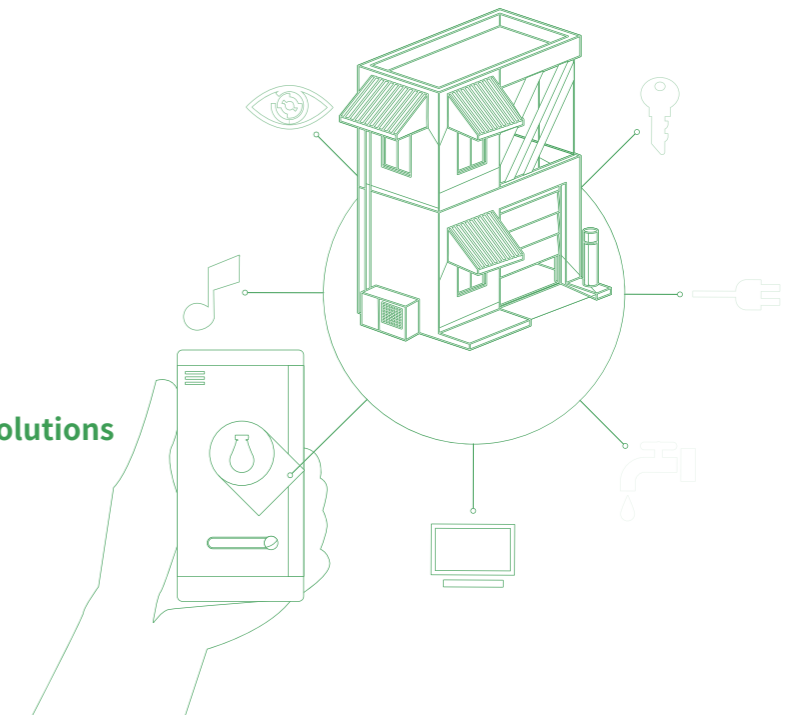
◆◇ Internet services

Our Internet business leverages high-performing traffic channels to drive online revenue through Internet advertising and services, and value-added businesses like e-commerce and online games. By efficiently connecting businesses with consumers, we effectively monetize web traffic.

Our Internet business generates revenue through two primary channels. First, we display advertising within our computer software products like 360 Search, 360 Browser, and 360 Safeguard. Second, we offer premium features and services that complement the core functionalities of software products for paid memberships.

With the continued maturation of disruptive AI applications like 360 AI Browser and 360 AI Search, we expect to see growth in both market share and traffic for our PC products in 2024.

PC security products
MAU **470** million
Securing the top position in the security market

Browser and portal for PCs
MAU **410** million
Capturing a market share exceeding 85%

Milestones

2005
Incorporation of 360 Group

2009
Pioneered the free antivirus model, reshaping the landscape of the global antivirus market

2011
Qihoo 360 went public at the New York Stock Exchange (NYSE)

2013
Launched the Internet Security Conference (ISC), a gathering for the security industry

2015
Established 360 Enterprise Security Group

2016
Completed the privatization of 360 Group
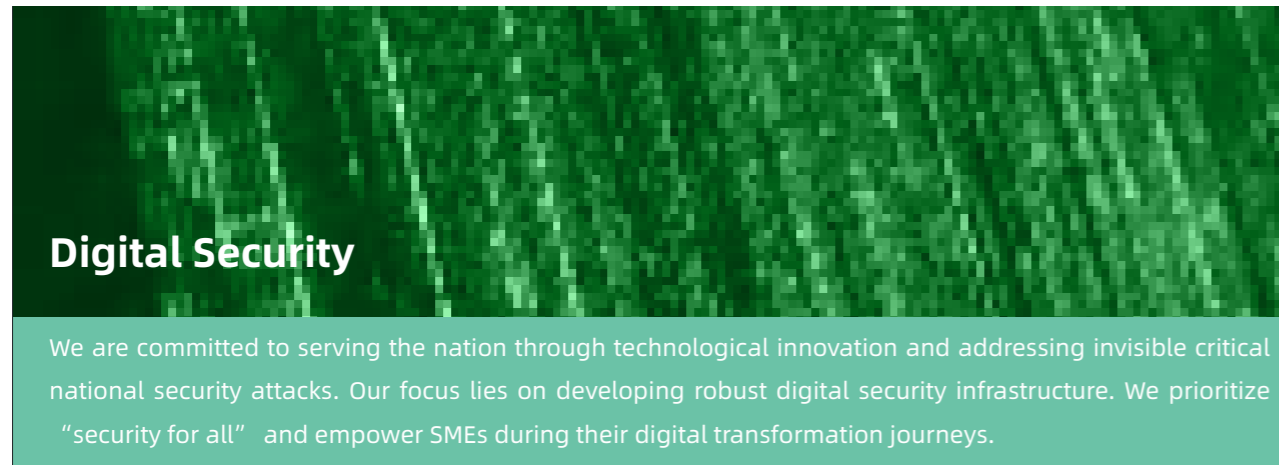Completed a state-grade enhanced security projet

2020
Renamed 360 Government and Enterprise Security Group
Built a next-generation security capability framework
The 8th Information Security Conference (ISC 2020) made history as the world's first cloud-based summit to connect over 10,000 attendees and earned the name "Everlasting ISC"
Made the World Internet Conference's Top Internet Achievements List for the third time

2019
Eliminated a high-risk RDP vulnerability
Published 360 Digital Security Strategy 3.0
Some of our researchers were recognized by Microsoft as MSRC Most Valuable Security Researchers
Made the World Internet Conference's Top Internet Achievements List again

2018
Achieved a successful A-share listing
360 Security Brain Deployment Strategy
Achieved world-first defense against "Double Kill" APT zero-day
First in the world to identify high-risk security vulnerabilities in the EOS blockchain technology

2017
Released the world's first WannaCry ransomware detection tool and self-rescue guide

2021
Launched the digital security capability framework
Brain of Cloud Security (later upgraded to Brain of Digital Security)
Adopted a systematic approach to digital transformation
Named a Growth Stage Vendor by Forrester
Spearheaded the development of an international standard for automotive cybersecurity

2022
Built urban digital security centers in more than 20 large and medium-sized cities, including the four municipalities directly under the Central Government and some provincial capitals, and launched an enterprise security cloud to support MSMEs on their journey to digital prosperity

2023
Strategically positioned AI and security as the twin pillars of our business strategy—more specifically AI as an engine for digital advancements and digital security as the foundation for a thriving digital landscape—with the goal of empowering MSMEs
Launched our homegrown 360 Security Large Model 4.0, which boasts 100 billion parameters and has passed national standard testing.
Launched the industry's first security large model—360 Security Large Model
Launched 360 Security Cloud, a strategic digital security solution offering state-grade protection to cities, governments, and businesses (including SMEs)

Rewards and honors

Digital Security

We are committed to serving the nation through technological innovation and addressing invisible critical national security attacks. Our focus lies on developing robust digital security infrastructure. We prioritize "security for all" and empower SMEs during their digital transformation journeys.

◆ Jan. 2023

Achieved an AAA technology credit rating, placing us among the first group of smart technology companies
Zhou Hongyi won the 2022 Flag Bearer Award
Made the 2022 List of Cornerstones of China's Smart Manufacturing
Zhou Hongyi's proposal to the National Committee of the Chinese People's Political Consultative Conference in 2022 was named 'Proposal of the Year' by the committee
360 Security Cloud is featured as a best practice in IDC PeerScape: China Digital Government Data Security Practices

◆ Feb. 2023

Recognized as the Most Influential Brand of 2022.
Designated as the National Digital Literacy and Skills Training Base
Won the top honor at the 2022 China Industry-University-Research Institute Collaboration Innovation and Promotion Awards

◆ March 2023

Featured as a best practice in the China Software Testing Center's 2022 Cyber and Data Security Case Studies
Zhou Hongyi won the Outstanding Contribution Award at the Third Science and Technology Awards sponsored by the China Society for the Promotion of Science and Technology Commercialization
Designated by the Ministry of Industry and Information Technology as the Center for Promoting Innovative Security-Focused 5G Applications (Henan Center)

◆ June 2023

Obtained certification for ISO/IEC 27001 and ISO/IEC 27701
Ranked among the 2023 China Top 100 IT Innovation Enterprises

◆ July 2023

Ranked No. 1 among Beijing-based "Little Giant" companies by the number of invention patents
Designated as the governing member of Zhongguancun Chaoyang Park's Data Chain Industry Party Building Alliance
Made the 2023 World IoT Ranking List Top 500

◆ Aug. 2023

Ranked among Top 3 in the 2023 Digital Human Companies Ranking List
Surpassed GPT-4 in the C-Eval Rankings by Tsinghua University and Shanghai Stock Exchange

◆ Sept. 2023

Ranked among Beijing's Top 100 Private Enterprises
Ranked among Beijing's Top 100 Small and Medium-Sized Private Enterprises
Ranked No.2 among Beijing's Top 100 Private Enterprises for Scientific and Technological Innovation
Won the 2023 Golden Tripod Award in Financial Technology Solutions

◆ Oct. 2023

Four Employees recognized as Chaoyang District's 2023 Phoenix Plan High-Level Talents
Ranked No.7 on the 2023 List of Top 500 Private Enterprises for Invention Patents
Ranked among the 2023 Top 500 Private Enterprises by R&D investment (the sole digital security company on the list for two consecutive years)
Named as a Famous Brand of 2023 in Software and Information Technology Services
Made the 2023 List of China's Top 100 Internet Companies for Comprehensive Strength (for the 11th consecutive year)
Claimed First Place in the 2023 Quanzhou Cybersecurity Competition (Group Category)
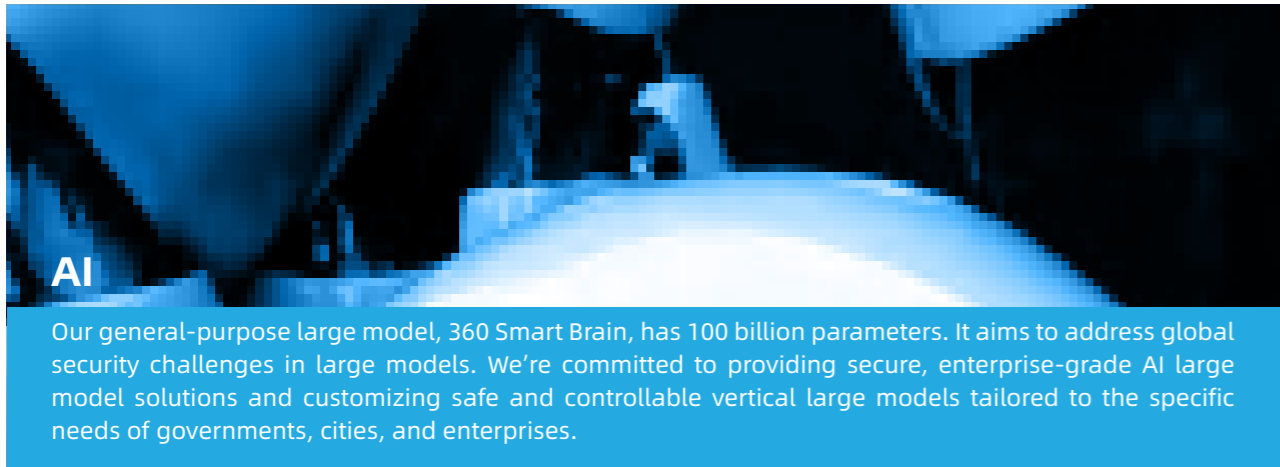
◆ Nov. 2023

Won the Golden Hat Award (Solution of the Year)
Won the Most Influential Enterprise of the Year Award at the 2022-2023 Golden Wisdom Awards, which recognizes excellence in China's cybersecurity and IT industries
Won the Solution of the Year Award at the 2022-2023 Golden Wisdom Awards
Ranked among Beijing's Top 100 Enterprises
Ranked 7th among Beijing's Top 100 Digital Economy Enterprises
Ranked among Beijing's Top 100 "Little Giant" Enterprises
Recognized for expertise in digital chain solutions for SMEs
Selected as a Tier-1 IT service provider for the Chinese National Vulnerability Database (CNNVD)
Received a 4-star rating from the Ministry of Industry and Information Technology as an IT service provider for CAPPVD

◆ Dec. 2023

360 Security Cloud's SECaaS Solution was recognized by Xinhuanet as a Leading Digital Innovation for Empowering Industrial Progress
Named the Innovation Leader of the Year (2022-2023) by China Business Herald
Named the Innovative Enterprise of the Year (2023) by The Economic Observer
Zhou Hongyi was ranked among the Top 25 Most Influential Business Leaders of 2023
Ranked No.3 among Chaoyang District's Top 20 Fastest-Growing High-Tech Companies in 2023
Zhou Hongyi was re-elected as Vice President of the Second Council of China Federation of Internet Societies
360 Security Cloud was named a Leading 2023 Innovation for Driving Digital Transformation
One of the first companies to achieve Level-1 national certification for data security services
Ranked among China's Top 50 Fastest-Growing High-Tech Companies in 2023
Ranked among Snowball's 2023 Top 100 Most Influential Public Companies
Zhou Hongyi won the Leader of Year Award at the 2024 Jinge Awards
Won the Most Influential Company of the Year Award at the 2023 Jinxi Awards

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AI

Our general-purpose large model, 360 Smart Brain, has 100 billion parameters. It aims to address global security challenges in large models. We're committed to providing secure, enterprise-grade AI large model solutions and customizing safe and controllable vertical large models tailored to the specific needs of governments, cities, and enterprises.

◆ April 2023

Recognized as Chaoyang District's Best Scientific and Technological Innovation Team

◆ May 2023

360 Smart Brain's application Tuchacha (map search) was selected as a generative AI best practice example
Selected for the Beijing AGI Innovation Partnership Program (one of the first organizations to be selected for the program)

◆ June 2023

Ranked among China's Top 10 Most Innovative Enterprises in Artificial Intelligence for 2023
360 Smart Brain became the first to pass the China Academy of Information and Communications Technology (CAICT)'s trustworthy AIGC test
Selected by AIIA to develop China's Large Model Application Standard—Large-scale Pre-training Model Technology and Application Evaluation Methodology Part IV: Model Application

◆ July 2023

Featured in 2023 Knowledge Graphs about Large Model and AIGC Industries published by CAICT under the Ministry of Industry and Information Technology
Featured in the World Artificial Intelligence Conference's 2023 Most Innovative AGI Applications: Case Studies
Ranked among China's Top 50 Most Innovative Organizations in AGI
360 Smart Brain's AI large model solution for the tax industry was ranked among Beijing's Top 10 Industry-Specific AGI Applications

360 Smart Brain's AI large model solution for business incubation was ranked among Beijing's Top 10 Industry-Specific AGI Applications
Selected by the China Electronics Standardization Institute (CESI), an organization affiliated to the Ministry of Industry and Information Technology, to lead the Large Model Task Force under the National Artificial Intelligence Standardization Team
Featured in 2023 Most Innovative AGI Applications: Case Studies
Featured in Potential of China's AIGC Market 2023
Featured in Research Report of AI Business Investment Value in China 2023

◆ Sept. 2023

Selected as the deputy leader unit of the Large Model Task Force of CAICT's Key Laboratory of Artificial Intelligence
Zhou Hongyi was selected for the 2023 Beijing Scholars Program
Awarded the highest rating (4A+) in CAICT's AI trustworthiness evaluation
Became one of the first members of AIIA's AI4SE (AI for Software Engineering) team
Leading AI Enterprise Award (Application Innovation Category)

◆ Oct. 2023

Won the "5G+AI" Security Large Model for Smart City Award (5G Cybersecurity Situational Awareness and Monitoring Category)
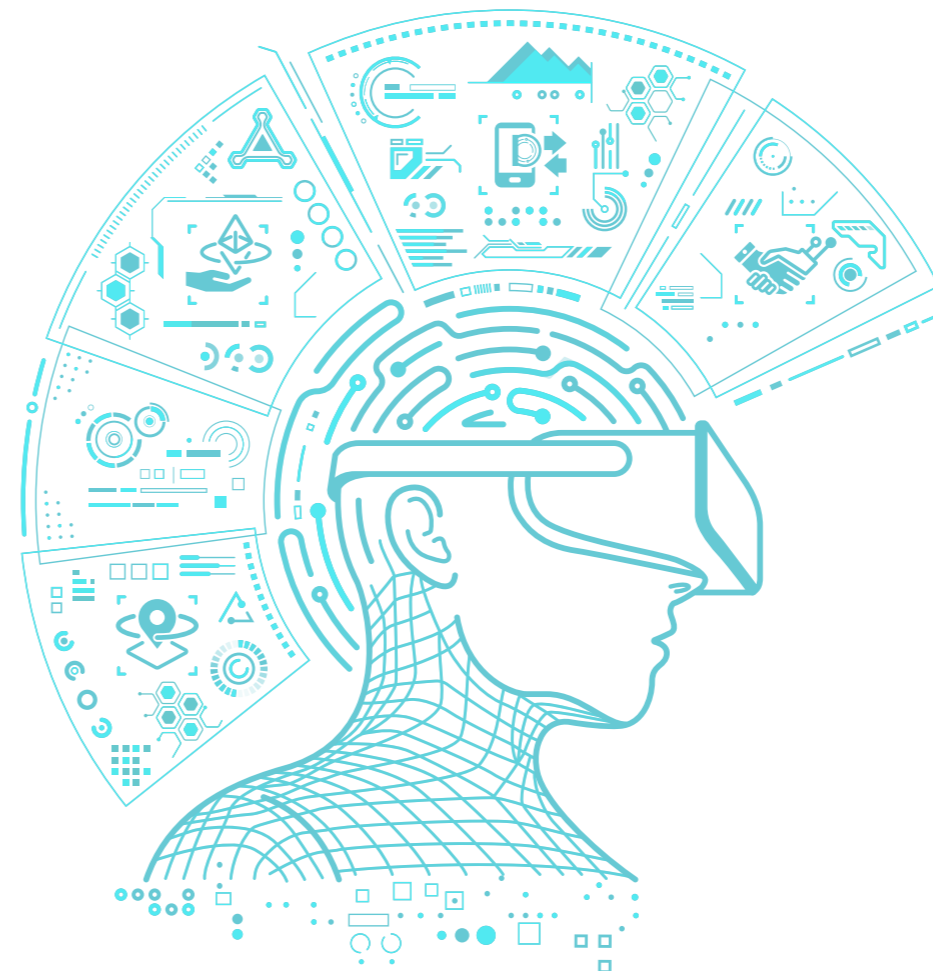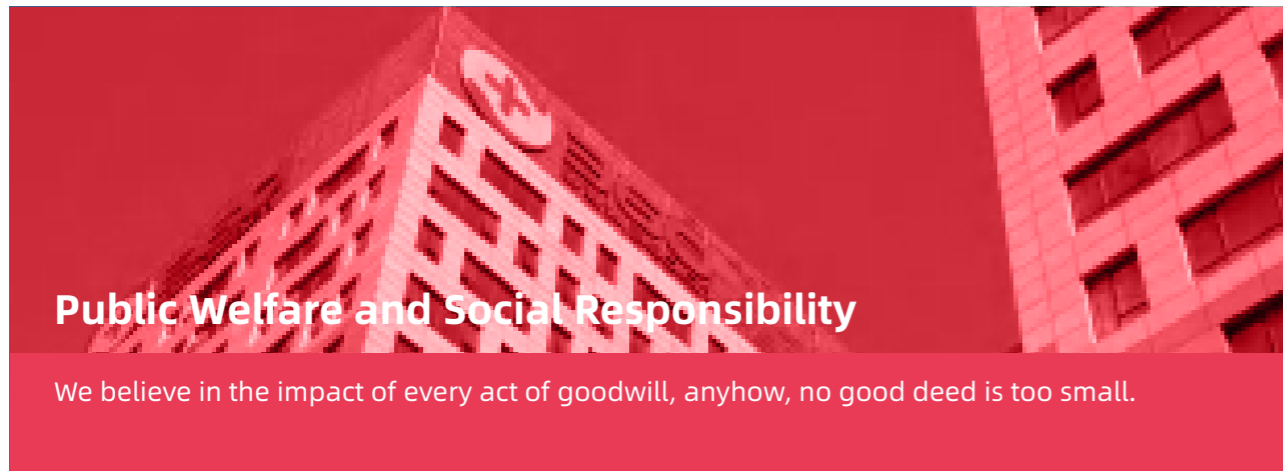
◆ Nov. 2023

360 Smart Brain was named "New Light Product" at the 2023 Light of Internet Expo
360 Smart Brain won the Innovation Project Award at the 2023 World IoT Awards
Named "China's AI Large Model Pioneer for 2023"
Featured in 2023Q3 AIGC Industry Insights
Featured in How Digital Technology Empowers the Real Economy: Case Studies (2023)
Won the AI Breakthrough Award by The Time Weekly
Zhou Hongyi was named "Person of the Year" at WISE2023 Kings of Business Conference
Won the Security-Focused AI Innovation of the Year Award at WIT2024

◆ Dec. 2023

Selected as the deputy leader unit of AIIA's Security Governance Committee
Featured in AIIA's 2023 AI4SE "Silver Bullet" Applications: Case Studies
360 Smart Brain's Large Model for Finance was featured in huanqiu.com's 2023 Global Trends: Case Studies ("Scientific and Technological Innovation" part)

360 Smart Brain's Large Model for the Tax Industry and 360 Security Large Model were featured in 2023 Knowledge Graphs about Industry-Specific AI Applications in China
Made the 2023 List of AI Large Models with the Most Commercial Potential
Ranked among Top 50 Leading AI Enterprises
Ranked among Top10 Best AI Products of the Year 2023
360 Smart Brain's Large Model for Finance was featured in Beijing's White Paper on Innovative AI Large Model Applications
360 Smart Brain was ranked among the 2023 List of Top 50 Cutting-Edge AI Large Models published at the Communications Industry Conference 2023.
Featured in White Paper on Industry-Specific Large Model Applications in China
Successfully passed the compliance test for large model standards conducted by China Electronics Standardization Institute under the Ministry of Industry and Information Technology

Public Welfare and Social Responsibility

We believe in the impact of every act of goodwill, anyhow, no good deed is too small.

◆ **March 2023**

Zhou Hongyi won the 2022 "Glory Star" Figure of the Year Award.

◆ **July 2023**

Selected as an exemplary model for CSR practices in the Internet sector by China's Cyberspace Administration
Won the Outstanding Party Award by the Beijing Internet Association Party Committee
Recognized for excellence in Party building by the Beijing Internet Association Party Committee

◆ **Sept. 2023**

Ranked among Beijing's Top 100 Private Companies with the Best CSR Reputations

◆ **Oct. 2023**

Ranked among China's Top 500 Most Philanthropic Companies in the Services Sector
Ranked among China's Top 500 Most Philanthropic High-Tech Companies
Won the 2023 CPSE Golden Tripod Award
Won the 2023 G-Mark Good Design Award

◆ **Nov. 2023**

Zhou Hongyi was recognized as China's Most Socially Responsible Entrepreneur of the Year 2023 by the All-China Federation of Industry and Commerce
Made the List of Top 10 Corporate Givers of the Year published at the 2023 Public Welfare Ceremony held by ifeng.com's Action League

◆ **Dec. 2023**

Became Love & Hope's brand promotion partner in 2023

ESG Managemen

◆◇ Stakeholder identification and communication

At 360 Security, 360 Security, we uphold the highest standards of legal and regulatory compliance and prioritize social responsibility and sustainable development. We actively engage with stakeholders, including regulators, investors, users, employees, and partners, through various channels to understand and address their ESG concerns.

