Duiba Group
兑吧集团

Duiba Group Limited
兑吧集团有限公司

用戶運營SaaS業務

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT
2021

CONTENTS

About the Report

PURPOSE OF THE REPORT

Duiba Group Limited ("**Duiba**" or the "**Company**"), and together with its subsidiaries, (collectively, the "**Group**" or "**we**") is pleased to present its third Environmental, Social and Governance Report (the "**Report**"), which discloses the sustainability philosophies, strategies and environmental, social and governance ("**ESG**") performance of the Group for the period from 1 January 2021 to 31 December 2021 (the "**Reporting Period**").

REPORTING SCOPE

Unless otherwise stated, the reporting scope covers the core operations located in the People's Republic of China (the "**PRC**"), namely (i) user management SaaS platform business and (ii) interactive advertising business, which is consistent with the scope of our financial report.

REPORTING STANDARDS

The Report has been prepared in accordance with the latest Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEX**"), and complies with the reporting principles of materiality, quantitative, balance and consistency as set out in the ESG Reporting Guide. The content index of the ESG Reporting Guide is attached to the Report for the convenience of the stakeholders. For the corporate governance of the Group, please see the section headed "Corporate Governance Report" in the annual report of the Company for the year ended 31 December 2021.

REPORTING PRINCIPLES

The Group has prepared the Report according to the following four reporting principles.

Principle	Description	Response of the Group
Materiality	The report should cover the areas that reflect the significant impact of the organization on the environment and society, or substantially affect the assessments and decisions of stakeholders.	Material ESG issues are identified through communication with stakeholders. Internal and external factors, such as strategies of the Group and the concerns of stakeholders, will be considered in the process. For details, please refer to the section headed "Stakeholder Engagement."
Quantitative	The report should disclose key performance indicators ("**KPIs**") in quantitative terms accompanied by narrative, explanations, impacts and comparative data where appropriate.	When feasible, KPIs are disclosed through calculation and data presentation.
Balance	The report should present a balanced and unbiased picture of each of these issues in an objective manner, whether they are positive or negative, so as to ensure reasonable reflection of the overall performance.	The Report identifies and elaborates both the achievements and the challenges faced by the Group, and discloses quantitative information to allow a comprehensive reflection of the sustainability performance and development of the Group.
Consistency	The report should disclose information on a consistent basis so that stakeholders can analyze and evaluate changes in the performance of the organization over time. Any changes in methods should be explained in the report.	The Group has compared current and past KPIs and information on different aspects, and adopted a consistent reporting framework and statistical methods, in order to facilitate year-on-year comparisons of the performance by stakeholders. Explanations would be provided for changes in the reporting scope and reporting methodology.

About the Report

ACCESS TO THE REPORT

The Report has been prepared in Chinese and English, and is published on the websites of the Stock Exchange and the Group respectively. In case of any conflict or inconsistency, the Chinese version shall prevail.

FEEDBACK

The Group values the opinions and feedback of stakeholders on our sustainable development performance and policies. We encourage and welcome you to share your opinions with us via the following contact methods:

Principal Place of Business in the PRC: Room 702, Shuyu Building, 98 Wenyi West Road, Xihu District, Hangzhou, Zhejiang Province

Principal Place of Business in Hong Kong: 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

Email: ir@duiba.com.cn

About the Group

Established in Hangzhou, China in 2011, the Group is a leading Software as a Service ("**SaaS**") provider for online businesses and a leading interactive advertising platform operator in China, providing full-cycle operation services in user acquisition, activity retention and monetization for tens of thousands of customers in financial, Internet and other industries.

USER MANAGEMENT SAAS BUSINESS

Our user management SaaS platform is designed to help businesses attract and retain online users in a cost – effective manner, by offering various fun and engaging user management tools including reward points system operation, membership marketing operation, gamification operation, e-commerce live streaming for bank credit cards, enterprise marketing tool via WeChat and financial industry live streaming to boost mobile app user activity and participation on apps. Having initially launched our user management SaaS platform on a free-of-charge model in order to expand our customer base, we began charging for our user management SaaS solutions on a pilot basis in April 2018. We have extended user management SaaS solutions to serve enterprises engaged in offline business and made phased achievements in terms of banking customers. The sales and marketing strategy of our user management SaaS business for offline businesses is to actively explore cooperation opportunities with top brands in several sectors including retailing, catering, banking and new media. Our good reputation among prime customers who cooperated with us provides the experience which can be replicated and facilitate transformation, for our customer acquisition.

We will upgrade the core service of user management SaaS business to include three product packages: basic version, premium version and VIP customized version to meet the different needs of different customers; we will also provide enterprises with marketing products and services: continuous innovation and more targeted effective marketing strategies and campaign tools. In the future, we will be continuously committed to identifying the common needs for products, to refine incremental common service modules, and improve the service items and package prices of future standard products. We will invest more in research and development to provide businesses with one-stop user management SaaS service to help them manage, activate and acquire users. We cover top brands in offline businesses especially banks and insurance companies which have a large user base and demand for one-stop user management SaaS services, and we believe they present great untapped potential.

About the Group

INTERACTIVE ADVERTISING BUSINESS

In 2015, the Group pioneered and launched its interactive advertising business, which aggregated the traffic of different app scenarios, systematically managed content of activities, and achieved large-scale monetization through advertisements, thereby achieving a win-win situation for each of the advertisers, media partners and users. Advanced big data analytics and AI technology also provides robust support to the innovation and operations of our interactive advertising platform. We generally charge our interactive advertising customers based on the performance of advertisements. The interactive advertising model of the Group attracts users with rich and interesting high-engagement activities, and provides users with entertainment and leisure. Meanwhile, the advertisements are presented in the form of discounts and benefits on the landing pages, which meets and stimulates user demand. The Group has made persistent efforts to upgrade its advertising technology capability and provide online automated and customized services to both content distribution channels and advertisers through our interactive advertising platform consisting of the media management platform and the smart advertising system.

About the Group

DEVELOPMENT HISTORY

2014
- The Group established the User Management SaaS Platform

2015
- The Group took the lead in launching the interactive advertising business, which aggregated the traffic of different application scenarios, systematically managed content of activities, and achieved large-scale monetization through advertisements, thereby achieving a win-win situation for each of the advertisers, media partners and users.

2016
- Tuia, an interactive advertising platform, was launched.

2017
- The Group achieved profit for the first time.

2018
- The Group started to carry out a trial to charge for user management SaaS solutions.

2019
- The Group was listed on the Hong Kong Stock Exchange with the stock code 1753.HK.