Stakeholders	Concerns	Communication and feedback
Government and regulatory bodies	Compliance with laws and regulations Compliant operation Fair competition	Policies and guidelines Oversight and inspection Visits Disclosure of information
Shareholders /investors	Financial stability Transparency Risk control	Annual general meetings of stakeholders Corporate announcements Investor communication
Clients and users	Quality products and services User experience Data security and privacy	User feedback channels Social media engagement Customer satisfaction surveys
Employees	Recruitment Employee rights protection Employee training and development Work-life balance	Employee training and communication Employee wellness programs Employee feedback channels Employee satisfaction surveys
Suppliers and partners	Fair cooperation Mutual benefits Sustainable supply chain Supplier empowerment	Supplier management Supplier meetings Industry events Technical cooperation
Communities and media	Environment protection Social welfare programs Corporate social responsibility	Strategic partnerships Media engagement Community engagement

◆◇ Material issue identification and materiality matrix

We identify our sustainability challenges and priorities through a comprehensive analysis process which takes into account national policies, industry trends, development strategies, our business performance, as well as input from both internal and external stakeholders.

After assessing identified material ESG issues, we create a materiality matrix based on their significance to both the Company and our stakeholders.

Materiality matrix

Low-priority issues | Medium-priority issues | High-priority issues

Significance to Stakeholders

Significance to the Company

High-priority issues

1、Data security and privacy
2、Safety and emergency management
3、Corporate governance
4、Disclosure of information
5、Compliant operation
6、Technological innovation
7、Intellectual property protection
8、Talent training and development
9、Customer services
10、User experience

Medium-priority issues

11、Investor relations
12、Internal control and risk management
13、Business ethics
14、Employee right protection
15、Employee compensation and benefits
16、Occupational health and safety
17、Supplier management
18、Industry cooperation and development
19、Social welfare

Low-priority issues

20、Low-carbon practices
21、Energy management
22、Pollution control

Note: Green = Environmental Issues, Red = Social Issues, Blue = Governance Issues.
Horizontal Axis: Significance to the Company; Vertical Axis: Significance to Stakeholders

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02

Chapter Two

Feature: "All in AI" Fuels the Development of New Quality Productive Forces

About 360 Security

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Sustainable Governance: Strengthening Accountability

Sustainable Business Practices: Driving Growth in Digital Security

Sustainable Innovation: Spearheading Digital and AI Transformations

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Sustainable Development: Jointly Pursuing a Better Future for All
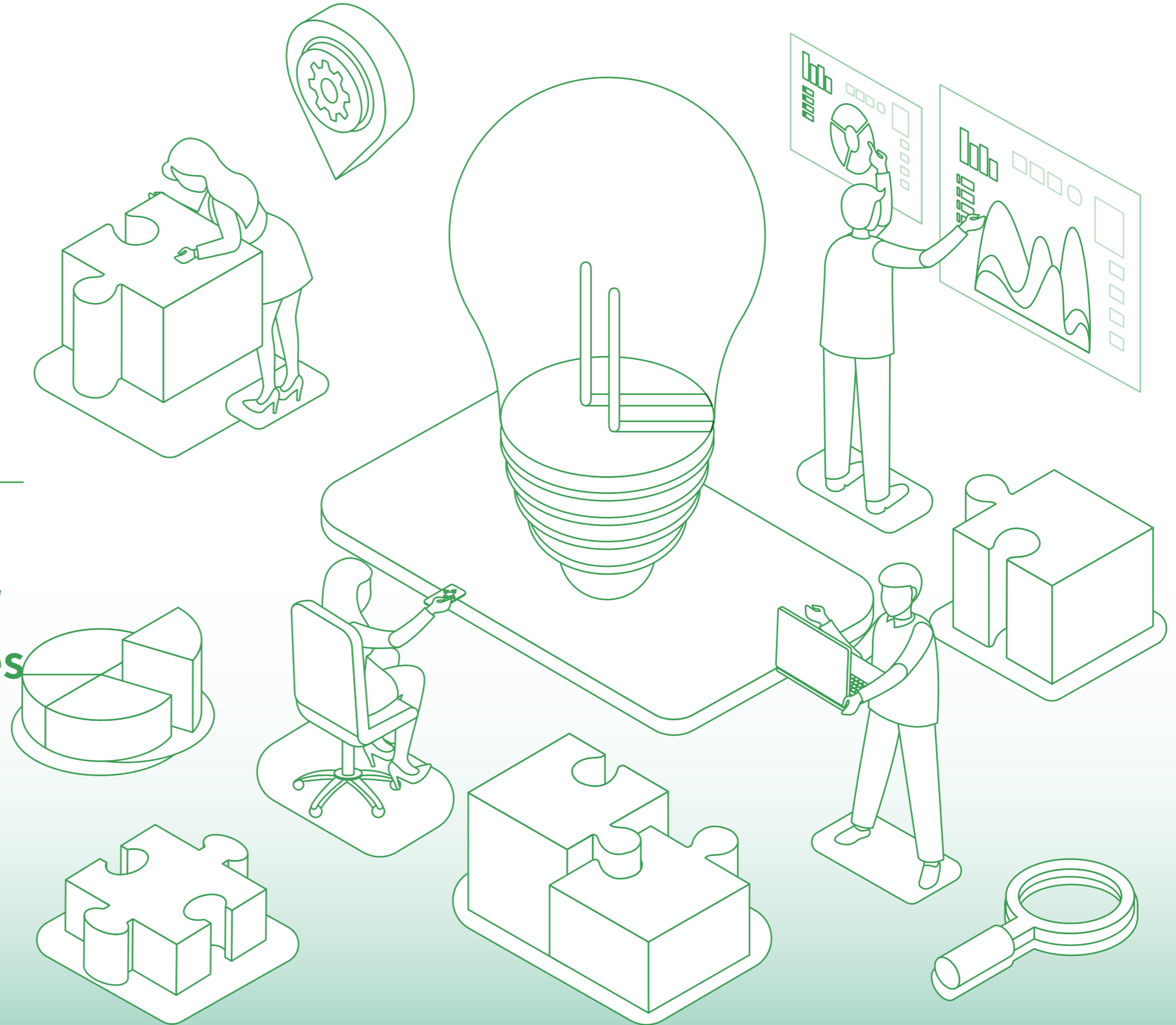
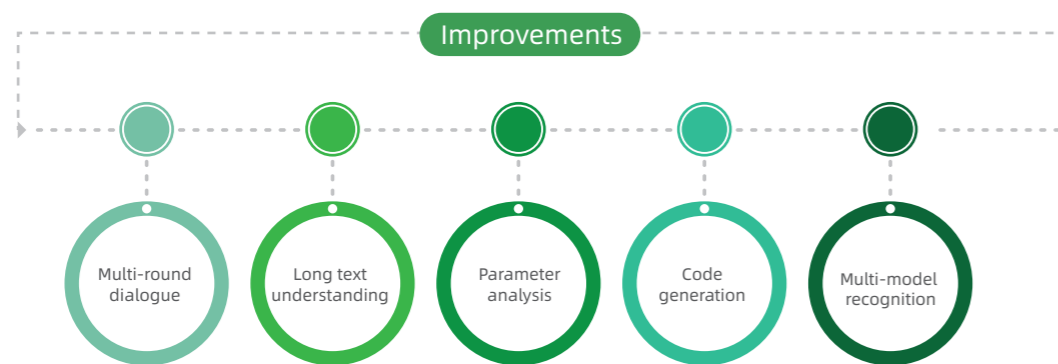The rapid advancement of AI technology has positioned AI large models at the forefront of the global technological race. These powerful models are unlocking a wealth of niche opportunities, acting as a new engine for economic growth with immense potential across a wide range of applications. China hasn't missed a beat in this race. Recognizing the immense potential of AI, China has placed significant focus on the advancement of the technology in recent years. By elevating AI to a national priority and implementing a series of supportive initiatives, China has cultivated a fertile ground for the AI large model industry to flourish.

Driven by the rapid advancement of AI technology worldwide and the need to address AI security challenges, 360 Security has entered the field of AI large models. Leveraging our extensive experience in AI and the unique advantages of our search engine, browser, and other products, we've dedicated significant resources to core technology R&D in the past year. This has resulted in the development of 360 Smart Brain, a cognitive large model boasting hundreds of billions of parameters. Designed for broad applicability, 360 Smart Brain boasts comprehensive capabilities that position it among the leading large models in China.

360 Smart Brain has seen continuous improvement in its core functionalities
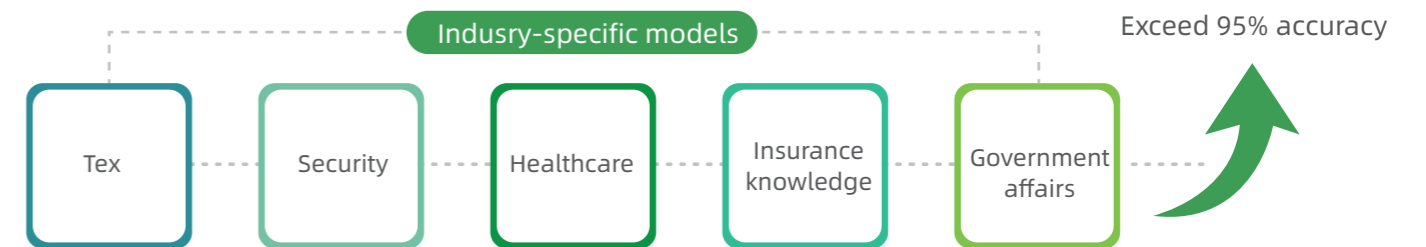
To support our growing training and inference needs, we're continuously scaling up our computing center and optimizing the performance and stability of our GPU cluster. This has enabled us to achieve world-class training performance for our 100-billion parameter model, with computing power that seamlessly handles even the most demanding workloads.

The 360 Smart Brain team has developed a comprehensive suite of training methods specifically designed for vertical large models. These methods, encompassing everything from pre-training to reinforcement learning, have significantly enhanced the model's capabilities in various areas. Additionally, the integration of cutting-edge RAG technology has led to substantial improvements.

Improvements

- Multi-round dialogue
- Long text understanding
- Parameter analysis
- Code generation
- Multi-model recognition

360 Smart Brain is gaining recognition for its multifaceted capabilities

By applying the aforementioned training methods, we ensure reliable performance for real-world applications. This commitment to reliability is a key factor behind our customers' high satisfaction.By applying the aforementioned training methods, we ensure reliable performance for real-world applications. This commitment to reliability is a key factor behind our customers' high satisfaction.

Indusry-specific models

- Tex
- Security
- Healthcare
- Insurance knowledge
- Government affairs

Exceed 95% accuracy

360 Smart Brain, a key player regarding China's national AI strategy

During the reporting period, 360 Security was selected by the CESI to lead the Large Model Task Force under the National Artificial Intelligence Standardization Team. This positions 360 Security at the forefront of shaping large model standards in China. In December, during the plenary meeting of the Artificial Intelligence Subcommittee of the China National Information Technology Standardization Network (NITS), China's first official compliance test results for large model standards were announced. 360 Smart Brain emerged as one of the first four domestic large models to successfully pass the test.

360 Security contributes to overcoming the world's most complex problems through its focus on AI security

With a focus on large model security, 360 Security has helped companies like Google and Meta fix over 200 vulnerabilities in AI frameworks, safeguarding over 4 billion devices worldwide. We have developed a comprehensive suite of large model security solutions. This includes security constraints within the Agent framework, enabling co-pilot mode and essentially reining in large models. Additionally, 360 Security has launched the AISE large model security risk evaluation system, laying a strong foundation for the sustainable development of large models in China.

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During the reporting period, 360 Security launched the GPT Industry Alliance, a consortium designed to unite leaders, align strategies, and combine resources and expertise across the industry to promote research, development, and application of AI technologies. Through the "AI for Business Growth" initiative, we facilitated collaboration across the value chain with over 1,000 application partners, empowered more than 100 partners within the industry, and incubated over 10 unicorns in the AI industry, accelerating their growth and contributing to the broader vision of Digital China.

Enterprise-grade knowledge management system

Safety, technology for good, trustworthiness, and controllability are the core values that guide our development of enterprise-grade vertical AI large models for businesses embarking on AI-powered digital transformation. By empowering organizations across 20 core industries, including public services, finance, tax, healthcare, manufacturing, and cultural tourism, with enterprise-grade AI solutions, 360 Smart Brain has contributed to the development of new quality productive forces.

Public services sector

Within the public services sector, we have collaborated with the government of a city to develop a public services-focused large model and continuously improve its applications. This effort has increased the accuracy of responses to knowledge-based questions in public services from 74.49% to 94.44%.

Financial sector

In the financial sector, we have built customized AI-powered solutions for banks, including AI meeting assistants, AI tools for compliance documentation, and AI-powered customer service chatbots. These solutions have led to a 20% increase in first contact resolution rates and a 15% jump in customer satisfaction rates.

Taxation sector

In the field of taxation, 360 Security has built a large model that achieves an accuracy of 75% on the Certified Tax Agent Qualification Examination, outperforming GPT4.0.
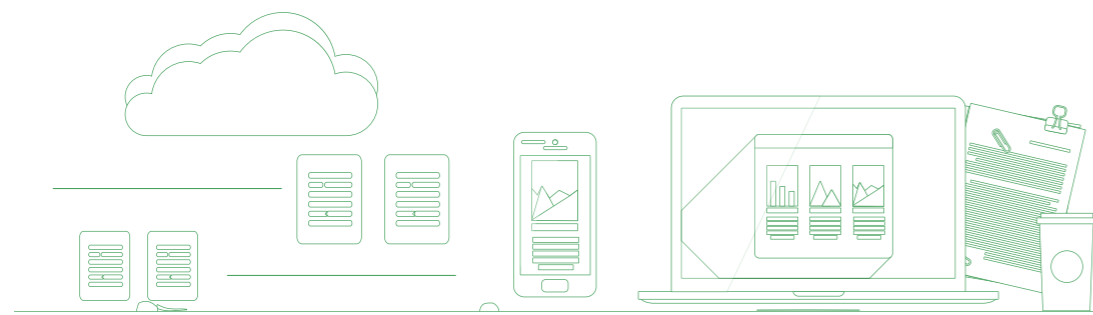
Enterprise-grade knowledge management system

KMSPHERE, our enterprise-grade knowledge management system, tackles challenges relating to high complexity of knowledge and the vast amount of storage required to store information by using data collected real-time from internal and external sources. It features a plug-in architecture for multi-modal data processing and retrieval, powered by a homegrown vector database. With an ability to search over 10 billion of vector datasets, KMSPHERE supports over 100 data formats and boasts impressive recall and accuracy rates, both exceeding 90%.

KMSPHERE
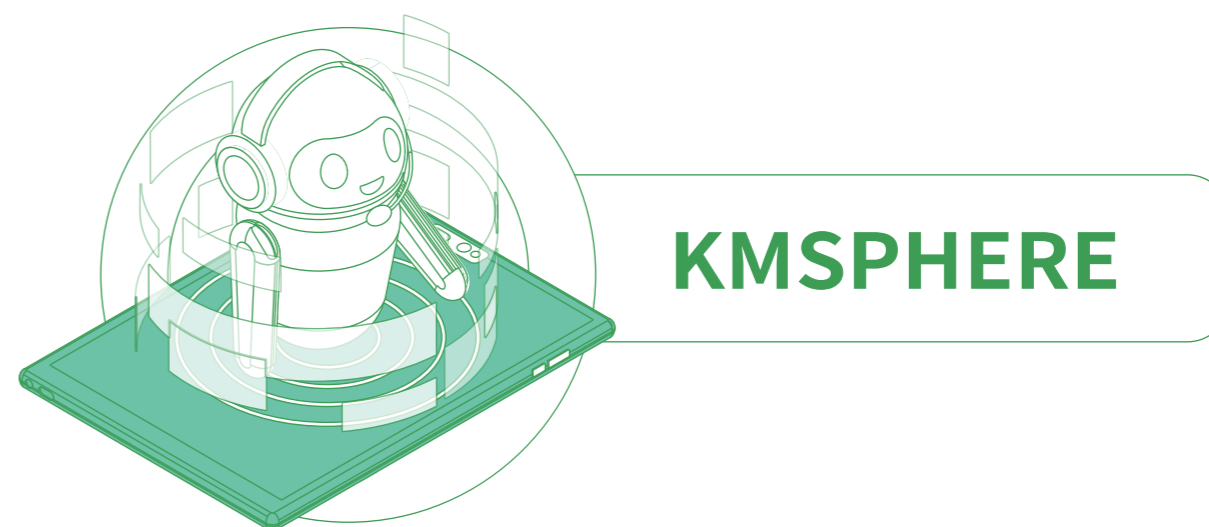
AI Agents framework

The R&D team at 360 Smart Brain has developed an AI Agent framework incorporating flow orchestration, API plug-ins, knowledge bases, and prompt management. This framework serves as a comprehensive development platform for building vertical scenario Agent products. Additionally, 360 Smart Brain has established a business collaboration platform based on this Agent framework. The collaboration platform integrates large models with the Company's existing digital systems. This allows for targeted optimization within the business workflow, enhancing overall automation and AI capabilities without disrupting existing digital processes.

During the reporting period, 360 Security launched the GPT Industry Alliance, a consortium designed to unite leaders, align strategies, and combine resources and expertise across the industry to promote research, development, and application of AI technologies. Through the "AI for Business Growth" initiative, we facilitated collaboration across the value chain with over 1,000 application partners, empowered more than 100 partners within the industry, and incubated over 10 unicorns in the AI industry, accelerating their growth and contributing to the broader vision of Digital China.

360 security model

Drawing on 20 years of security expertise, 360 Security has amassed a vast collection of security-related big data, including data on offensive and defensive techniques, vulnerabilities, and viruses. These extensive datasets are used to generate high-quality training materials for our AI models built on 360 Smart Brain. By combining big data, strong computing power, and cutting-edge algorithms, we've developed 360 Security Large Model, the country's first security-focused large model. This powerful model enhances our entire product suite, enabling features like efficient security consultations, analysis of security threats, incident processing, and pinpointing the source of attack threats.

A recent report by CCID Consulting, China Security Large Model Technology and Application Research Report (2023), evaluated security large model providers across technology, capability, and application. With exceptional strengths in data processing and computing power, 360 Security Large Model secured the top spot for comprehensive capabilities.
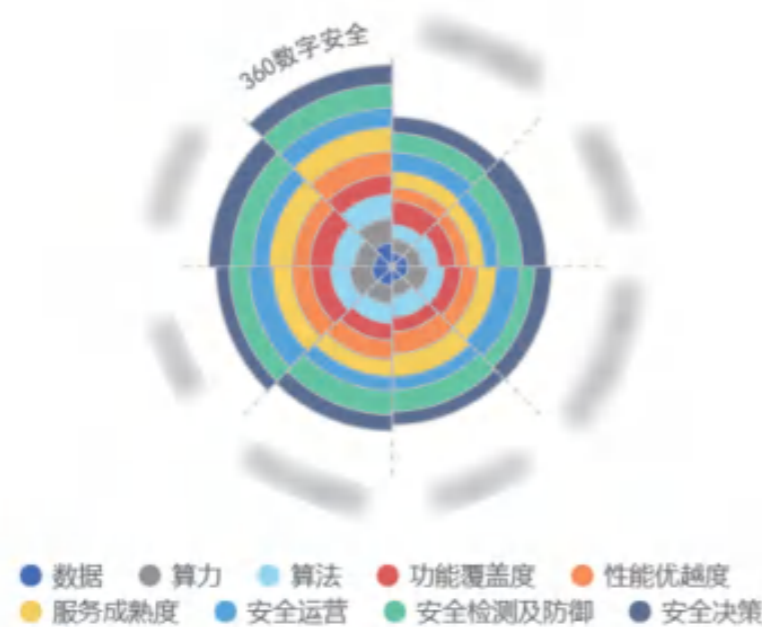
360 Security is dedicated to providing government and businesses with effective solutions and best practices to combat challenges and threats in today's dynamic digital security landscape shaped by the evolving political climate and international relations.

360 security AI Agent

Our 360 Security AI Agent, built on 360 Security Large Model, connects, configures, and manages various security tools. It has achieved a remarkable feat by autonomously identifying APT attacks within just one minute, with analysis reports generated – all without human intervention. This AI Agent system has significantly boosted the security performance of individual products and the entire system as a whole.

AI is rapidly transforming every industry. Companies with access to large models are well-positioned to leverage this technology to unlock new possibilities and elevate the user experience. We have upgraded our widely used Internet portals, 360 Search and 360 Browser, to 360 AI Search and 360 AI Browser – powered by the advanced capabilities of 360 Smart Brain.

360 AI Search（https://www.sou.com/)

Search engines have become an indispensable tool in our daily lives. Users of traditional search engines face three pain points:

Traditional search engines are sensitive to the specific keywords used in a search query. Minor variations in wording can lead to significantly different results.

Users often have to click through countless links before they find the relevant information they are looking for.

The quality of information can vary wildly, making it hard to tell what's reliable. Users often have to sort through a sea of information to find the most accurate sources.

The rise of large language models is fundamentally changing how people search. Users are no longer satisfied with simply finding information – they want results that are useful. Subscription services, for example, have become a new revenue stream for them. Fueled by this growing demand for useful information, the search industry is rapidly integrating AI.

Traditional Search Engines: These engines help users find fact-based information or locations on the web;

Opinion Engines: These engines curate and present content that they believe users can trust;

AI-powered Answer Engines: These engines synthesize fact-based responses to user queries from third-party sources.
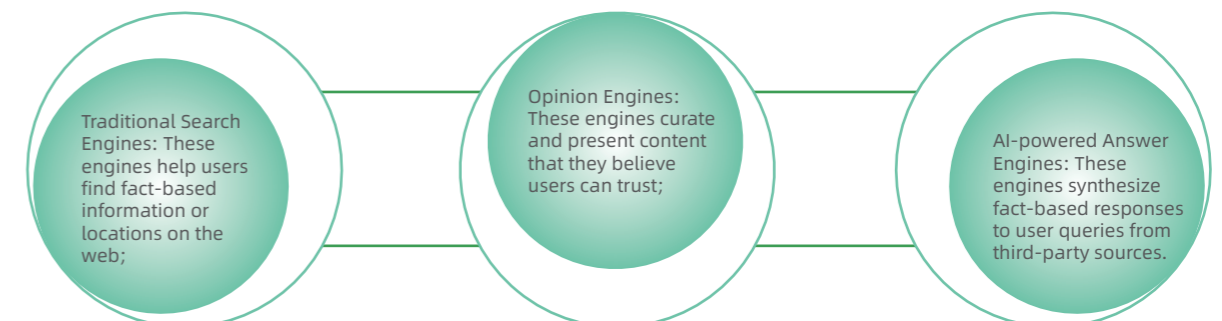
360 AI Search represents the next generation of answer engines. Building upon traditional web retrieval capabilities, it integrates advanced technologies such as intent recognition, information extraction, summarization, organization, and text generation of large language models to mimic human thought and language patterns. This enables the engine to produce high-quality, logically coherent answers. User testing demonstrates that answer engines significantly boost their information acquisition efficiency.

● **Comparison of search results of a traditional search engine (left) and 360 AI Search (right)**
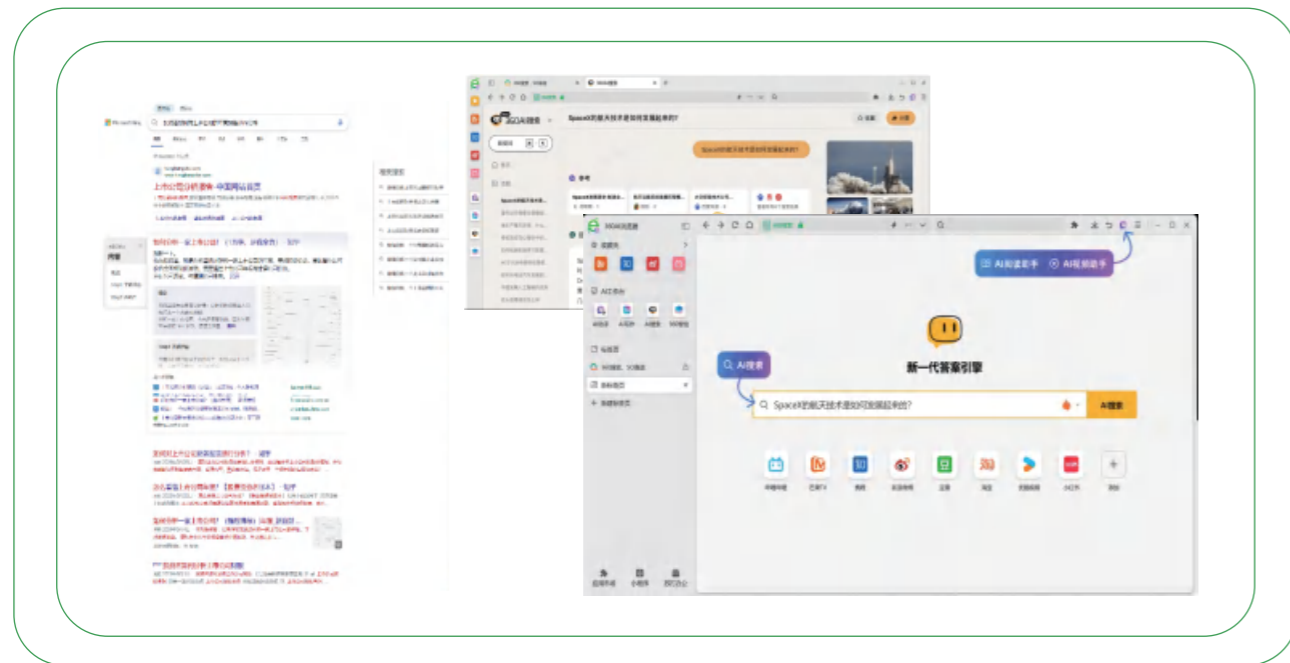
360AI Browser （ai.se.360.cn)

In the past, browsers primarily focused on delivering news and fact-based information. However, browsing habits are evolving. Today, users are consuming more in-depth content like articles and videos, leading to longer browsing sessions. This shift creates a demand for improved browsing efficiency. They want browsers that can automatically extract key points and highlights from lengthy articles and videos.

To address this pain point of users, we launched the 360 AI Browser, which is powered by our large model 360 Smart Brain. This browser empowers users to boost productivity and learning efficiency. It can condense lengthy content – videos, articles, books, and long web pages – into easily digestible summaries and mind maps. It also provides multi-language translation. Users can navigate to specific sections by clicking on content of interest in the progress bar. An AI assistant is also available to answer questions, redefining browsing experience for users.

● **360 AI Browser could generate mind maps and highlights for long videos**

● **360 AI Browser could generate mind maps and highlights for long articles**
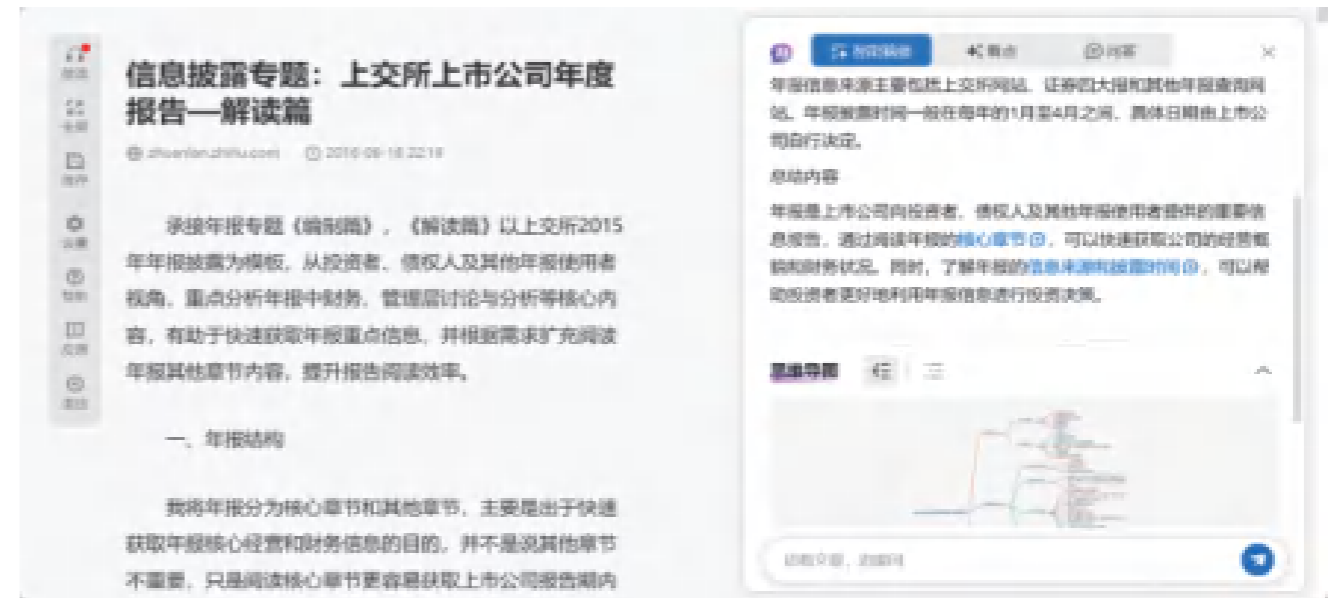
AI large models are revolutionizing industries by creating new forms of value, adapting to new needs, and reshaping new growth engines. They're a key driver in accelerating the development of new quality productive forces. At 360 Security, we're committed to continuous innovation. We'll keep refining our large models, and empowering 360 Smart Brain with even greater capabilities. Through the integration of generative AI across all applications and operations, we aim to deliver more value-added services to our users, fostering both the diversification and commercialization of AI technology to boost high-quality development of China's digital economy.

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03

Chapter Three

Sustainable Governance: Strengthening Accountability

- Standardized governance
- Internal control
- Risk control
- Compliance management
- Integrity
- Fair competition
- Party building

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At 360 Security, we recognize the critical role of a strong governance system in achieving sustainable corporate development. We are committed to continuous improvement in this area, focusing on optimizing our governance structure, strengthening internal control and risk management practices, and upholding the highest ethical standards. Through these efforts, we strive to create sustainable value for all stakeholders.

Standardized governance

◆◇ Governance structure

360 Security is committed to operating with the highest standards of corporate governance. We adhere to all relevant laws, regulations, and standards, including Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Guidelines for Corporate Governance of Listed Companies, a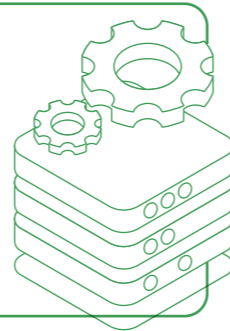nd Rules Governing the Listing of Stocks on Shanghai Stock Exchange. Our governance framework is built upon a clear structure, comprising annual general meetings, the Board of Directors, the Board of Supervisors, and the management team. The Board of Directors has three specialized committees: the audit committee, the nomination and remuneration committee, and the strategy committee. Each committee has clearly defined roles and responsibilities, fostering collaboration and ensuring effective checks and balances. We prioritize continuous improvement in our governance practices, emphasizing standardized operations to safeguard the long-term interests of both the Company and its shareholders.

◆◇ Annual general meetings, the Board of Directors, and the Board of Supervisors

We have established a comprehensive set of procedural guidelines, including those for annual general meetings, Board of Directors' meetings, independent directors, and the Board of Supervisors. These procedures comply with all relevant requirements of the Articles of Association of the Company and govern the convening and holding of meetings and voting processes within our various governance bodies. Our specialized committees are structured and operate in accordance with relevant regulations to ensure that all major decisions and actions undertaken by the Company are lawful, compliant, accurate, and effective, thereby contributing to the Company's long-term stability.

Policy revision: During the reporting period, we revised the Operational Framework for Independent Directors of 360 Security Technology Inc. This revision aligns with the latest regulatory guidelines, including the Guidelines for the Reform of the Independent Director System of Listed Companies and Measures for the Management of Independent Directors of Listed Companies and reflects the latest standards for independent director appointment, meeting participation, and annual performance reporting.

Compliance training: We offer training for directors, supervisors, and senior executives to keep them up-to-date on key compliance topics, ensuring they are well-equipped to fulfill their duties in accordance with relevant laws and regulations.

Board diversity: As of the end of 2023, our Board of Directors comprises six members, including three independent directors and one female director, all with a master's degree or higher. Their expertise spans security technology, finance, law, accounting, and other relevant fields.

◆◇ Disclosure of information

We diligently fulfill our information disclosure obligations in accordance with relevant laws and regulations. Our information disclosure framework, including the Information Disclosure Policy and the Policy on Suspension and Exemption of Information Disclosure, ensures that all shareholders and investors have equal and timely access to accurate and complete information concerning the Company. This is part of our efforts to safeguard investor rights.

Global transparency: We have published ESG reports for two consecutive years, highlighting our commitment to sustainable development and showcasing our achievements in ESG areas to investors worldwide. This transparent approach aims to provide global investors with comprehensive insights into 360 Security.

Demystifying tech talk: We understand that our field can involve technical terms and jargons like 'AIGC,' 'APT,' and 'IoT.' That's why we prioritize clear and easy-to-understand language in all our external communications. We also offer explanations of these terms, ensuring every investor grasps the full meaning behind our message.

Standardized insider information management: We take insider information management seriously. Through rigorous registration and management procedures for those accessing insider information, we prioritize the confidentiality of insider information while upholding fairness and transparency in information disclosure. This commitment protects the rights of our investors and ensures a level playing field for all.

◆◇ Investor relations

We prioritize strong investor relations. Our Investor Relations Policy guides our active engagement with investors and potential investors. Through regular performance briefings, strategy discussions, reverse roadshows, and interactive platforms, we actively engage with investors and potential investors to help them foster a deep understanding of the Company and build a long-term, stable relationship with investors. In addition to routine updates on our development strategies and performance, we proactively spread our ESG initiatives, providing valuable insights that empower investors to make informed decisions.

Hosted over **300** investor receptions throughout the year

Investor Hotline: Responded to over **95%** of calls received during working hours

Securities Department's Public Email: Reviewed all incoming emails.

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Internal control

We have established a robust internal control framework aligned with the Basic Standards for Enterprise Internal Control and related guidelines. This framework includes internal control and routine oversight mechanisms such as the Internal Audit Policy. We regularly evaluate the effectiveness of internal control and promptly address any deficiencies. The Internal Audit Department operates independently under the guidance of the Board of Directors and reports to the Board of Directors' Audit Committee.

During the reporting period, we evaluated the effectiveness of internal control and identified no significant deficiencies in financial or non-financial reporting.

Internal control targets

- To ensure compliance with all applicable laws, regulations, and rules
- To ensure the safety of company assets
- To ensure that disclosed information is true, accurate, complete, and accessible to all investors
- To enhance operational efficiency and effectiveness
- To support the implementation of our development strategies

Internal control measures

- Segregation of duties
- Authorization controls
- Accounting controls
- Budgetary controls
- Operational analysis and performance appraisal
- Information security controls

Risk control

We continuously refine our risk management framework, which includes risk tracing, risk identification, and formulation of corresponding risk management measures based on the assessment of the severity, likelihood, and frequency of potential risks. By proactively identifying, assessing, and mitigating potential risks, we are able to adapt to evolving internal and external environments, and fostering long-term, sustainable growth.

◆ Risk control process

Identifying sources of risk

- Interviewing stakeholders
- Reviewing past litigations, customer complaints, and administrative penalties
- Risks and disputes relating to product compliance and contractual performance
- Analyzing laws, regulations, and government policies impacting our core business activities and developing corporate bylaws to ensure compliance with all relevant legal and regulatory requirements
- Risks associated with other operational activities, etc

Risk assessment

- Prioritizing identified risks based on their potential impact and likelihood of occurrence, etc

Risk monitoring measures

- Process monitoring and auditing
- Routine inspections and follow-up checks
- Policy development and implementation
- Risk awareness training and management
- Complaint mechanism, etc.

Risk handling

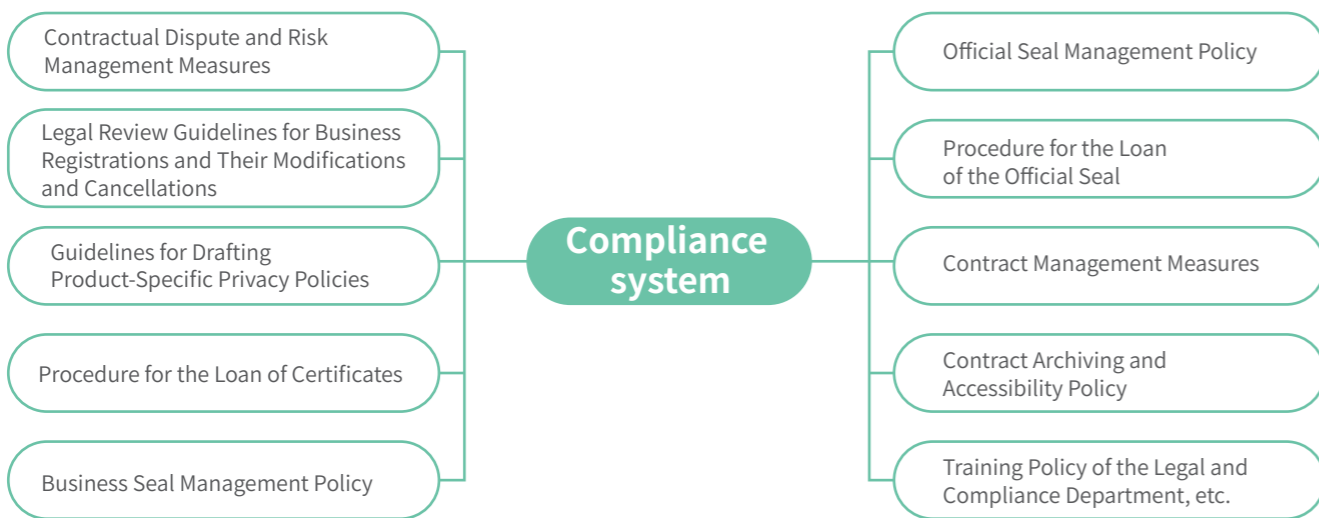- Enhancing systems and addressing vulnerabilities
- Optimizing management processes and enhancing business oversight
- Establishing clear individual accountability and improving reward and punishment mechanism
- Establishing risk limits, formulating risk guidelines, standardizing business practices, etc.

Outcomes of risk handling efforts

- Preventing and mitigating risks through various measures, etc.

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Compliance management

We are dedicated to fostering a culture of compliance. We achieve this by continuously strengthening our compliance management system and offering regular training, learning, and awareness programs. This commitment to compliance is a cornerstone of good corporate governance and contributes significantly to our long-term sustainability.

- Contractual Dispute and Risk Management Measures
- Legal Review Guidelines for Business Registrations and Their Modifications and Cancellations
- Guidelines for Drafting Product-Specific Privacy Policies
- Procedure for the Loan of Certificates
- Business Seal Management Policy

Compliance system

- Official Seal Management Policy
- Procedure for the Loan of the Official Seal
- Contract Management Measures
- Contract Archiving and Accessibility Policy
- Training Policy of the Legal and Compliance Department, etc.

Case: Compliance training

In 2023, we conducted over 10 online training sessions (approximately 40 minutes per session) on compliance, covering critical areas like personal information handling, Internet advertising regulations, and how to navigate legal risks in contracts. Additionally, we tailored training sessions for each business division, ensuring a deep understanding of industry-specific compliance expectations and code of conduct.
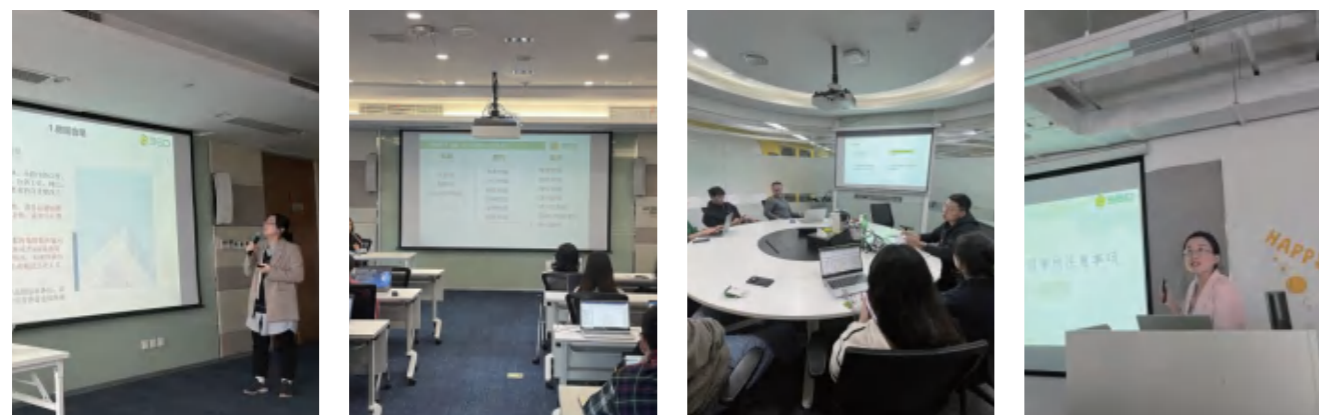
Legal Compliance Training

Compliance Training for Centralized Supply Chains

Marketing Compliance for the Technical Middle Office

Official Seal Management and Contract Review Guidelines

Integrity

At 360 Security, we are committed to fostering a culture of integrity. We have formulated a series of policies, including Malpractice Prevention Policy, Gift Acceptance Policy, Supplier Blacklisting Policy, and Key Personnel Management Policy, to prevent fraudulent activities and cultivate a business environment built on honesty and mutual benefits. No instances of fraud or commercial bribery were reported during the reporting period.

All employees signed the Intergrity Pledge

Malpractice prevention

We promote ethical conduct throughout our supply chain by entering into Business Integrity Agreements with our partners. These agreements establish a shared code of business integrity, helping to prevent commercial bribery.

By signing the Integrity Pledge, employees are committed to acting with integrity, avoiding conflicts of interest, and upholding highest ethical standards.

Our Whistleblower Protection and Reward Policy encourages employees and business partners to report suspected wrongdoing.

This policy ensures strict confidentiality of the identity of reporters and provides special protection for named whistleblowers. A dedicated team manages these reports, and eligible whistleblowers may receive appropriate rewards.

Reporting channels

Email: jubaoxin@360.cn

Telephone: 010-58781520

Online: Use the "360 Ethics Committee" WeChat account

Mail: Ethics Committee, Building of 360 Security, No. 6 Jiuxianqiao Road, Chaoyang District, Beijing

184In-person: Visit the designated reporting location

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Case: Malpractice prevention training

In 2023, we conducted 18 in-person malpractice prevention training sessions for new employees and those in critical positions, also external partners. These training programs have significantly raised awareness of integrity among both our employees and business partners.

Over 630 employees Over 120 individuals from suppliers

40 Suppliers

Over 120 individuals from suppliers

Case: Ethical conduct promotion

We promote ethical conduct through engaging offline and online campaigns. These campaigns utilize a diverse mix of content, including posters, graphics, emails, videos, and interactive activities, to reach all employees and encourage their active participation. They have been effective in ensuring employees keep integrity top of mind.
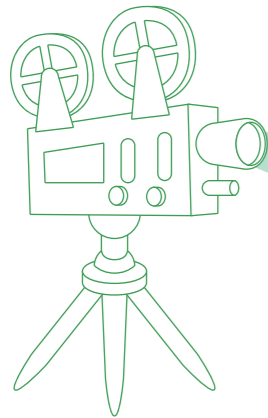
Fair competition

At 360 Security, we are committed to upholding the highest ethical standards and promoting fair competition. We strictly adhere to the Anti-Monopoly Law and Anti-Unfair Competition Law of the People's Republic of China, as well as other relevant regulations. We have developed a robust anti-monopoly framework, which includes a compliance manual, training program, appraisal mechanism, and relevant processes. This framework ensures all employees are equipped with the knowledge to act in full compliance with anti-monopoly regulations in every aspect of their work, thereby contributing to an open, fair, and just market environment.

◆◇ Building a Culture of Fair Competition

We keep our employees informed about the latest anti-monopoly regulations and urge them to uphold the Company's commitment to fair competition through a comprehensive communication strategy utilizing our internal website, announcements, and emails.

Employees are required to complete mandatory video training modules on our internal website. Additionally, we conduct targeted internal sessions for key departments and personnel. These sessions delve deeper into relevant regulations and equip participants with the practical skills necessary to navigate anti-monopoly compliance risks in their daily work.
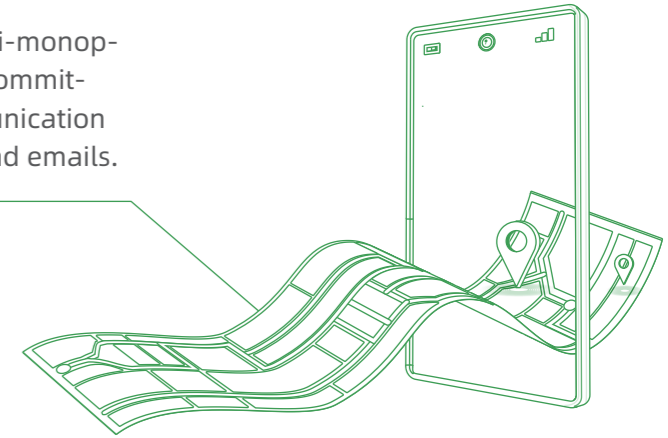
Case: Observations on Anti-Unfair Competition Cases

Given the frequent updates to anti-unfair competition laws and increased regulatory scrutiny in recent years, we've compiled a 34,000-word report titled "Observations on Anti-Unfair Competition Cases". This report analyzes various forms of unfair competition, including counterfeiting, deceptive marketing, marketing or selling cheating programs, unauthorized commercial use of resources owned by others, and unlawful comparative advertising/smear campaign, through real-world cases in the industry. By studying these cases, we equip employees with the skills and knowledge they need to identify and prevent unfair practices.

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Party building

Guided by the principles of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company has conducted training programs aligned with the spirit of the 20th National Congress of the Communist Party of China (CPC). These programs emphasize the importance of learning theories of the CPC and putting them in to practice, carrying forward the spirit of the Party, and achieving new milestones in Party building. Through these initiatives, we are steadfastly advancing towards high-quality development.