2020
- The Group started to provide the banking and insurance industries with a complete set of plans for the production of professional live streaming content, as well as live streaming support products.

2021
- Continuous breakthroughs were made in increasing the banking customer base.

About the Group

SUSTAINABILITY OVERVIEW

The interactive advertising platform provided traffic monetization services for **4,923** media channels, with the daily advertising page view of over **32** million times

Performance-based advertising placement services were provided to **1,492** ultimate advertisers, and the number of paying customers who used our charged user management SaaS services increased by **43.0%** to **1,190**

The average charge per customer increased by **82.4%** to approximately RMB**228,000**

The stability of our business system was as high as 99.99%

The number of employees from our Research and Development Department was **520**, accounted for **55.6%** of the total number of employees of the Group

Research and Development investment increased by **32.7%** from RMB**129.5** million in 2020 to RMB**171.8** million in 2021

935 employees, **100%** of the employees were full-time, the number of female employees accounted for **46.6%** of the total number of employees

Total training hours reached **17,232** hours

As at 31 December 2021, we registered **65** trademarks, **115** software copyrights, **16** copyrights of works and **1** patent in Mainland China and Hong Kong

Average training hours of female employees and male employees were **13.9** hours and **14.7** hours, respectively

Average training hours of senior management, middle management and, general and technical staff were **38.1** hours, **29.5** hours and **13.3** hours, respectively

Total greenhouse gas emissions were **386.31** t CO_2e

Total energy consumption was **661.49** MWh

Total non-hazardous waste disposed was **35.20** tonnes

About the Group

AWARDS AND HONORS

Awards and Honors	Awarding Organization
Most Valuable Award for Bank SaaS User Operation of 2021	Ciweek of the Chinese Academy of Sciences, the Center for Informatization Study of the Chinese Academy of Social Sciences, eNet Research Centre and Deben Consultation (德本諮詢)
Digital Marketing Innovation Award	Periodical Office of Retail Banking (《零售銀行》雜誌社)
Provincial High-Tech Enterprise Research and Development Center Certificate	Science Technology Department of Zhejiang Province

DUIBA GROUP WON THE MOST VALUABLE AWARD FOR BANK SAAS USER OPERATION OF 2021

During the Reporting Period, the 2021 (3rd) Innovation and Development Forum and the press conference for the 2021 White Paper (Report) on Enterprise Innovation and Development jointly organized by Ciweek of the Chinese Academy of Sciences, the Center for Informatization Study of the Chinese Academy of Social Sciences, eNet Research Centre and Deben Consultation (德本諮詢) were held in Beijing.

With a focus on sharing the digital transformation, the forum fully released the creative vitality, provided the main report collecting 1,000-1,500 innovative cases/products of more than 1,000 enterprises, and encouraged the emergency of innovative talents in all walks of life through continuous attention to and exploration of micro-innovation cases in various industries. During the forum, the organizers also awarded the "Golden i Award" for segments. The "Masterpiece (拿手好戲)" series of intelligent operation solutions developed by Duiba Group for Ping An Bank won the "Most Valuable Award for Bank SaaS User Operation of 2021".

Duiba has cooperated with more than 100 banking customers, including state-owned banks, joint-stock banks and city (rural) commercial banks, thus accumulating many excellent cases and practical experiences in serving banks, and has three technical advantages: 1. Complexity of operation scenarios, 2. High traffic and high concurrency, and 3. Safety and reliability. For the SaaS business, Duiba will be continuously and deeply engaged in the banking industry. According to the data released by China Banking and Insurance Regulatory Commission, there are tens of thousands of banking and financial institution customers, and the size of the banking user management SaaS market exceeds 5 billion, the Directors of the Company believes that the Group will benefit from the growth of the industry.

Approach to Sustainable Development

SUSTAINABILITY VISION AND STRATEGY

With the mission of becoming a user management partner of enterprises, we are committed to providing enterprises with full-cycle services in user acquisition, retention and monetization. We actively adopt a responsible management model, taking into account the environmental and social benefits while developing its business, so as to further improve the sustainable development of enterprises.

In order to realize the vision, we implement our values and ensure the incorporation of sustainability elements into all processes of operation and business decision-making, with four sustainable development pillars, namely "Creating Values for Customers", "Shaping Dreams for Employees", "Taking Actions for the Environment" and "Bringing Harmony to the Community", and by developing corresponding strategies and goals and targets. For details of the goals and targets set by the Group, please see sections of the Report.

Creating Values for Customers

Strategy: Long-term efforts, creation, sharing and responsibility assumption with strugglers; honesty, trust and reliability.

Goal: Providing customers with the highest quality and reliable services and products to enhance customer experience.

Shaping Dreams for Employees

Strategy: Creation of an incentive and supporting environment to help employees realize their dreams.

Goal: Establishing a harmonious and vibrant work culture, caring for the well-being of employees, and encouraging employees to develop their talents.

Taking Actions for the Environment

Strategy: Reduction of the environmental impact and promotion of environmental protection in our operation.

Goal*: Efficiently utilizing resources and reducing environmental footprint to actively promote low-carbon lifestyle.

* For our green targets, please see the section headed "Creating Positive Acts for the Environment."

Bringing Harmony to the Community

Strategy: Organization of various community activities to promote social harmony.

Goal: Supporting the disadvantaged community, and promoting the industry development.

Approach to Sustainable Development
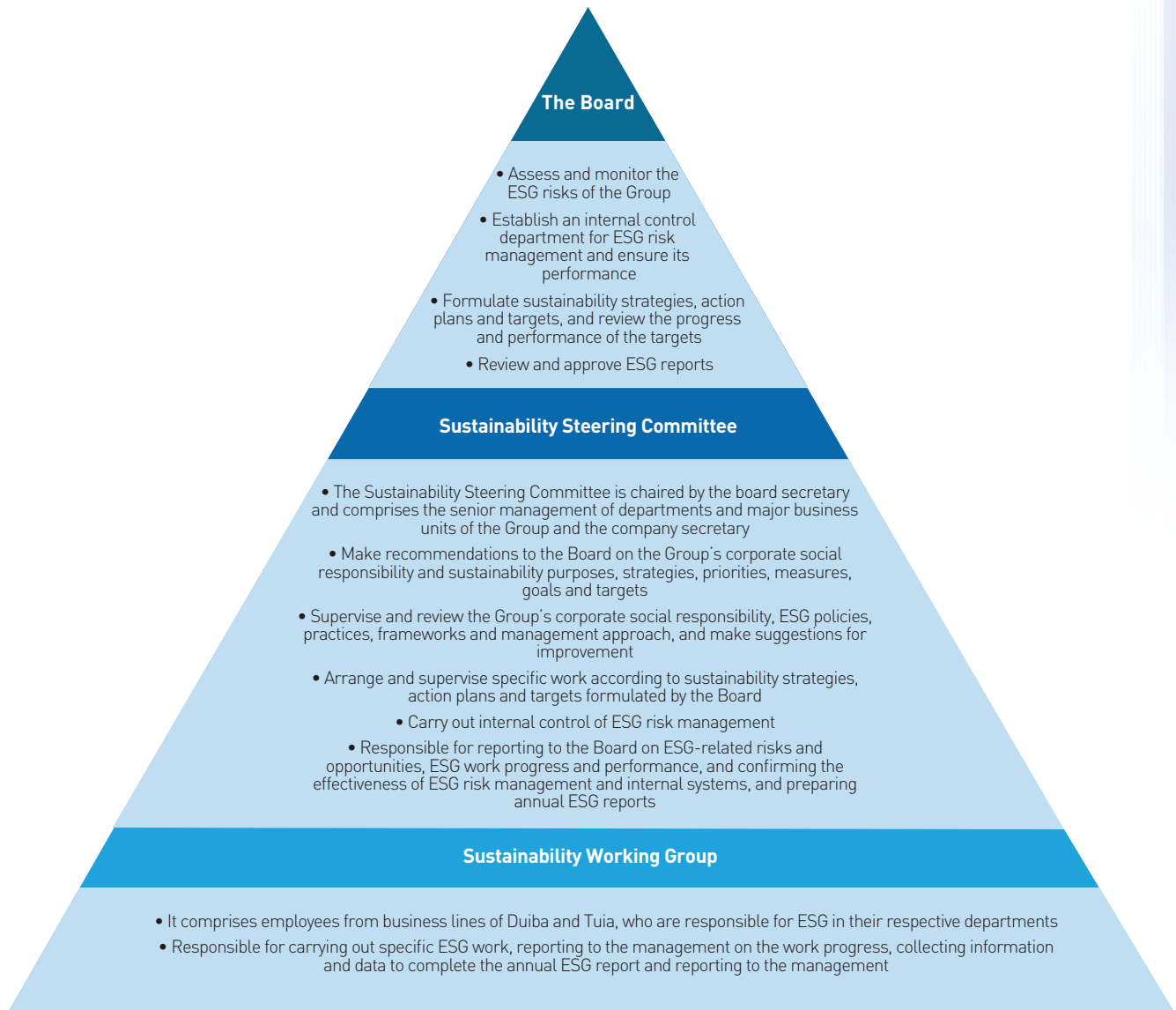
SUSTAINABILITY GOVERNANCE

The board of directors of the Group (the "**Board**") oversees the Group's sustainability strategy, management approach and performance. Chaired by the board secretary, the Sustainability Steering Committee of the Group (the "**Committee**") is comprised of senior management of departments and major business units of the Group and the company secretary. The Committee is authorized by the Board to supervise the sustainability performance of the Group and ensure the incorporation of sustainability factors into the decision-making process of all business departments. The Committee regularly reports to the Board, evaluates sustainability strategies and reviews the progress made against ESG-related goals and targets of the Group.

To assist the Board in understanding our ESG risks and work in a timely manner, we have established a Sustainability Working Group (the "**Working Group**") to carry out specific duties, so as to better incorporate ESG-related factors into the Company's future plans, and daily production and operation. With the assistance of an independent sustainability consultant, the Group has also conducted ESG-related risk assessment. Based on industry analysis, opinions of stakeholders and the ESG trend, our consultant has identified ESG-related risks that were significant to the Group's business, including climate risks and ESG-related risks along the supply chain, and prioritized them according to the degree of their likelihood and significance on the Group. We will develop relevant measures against higher level of ESG risks, regularly review the effectiveness of these measures and report to the Board, and propose improvement plans to the Board when necessary.

The Working Group comprises members from the business lines of Duiba and Tuia (our interactive advertising business, 推啊). The Working Group, representing a knowledge exchange platform, promotes the ESG management and practice of the Group, reports relevant risks to the Group, implements sustainability policies, and prepares relevant materials for ESG disclosure. The Working Group directly reports to the Committee and implements relevant measures of the Group in various business divisions and departments of Duiba.

Approach to Sustainable Development

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board

- Assess and monitor the ESG risks of the Group
- Establish an internal control department for ESG risk management and ensure its performance
- Formulate sustainability strategies, action plans and targets, and review the progress and performance of the targets
- Review and approve ESG reports

Sustainability Steering Committee

- The Sustainability Steering Committee is chaired by the board secretary and comprises the senior management of departments and major business units of the Group and the company secretary
- Make recommendations to the Board on the Group's corporate social responsibility and sustainability purposes, strategies, priorities, measures, goals and targets
- Supervise and review the Group's corporate social responsibility, ESG policies, practices, frameworks and management approach, and make suggestions for improvement
- Arrange and supervise specific work according to sustainability strategies, action plans and targets formulated by the Board
- Carry out internal control of ESG risk management
- Responsible for reporting to the Board on ESG-related risks and opportunities, ESG work progress and performance, and confirming the effectiveness of ESG risk management and internal systems, and preparing annual ESG reports

Sustainability Working Group

- It comprises employees from business lines of Duiba and Tuia, who are responsible for ESG in their respective departments
- Responsible for carrying out specific ESG work, reporting to the management on the work progress, collecting information and data to complete the annual ESG report and reporting to the management

Approach to Sustainable Development

STAKEHOLDER ENGAGEMENT

The Group believes that the opinions of stakeholders are crucial to the development of its sustainability strategies, and therefore we always keep in close communication with stakeholders to understand their concerns and expectations. In view of this, we have established different communication channels for internal and external stakeholders to provide important opinions, thus laying a solid foundation for improving our sustainable development performance.