◆ Party Committee establishment

Party basic information	The Company established a Party branch in 2011. In 2013, the Party organization's oversight was transferred to the Beijing Internet Association Party Committee. In January 2014, it was upgraded to a Party committee.
Members of the Party Committee	The Party Committee has 9 members, including one Party Secretary.
Party members	The Company has 1,194 Party members, with an average age of 31.7 years old. These Party members are spread across 23 business lines including digital security, smart products, urban industries, Internet, smart life, and commercialization.

Won the title of Outstanding Party Organization

Designated as the governing member of Zhongguancun Chaoyang Park's Data Chain Industry Party Building Alliance

◆ Party building activities

● Strengthening political consciousness

Our Party Committee has conducted training programs on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. In 2023, we organized 12 study sessions focused on this subject and facilitated reading classes to delve deeper into its principles.

We utilize our WeChat account, intranet, and other platforms to offer open access learning materials relating to Party building.

In 2023, we formulated the Work Plan of 360 Security's Party Committee for Surveys and Research and conducted more than 20 surveys across our business lines. Through these surveys, we gathered valuable insights to guide problem solving and solution development.

Party building meetings and lectures

Held a expansive meeting of the Party Committee

● Fostering a strong and unified leadership structure through Party building

In 2023, we strengthened Party leadership by inviting Party Committee members to attend major business and management meetings, where over 100 important proposals were discussed. We also assigned Party Committee members to oversee party branches of our business lines.

We released Key Objectives of Party Building for the Party Committee of 360 Security, conducted four quarterly Party building meetings, and distributed task lists to ensure relevant personnel have a good understanding of their Party building responsibilities.

● Solidifying the foundation for stronger support

In 2023, we implemented a comprehensive improvement initiative to address identified weak links in Party building. Grassroots Party organizations actively participated in this initiative, completing all rectification tasks.

We also organized special Party branch activities and collaborated with Party organizations from other companies and institutions to conduct joint Party building activities and launch a collaborative Party building program called "Party Branches Hand in Hand".

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The Ninth Party Branch organized community outreach Party building activities
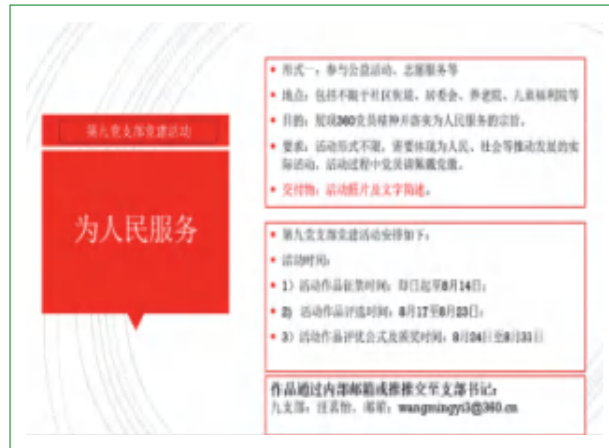
The Ninth Party Branch celebrated the PLA Day Quiz Contest centering around Party building

360 Security partnered with the Bank of Beijing to host a Party Day event

360 Security partnered with the Office of Cyberspace Administration of Beijing to host a Party Day event.

Prioritizing talent development

We have built a talent pool of 44 management professionals and 12 individuals with expertise in Party affairs, identified through both internal recommendations and self-recommendations.

In 2023, we conducted a special training program on the spirit of the 20th National Congress of the CPC for middle and senior managers. Over 50 managers participated in the training.

We have mobilized resources to support the establishment of exhibition areas showcasing Party building achievements, grassroots Party building initiatives, and a Party education resource library.

Outstanding Party building programs

Our Party Committee integrates Party building initiatives with our corporate strategy. Building on the success of supporting MSMEs, we remain committed to our mission by leveraging our core strengths to launch the 360 Security Cloud for Enterprises. This comprehensive digital security and management platform provides one-stop services for MSMEs, simplifying security compliance, reducing operational costs, and improving office efficiency. By empowering MSMBs in their digital transformation journey, we help them mitigate security risks and overcome digital challenges and strengthen the brand image of our Party Committee.

Won Outstanding Party Building Program Award

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Chapter Four

Sustainable Business Practices: Driving Growth in Digital Security

○ Security management systems
○ Security governance measures
○ Security emergency management
○ User privacy protection
○ Security awareness programs

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Security is at the core of everything we do at 360 Security. Our commitment to product security, data security, and user privacy has been unwavering throughout our journey of technological innovation. We implement rigorous security standards and continuously improve our security management system. By leveraging cutting-edge technologies, we strive to foster a secure and trustworthy digital ecosystem.

Security management systems

ISO 27001 information security management system

ISO 27701 privacy information management system

The Company strictly adheres to relevant security and privacy laws and regulations, including the Cybersecurity Law, the Data Security Law, and the Personal Information Protection Law of the People's Republic of China. We have put in place a comprehensive information security management system, which includes security thresholds and standardized practices for infrastructure security, data security, privacy protection, product security, and secure third-party collaboration.

During the reporting period, we revised our Supply Chain Security Management Policy, Data Security Management Manual, Information Security Management Guide, and other relevant corporate policies.

Corporate policies relating to data compliance
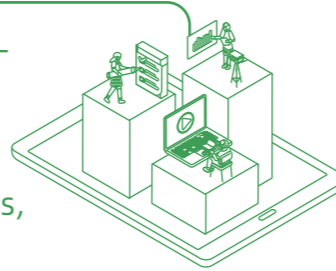
- Personal Information Protection Policy
- Supply Chain Security Management Policy
- Data Security Management Policy
- Data Security Emergency Management Policy
- Cyber Incident Response Plan

- Employee Information Security Manual
- Information Security Risk Management Standard
- Data Security Management Manual
- Guidelines for Compliance with Personal Information Laws and Regulations
- Information Security Management Guide

◆ Security governance framework

We have established a comprehensive data security governance framework with clearly defined roles and responsibilities. This framework consists of four key elements: a dedicated data security committee, a specialized data security team, a data security audit function, and an operational team responsible for execution. Working collaboratively, these teams ensure comprehensive data security management and compliance throughout the organization. This framework provides overarching guidance for our data security compliance efforts.

Data Security Committee

| Privacy Department | Ecological and Strategic Cooperation Cente | Legal Center | Information Security | Data platforms | Internal Audit and Supervision Center | Marketing and Communications Center |

Data audit agency

Execution Department (Business Department)
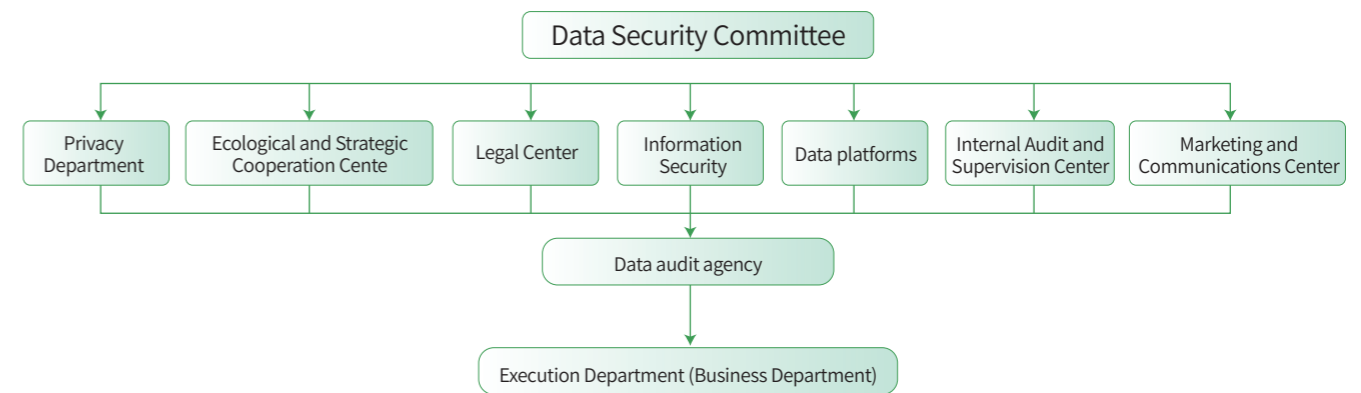
◆ Security governance principles

Our commitment to data security compliance and risk management practices safeguard the sustainable growth of our business. Through responsible data development and utilization practices, we ensure our data is leveraged effectively while adhering to established data use standards and ensuring data security across all scenarios. We also facilitate lawful and controlled data sharing and implement practices that promote both data security and business development.
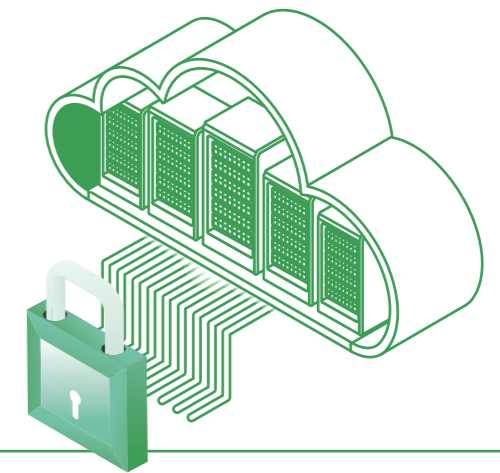
Data security management principles

Principle of Clear Roles and Responsibilities	Principle of Non-Transferable Responsibility
Principle of Compliance	Principle of Least Privilege
Principle of Quality Assurance	Data Protection Principle
Principle of Data Minimization	Auditability Principle

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◈ Risk control

We have formulated the Information Security Risk Management Standard to provide a standardized approach for all departments to identify, assess, and mitigate potential security risks. This standard clearly defines roles and responsibilities of related personnel and aims to control security risks associated with information generated during business operations, management, and internal controls, ultimately contributing to the safe, sustainable, and stable operation of our business.

We have established a four-tier information security governance structure. This structure comprises an information security management committee, an information security department, information security specialists within each department, and a security audit team.

Actions and Processes

```
Prepare for risk assessment
        │
   ┌────┼────────┐
   ▼    ▼        ▼
Identify  Identify  Identify
asset     threat    vulnerability
        │
        ▼
Confirm existing security measures
        │
        ▼
   Calculate risk
        │
        ▼
  Is the risk within       Yes    Current security measures
  acceptable levels?   ──────────▶  be maintained
        │
        │ No
        ▼
Select appropriate security measures   ◀── No
and assess residual risks
        │
        ▼
  Are residual risk         No
  within acceptable    ──────────┘
  levels?
        │
        ▼
Take risk management actions
```
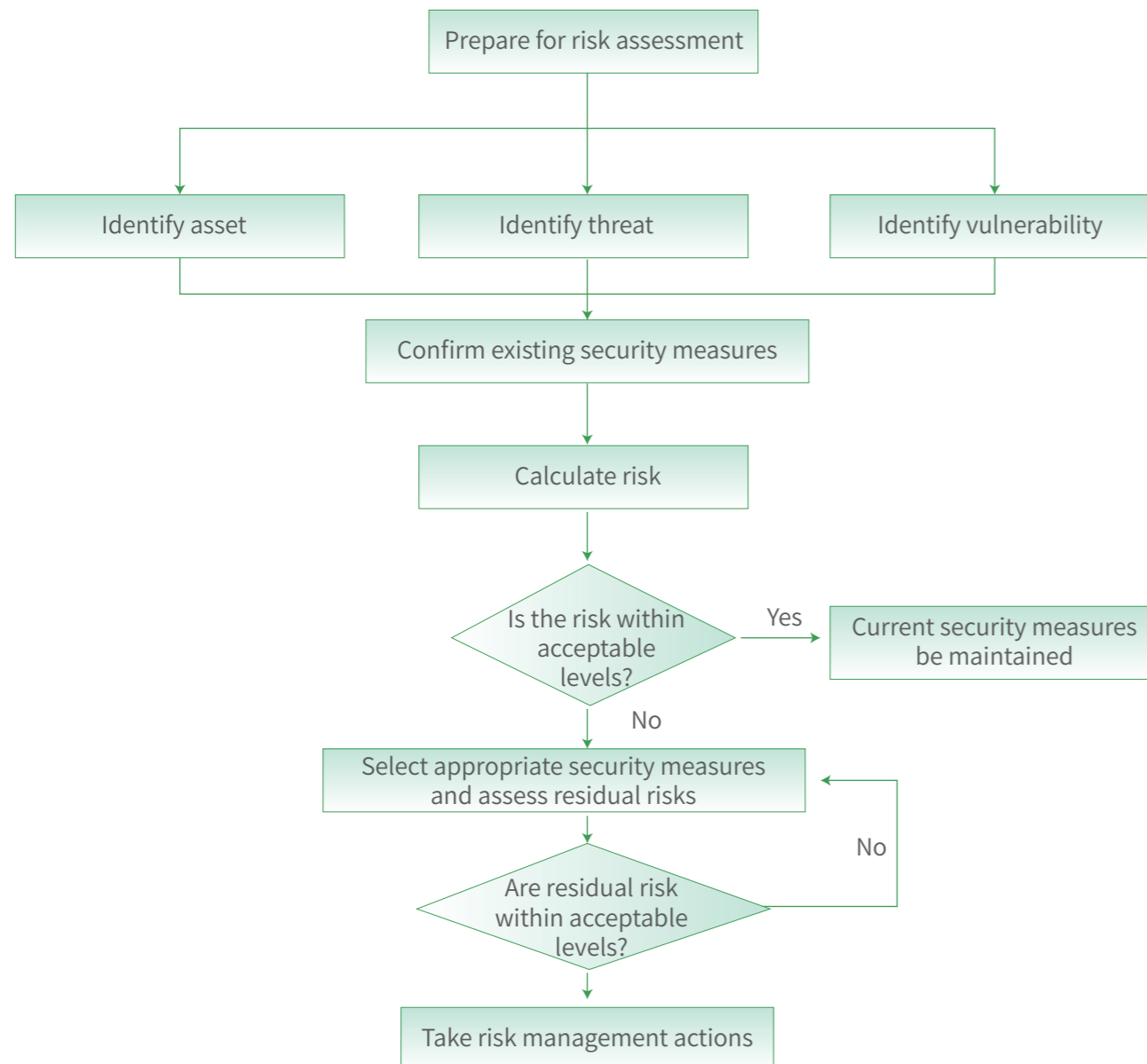
Security governance measures

We are actively building a robust defense system specifically designed to address real-world threats and integrate it into our everyday operations. To achieve this, we continuously strengthen our internal security capabilities and bolster our risk warning, detection, analysis, research, and response functions. By prioritizing resource integration and capability development, we effectively meet the evolving needs of our business lines.

◈ Defense system

Our security products and platforms are designed to provide comprehensive protection across all critical user scenarios, including networks, devices, applications, user authentication, and sensitive data. This multi-layered approach empowers us to detect security events with greater accuracy and significantly reduce the risk of missing potential threats that might evade single-scenario defenses.

We are committed to enhancing and standardizing the processing of security data across all dimensions, enabling security analysts to make timely and informed decisions.

We are developing a security analysis platform that focuses on threat data gathering. This platform will empower our security teams to analyze operational data with greater efficiency.

◈ Security operation practices

We leverage advanced analytics to transform vast amounts of raw data into actionable security insights, prioritize high-risk incidents, and minimize false positives. These practices ultimately reduce the overall burden on our security management system.

We implement standardized procedures for security incident handling. These procedures, bolstered by closed-loop assessments, ensure a consistent baseline of security across all our operations.

We have developed emergency plans for diverse threat scenarios. These plans, based on expert experience, aim to minimize operational disruptions during emergencies and mitigate potential losses from security incidents.

◈ Efficiency of security operations

We leverage the Security Brain SOC platform to continuously gather security data. We have developed a security operation indicator (SOI) evaluation system to enhance our security capabilities and operational efficiency.

We simulate real-world intrusion attempts to evaluate the effectiveness of our security measures.

We conduct regular offensive and defensive security exercises. These exercises allow our security teams to gather critical data to strengthen our overall security posture.

We are at the forefront of deploying large models in security operations. By leveraging the analysis, judgment, and reasoning capabilities of 360 Security Large Model, we have automated a significant portion of our security analysis and task processing, thereby remarkably enhancing the efficiency of our daily security operations.

Functions of our defense system

Threat Visibility: We leverage comprehensive security detection products to collect and centrally manage data from various sources, including security alerts and original logs. This system allows for traceability of original logs and large-data analysis of security alerts.

Threat Detection: Our security model, built on expert experience, incorporates multi-dimensional security operation analysis capabilities, including security monitoring, analysis, traceability, evidence collection, defense assessment, and operations management. This enables our security teams to make informed judgments about security alerts.

Threat Response: We have combined our operational processing platform, information security platform, automated response technology and standardized procedures to ensure effective closed-loop response to security incidents.

◈ Information security platform

Our information security platform plays a vital role in ensuring security. It is embedded throughout the entire application development lifecycle. We integrate security management and control into every stage, from research and development to testing, release, and operation, through four major platforms: compilation and release, security incident handling and operations, automated scanning, and threat detection platforms. We manage vulnerabilities in accordance with industry standards and regulatory requirements. To ensure timely remediation, we maintain frequent connections with CVE databases for real-time vulnerability updates, classify vulnerabilities, define resolution timelines, and promote efficient remediation through batch vulnerability patching. Additionally, we have established a vulnerability disclosure process, transparently disclosing high-risk vulnerabilities through our official channels, such as the WeChat account and company website. To further enhance our vulnerability management efficiency, we've developed a suite of in-house automated security scanning tools. These tools integrate seamlessly into our dynamic management system, minimizing delays and enhancing the efficiency of vulnerability management.

Process: Develop → Code → Security test → Release → Monitor and analyze → Handle feedback

Vulnerability detection/remediation
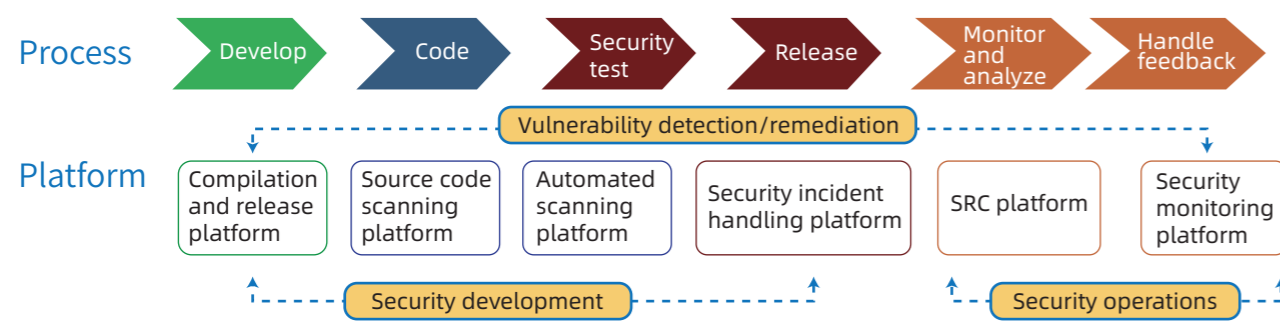
Platform: Compilation and release platform | Source code scanning platform | Automated scanning platform | Security incident handling platform | SRC platform | Security monitoring platform

Security development

Security operations

Case: 360SRC's incentive programs for white hats

The 360SRC Emergency Response Center is our external platform for collecting security vulnerabilities and threat intelligence related to our products. This center is dedicated to safeguarding both our products and operations, while maintaining collaboration and knowledge exchange with security researchers, known as "white hats". We actively contribute to a vibrant white hat community by recognizing contributions through reward programs and an honor roll. Our commitment extends beyond recognition, with online thank-you events, offline salons, and annual White Hat Awards ceremonies celebrating their achievements. These initiatives are instrumental in building a robust digital security ecosystem, safeguarding businesses and products for hundreds of millions of users.

Case: 360 Wentian, China's first mobile security threat detection platform

360 Wentian leverages cutting-edge technologies like big data, deep learning, and correlation analysis and integrates proprietary, security, and derived data to provide a comprehensive, accurate, and real-time analysis of potential business risks.

The platform leverage data to empower businesses and developers, helping them enhance application experiences. It also offers in-depth, real-time analysis of industries and applications, generating reports on industry ecology, industry performance, and application performance, thereby maximizing the value of the data it collects.
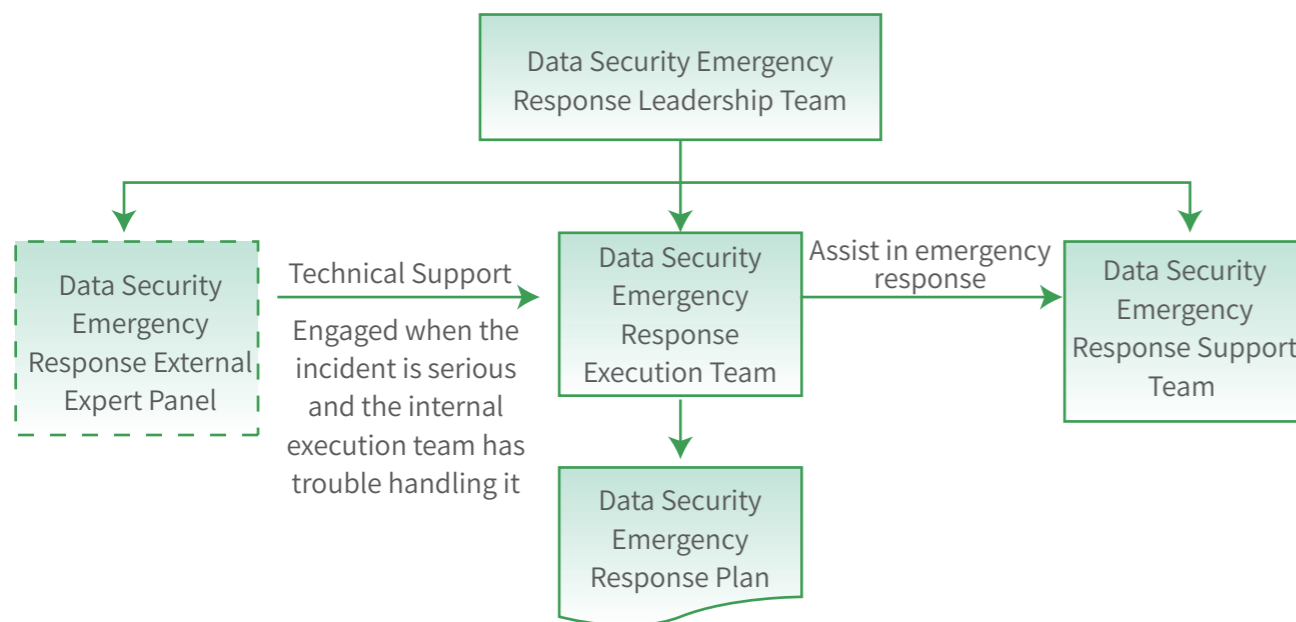
Security emergency management

We have formulated a series of policies and standards, including Data Security Emergency Management Policy, to strengthen our security incident response mechanism and minimize the impact of potential security incidents. These policies outline clear procedures for managing security emergencies, including incident classification, reporting, handling, and assessment, as well as emergency drills.

## ◆◇ Structure of the emergency response mechanism

We have established a data security emergency response task force to effectively manage data security incidents. This task force comprising four teams: a leadership team, an execution team, a support team, and a team of external experts.