Stakeholder Group	Communication Channel	Issues Concerned	Response of the Group
Customers	➢ Industry summit ➢ Company website ➢ Customer interview and working meeting ➢ Daily front-line communication ➢ Online service platform	➢ Product quality ➢ Customer service ➢ Information security	➢ Quality control enhancement ➢ Improvement in the customer communication mechanism ➢ Network security and privilege setting
Employees	➢ Performance assessment ➢ Employee mailbox ➢ Internal meeting and employee meeting ➢ Intelligent office platform ➢ Training and workshop ➢ Team building and employee activity	➢ Employment rights and interests ➢ Remuneration and benefits ➢ Training and career development ➢ Occupational safety and health ➢ Equal opportunities ➢ Friendly workplace	➢ Protection of rights and interests of employees by law ➢ Building of a talent training channel ➢ Enhancement of occupational health and safety management
Shareholders and Investors	➢ Annual and periodic reports ➢ General meeting ➢ Circular and announcement ➢ Website of the Group ➢ Meeting with investors	➢ Return on investment ➢ Corporate governance ➢ Risk control ➢ Transparency of information	➢ Profitability increase ➢ Improvement in the risk management and internal control system ➢ Regular information disclosure
Government Departments and Regulatory Authorities	➢ Work report ➢ Application for approval ➢ Exchange at meetings ➢ Supervision and investigation	➢ Compliant operation ➢ Tax payment by law ➢ Support for local development	➢ Enhancement of anti-corruption campaigns
Business Partners/ Suppliers	➢ Business meeting ➢ Supplier evaluation ➢ Site inspection	➢ Credibility ➢ Win-win cooperation ➢ Fair and equitable purchase	➢ Review, selection and monitoring ➢ Formulation of the Code of Conduct
The Community and the Public	➢ Public welfare and charity activities ➢ Website of the Group ➢ Official accounts on social media ➢ Campus recruitment	➢ Community engagement ➢ Environmental protection ➢ Job opportunity	➢ Public benefit projects ➢ Comprehensive implementation of green operation ➢ Creation of job opportunities

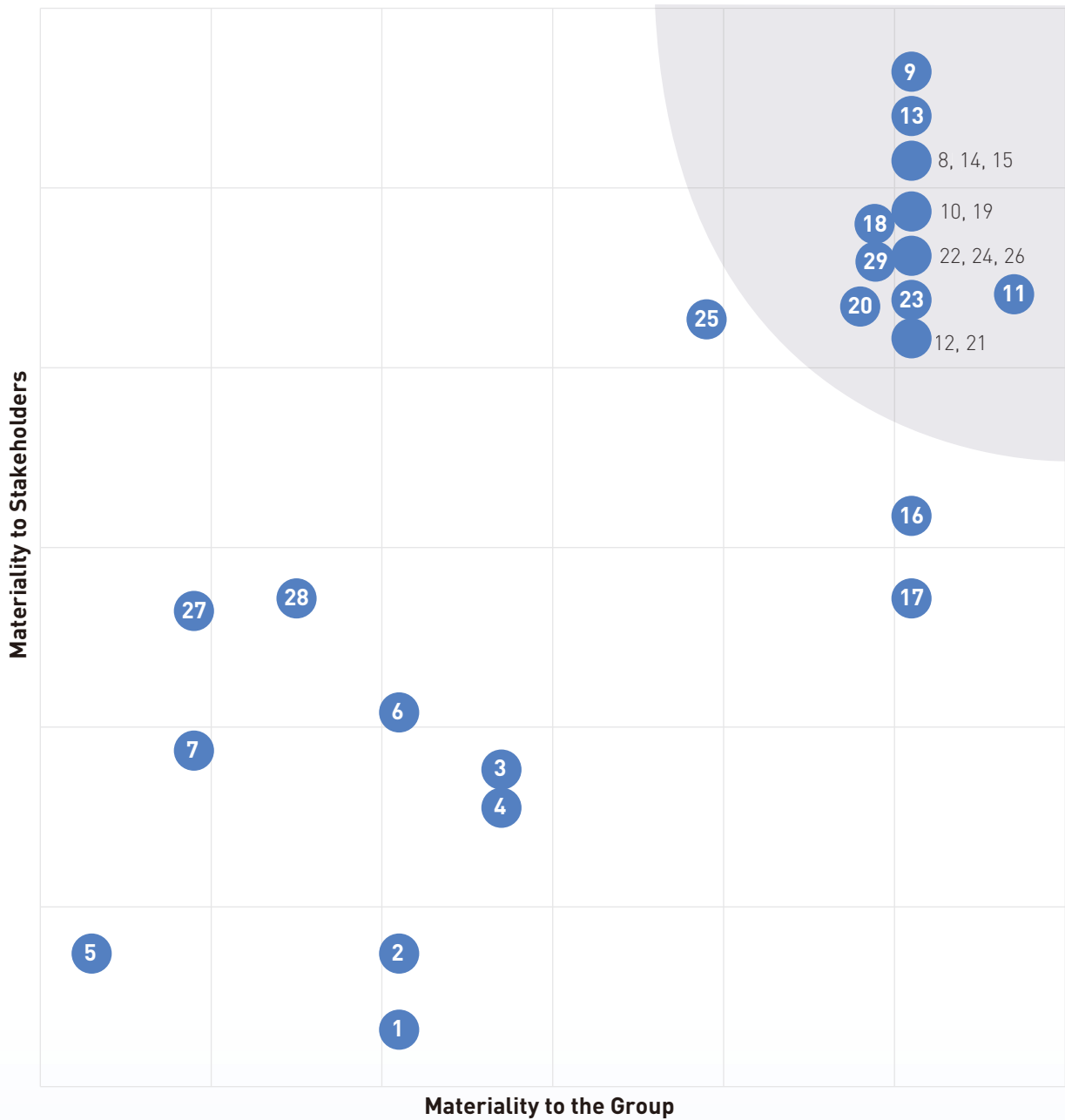# Approach to Sustainable Development

MATERIALITY ASSESSMENT

In order to ensure that this Report can faithfully present the ESG performance of the Group, we engaged an independent sustainability consultant to assist in conducting the stakeholder questionnaire survey during the Reporting Period to collect the scores assigned by stakeholders as to the materiality of ESG issues to the Group, and prioritized the issues to screen out the material issues that the Group and its stakeholders are commonly concerned about, thus adjusting resource allocation and making the reporting and communication on sustainability issues more targeted. The four steps of materiality analysis are as follows:

Stage 1 Identification of Relevant Issues	• 29 ESG-related issues were identified according to the peer analysis, business characteristics, the results of stakeholder engagement and the ESG Reporting Guide.
Stage 2 Collection of Feedback of Stakeholders	• A survey was conducted in the form of online questionnaires for which stakeholders in all aspects were invited to assign scores for the materiality of ESG-related issues.
Stage 3 Identification of Material Issues	• According to the two parameters, namely the stakeholder's score for the materiality of ESG-related issues and the score for the materiality of the issues to the Group, quantitative analysis and prioritization were conducted. • And issues were expressed in the form of a matrix, thus determining the most important ESG-related issues at the two levels.
Stage 4 Verification	• The list of material ESG-related issues was submitted to the Committee for review, and 17 material issues were identified as ESG-related issues that need to be prioritized and emphatically reported.

Approach to Sustainable Development

According to the survey results, we have made the materiality matrix to determine the priority order of sustainability issues. The materiality matrix integrates internal and external factors, including the Group's overall strategies, missions, resources and issues of concern to stakeholders.

Materiality Matrix

Materiality to Stakeholders

Materiality to the Group

Approach to Sustainable Development

During the Reporting Period, the issues that the Group and its stakeholders are concerned about were set out in the above materiality matrix, in which 17 issues at the top-right of the matrix were identified as material issues in the analysis. In the future, the Group will regularly review its sustainability policies and focus on the material issues identified above. Meanwhile, the Group will describe the above issues in detail in the Report.

Material Issues

No.	Issue	Section	Page
8	Recruitment of talents and retention of employees	Creating Ideals for Employees – Recruitment and Retention of Talents	25-26
9	Employee benefits	Creating Ideals for Employees – Recruitment and Retention of Talents	25-26
10	Equal opportunity, diversity, anti-discrimination	Creating Ideals for Employees – Protection of Rights and Interests	27
11	Occupational health and safety	Creating Ideals for Employees – Occupational Health and Safety	30
12	COVID-19	Creating Ideals for Employees – Occupational Health and Safety	30
13	Employee training and development	Creating Ideals for Employees – Training and Development	28-29
14	Employment relations and communication with employees	Creating Ideals for Employees – Employment Compliance/Employment Overview	24-25
15	Employment compliance	Creating Ideals for Employees – Employment Compliance/Protection of Rights and Interests	24, 27
18	Technology research and development	Creating Values for Customers – Technology Research and Development	17
19	Product and service quality	Creating Values for Customers – Quality Assurance	18
20	Service stability and accident response	Creating Values for Customers – Information Protection and Service Stability	19-20
21	Compliance of products and services	Creating Values for Customers – Compliance of Products and Services/Advertising	17, 23
22	Customer communication and satisfaction	Creating Values for Customers – Customer Communication and Satisfaction	21
23	Customer service	Creating Values for Customers – Customer Communication and Satisfaction	21
24	Intellectual property management	Creating Values for Customers – Protection of Intellectual Property Rights	21
26	Anti-corruption	Creating Ideals for Employees – Anti-corruption and Promotion of Honesty	31
29	Data protection and network security	Creating Values for Customers – Information Protection and Service Stability	19-20

Approach to Sustainable Development

Other Issues

No.	Issue	Section	Page
1	Greenhouse gas and air emissions	Creating Positive Acts for the Environment – Energy Consumption and Greenhouse Gas Emissions	34-35
2	Waste disposal and management	Creating Positive Acts for the Environment – Waste and Water Resource Management	36
3	Electricity and water conservation	Creating Positive Acts for the Environment – Energy Consumption and Greenhouse Gas Emissions/Waste and Water Resource Management	34-36
4	Sustainable utilization of other resources	Creating Positive Acts for the Environment	32-36
5	Risks from climate change	Creating Positive Acts for the Environment – Climate Change	33
6	Green procurement	Creating Values for Customers – Supply Chain Management	22-23
7	Environmental protection promotion	Creating Positive Acts for the Environment	32-36
16	Sustainability and social responsibility of suppliers	Creating Values for Customers – Supply Chain Management	22-23
17	Supplier evaluation	Creating Values for Customers – Supply Chain Management	22-23
25	Marketing and advertising	Creating Values for Customers – Advertising	23
27	Charity donation	Creating Harmony for the Community	37
28	Participation in community activities	Creating Harmony for the Community	37

Creating Values for Customers

The Group believes that our products and services can effectively help enterprises improve their economic benefits and become leaders in the industry in the era of industrial Internet.

Strategy:	Long-term efforts, creation, sharing and responsibility assumption with strugglers; honesty, trust and reliability.
Goal:	Providing customers with the highest quality and reliable services and products to enhance customer experience.

COMPLIANCE OF PRODUCTS AND SERVICES

We treat compliance of products and services as the core of our business at the Group. We comply with laws and regulations applicable to our business, including "the Internet Security Law of the PRC" (《中華人民共和國網絡安全法》), "the Advertising Law of the PRC" (《中華人民共和國廣告法》), the "Anti-Unfair Competition Law of the PRC" (《中華人民共和國反不當競爭法》), the "Measures for the Administration of Internet Information Services" (《互聯網信息服務管理辦法》), and the "Interim Measures for the Administration of Internet Advertising" (《互聯網廣告管理暫行辦法》). We have appointed the legal department of the Group and engaged external consultants to regularly monitor the latest applicable laws and regulations, and provide training for employees of various departments and enhance internal system construction. During the Reporting Period, we were not aware of any material breaches in relation to health and safety, advertising and privacy matters and remedies for the products and services offered.