◆◇ Security incident response

Upon confirmation of a data security incident, the security emergency response support team immediately notifies the data security committee. This committee, in collaboration with the affected departments, assesses the incident's severity and classifies it accordingly. They then initiate the reporting process and activate the emergency response procedure. Following the incident resolution, a comprehensive report is compiled within five work days and submitted to the data security emergency response leadership team for review. The report focuses on lessons learned and preventive measures to strengthen our defenses against future incidents.

Process of data security emergency response

Discovery → Reporting → Containment → Threat Removal → Recovery → Review and summarization
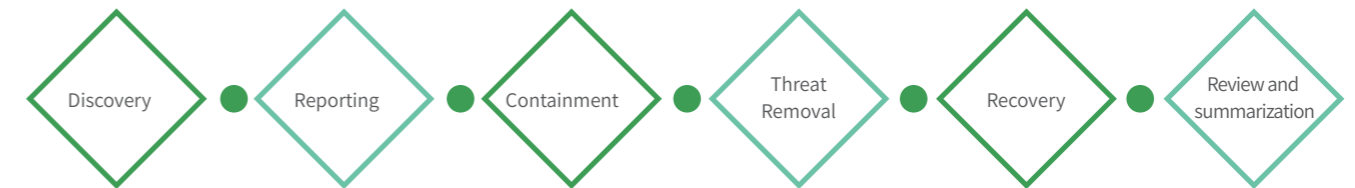
Data security incident handling

Type of incident	Emergency response procedure	Containment	Review
Data leakage	Upon discovery of a data breach, the data security emergency response task force is immediately notified. The task force promptly coordinates technical personnel to investigate the issue and prevent further data leakage.	This includes inspecting system logs, databases, and applications to identify the source of the leakage. Affected systems are isolated from external networks to prevent further compromise, and evidence is preserved. Law enforcement will be involved when necessary.	The task force then works with technical personnel to analyze system logs, determine the root cause of the leakage, and compile a detailed incident summary.
Data tampering	Upon discovery of large-scale data tampering with our core databases, the data security emergency response task force is immediately notified. The task force works with database administrators and operation personnel to verify the extent of the tampering. Simultaneously, they activate the emergency response procedure, which involves suspending relevant services and notifying relevant personnel.	After data is restored using backups and services are restarted, the task force then investigates the cause of the tampering. If an external attack is suspected, the task force analyzes logs and other data to identify the source. Law enforcement will be involved when necessary.	Following the incident, a thorough review is conducted to analyze the specific causes of the tampering. Based on the analysis results, enhanced security measures are adopted for our core databases.
Data loss	In the event of a data loss incident, the data security emergency response task force is immediately notified. The task force promptly works with relevant departments to investigate the issue and assess the scope of the data loss, and evaluate its potential impact on the business.	The task force then works with technical personnel to resolve the issue and restore data and services using the latest effective backups.	Following the incident resolution, the task force analyzes the specific causes of the data loss and identify areas for improvement.

◆ **Emergency response training and exercises**

We conduct regular training sessions for our emergency response teams. These sessions incorporate a variety of engaging methods, including case studies, scenario simulations, discussions, emergency drills, and strategy analysis. By using diverse training methods, we ensure that our emergency response teams are familiar with reporting and response procedures. Key takeaways from exercises and drills are compiled into an emergency response toolkit.

Case: Red team vs. blue team exercises

We conduct regular red team vs. blue team exercises, simulating real-world attacks to help our response teams hone offensive and defensive skills and familiarize with emergency response procedures. These exercises reveal system vulnerabilities and allow us to enhance our security emergency response readiness and improve monitoring and defensive capabilities.
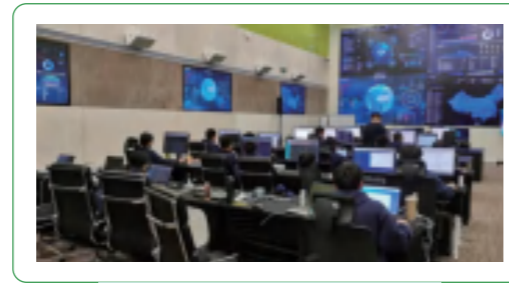
User privacy protection

We are committed to protecting the privacy of our users. We have implemented a robust personal information protection system with clearly defined procedures outlined in official documents like the Personal Information Protection Policy and 360 Security User Privacy Protection White Paper. These documents provide clear guidelines for the collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information. We are pleased to report that we experienced no major information leakage incidents throughout the reporting period.

We have implemented an app lifecycle management system with defined procedures, approval workflow, and technical control measures. Its functions include compliance review, record-keeping, data traceability, and information management throughout the entire app lifecycle.

We believe that everyone plays a role in information security. We require employees to adhere to the guidelines outlined in our Employee Information Security Manual, which is designed to safeguard the Company's information assets and mitigate the risk of information leakage. Employees handling personal information are required to sign a Personal Information Confidentiality Agreement. Any violations of the terms of this agreement will be subject to appropriate disciplinary action.

Security awareness programs

Information security training programs are an important part of our effort to build a strong security culture. We've invested in a comprehensive cybersecurity training mechanism, providing basic security training for all employees and specialized technical training for security personnel. Through these efforts, we aim to cultivate a workforce with a heightened awareness of information security and enhanced security skills. In 2023, we achieved a 100% completion rate for the online security awareness assessment.

Case: Online learning and assessment

We conduct information security training and assessment for all employees. New hires are required to complete mandatory security awareness training and exams before assuming their roles.

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Case: Cybersecurity awareness campaigns

We've launched a series of online and offline cybersecurity awareness campaigns, including security reminders concerning the use of ChatGPT, informative sessions on data security, Cybersecurity Week events, and open discussions about data security.
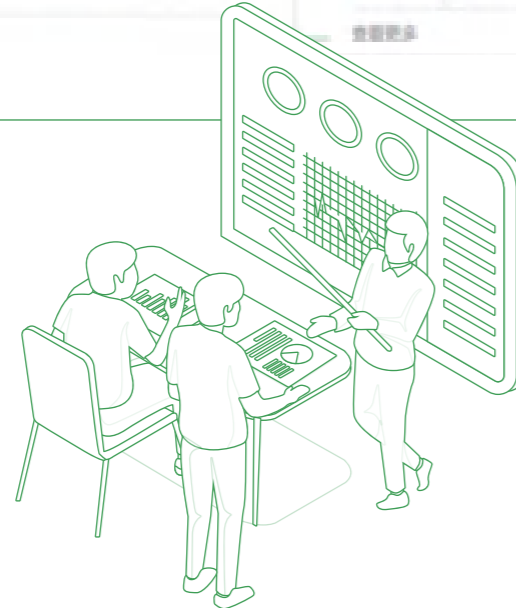
Case: Offline security training

We also offer tailored security awareness training quarterly to address specific needs of each business line based on their security incidents and system vulnerabilities.

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Chapter Five

Sustainable Innovation: Spearheading Digital and AI Transformations

○ R&D and innovation

○ Customer services

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360 Security remains at the forefront of innovation through continuous investment in R&D. This commitment translates to a portfolio of secure products and services that empower our clients and users. Upholding a customer-first approach, we've established a comprehensive service system to empower a secure and thriving digital future for all.
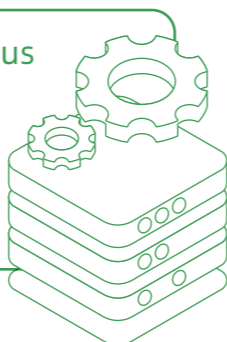
R&D and innovation

◆ Management of R&D and innovation

● R&D talents

We foster a culture of innovation by actively cultivating a R&D talent pool and building a professional, innovation-oriented R&D team. We now have 16 research groups, 8 research institutions, and 4 national engineering laboratories. As of the end of the reporting period, our R&D team consisted of 3,332 talented individuals, comprising 55.6% of our total workforce, and 34.1% of our R&D personnel held master's degrees or higher. They contribute to our strong foundation for independent research and innovation.

R&D team in the past three years

	2023	2022	2021
Number of employees in our R&D team	3,332	3,602	4,081
As a percentage of our workforce (%)	55.6%	55.6%	55.2%

● R&D investment

To maintain our technological leadership, we stay attuned to industry trends, identify product and business innovation opportunities, and drive efficient R&D cycles for continuous product updates. We continued to ramp up our R&D efforts and investments in the reporting period. In 2023, our R&D spending totaled 3.104 billion yuan, representing 34.28% of revenue.

R&D expenses in the past three years

	2023	2022	2021
R&D expenses (100 million yuan)	31.04	33.14	31.29
As a percentage of our revenue (%)	34.28	34.81	28.74

◆ R&D and innovation measures

● Encouraging R&D and innovation

We foster a culture of innovation by recognizing and inspiring our R&D teams through innovation competitions. These competitions encourage them to integrate creative thinking into their daily work, igniting their passion for innovation.

Case: Smart Brain Cup Innovation Competition

To celebrate Programmers' Day, we launched the Smart Brain Cup Innovation Competition. Over 1,500 employees participated, submitting more than 60 innovative projects and 20 testing projects. This program enhanced business innovation, product incubation, and advancements in our Smart Brain technology. By recognizing outstanding projects, the competition fueled our employees' passion for innovation.

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Industry-university collaboration

We actively engage in industry-university partnerships. These partnerships promote development of talent with a focus on innovation and practical skills and deliver win-win outcomes for universities and the Company.

Case: 360 Security partnered with Tsinghua University to establish a Student Hands-on Learning Center

We partnered with Tsinghua University to offer students practical experience in 20 critical cybersecurity areas, including IoT vulnerability identification, security frameworks for virtual-physical integration, data security innovation platforms, and security challenges in AI models. In 2023, 23 computer science students from Tsinghua University successfully completed required hands-on training at the center.

IP protection

We prioritize IP protection and strictly comply with relevant laws, including Patent Law, Trademark Law, Copyright Law, and Anti-Unfair Competition Law of the People's Republic of China. To safeguard and manage the Company's intellectual property (IP) assets, we have established internal IP and patent quality management systems and implemented a comprehensive IP management framework covering patents, trademarks, copyrights, and trade secrets. In 2023, we revised our Patent Quality Review Policy, Open Source Software Legal Compliance Guidelines, and other relevant policies.

Protecting our own IP assets

We have established a patent review committee to strengthen our technological edge and ensure comprehensive protection for our R&D and innovation results. We leverage a lifecycle approach for efficient patent management. This approach includes online application for evaluation and standardized application and evaluation processes. Through a strategic pre-evaluation process considering technical, commercial, and legal factors, we identify innovations with strong IP potential and implement a hierarchical protection system. This approach effectively strengthens and enriches our IP portfolio.

We have established a special team dedicated to managing and safeguarding our IP assets. Utilizing our robust infringement monitoring systems, they proactively identify and address violations of our patents and trademarks, ensuring the protection of our key technologies and core brands.

Respecting others' IP rights

We've implemented a robust IP risk management system. This system integrates IP considerations throughout the product lifecycle, from project approval to market launch to discontinuation, and ensures all of our R&D and operational activities respect intellectual property rights.

We've also established a comprehensive system for handling copyright, patent, and trademark infringement complaints. To ensure efficient complaint processing, we've established clear guidelines for handling complaints regarding different product lines and intellectual property rights. We have a rigorous review process in place to verify the legitimacy and relevance of IP rights before we use them. This helps us ensure that we are respecting the rights of IP holders. We take swift actions to address potential intellectual property infringement notices. This includes notifying offenders, taking down or disabling access to infringing content, or blocking offenders. We keep rights holders informed throughout the process, providing timely updates on the outcome of each case.

As of the end of 2023

Over **6,700** patents

Over **6,000** trademarks

Over **2,000** copyrights
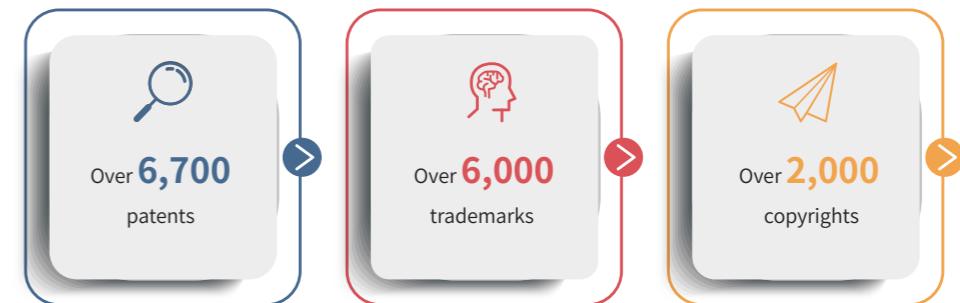
Scientific ethics

There are primarily four ethical considerations for AI: transparency and explainability, fairness, privacy protection, and data security. Ethical oversight of AI technology has become imperative within the industry. The Guiding Opinions on Strengthening the Governance of Science and Technology Ethics issued in March 2022 mandates companies to establish science and technology ethics committees tailored to their specific circumstances, especially those engaged in AI and other sensitive areas of science and technology ethics.

We are committed to enhancing awareness and understanding of AI ethics. We adhere to relevant laws, regulations, and national cybersecurity standards, fulfilling our data security protection obligations. This includes establishing data security management responsibilities, implementing data security protection measures, conducting data security risk assessments, and formulating network security incident contingency plans to promptly address security incidents. Additionally, we conduct regular security education and training sessions. We handle data acquisition, storage, management, analysis, application, and disposal in a manner consistent with ethical principles and social responsibilities.

透明可解释标准 数据安全 公平性评价 隐私保护

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Customer services

◆ Customer services system

We are committed to delivering industry-leading user services. This commitment is backed by a comprehensive customer service system and continuous improvement initiatives. During the reporting period, we revised and updated the User Service Management Standard White Paper and User Service White Paper.

● Professional team

Behind this commitment lies a dedicated team of over 500 customer service professionals. Spanning software, hardware, and game services, they efficiently handle and respond to user feedback across various business sectors. Through regular training and assessments, we ensure our team remains efficient in handling and responding to user feedback, continuously improving service quality.

Training system

| New employee induction | Quarterly skills training | On-demand targeted skills development | Job-specific knowledge base (updated daily) | User Experience/User Service White Paper | Job-specific manuals |

Assessment system | **Tools**

| Entry examination | New employee training, certification, and assessment | Quarterly assessments of proficiency of job-specific standards | Hotline/online customer service system | Product defect management system | VOC platform |

Indicators

| Pick-up rate and response time | Customer service satisfaction | Quality inspection pass rate and first contact resolution rate |

Case: User service training in 2023
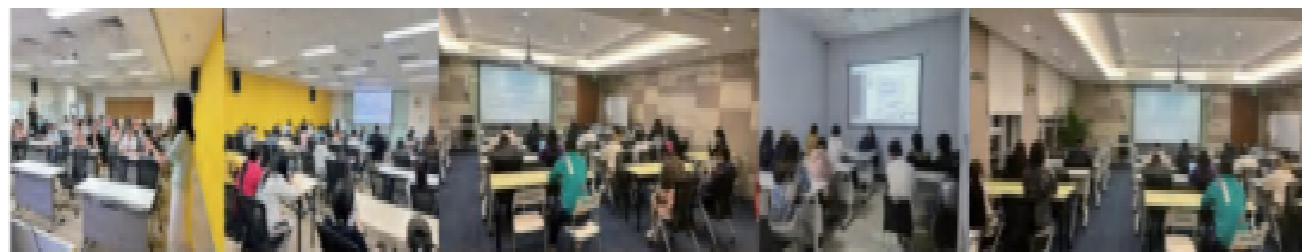
	Smart Life	Wargaming	360 Games	Internet
Number of training sessions	107	13	42	28
Number of participants	1,789	298	200	270

● Feedback channels

We provide multiple, convenient channels for customer services, including a robust user feedback mechanism. Feedback options are prominently displayed on our website and product interfaces, encouraging user input and ensuring swift, responsive support.

- Regulatory reporting channels
- Ministry of Industry and Information Technology Complaint Platform
- Black Cat Complaint Platform

- Customer service hotline
- Online service
- Email support

- E-commerce pre-purchase and post-purchase support
- After-sales support

Complaint handling

Customer service

After-sales

Multiple customer service channels

- In-app feedback
- Feedback from uninstall surveys

Product feedback

Social media
- Feedback on Weibo
- Feedback on Zhihu
- Video feedback

Forum

Face to face

Community

- 360 user community

- User chat group on WeChat
- User chat group on QQ

- User experience feedback sessions
- User interviews

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● Timely response

Scope of customer services	Channels	Timeframe and other requirements
Technical support for software products: handling customer feedback on computers, mobile software, search engines, 360kuai, and other products of 360 Security	Hotline: 400-669-3600 Online Customer Service: For inquiries, please contact us at 400-669-3600 and enter the extension number 0. Users will receive an SMS notification directing them to our online customer service portal at http://urlqh.cn/mXDLS We have launched a specialized online customer service for senior users at the same portal. Email: kefu@360.cn	
Customer service for hardware products: Providing after-sales support for 360 Security's smart hardware products.	Hotline: 400-682-2360 Online Customer Service: Visit https://mall.360.cn and click on the "Online Customer Service" button located on the right side of the page. Email: yingjiankefu@360.cn	**Hotline:** Ensuring 80% of calls are answered in 30 seconds. **Online Customer Service:** Instant processing. **Email Response:** Within 1 working day.
Game Customer Service: Providing support and gathering feedback on game products from users logged in with 360 Security accounts.	Mobile Game/Web Game Hotline: For inquiries and support related to our mobile and web games, please call 400-669-3600 and enter the extension number 4. World of Tanks/World of Warships Hotline: 0536-3565177/5277 Mobile Game/Web Game Online Customer Service: https://gm.game.360.cc World of Tanks/World of Warships Online Customer Service: Visit https://kf.wf.360.cn and click on the "Online Customer Service" button located on the right side of the page Mobile Game/Web Game Email: m-kefu@360.cn World of Tanks/World of Warships Email: pcgame_kefu@360.cn	**Complaint Handling:** Complaints are processed in accordance with the time limits specified by the complaint platform. **Customer Service Satisfaction:** Maintaining a satisfaction rate of over 95%.
Advertising Sales Customer Service: Responsible for handling feedback related to 360 Dianjing, marketing, promotions and advertising	Hotline: 400-036-0360 Online Customer Service: Visit https://e.360.cn/ and click on the inquiry button located on the right side of the page. Email: sskf@360.cn	

◆ Customer response mechanism

We take a meticulous approach to verifying user-reported issues. We also have established clear escalation processes for different types of complaints. This ensures complaints reach the right teams promptly, leading to fast and effective resolutions for our customers.

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● Customer complaint handling process

We've implemented a comprehensive customer complaint handling process to ensure prompt resolutions and safeguard user rights.

Product Team	Customer Service/Operations	Managers/VPs
	Understanding customer complaints and needs	
Providing and optimizing solutions	360 Security related inquires / Non-360 Security related inquiries	
	Reaching agreements with users / Unable to reach agreements; users making a complaint against the service staff; users requiring an escalation	Severe problems: problems causing massive property losses, injuries, a large number of complaints, etc.
Reaching clear conclusions and conducting reviews as needed	Escalating the case to Customer Service Operations Manager	
	Is it resolved? — No → Escalating the case to Managers/VPs	
	Yes	
	Closing the loop	

Customer complaint handling measures

- Our customer service team is committed to providing solutions to users within 24 hours after receiving a reported issue, ensuring prompt and effective resolution.

- We actively leverage user feedback to identify areas for product and service improvement. By prioritizing these insights, we deliver better experiences and enhance user satisfaction.

Rating of reported issues	Requirements
P0	P0 issues receive immediate attention from senior management and are guaranteed resolution within 24 hours.
P1	P1 issues are closely monitored by general managers and are guaranteed resolution.
P2	P2 issues are monitored by corresponding product managers, with a resolution rate exceeding 85%.

◆ Optimization of user services

User experience enhancement plan

In 2022, we rolled out the Enhanced User Experience Plan. This initiative allows us to gather extensive user feedback to gain deeper insights into consumer needs and experiences. These insights are instrumental in implementing targeted optimizations, ultimately leading to a continuously improved user experience and enhanced consumer satisfaction.

Define evaluation criteria for user experience → **Recruit user experience testers** → **Tester training** → **Conduct user testing, compiling user experience reports, and interviewing user testers** → **Analyze testing results and implement actionable recommendations for product improvements**
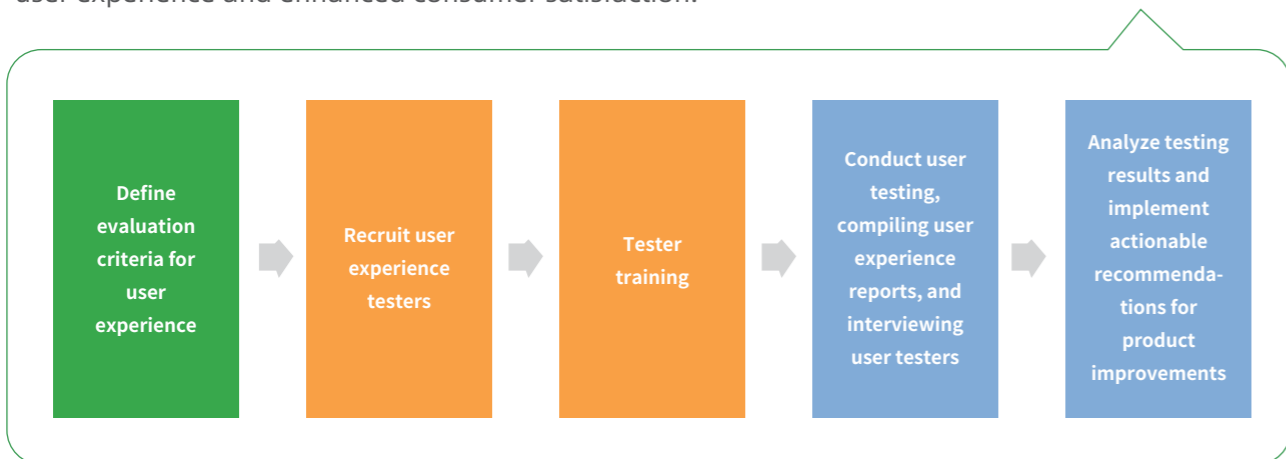
Case: 360 Wallpaper

We have conducted a detailed analysis of user interactions and experiences across 18 key touch points related to installation, activation, main interface, wallpaper customization, screen saver settings, and personalized preferences. By focusing on user goals, behaviors, satisfaction levels, emotional responses, pain points, and improvement opportunities, the Company identified 24 specific areas for optimizing the user experience.

- Wallpaper customization
- Activation
- Personalized preferences
- Installation
- Main interface
- Screen saver settings
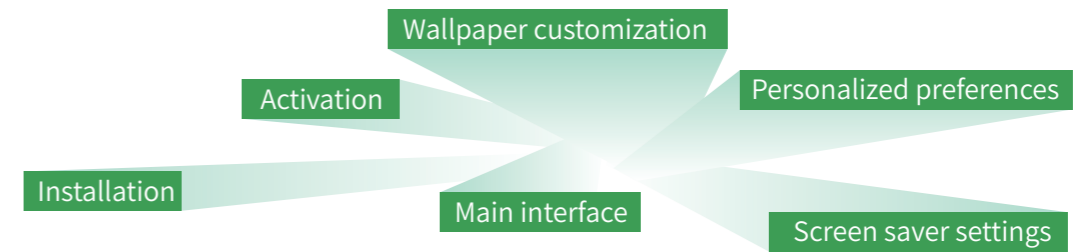
Case: 360 Smart Camera

To improve user satisfaction and reduce returns, we conducted a one-month evaluation of the P8max against leading competitors. Twelve users participated in surveys and in-depth interviews, providing valuable insights into user needs and areas for improvement. This user feedback directly contributed to increased adoption of our cloud recording and AI features, leading to a reduced return rate.