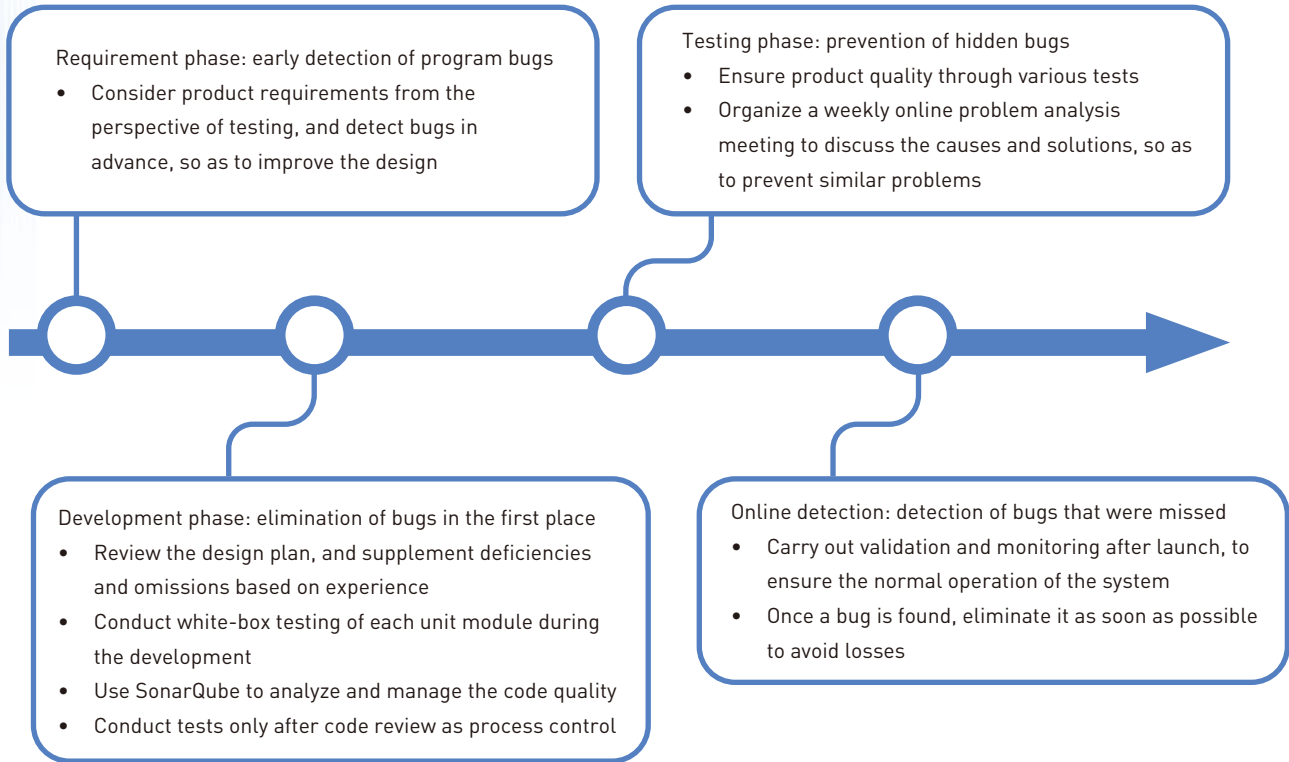## TECHNOLOGY RESEARCH AND DEVELOPMENT

In order to develop the Group's business, we invest more resources in research and development. As at 31 December 2021, our research and development department employed a total of 520 employees, accounting for 55.6% of the total employees of the Group. In addition, our research and development expenses increased by 32.7% from RMB129.5 million in 2020 to RMB171.8 million in 2021. Our research and development team continuously improves and optimizes our algorithm technology related to online advertising.

In addition, as of 31 December 2021, we registered 197 intellectual property rights, including 65 trademarks in mainland China and Hong Kong, 115 software copyrights, 16 works copyrights and 1 patent.

Creating Values for Customers

QUALITY ASSURANCE

The Group strives to provide customers with superior customer experience and quality products and services, so as to establish a long-term and stable relationship with valued customers. In order to improve products and services, we continuously carry out optimization in the following stages, including demand analysis, research and development, and launch, so as to exceed customer expectations.

Requirement phase: early detection of program bugs
- Consider product requirements from the perspective of testing, and detect bugs in advance, so as to improve the design

Testing phase: prevention of hidden bugs
- Ensure product quality through various tests
- Organize a weekly online problem analysis meeting to discuss the causes and solutions, so as to prevent similar problems

Development phase: elimination of bugs in the first place
- Review the design plan, and supplement deficiencies and omissions based on experience
- Conduct white-box testing of each unit module during the development
- Use SonarQube to analyze and manage the code quality
- Conduct tests only after code review as process control

Online detection: detection of bugs that were missed
- Carry out validation and monitoring after launch, to ensure the normal operation of the system
- Once a bug is found, eliminate it as soon as possible to avoid losses

Creating Values for Customers

INFORMATION PROTECTION AND SERVICE STABILITY

Based on the nature of our business, the Group attaches great importance to the stability of network and system and information security to ensure the quality of Internet services.

We comply with the "Provisions on Protecting the Personal Information of Telecommunications and Internet Users" (《電信和互聯網用戶個人信息保護規定》) and other laws and regulations applicable to our business, and specify the purpose of the Group's access to customer information and relevant preventive and protective measures in the Privacy Policy and Legal Notice. Furthermore, as the sensitive personal data of end users are mainly kept by commercial customers or media, the relevant personal data has been filtered or hidden when users are connected to our service platform, thus greatly reducing the risk of leakage of user privacy.

Common system and data security risk incidents include external man-made attacks, natural disasters (such as fire and flood), instantaneous server load over the peak load, misoperation of internal personnel and malicious damage. In view of the above accidents, we have taken the following preventive measures to reduce the possibility of accidents and the losses caused by accidents:

Regular Drill	With regard to external attacks or other risks, Duiba will conduct drills on a monthly basis. For example, with regard to common network attacks, we will organize the most technically capable engineers or external technology companies to simulate hacker attacks in the test environment, so as to identify program bugs of the system, optimize and repair the system, and give incentives to employees who do not produce program bugs. Moreover, the cloud server used by us also helps us prevent most distributed denial-of-service (DDos) attacks. With regard to emergencies, we also regularly conduct failure drills, in scenarios such as recovery from power outage and recovery of deleted data. We have formed a set of standard procedures and response norms for the above drills, and will improve the norms for addressing most risks, after each drill. In terms of technical capacity, if the production database is deleted, we can recover the database within 30 minutes.
Standardized Operation	A standardized operation process is especially important for large and medium-sized companies with a certain amount of data. Duiba has formulated detailed operation processes for operation and maintenance, and totally separated the production environment, the office network and the test environment, and developed the safety awareness of its operation and maintenance personnel and prohibited all non-process-based operations. Any change of production environment is subject to a specific approval process, and can be carried out by technicians who obtain authorization.
Early Warning, Monitoring and Recording	Duiba has established a standardized early warning, monitoring and recording mechanism. The access of any person to the production network will be recorded in detail, including access time, operation behavior and operation time. Once there are non-compliant operations, the system will give an early warning, enabling the technical team to make a rapid response within a very short time.
Authorization	We believe that the operation privilege of any employee should not be beyond the extent required for the work of the employee. If any operation in the production environment exceeds the general privilege of employees, they shall initiate a request, list the required operations, and submit the list to the relevant responsible person for approval. The responsible person will approve and confirm whether the orders are reasonable, and submit them to a special implementer for operation, after approval.