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Responsible marketing

We've cultivated a vibrant social media presence through product accounts on platforms like Weibo, WeChat, and Bilibili. These accounts, including 360 Bulletin, 360 Fan Group, and 360 Customer Service, act as a hub for user engagement, promoting our Company and products. These accounts effectively bridging the gap between the Company and its users.

Over 2 million interactions　　**Reached 250 million indivials**

Client engagement

We actively engage with users through a variety of online and offline events, including product exchange meetings and User Public Betas. These events facilitate open communication and valuable feedback, strengthening the connection between users and the Company.

Case: Product exchange meetings

We hosted eight product exchange meetings in 2023, fostering in-depth discussions between target users and product managers on key products. A total of 190 users and employees participated, generating over 200 actionable insights.
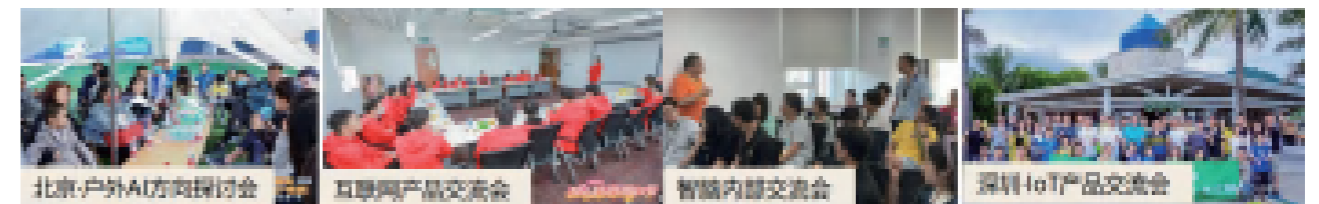
Case: User Thanksgiving Day

We celebrated User Thanksgiving Day in 2023 with a dynamic online and offline experience. The online event, garnering over 200 million views, featured a collaborative song creation project, weaving user stories with ours into a music video. Simultaneously, an offline gathering with 82 participants was broadcast across five channels, engaging over 10 million viewers and generating 17,000 live interactions.

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06

Chapter Six

Sustainable Empowerment: Growth Hand in Hand with Partners

○ The talent pool

○ Win-win cooperation

○ Industry development

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Adhering to the "people-oriented" philosophy, 360 Security recruits various talents and realizes the common growth of employees and the Company. The Company attaches great importance to supply chain management, ensures that the procurement process is "fair, just and open", and promotes the development of the industry together with its partners.

The talent pool

The Company strictly abides by the Labor Law, Labor Contract Law, Social Insurance Law of the People's Republic of China and other laws, regulations and normative documents, constantly improves the human resource management system and attaches importance to the protection of employees' rights and interests. Through diversified and equal employment policies, comfortable working environment and clear career development channels, the Company builds a diversified talent team and creates a healthy, warm, equal and inclusive workplace.

◆◇ Employment and employee composition

● Legal employment

The Company adheres to the principles of fair competition, talent selection based on needs and merit, and provides equal employment opportunities for workers in the recruitment process. At the same time, it carries out campus recruitment and social recruitment, broadens the recruitment channels such as the Internet, internal recommendation and headhunting, standardizes the recruitment process, and enriches the talent team.

The Company resolutely opposes employment discrimination, treats employees fairly and equitably, and prohibits child labor, forced labor, restriction of employees' freedom, etc., and does not treat employees differently because of their ethnicity, age, gender, marital status and religious beliefs.

The proportion of female managers is 20.1%

The proportion of ethnic minority employees is 5.2%

The proportion of disabled employees is 1.5%

● Diverse composition

The Company is committed to creating a diversified workplace, respecting the differences of all employees and treating every employee or job seeker equally. By the end of the reporting period, the Company had 5,990 employees, including 8 foreign employees.

41 and above	702
31 to 40 years old	3,345
30 years old and below	1,943

R&D personnel	3,332
Salesmen	2,100
Manager	558

| Male: | 4,125 |
| Female: | 1,865 |

PhD and professor	27
Master	1,109
Bachelor	4,012
Junior college and below	842

Number of full-time employees：5,990
umber of part-time employees :0

By gender | By type of employment | By age | By academic qualification | By profession

Employee hiring

◆◇ Rights and interests and protection

The Company signs labor contracts with employees according to law, and pays for five insurances and housing provident fund for its employees.

100% employees were covered by labor contracts

100% employees were covered by social security programs

Attendance management — The Company implements the standard working hour system, and sets a flexible half-hour clock-in time.

Overtime and compensated leave — Employees who work overtime on approved rest days can take compensatory time off, with 4 hours counted as 0.5 day and 8 hours as 1 day.

Leave management — According to national regulations, employees are entitled to statutory holidays, annual leave, sick leave, marriage leave, funeral leave, maternity leave, breastfeeding leave and parental leave.

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● Remuneration system

Following the remuneration principle of being "fair internally and competitive externally", and through a scientific position evaluation system, the Company reasonably determines the value grade of each position and combines it with the career development system to determine the salary structure and level range of each position system. Within the salary range of each position, the salary of employees is determined according to factors such as performance, contribution, ability and quality. The Company conducts annual salary review, and adjusts employees' personal salary according to the Company's performance, operating conditions, personal annual performance evaluation results, social life indexes, market trends and other factors.

Total annual income
- Basic salary
- Variable salary corresponding to each incentive plan
- Long-term incentives
- Other benefits and allowances
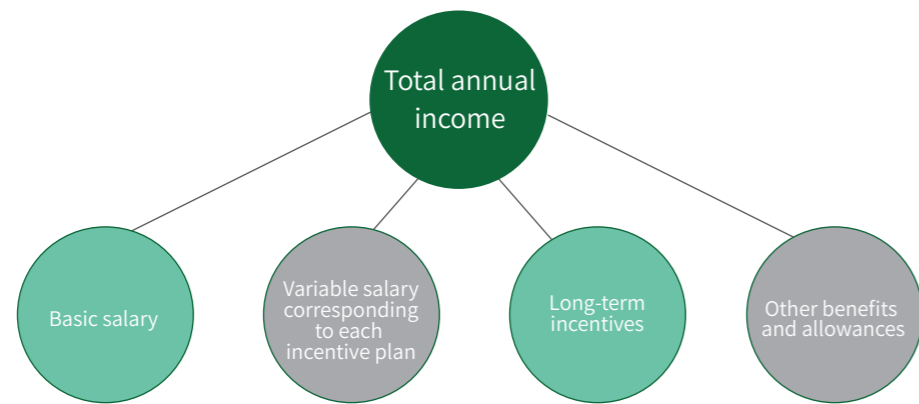
● Welfare system

In order to attract and retain outstanding talents and improve the welfare and security level of employees, the Company provides supplementary benefits for employees in addition to the basic welfare and security, and promotes the occupational health management of employees in various ways.

Commercial insurance:

We provide all employees, including regular employees, labor dispatch employees, interns, and their spouses, parents, and children with commercial insurance programs, such as life insurance (accident insurance, fixed life insurance), major disease insurance, outpatient, emergency and hospitalization supplemental medical care, and maternity supplemental insurance for female employees.

Health checkups:

On-the-job employees have a free health examination once a year and their families can also enjoy preferential health checkup programs

High-end medical care:

We offer high-quality high-end medical insurance benefits for senior managers, key talents and their spouses and children.

Health management:

A health management office has been set up to provide employees with regular publicity on health knowledge, helping them enhance health awareness.

● Performance management system

The Company has established a scientific and effective performance appraisal system and implemented the OKR performance management mechanism. By guiding employees to participate in the whole process of performance management, it helps managers at all levels to objectively and fairly evaluate employees' contribution to the Company, and conduct timely and effective performance communication and feedback. The employee performance result is one of the reference bases for promotion and appointment.

Performance feedback and appeal

If an employee disagrees with the performance results or related issues, he/she should first fully communicate with his/her immediate supervisor. If the disagreement cannot be resolved after communication, a complaint can be filed in the system within two weeks after the communication is completed. After the employee submits the complaint, the person in charge of the complaint node of the department to which he/she belongs shall handle the complaint within two weeks.

● Democratic communication

The Company attaches great importance to the democratic management of employees, strengthens democratic communication, actively responds to employees' demands. Through employee congresses, staff exchanges, setting up suggestion boxes, employee satisfaction surveys and other forms, the Company seeks an effective path for the harmonious development of the Company and its employees, builds a harmonious corporate culture, and promotes the sustainable development of the Company.

Employee satisfaction survey

The Company carried out one semi-annual and one annual employee satisfaction surveys in 2023 to collect the opinions and suggestions of the employees on various aspects of work. It continuously improved the employee services and listened to the voices of front-line employees. Both of the surveys recorded a satisfaction of over 95%.

Collective labor contract

The Company has improved the content of the collective labor contract for two consecutive years. Through sample surveys and person-to-person communications and interviews, the Company has collected dozens of opinions and suggestions. Through multiple rounds of communications with people from All-China Federation of Trade Unions, the Company refined the content of the collective labor contract, and finally completed the review and filing in order to safeguard the legitimate rights and interests of employees.

◆ Development and training

● Career development

The Company has set up two promotion channels for employees: a management channel M and a specialty channel S, so that flexible career development paths are available for employees according to the characteristics, nature and level of jobs. In order to encourage employees to excel in the channel to which they belong, we have set up a mechanism for in-depth development and formulated a promotion program, while encouraging employees to develop across channels.

7 first-level sequences

Technology — Safety — Product — Design — Marketing — Supply chain — Function
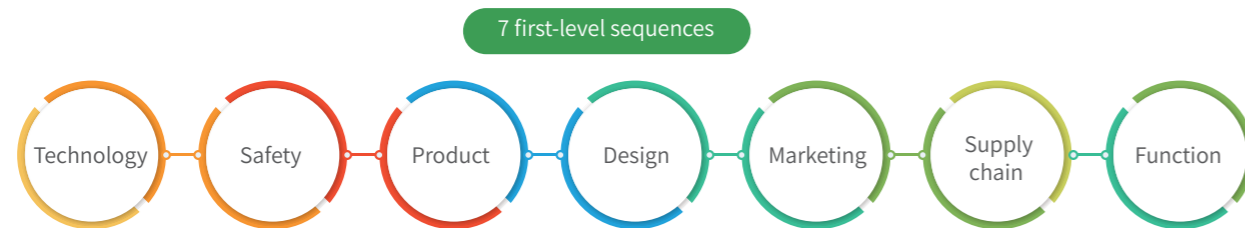
● Training system

The Company attaches great importance to the development and cultivation of talents, constantly improves the internal training mechanism, and provides employees with different types, forms and levels of training according to the requirements of professional development to help employees grow and promote enterprise development.

Leadership

Leadership training aims at helping the implementation of corporate strategy, supporting the performance and building the core competence of leadership. According to its talent strategy and organizational development needs, the Company systematically cultivates the leadership and business wisdom of managers at all levels, promotes the learning, development planning and implementation of core talents and senior executives, and builds the talent supply chain of outstanding cadres.

The Company has developed two sets of assessment mechanisms and cases, namely "Morning Star" and "Polaris", formed four sets of reproducible training programs and course contents, and trained nine internal part-time assessment officers, supplemented by customized workshops, to provide assistance for the promotion of cadres.

| 125 training sessions | 7,982 participants | Satisfaction rating of 9.52 points |

Management certification — Improvement of cadre capabilities — Management improvement

"Venus" certification | "Polaris" certification | Customized workshops /projects | "Venus" certification | "Polaris" certification

Professionalism

Professional competence training is based on the professional competence model of the Company, and a systematic professional talent training system is built to improve the job competence of employees. To build a strong capability growth engine for the organization, the Company constantly improves its professional capabilities while gradually building a technical culture and enhancing external technical influence, which plays a supportive role in technical development to meet the Company's business development needs.
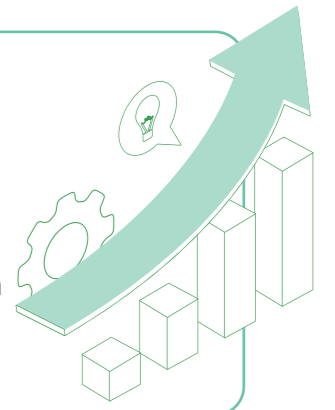
Sales—government-enterprise sales training
A total of 43 training sessions were organized, covering 702 sales people, with an average satisfaction of 9.4 points.

Instructor—IOT instructor empowerment
Empowerment training for IOT internal lecturers, with 9 participants and 9.8 points of satisfaction.

Technology—Tech Talk
A total of 39 sessions were organized and shared, with 3,696 participants and an average satisfaction of 9.37 points

HR-HR creation camp
A total of 11 training sessions were organized, with 305 participants and an average satisfaction of 9.56 points.

Standard—Establishment of sequence training mechanism
A learning map was created for product design and web server development, and 28 expert resources were called to create and develop 12 professional courses.

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General ability

General ability training focuses on the growth and ability improvement of all employees in the Company. Based on the needs of strategic and organizational development, a comprehensive general ability improvement system is established. Through training programs such as general ability improvement courses and tailor-made workshops, personal effectiveness, team effectiveness and organizational effectiveness are continuously improved, and sufficient skill reserves are provided for business departments.

In order to enhance the sense of belonging, perception and speed of integration of new employees, the Group upgraded the training program for recruiting new employees from society in October, 2023— "Safe Planet Defense War". The Company provided a login manual for new employees, arranged clear integration tasks and paths, and added links such as face-to-face meeting with senior executives and overall introduction of the Group's business.

3 sessions	110 participants	Satisfaction rating of 9.85 points

"Planet Gas Station" centers on the actual needs of employees, and systematically designs a general ability course system, which include 16 contents in the four directions of "heart, thought, matter and presentation". In order to solve the contradiction between work and study, the system takes 2-3 hours of excellent single-point courses as the main form, which is convenient for employees to learn.

6 sessions	219 participants	Satisfaction rating of 9.53 points

Learning ability

Self-awareness
Efficient learning
Career development
Individual ability

Logical power

Structural thinking
Judgmental thinking
Creative thinking
Problem solution

Heart | Thought
General ability system
Matter | Presentation
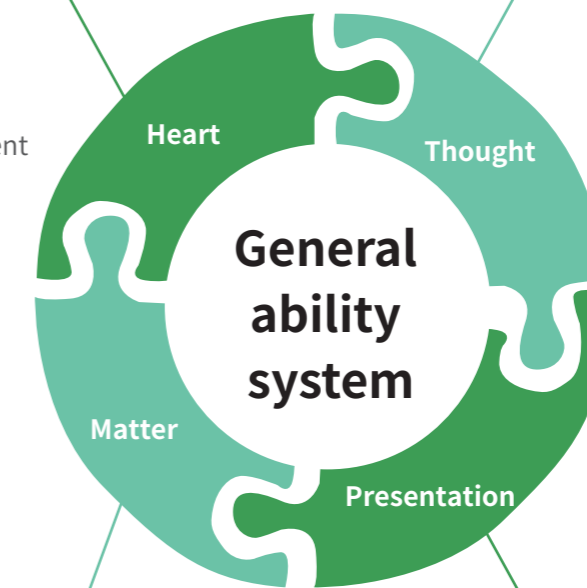
Office skills
Plan execution
Effective review
Project managemen

Writing skills
Presentation skills
Communication impact
Story presentation

Action ability

Communication ability

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◆ Culture and care

Focusing on cultural building and warm-hearted care, the Company makes continuous efforts in creating an atmosphere and advocating behavioral transformation. Through the iterative upgrading of organizational cultural concepts and colorful employee activities, it constantly enhances organizational cohesion, stimulates employees' vitality and creativity, enhances corporate cultural strength, and creates a happy workplace.

In 2023, the Company further promoted the construction of the "staff home". In the process of employee service, it understood the pressure of employees in life and work, cared for special groups, especially enhanced the psychological care for female employees, and truly realized "timely response and assistance to the needs of employees".

Team building fee

In order to strengthen team communication, enhance employees' feelings, and promote organizational coordination, the Company provides a unified standard team building fee for each team, with which the teams can plan and organize activities that are conducive to team integration.

Caring gift

Employees who are newly married, have a child, are hospitalized, or their immediate family members have passed away can apply for and receive the Company's caring gift money.

Holiday care

Every year, the Company prepares special surprises for employees for Dragon Boat Festival, Mid-Autumn Festival and Spring Festival.

Employee activities

The Company regularly organizes a variety of employee activities to balance their work and life.

Seniority award

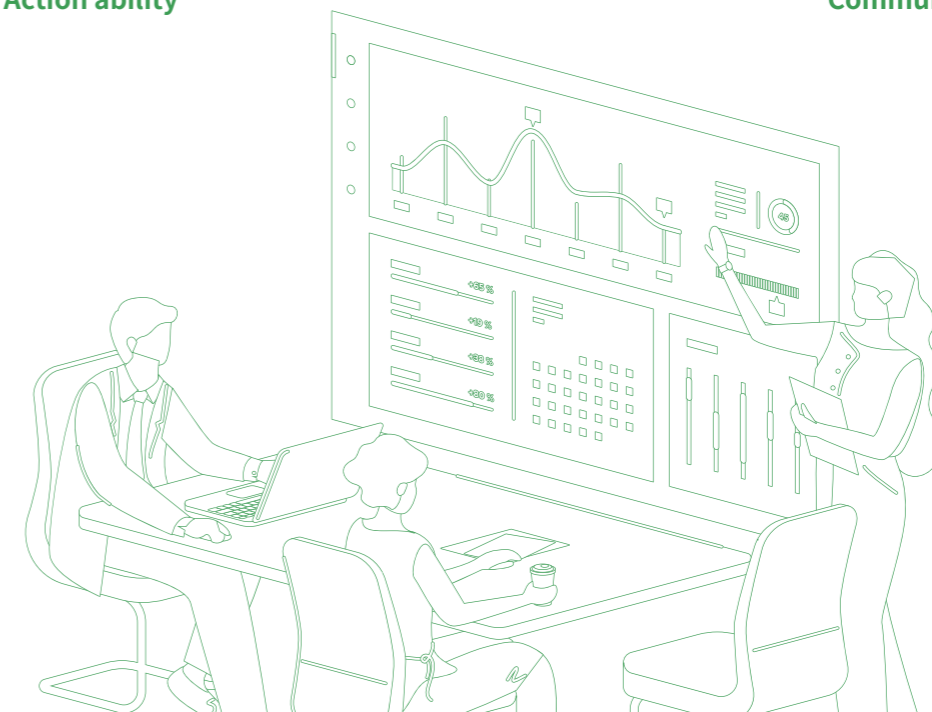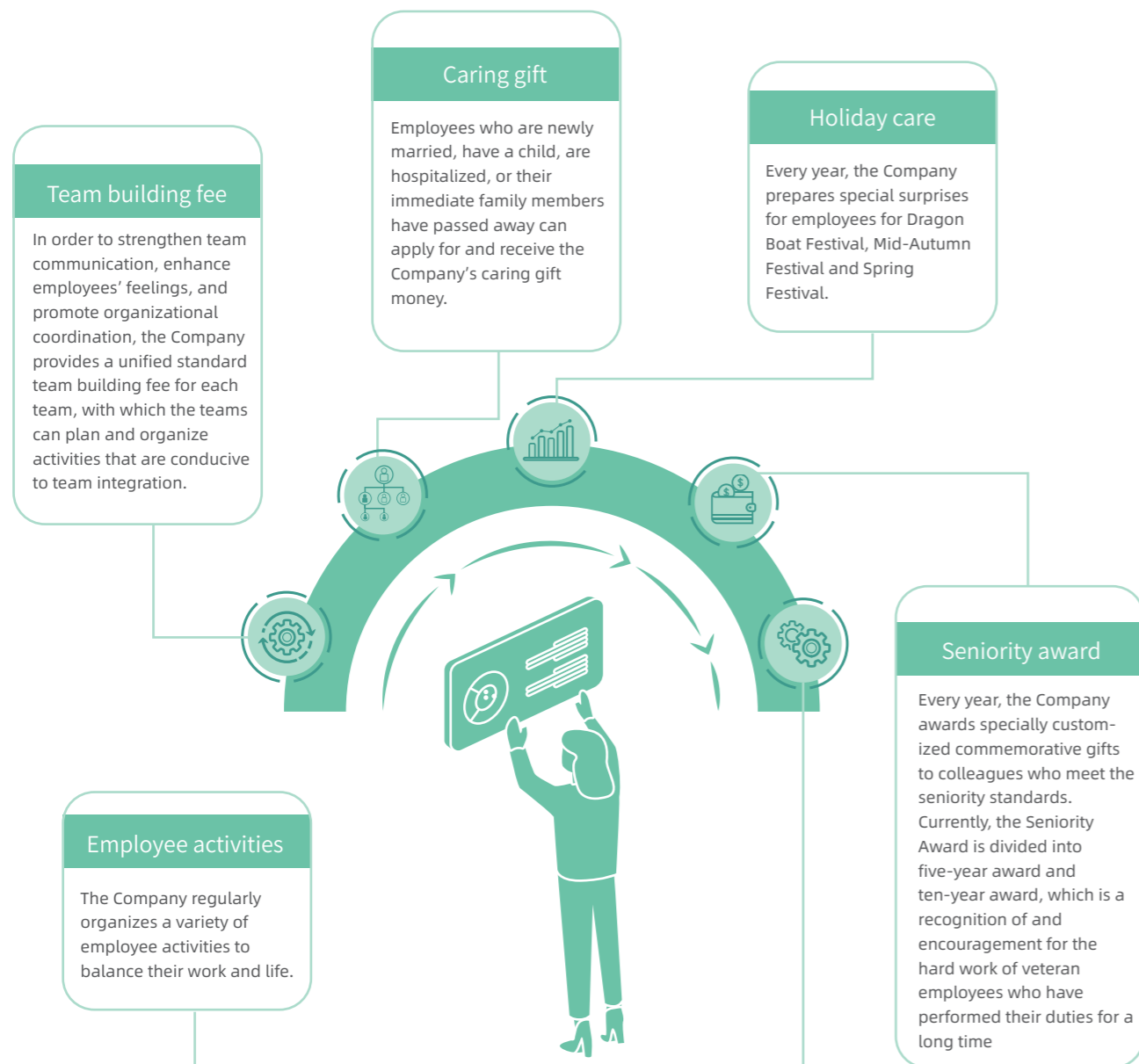Every year, the Company awards specially customized commemorative gifts to colleagues who meet the seniority standards. Currently, the Seniority Award is divided into five-year award and ten-year award, which is a recognition of and encouragement for the hard work of veteran employees who have performed their duties for a long time

Case: Values badge

In 2023, the Company upgraded the values badge recognition project, with 38% of personnel incentivized, up 6% from 2022. At the same time, by upgrading the issuance rules, opening the mobile phone applet and adjusting the incentive cycle, we provided incentive tools for BPs and managers, and the effective utilization rate of badges increased from 36% to 94%, which contributed to the improvement of the internal atmosphere.

In addition, the Company shapes the power of role models. Fifteen rounds of role model publicity received more than 7,000 clicks, with more than 15 excellent teams and 200 excellent individuals selected, thus empowering management.

Case: EAP employee care program

The Company provides long-term and systematic psychological care for employees, including daily consultation by professional consultants, crisis intervention, health lectures, etc., to convey organizational care, help employees balance work and life, ensure their psychological health, and achieve the goal of happy work and happy life.

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## Case: Creating a comfortable working environment

The Company provides employees with 24-hour administrative service guarantee, including basketball court, gym, yoga room, bathroom, laundry room and other facilities. The building is equipped with a barber shop and massage room, so employees can enjoy convenient services without leaving the building.

The Company pays attention to employees' food, clothing, housing and transportation to improve their office and life experience, and provides services for home renting, driving training, car purchase, dentistry, medical care, etc., to create a warm workplace for employees.

Case: Caring for special people

For pregnant and breastfeeding women, the Company has created a female-friendly workplace and set up a mother and baby room to provide a temporary milk collection area for working mothers. Independent and exclusive, the area is equipped with sofas, tables, separate curtains, paper towels, garbage cans, hand washing stations and hand sanitizers. In addition, the cafeteria opens a separate dining area for pregnant mothers, which is convenient for pregnant female employees.
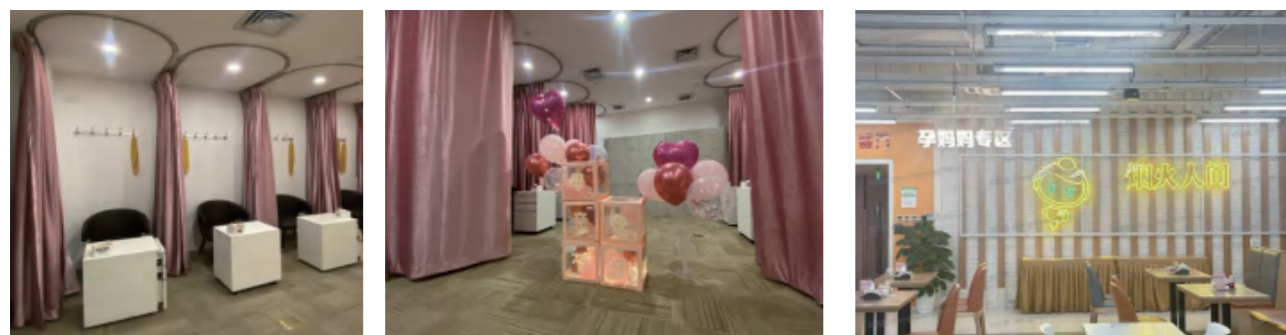
Case: Colorful activities

The Company carefully organizes and carries out various holiday activities, such as Double New Year's Day, Lantern Festival, Mid-Autumn Festival, Winter Solstice, Children's Day, Goddess Day and Programmer's Day, and guides employees to care for each other, enhance their sense of belonging and raise the organizational warmth in the form of rewards and gifts.

Double New Year's Day activities

Lantern Festival activities

Winter Solstice activities

Children's Day activities on June 1.

Programmer's Day

Mid-Autumn Festival activities

Goddess Day activities

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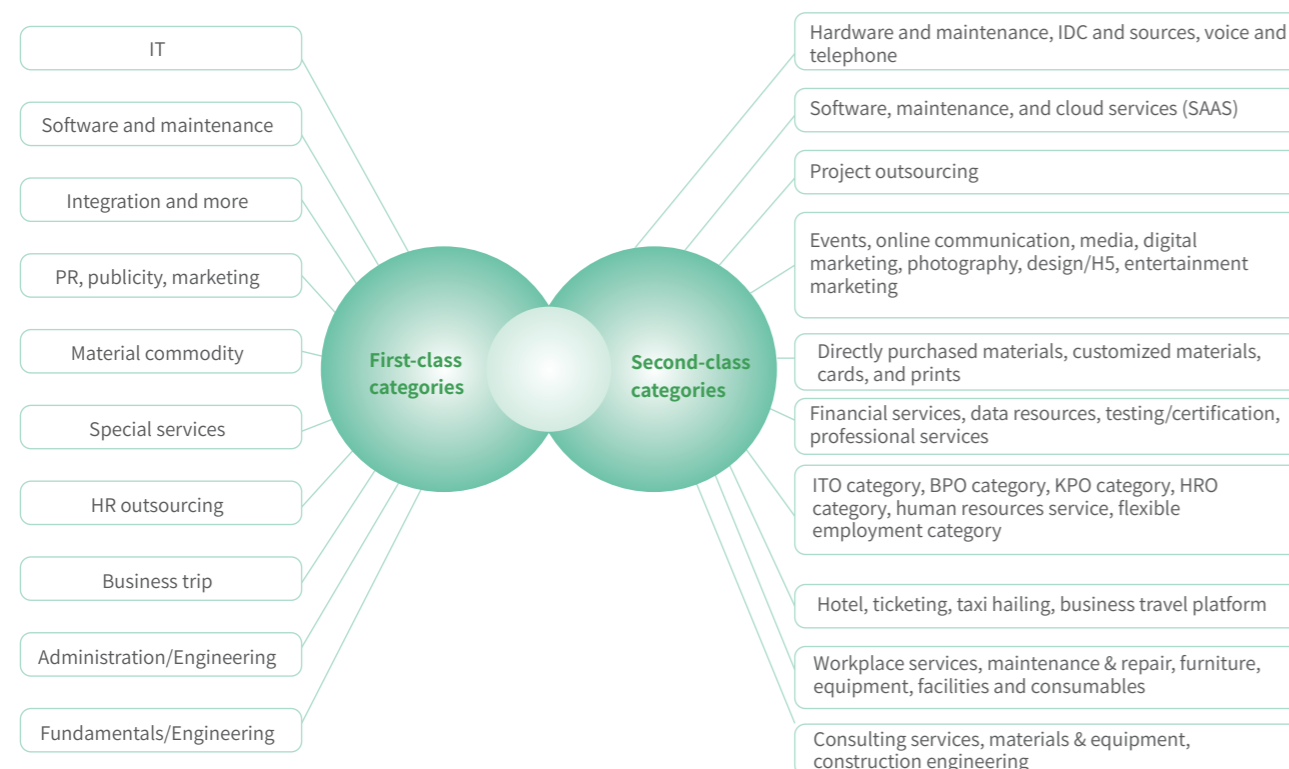
360

Win-win cooperation

The Company has formulated internal management systems such as Business Process of Centralized Procurement Department of 360 Group, Management Specification of Centralized Procurement Department of 360 Group and Management Measures for Procurement Operation of Centralized Procurement Center of 360 Group, so as to standardize the implementation process of the Company's procurement business, clarify key business process nodes and implement supplier management.

| 3,200 suppliers in reserve | 840 cooperative suppliers | 460 suppliers reviewed in 2023 | Over 90% of suppliers rated as excellent or good in 2023 |

◆ Clean and open procurement

● Scope of centralized procurement

The Company's business scope of centralized procurement includes products and services needed for daily operation and project delivery, which are divided into 10 first-class categories and 38 second-class categories.

First-class categories:
- IT
- Software and maintenance
- Integration and more
- PR, publicity, marketing
- Material commodity
- Special services
- HR outsourcing
- Business trip
- Administration/Engineering
- Fundamentals/Engineering

First-class categories — **Second-class categories**

Second-class categories:
- Hardware and maintenance, IDC and sources, voice and telephone
- Software, maintenance, and cloud services (SAAS)
- Project outsourcing
- Events, online communication, media, digital marketing, photography, design/H5, entertainment marketing
- Directly purchased materials, customized materials, cards, and prints
- Financial services, data resources, testing/certification, professional services
- ITO category, BPO category, KPO category, HRO category, human resources service, flexible employment category
- Hotel, ticketing, taxi hailing, business travel platform
- Workplace services, maintenance & repair, furniture, equipment, facilities and consumables
- Consulting services, materials & equipment, construction engineering

● Supplier-shared platform

Relying on the supplier-shared platform of centralized procurement, the Company has realized standardized, efficient and comprehensive management of suppliers and project tendering and procurement.
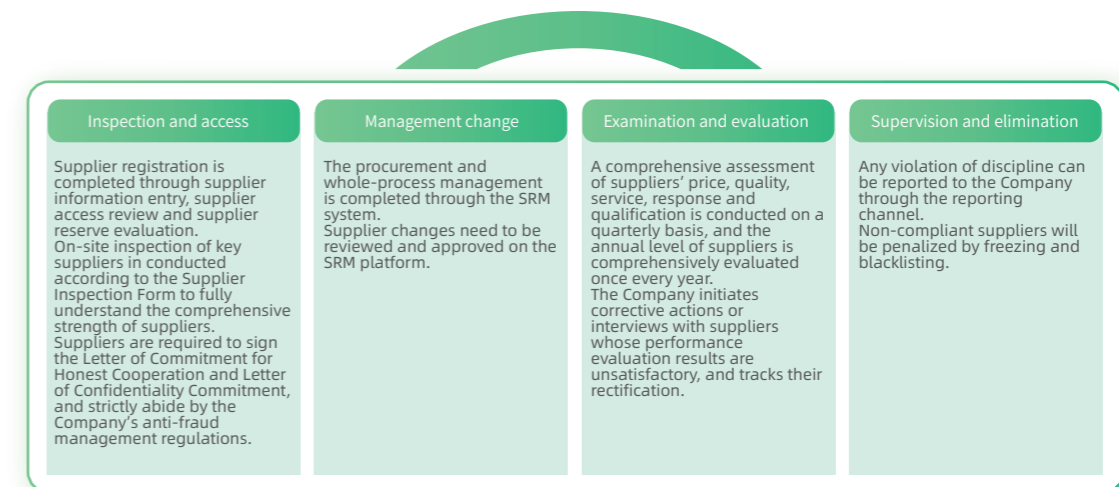
Centralized procurement platform system
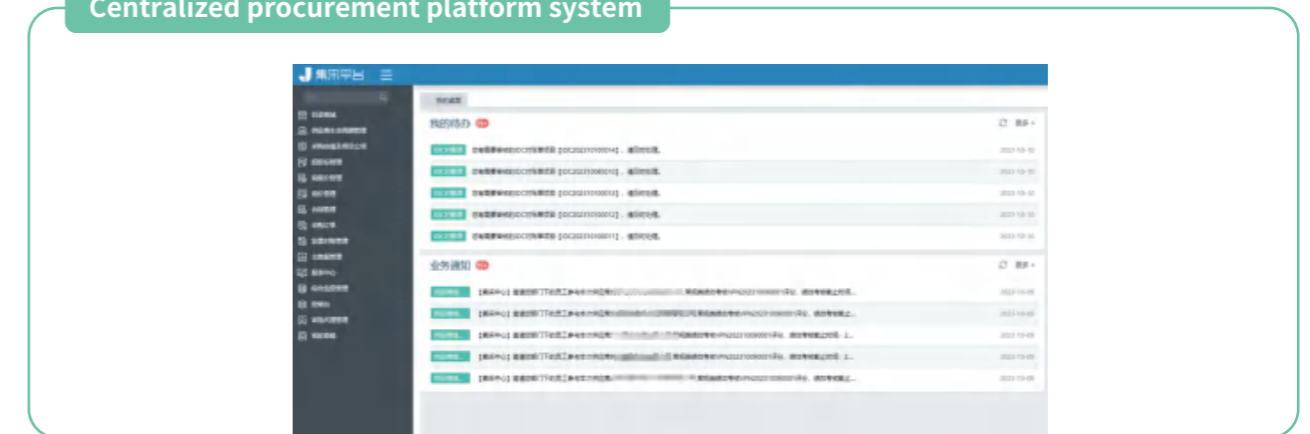
◆ Supplier management

In order to establish a sound the supplier management system, the Company has formulated the Supplier Management Measures to standardize the processes of supplier development, access, maintenance, project participation, performance evaluation, rewards and penalties. It has set up and maintained a supplier resource database to improve the quality and efficiency of procurement.

Through annual conferences, the Company conveys its business philosophy and joins hands with partners to share opportunities and develop together.

Inspection and access	Management change	Examination and evaluation	Supervision and elimination
Supplier registration is completed through supplier information entry, supplier access review and supplier reserve evaluation. On-site inspection of key suppliers in conducted according to the Supplier Inspection Form to fully understand the comprehensive strength of suppliers. Suppliers are required to sign the Letter of Commitment for Honest Cooperation and Letter of Confidentiality Commitment, and strictly abide by the Company's anti-fraud management regulations.	The procurement and whole-process management is completed through the SRM system. Supplier changes need to be reviewed and approved on the SRM platform.	A comprehensive assessment of suppliers' price, quality, service, response and qualification is conducted on a quarterly basis, and the annual level of suppliers is comprehensively evaluated once every year. The Company initiates corrective actions or interviews with suppliers whose performance evaluation results are unsatisfactory, and tracks their rectification.	Any violation of discipline can be reported to the Company through the reporting channel. Non-compliant suppliers will be penalized by freezing and blacklisting.

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◆360

◆◇ Supply chain security

To improve the reliability of the supply chain and to identify and control the potential threats and risks in the supply chain, the Company has formulated the 360 Group Supply Chain Security Management System according to the requirements of GB/T 36637-2018 Guidelines for Security Risk Management of Information Security Technology ICT Supply Chain and GBT 22239-2019 Information Security Technology—Baseline for Classified Protection of Cybersecurity, to guide the Company's supply chain security management in its entire lifecycle, and to facilitate the sustainable development of the Company's various business segments.

● **Supply chain security management**

The full-lifecycle management of supply chain is based on product design, R&D, procurement, production, warehousing, delivery, operation and maintenance, etc., to ensure the integrity, availability, confidentiality and controllability of supply chain.

> The Company incorporates supply chain risk management training into the security training plan and implements it regularly.

> The Company establishes and improves the emergency plan for security incidents in the supply chain to ensure that the security emergency work is carried out quickly, efficiently and orderly.

● **Supply chain risk assessment**
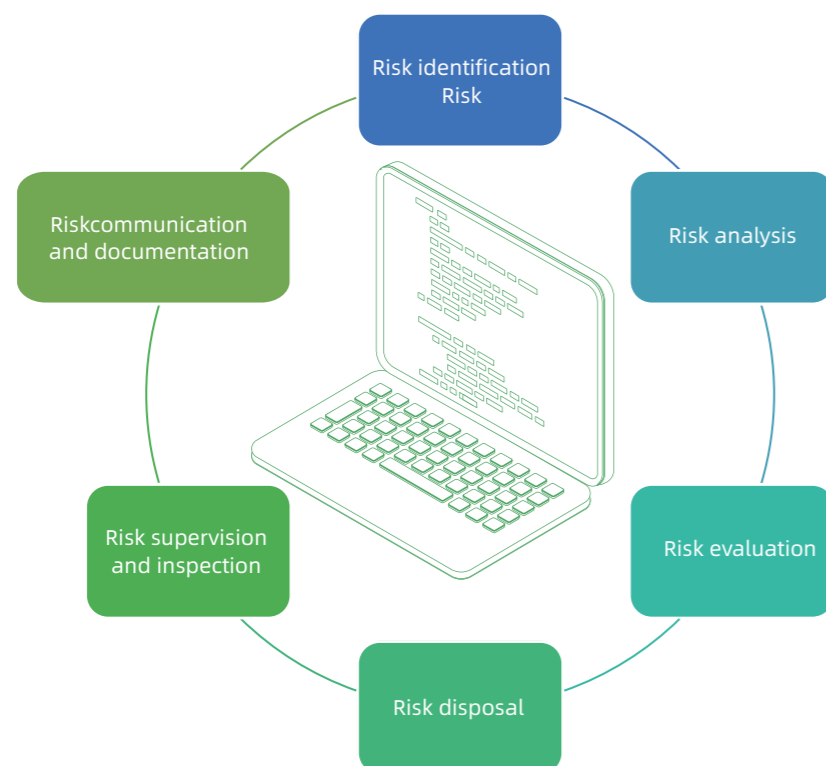
Industry development

Adhering to the concept of common development, the Company actively promotes the development of the industry while pursuing its own rapid and steady development, and contributes to the high-quality development of the industry together with its partners by participating in the formulation of standards, strengthening industry exchanges and promoting technical cooperation.

◆◇ Strengthening industry exchanges

The Company actively participates in industry exchange activities, strengthens interaction with domestic and foreign enterprises and scientific research institutes, and is widely recognized by the industry in its pursuit of win-win development.

Name of industry association	Position
National Technical Committee 485 on Communication of Standardization Administration of China	Member unit
China Communications Standards Association	Council Member
Telecommunication Terminal Industry Forum Association	Member unit
Internet Society of China	Vice Chairman
Beijing Software and Information Services Industry Association	Member unit
Chinese Institute of Electronics	Member unit
3GPP	Independent member

◆◇ Participation in the formulation of standards

The Company actively promotes the standardization level of the industry, continues to contribute its long-accumulated expertise to bring into full play its professional value. In 2023, it led or participated in the formulation of 53 standards, including 14 national standards, 21 industry standards and 18 group standards.

In addition, the Company actively led or participated in the preparation of a number of white papers, security reports and research reports.

Case: The first domestic Smart City Digital Security Report (2022)

The 360 Tianshu Think Tank, in conjunction with the National Engineering Research Center of Big Data Collaborative Security Technology and Tianjin Smart City Digital Security Research Institute, released China's first Smart City Digital Security Report (2022). For the first time, the report builds a digital security capability framework from a new perspective of the security subject of smart cities, and as the first "white paper" in the field of smart city digital security, it provides an overall guide to the construction of China's smart city digital security capability.

Case: Release of the 2023 Global Advanced Persistent Threat Research Report

The Research Report on Global Advanced Persistent Threats in 2023 released by 360 Digital Security Group, based on the empowerment of 360 Security Cloud and relying on the digital security capability of 360 "seen" threats, fully reveals active organizations, deeply deduces the future development direction, and is committed to providing effective reference and guidance for governments, institutions and enterprise to deal with advanced threats.

Case: Large Model Application Standard of China

360 Group was invited to participate in the compilation of China's Large Model Application Standard—Large-scale Pre-training Model Technology and Application Evaluation Methodology Part IV: Model Application. Tuchacha, an application of the 360 Smart Brain, was rated as an excellent case of generative artificial intelligence technology and application.

◆◇ Sharing of development achievements

The Company attaches importance to the sharing of achievements, actively promotes technical cooperation, helps the transformation and upgrading in multiple industries and fields, and promotes industry development and ecological co-construction.

● **Promoting industry transformation**

In 2023, the Company clouded the national security capability and officially released the "360 Security Cloud", which promoted the transformation of the security industry with the concept of "Security as a Service" and escorted the construction of a network power and digital China.

Inventing a new security paradigm ●

In 2023, the Company took the lead in proposing a new paradigm of digital security, "security Agent + security tools", and independently developed the industry's first deliverable security model application—360 Smart Brain. Through the methodology of small incision and big depth, it helps enterprises to truly realize automatic, secure and efficient operation and greatly improve their capability of security protection.
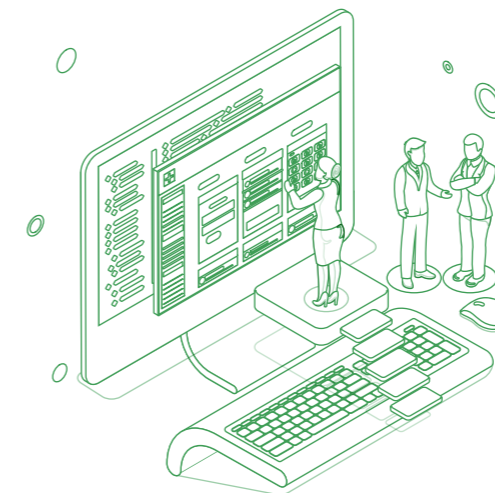
● **Digital security ecology conference**

In 2023, the Company held digital security ecology conferences in nearly 30 cities across the country with the theme of "New Technology, New Services, and New Ecology". Thousands of senior managers from partners gathered together to communicate on topics such as interpretation of digital security industry development opportunities, technology empowerment, experience sharing, and benchmarking, and open a new chapter of network security under the digital economy, which will strengthen the foundation and vitality for the high-quality development of urban industries.

New technique

New ecology

New services

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Assisting the police in anti-fraud

In 2023, the Company held three anti-fraud training camps, inviting police experts from all over the country to form a team of lecturers with industry experts from the 360 Cyber Crime Research Center, and cumulatively trained more than a hundred front-line police officers across the country, creating a precedent in the industry for the police and enterprises to train together. The Company has cooperated with more than 1,300 provincial/municipal/district/county-level public security organs nationwide, supported the Ministry of Public Security and local public security departments/bureaus in more than 10 major battles and special operations, and assisted them in cracking down on more than 1,000 wire fraud cases.

Building and protecting the digital infrastructure of cities

In 2023, the Company assisted in the construction of new digital infrastructure in more than 10 cities, and formed a digital security service system for the government and all kinds of large, medium, small, and micro enterprises through the "one cloud, one brain and five platforms" model.

ISC digital transformation

ISC 2023, the world's first AI digital security summit, was successfully held. In the application of AI technology in multiple scenarios and links, such as digital hosts, digital guests and digital customer service, the Company created a precedent for holding "AI+" conferences.

The Digital Town New50 Forum received more than 10 million clicks, and the number of online participants exceeded one million. It brought together 1,000+ guests from home and abroad and 100+ eco-enterprises, with 100+ activities held, 20+ achievements commercialized, and 30,000+ offline participants.The conference was included in the Guinness Book of World Records for its "most authoritative topic", with whole-network exposure exceeding one billion times. It not only achieved profitability, but the commercialization model was verified as well.

Creating an industry benchmark

In 2023, the Company's business was fully laid out. In the fields of finance, government, energy, medical care, education, manufacturing, scientific research, etc., it expanded industry-level benchmark customers, helped enterprises build a solid foundation for digital security, and facilitated their digital transformation.

Hosting on the cloud to protect the digital security of the financial system

Global TOP50 banks have built a security operation platform based on 360 Security Cloud. By subscribing to the 360 digital security hosting operation services, they have achieved internal protection against data leakage and external protection against cyberattacks.

Promoting the construction of smart campus to lay a solid foundation for digital security

By subscribing to the 360 digital security hosting operation services, national "double-first-class" universities have realized 7×24 hours all-weather all-round threat monitoring to ensure the smooth operation of the education system and protect the information security of teachers and students.

Oil giants leverage the 360 Security Cloud in energy transformation

The Company help enterprises to deal with 170,000+ alarms, identify 1,000+ digital assets, discover and handle nearly 300 high-risk ports, dig up and reinforce more than 30 security vulnerabilities to ensure information security.

Whole-process protection of scientific research institutions

With its 7×24-hour remote hosting operation service, the Company helps scientific research institutions to establish a digital security system, discover and prevent network threats by analyzing, monitoring and identifying potential attacks, vulnerabilities and malicious behaviors in the network.

Digital security services help hospitals "solve problems"

The Company helps a city's tertiary hospitals to monitor risks and handle security incidents, realize continuous monitoring of and active response to security risks and threats, and easily respond to security notifications and Internet attacks.

Promoting digital transformation and building safe infrastructure for manufacturing

The Company helps an international manufacturing enterprise to realize all-weather and all-round threat monitoring, find and deal with security risks promptly, achieve the overall safe operation and ensure the smooth operation of business systems.