Creating Values for Customers

Separation of Duties	We have three different departments, namely the business operation and maintenance department, the network operation department and the database management department, without overlapping responsibilities. Meanwhile, we designate different employees to manage daily system security, network security and code security, thus ensuring the separation of duties. In actual production, we set different login accounts for different employees, and designate different employees responsible for the operation in different processes. For example, business operation and maintenance personnel can only modify relevant processes and services of businesses; operation and maintenance personnel can only adjust operation privileges, but cannot operate the database; the database administrator can only operate the database, but cannot modify the configuration files of other services; the database administrator responsible for the generation of the database should not be the same person as the database administrator responsible for saving and backing up the database; the core data are encrypted by the research and development team, and cannot be decrypted by the database administrators at will.
Server Capacity Reserve	Server capacity reserve enables the system to withstand high traffic and high concurrency within a short time while maintaining stability. Server capacity reserve will be adjusted according to time periods, such as "Double 11 Shopping Festival", an online shopping promotion event in the PRC on November 11 or anniversary celebration of certain merchants, so as to ensure that the server utilization rate is maintained below 50% during peak period, with double redundancy. In the past, Duiba was not subject to serious downtime events, and our server availability rate was maintained at 99.99% (namely the downtime in a year only being about one hour).
Data Backup	Data backup is the last and most important process to cope with risks. We perform a master-slave backup and real-time synchronization of core data; remote backup, which enables the use of the backup database in other regions, even if there is a disaster in Hangzhou; cross-account backup, which enables the access to back-up data from accounts of other employees, even if an employee deletes the data kept by him. In addition, the cloud service provider mainly used by us at the present is Alibaba Cloud, which allows 7-day retention for real-time data backup.
Corporate Culture and Humanistic Care	Duiba attaches great importance to the development of its employees, and provides various training for its employees, including job skill, legal regulations training and others, so as to improve their skills and work competence, thus minimizing the risk of human error. Meanwhile, we specify confidentiality clauses in the Employee Handbook and require employees holding important or special positions to sign confidentiality agreements, specifying that they shall not disclose customer information and secrets of the Company.

During the Reporting Period, the stability of our business system reached 99.99%, with the downtime of less than 5 minutes throughout the year, and we were not aware of any major cases of data leakage.

Creating Values for Customers

CUSTOMER COMMUNICATION AND SATISFACTION

In order to ensure our service quality, the Group attaches great importance to the quality of customer service and satisfaction. By actively listening to customers' opinions, our business team can effectively understand their needs and opinions. When customers have any questions and difficulties in using our platform products, the dedicated customer service team will immediately solve the problems for the end users through online telephone consultation service. In order to optimize our service quality, we welcome customers to communicate with us through customer service channels. Meanwhile, we will also appoint our operation and sales teams to regularly visit customers and actively communicate with them. After collecting their opinions, we developed the following three principles to deal with customer complaints:

Pay Attention to the Voices of Users	Think about the Voices of Users	Solve the Problems of Users
Establish complaint channels to sincerely accept the feedback of users.	Establish a specific handling mechanism and designate a responsible person for different types of complaints, so as to ensure that users obtain the best solutions.	Solve the difficulties of users in a timely manner, with the goal of responding to users within 24 hours.

We received 9 cases of complaints in 2021, only accounting for 1.10%* of the total number of inquiries, reflecting our excellent product quality and customer service level.

* The number of complaints is the number of customer complaints internally caused by the Group, excluding customer complaints arising out of goods, express delivery and return and replacement of goods from the resources of partners.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

As protecting intellectual property rights is an important part of the development of innovative science and technology, we attach great importance to protecting our intellectual property rights and have a zero-tolerance attitude towards infringement of intellectual property rights of third parties. The Group complies with relevant laws and regulations including but not limited to the "Trademark Law of the PRC" (《中華人民共和國商標法》), the "Patent Law of the PRC" (《中華人民共和國專利法》), the "Copyright Law of the PRC" (《中華人民共和國著作權法》) and the "Anti-Unfair Competition Law of the PRC" (《中華人民共和國反不正當競爭法》). In order to strengthen the management of intellectual property rights, we have developed the Trademark Usage Management System, which facilitates content monitoring and screening. We believe this will help us effectively prevent others from using our platform and protect the reputation and interests of the Group. In addition, in order to prevent the materials from being misused or misappropriated, we have developed an internal access management and audit system for materials provided by commercial customers, including trademarks, which specifies that any use is subject to the authorization of partners.

We have installed on our office computers, legitimate software that is required for our business, and have expressly specified in the Employee Handbook that employees are prohibited from using pirated software. If necessary, employees may apply to the department head for the purchase of legitimate software.

For other measures to protect the intellectual property rights of the Group, please refer to the section headed "Information Protection and Service Stability".

Creating Values for Customers

SUPPLY CHAIN MANAGEMENT

The Group is committed to establishing win-win cooperative relationships with suppliers, and hopes that suppliers can work with us to uphold our moral values and professional ethics. We are an interactive advertising provider, with main suppliers being media. As at 31 December 2021, we cooperated with 4,923 media and all of them were located in China, with the daily advertising page views exceeding 32 million. In order to meet our requirements of strict examination, selection and monitoring of cooperative media and traffic, we have established rigorous mechanisms and processes, and relevant processes are briefly described below. During the Reporting Period, all suppliers of the Group also implemented our practices relating to engaging suppliers:

Prior Review:
Carry out background check and qualification investigation of the media entity to ensure the compliance and credibility of their operations.

Immediate Review:
Check, record and keep relevant information of advertisement audiences including model of the equipment used by the user, browsing behaviours and other real-time characteristics for review when necessary, after the user is offline.

Post Review:
We have established a feedback mechanism for advertisers and advertising agents. If there is suspected inflated traffic, we will review relevant records and carry out necessary correction during monthly settlement, and will blacklist relevant media entities if necessary.

The Code of Conduct for Business Cooperation of the Group specifies anti-corruption, anti-bribery, anti-discrimination, anti-child labour and environmental protection standards and measures, so as to encourage suppliers to perform their social responsibilities and jointly promote and implement sustainable development. In order to ensure that suppliers effectively implement our code of conduct, we will regularly communicate with suppliers and conduct on-the-spot inspections to understand the latest situation of suppliers, so that merchants do not violate regulations or our code of conduct. In addition, we will require our suppliers to sign the letter of commitment on honest cooperation, invite our suppliers to participate in the integrity indicator survey, and collect their opinions on the Group's anti-commercial bribery management, so as to work together to create a more honest, healthier, fair and impartial business environment.

Creating Values for Customers

In addition, we have conducted ESG-related risk assessment of the Group's supply chain, including identifying potential ESG risks in the Group's supply chain, reporting related risks to the Board, regularly reviewing the effectiveness of control measures and exploring room for improvement, and further optimizing our supplier management measures.