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07

Chapter Seven

Sustainable Development: Jointly Pursuing a Better Future for All

- Green operation
- Social welfare

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The Company earnestly fulfills its social responsibility, adheres to green operation and promotes environmental protection in the pursuit of dual-carbon goals. With the idea that "no good deed is too small", it spreads the 360 public welfare culture of "being always ready to do public welfare", through which it has established a good corporate image.

Green operation

◆◇ Addressing climate change

Upholding the principle of energy conservation and environmental protection, the Company has implemented a series of emission reduction strategies to reduce greenhouse gas emission and improve energy utilization by optimizing energy structure and carrying out environmental protection publicity.

In the past three years, the Company has not been penalized by relevant departments for any major pollution accidents or ecological damage.

● Indicators and objectives

The Company's greenhouse gases are mainly generated by energy consumption during office operation, and the greenhouse gas emissions during the reporting period are as follows:

Greenhouse gas emissions	In 2023	Unit
Greenhouse gas emissions (Scope 1)	454.15	tCO2e
Greenhouse gas emissions (Scope 2)	7,252.92	tCO2e
Total greenhouse gas emissions	7,707.07	tCO2e
Greenhouse gas emission intensity	0.85	tCO2e/million yuan of revenue

Note: For 360's operating sites in different regions, the calculation of greenhouse gas emissions is based on the applicable rules in the region where the operating site is located.

● Energy saving and emission reduction

The Company implements a number of energy-saving measures in its office buildings to optimize energy and environmental management and reduce resource consumption.

Important measures
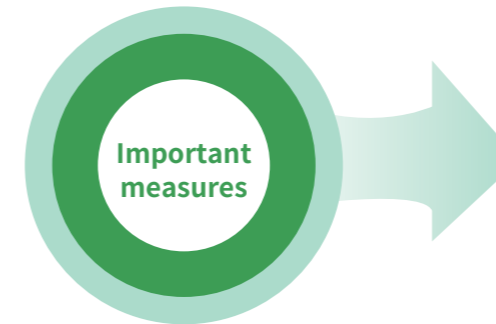
- Solar photovoltaic panels are installed on the roof of Beijing Electronic City Building to reduce the consumption of fossil energy.
- For Scope 2, the Company has strengthened energy management, built a green data center, and realized efficient green operation, thus reducing greenhouse gas emissions.
- By increasing environmental publicity, education and staff training, the Company raises employees' awareness of environmental protection, advocates green office and low-carbon life, and comprehensively promotes greenhouse gas emission reduction.

BMS building intelligent control system

Beijing Electronic City Building connects different systems through the building intelligent control system and uses calculator control technology to remotely control various devices, sensors and actuators to manage the daily activity data of the building, including:

- Remote control of independent fresh air supply system to ensure the air quality in the office.
- Intelligent air conditioning management system to realize real-time monitoring and reasonable setting of air conditioning temperature according to season, and scientific management of running time.
- ABB intelligent lighting control system that adjusts the lighting status in real time, presets the turn-on and turn-off time of lights, and improves energy efficiency.

Lighting system upgrade

In 2023, the lighting system in the public area of Beijing Tower was upgraded with high-efficiency and energy-saving lamps. Compared with the old models, an average of 11.47 kW/h of electric power was cut, with 260,800 kWh of electricity saved in the whole year.

Use of renewable energy

Solar PV panels are used on the roof of the Beijing office building to integrate distributed photovoltaic power generation into the office power supply system, providing part of the building's electricity.

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◆ Practice of green operations

● Management of energy and resources

The company strictly abides by the Law of the People's Republic of China on Environmental Protection, the Law of the People's Republic of China on Energy Conservation and other laws and regulations, promotes energy management, rationally utilizes energy and reduces energy consumption.

Comprehensive energy consumption: 1,845.72 tons of standard coal

Comprehensive energy consumption intensity: 0.20 tons of standard coal/million yuan of revenue

● Water resources management

The Company standardizes the management of water resources, vigorously implements water conservation measures, and extensively carries out water conservation publicity and education. The Company and its subsidiaries keep monthly statistics on water consumption, aiming to reduce the consumption of water resources and the impact on the water ecosystem.

Total annual water consumption: 80,852 tons

Water consumption intensity: 8.93 tons/million yuan of revenue

● Standardized treatment of three wastes

Waste gas
● The kitchen fumes are treated by UV photo-oxidation equipment and electrostatic filters. In order to realize the accurate management and control of the kitchen fumes, we reserve an online monitoring interface for the fume exhaust flue, so as to effectively monitor and control the fume exhaust in real time in the future.

● Kitchen wastewater is pre-treated through a sedimentation tank to remove large particles of pollutants and suspended matters, then introduced into an oil-water isolation device to separate the oil in the wastewater, and then discharged to the outdoor grease separation tank, which is cleaned up once a month.
● The domestic sewage of the building is discharged to the municipal sewage treatment plant for secondary utilization.
Waste water

Solid waste
● The Company has formulated the Measures for the Management of Solid Wastes (Hazardous Wastes) to ensure that all kinds of solid wastes meet the national disposal standards. The rate of harmless treatment reaches 100%, and there are no incidents of environmental pollution or damage.
● According to the Regulations of Beijing Municipality on the Management of Domestic Waste, the Company carries out garbage classification in its operation sites in Beijing. It uses four types of garbage bins with clear signs to ensure that garbage classification reaches the standard while strengthening the employees' awareness of garbage sorting.
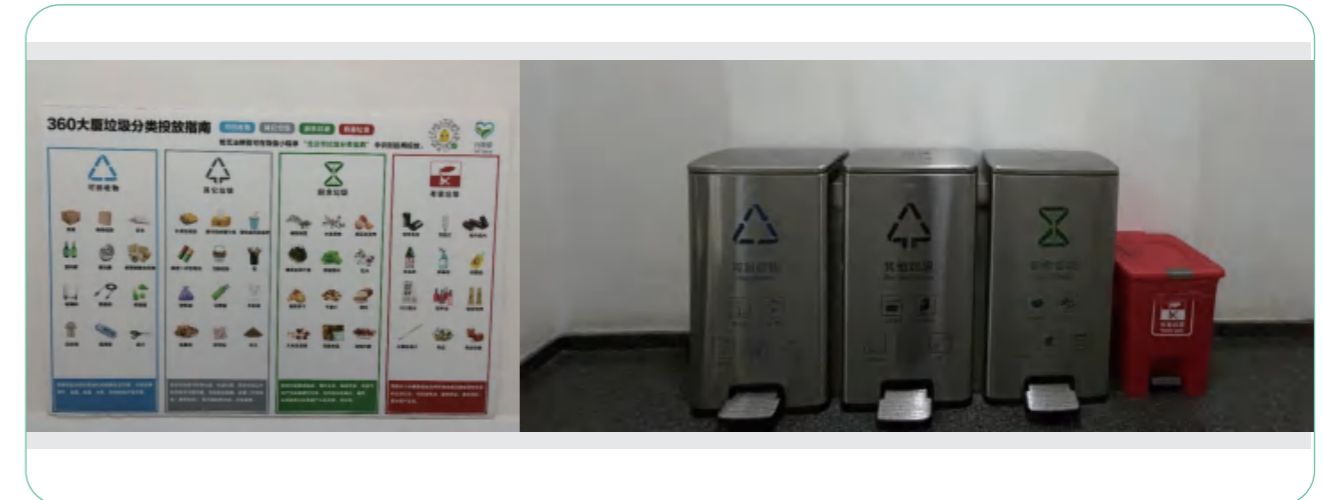
● Advocating green office

Saving energy
● Turning off the lights, office equipment, and air conditioning when the office or meeting room is not in use
● 40% of the Company's vehicles in Beijing are new-energy vehicles, which are provided with charging stations in the parking area
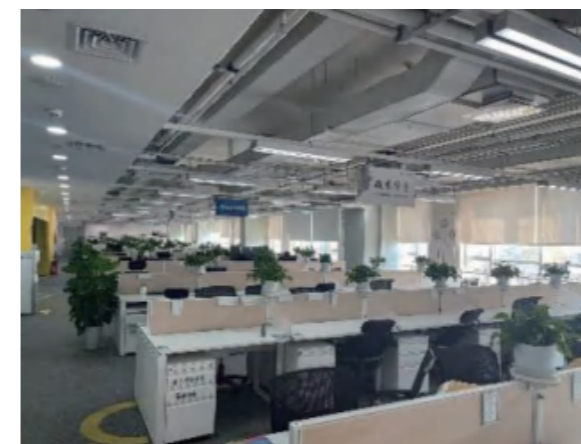
Saving water
● Employees are welcome to use their own water cups when using the water dispenser
● Water-saving bubbler faucets are adopted
● Water-saving signs are posted

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Saving consumables

- Paperless office is promoted
- "Green recycling stations" are set up for waste paper
- Purchase and use of office supplies are rationalized
- The Management Measures for Low-value Consumables is formulated, and the service life of office equipment is prolonged through enhanced daily maintenance

Indoor greening

- Green plants are introduced into the office area to improve employees' work-life balance, productivity, creativity and sense of well-being
- As of December, 2023, there were 3,119 indoor plants of more than 20 types in Beijing Electronic City Building

Green data center

In terms of data center construction, 360 is committed to building an energy-saving and efficient low-carbon data center. It has taken measures such as waste heat recycling, dynamic energy regulation, efficient cold source room, and sustainable LID site design to reduce the energy consumption of data room operation. In addition, the 360 data center has been reconstructed according to the international standard Uptime/Tier-IV and national standard GB50174/ Class A computer room construction requirements.
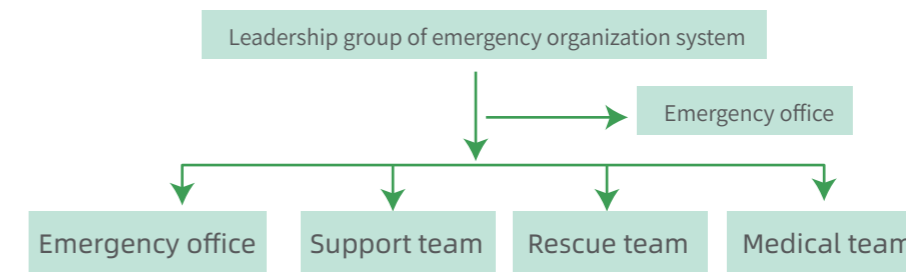
国际标准
UPTIME/Tier-IV

Case: Low-carbon reconstruction project of 360 DIGITECH Data Center

Energy-saving equipment is widely used in 360 DIGITECH. By means of cascade utilization of natural cold sources, recovery of waste heat from computer rooms for reuse, and dynamic adjustment of control strategies, energy efficiency is improved and carbon emissions are reduced. At present, the PUE index of data centers in Beijing and Zhengzhou is lower than 1.5, reaching the national average. In terms of environmental protection, the 360 DIGITECH Data Center has adopted low-impact technical measures such as "sponge city" construction, roof greening, rainwater recycling facilities, and permeable pavement to control runoff pollution, alleviate waterlogging, rationally utilize rainwater resources, and improve water environment, so that the annual total runoff control rate in the site reaches 70%, and the annual runoff pollution control rate reaches 50%. In terms of data usage, the 360 DIGITECH Data Center adopts dynamic scaling technology for the business servers, so as to redistribute the computing resources at the daily level, allowing more resources to be used at the peak of business and less resources to be used at the valley of business, thus avoiding resource waste.
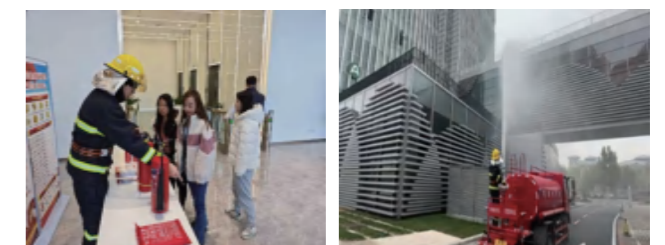
Enhancing emergency capabilities

The Company has established internal systems such as Emergency Plan for Production Accidents, Crisis Handling Mechanism for Abnormal Visitors, and Warehouse Safety Management System, defined the types of incidents, three-level response measures, emergency plans, security drills, measures to deal with extreme weather, reporting procedures and disclosure requirements, and set up a leading group for production safety and emergency management and to co-ordinate the handling of various emergency incidents.

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Leadership group of emergency organization system
                                    → Emergency office

Emergency office | Support team | Rescue team | Medical team
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Case: Emergency drill

In 2023, the Company held several emergency drills, including "519" and "119" fire drills, and organized flood control drills, water leakage drills and unplanned power outage drills in response to extreme weather. Through the drills, problems were found and rectified in a timely manner, the safety awareness of all employees was enhanced and the ability to deal with emergencies was improved.

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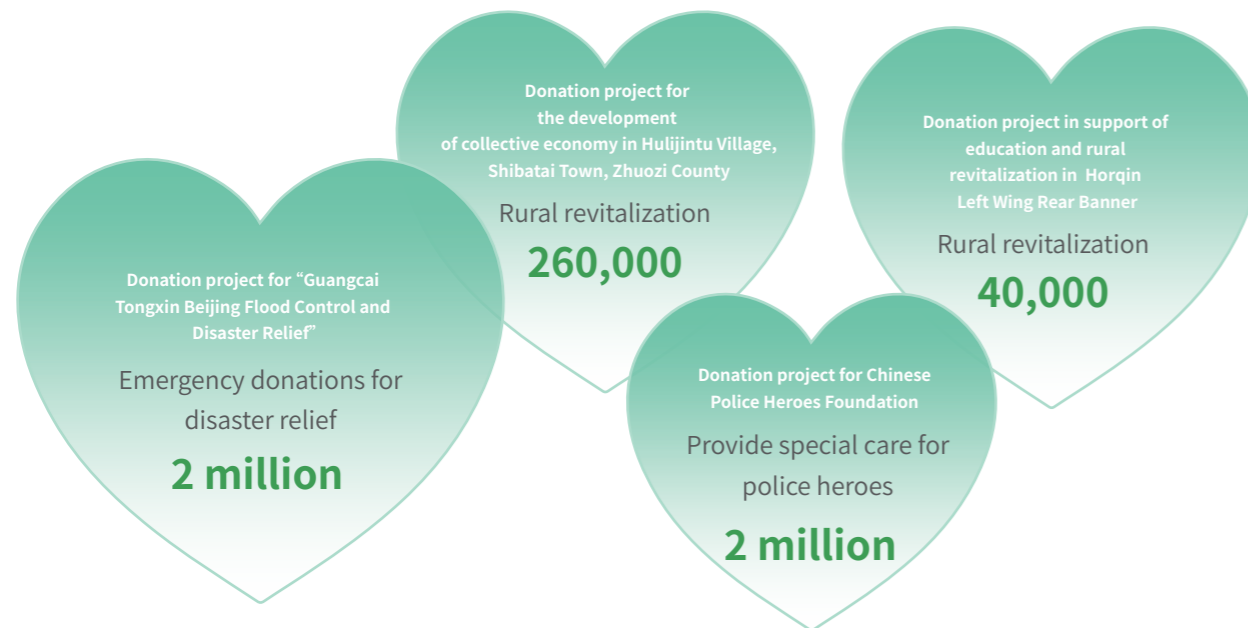
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Social welfare

The Company is committed to "solving social problems with the power of science and technology". Taking the 360 Public Welfare Platform, the 360 Public Welfare Foundation and the 360 Public Welfare Communication as the media, the Company drives public welfare undertakings and practices corporate social responsibility.

◆◇ Promoting public welfare—360 Public Welfare Foundation

In active response to the call of national rural revitalization, the 360 Public Welfare Foundation makes donations to Xinjiang, Hubei, Inner Mongolia and other places to improve basic education and healthcare facilities. In addition, the Company carries out disaster relief, provides special care for the police, and undertakes corporate social responsibility to pass on the power of love.

Donation project for the development of collective economy in Hulijintu Village, Shibatai Town, Zhuozi County
Rural revitalization
260,000

Donation project in support of education and rural revitalization in Horqin Left Wing Rear Banner
Rural revitalization
40,000

Donation project for "Guangcai Tongxin Beijing Flood Control and Disaster Relief"
Emergency donations for disaster relief
2 million

Donation project for Chinese Police Heroes Foundation
Provide special care for police heroes
2 million

Case: Assisting in disaster relief

After the rainstorm in Beijing in August 2023, the 360 Group took the lead in responding to the call of the Beijing Federation of Industry and Commerce and took part in the disaster relief work in Fangshan and Mentougou. After the earthquake in Gansu in December, the 360 Public Welfare Foundation quickly joined local relief agencies and charitable organizations to raise relevant relief materials for the disaster-stricken area.

◆◇ Digital charity—360 Public Welfare Platform

While helping with public welfare projects, the Company continuously improves the operation and maintenance of 360 Public Welfare Platform to create a reliable, authoritative and transparent public welfare image. In the reporting period, social responsibility report, project progress and other sections were added to the display page of 360 Public Welfare Platform, and eight public welfare foundations were introduced into the platform throughout the year, expanding the project scope to new areas such as disaster response and relief, improvement of the environment in which young people grow, government-related support services, caring for veterans, and environmental protection plans.

36 foundations on the platform

34 online projects

Over 730,000 yuan

17,000 donators

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Case: Theme activities on "6.11" China Organ Donation Day

June 11, 2023 is the seventh organ donation day in China. As an online strategic partner of China Organ Transplantation Development Foundation, 360 broadcasted the donation day with the theme of "Walking in Starlight", and officially upgraded the "360 Great Security Public Welfare Office" from the original "Voluntary Organ Donation Registration Platform" to a sustainable public welfare ecological platform, matching the needs of donors and beneficiaries and boosting the development of digital charity.

Case: Public welfare activity titled "Don't let hearing impairment become an obstacle to life"

On June 1, 2023, 360 Public Welfare and IHEARU Charity Fund jointly set up the "Cognitive Learning Center for Hearing-impaired Children" in Xi'an to provide cognitive education for hearing-impaired children in the rehabilitation stage and help them to better understand the world.

The project was launched in June 2023, calling on the public to pay attention to hearing-impaired children, with a cumulative exposure of 336 million times, and a cumulative reading of 32.24 million times in Weibo, which enhanced the spread of 360 Public Welfare brand and was followed up by other public welfare platforms one after another.

Case: Environmental protection public welfare activity titled "I have a tree in Tibet"

In 2023, 360 Public Welfare actively responded to the "I have a tree in Tibet" public welfare activity, jointly promoted it with China Charity Federation, using the power of digital communication to mobilize the whole society to participate in the greening project of South and North Mountains in Lhasa. The exposure of the activity amounted to nearly one hundred million times.

◆◇ Public welfare culture of 360

In an effort to elevate the philanthropic consciousness and participation among its workforce, the Company has consistently cultivated a robust charitable brand and instilled a culture of benevolence by launching the engaging "Good Deeds Earn Drumsticks" series of public welfare activities. In the project of "Don't let hearing impairment become an obstacle to life", the organization championed an internal drive to collect children's picture books, which saw over 500 staff members actively contribute. This concerted effort amassed a generous donation of more than 360 volumes, all destined for the "Cognitive Learning Center for Hearing-impaired Children". This tangible demonstration of goodwill stands as a testament to the Company's commitment to the philosophy of "making charity a part of everyday life, where small acts of love accumulate to build a tower of compassion".

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Appendix 1: Performance Table

Environmental performance		
Comprehensive energy consumption	Ton of standard coal	1,845.72
Comprehensive energy consumption intensity	Ton of standard coal/million yuan of revenue	0.20
Outsourced electricity	Megawatt hour	12,623.97
Outsourced heat	GJ	520.52
Petrol	Ton	6.69
Diesel	Ton	0.43
Natural gas	Standard cubic meter	200,000
Greenhouse gas emissions (Scope 1)	tCO2e	454.15
Greenhouse gas emissions (Scope 2)	tCO2e	7,252.92
Total greenhouse gas emissions	tCO2e	7,707.07
Greenhouse gas emission intensity	tCO2e /million yuan of revenue	0.85
Total water consumption	Ton	80,852
Water consumption intensity	Ton/million yuan of revenue	8.93
Total amount of harmless waste	Ton	180
Total amount of hazardous waste	Ton	0.053
PUE index of data centers in Beijing and Zhengzhou	/	1.3
Social performance		
R&D personnel	number	3,332
Proportion of R&D personnel to the total number of employees in the Company	%	55.6
R&D expenses	Hundred million yuan	31.04
Ratio of R&D expenses to operating income	%	32.48
Customer complaint response rate	%	100
Customer complaint resolution rate	%	>97
Customer satisfaction	%	>96
Total number of employees	Number	5,990
Labor contract signing rate	%	100
Social security coverage rate	%	100
Employee satisfaction	%	>95
Proportion of female managers	%	20.1
Proportion of ethnic minority employees	%	5.2
Proportion of employees with disabilities	%	1.5
Employee turnover rate	%	7.6
Employee training coverage rate	%	100
Total investment in employee training	Ten thousand yuan	120.87
Total hours of employee training	hour	42,341
Training hours for senior management	Hour	570

Average training hours for new employees	Hour	10
Training hours for R&D personnel	Hour	34,099
Number of cooperative suppliers	Number	840
Annual supplier excellence rate	%	>90
Donation amount	Ten thousand yuan	648.72
Governance performance		
Shareholders meeting	Time	2
Number of proposals reviewed by the shareholders meeting	Number	14
Board of Directors meeting	Time	4
Number of proposals reviewed by the board of directors meeting	Number	22
Board of supervisors meeting	Time	3
Number of proposls reviewed by the board of supervisors meeting	Number	15
Number of motions unapproved at the three meetings	Number	0
Audit Committee	Time	5
Number of proposls reviewed by the audit committee	Number	16
Nomination and Remuneration Committee	Time	2
Number of proposls reviewed by the nomination and remuneration committee	Number	2
Strategy Committee	Time	0
Number of directors	Number	6
In which: number of independent directors	Number	3
In which: Number of female directors	Number	1
Number of supervisors	Number	3
In which: number of employee representative supervisors	Number	2
Number of periodic reports disclosed	Number	4
Number of interim announcements disclosed	Number	38
Number of investor receptions	Time	>300
Number of performance briefing sessions	Time	2
Number of responses to E-interaction	Time	38
Number of audited projects in the whole year	Number	15

Notes: 1. The Beijing Electronic City Building is the sole focus of our statistical analysis on purchased heat, diesel, gasoline, and natural gas consumption.

2. The scope of our statistical analysis on purchased electricity consumption includes Beijing Electronic City Building, Chengdu Tianfu Software Park, Chengdu Artificial Intelligence Center, as well as our offices in Guangzhou, Nanjing, Shenzhen, Suzhou, Wuhan, Xi'an, Shenyang, and Shanghai.

3. The scope of our statistical analysis on water consumption includes Beijing Electronic City Building, Chengdu Tianfu Software Park, Chengdu Artificial Intelligence Center, as well as our offices in Guangzhou, Nanjing, Shenzhen, Suzhou, Wuhan, Xi'an, Shenyang, and Shanghai.

4. The scope of our statistical analysis on the customer complaint response rate, customer complaint resolution rate, and customer satisfaction includes Smart Life, Wargaming Division, 360 Games, and the Internet Division.

5. PUE is short for power usage effectiveness, that is, power utilization efficiency. PUE is an indicator to evaluate the energy efficiency of data centers, which is the ratio of all energy consumed by a data center to the energy consumed by IT load.

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