When selecting suppliers, we will give priority to suppliers who use environmentally-friendly products and services, so as to promote environmentally preferable products and services. The Group has also added green procurement guidelines to our Purchasing Management System, requiring employees to choose environmentally friendly products in the purchasing process and minimize the negative impact on the environment, including replacing disposable items with reusable or recyclable items, minimizing or avoiding the use of packaging materials, and selecting highly recyclable materials, and other requirements in relation to environmental protection.

ADVERTISING

With regard to the interactive advertising business of the Group, we comply with the "Advertising Law of the PRC" (《中華人民共和國廣告法》), the "Regulations on Control of Advertisement" (《廣告管理條例》) and other laws and regulations applicable to our business. We appoint our internal employees to carefully review the advertising content to ensure that it is consistent with the facts, thus avoiding exaggeration and inaccuracy. In addition, after the launch of advertisements, we also review the advertisement content manually and by artificial intelligence on a sampling basis.

As the Group does not produce physical products, product labeling is not applicable to the Group's business.

Shaping Dreams for Employees

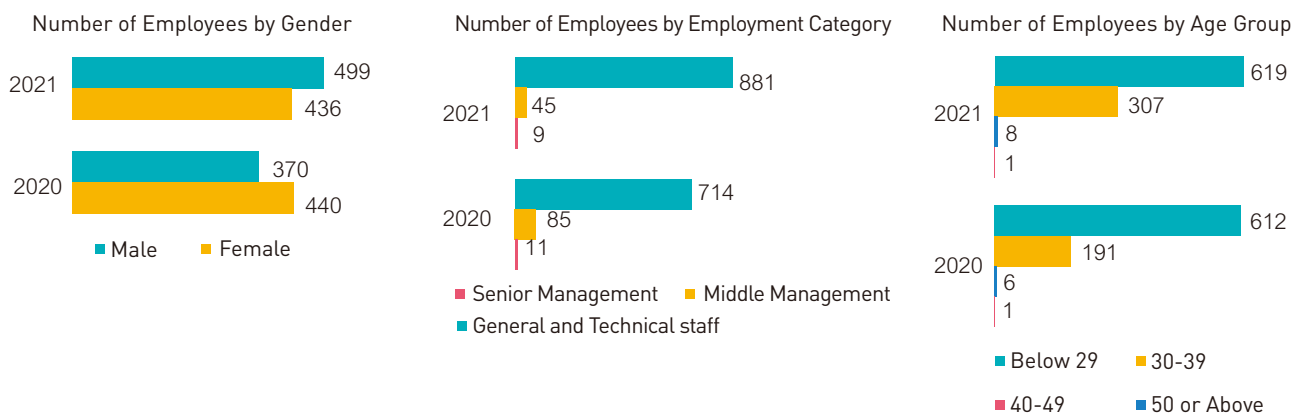| Strategy:	Creating a working atmosphere of motivation and friendly support to help employees realize their dreams.
Goal:	Establishing a harmonious and vibrant work culture, caring for the well-being of employees, and encouraging employees to develop their talents.

The professional team of the Group is the key to the success of our business. We are committed to advocating the corporate culture of "result-oriented, pro-actively cooperative, innovative, simple, sincere and courageous", and constantly improve the construction of human resources, with the hope of enabling employees to grow and develop their potential in a challenging working environment. Meanwhile, we appreciate and respect multiculturalism, uphold the philosophy of equal employment and create a friendly and inclusive working environment.

EMPLOYMENT COMPLIANCE

To ensure business compliance, we strictly comply with relevant laws and regulations, including the "Labour Law of the PRC" (《中華人民共和國勞動法》) and the "Labour Contract Law of the PRC" (《中華人民共和國勞動合同法》), and have formulated and implemented internal employment rules and policies including the Employee Handbook of Duiba Group. We enter into labour contracts with employees in accordance with law. During the Reporting Period, we were not aware of any material violation of laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

EMPLOYMENT OVERVIEW

As of the 31 December 2021, we employed a total of 935 employees (2020: 810 employees), all of whom worked full-time in Mainland China.

Number of Employees by Gender

Year	Male	Female
2021	499	436
2020	370	440

■ Male   ■ Female

Number of Employees by Employment Category

Year	Senior Management	Middle Management	General and Technical staff
2021	9	45	881
2020	11	85	714

■ Senior Management   ■ Middle Management
■ General and Technical staff

Number of Employees by Age Group

Year	Below 29	30-39	40-49	50 or Above
2021	619	307	8	1
2020	612	191	6	1

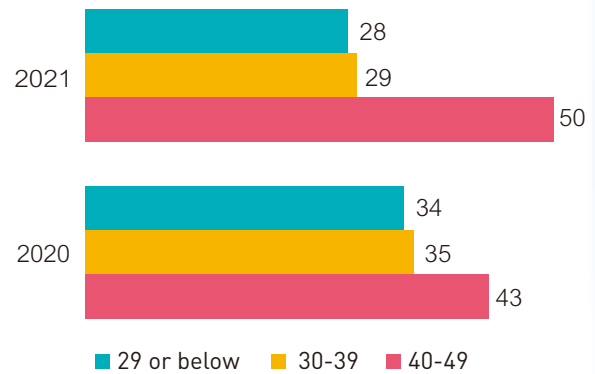■ Below 29   ■ 30-39
■ 40-49   ■ 50 or Above

Shaping Dreams for Employees

The overall employee turnover rate is 29% (2020: 34%), all of whom were full-time employees who worked in Mainland China.

Employee Turnover Rate by Gender (%)

	Male	Female
2021	30	27
2020	37	30
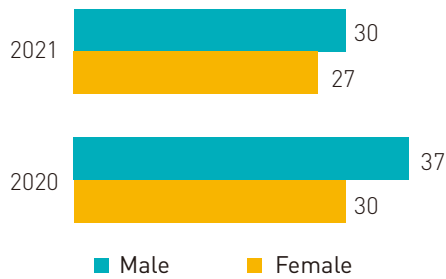
Employee Turnover Rate by Age Group (%)

	29 or below	30-39	40-49
2021	28	29	50
2020	34	35	43

RECRUITMENT AND RETENTION OF TALENTS

Employees are the most valuable property of the Group, and their contributions are essential to the success of our business. The Group pays attention to its talent pool and sustainability of corporate culture. Our project management team comprises senior members with extensive and in-depth experience in technology, product, operation, design and commercial sales. The Group attracts talents from all walks of life through various channels, including but not limited to, local recruitment, campus recruitment and training, to continuously strengthen the construction of our talent team. The employment of employees is conditional on the actual needs of the Group and based on the applicant's ability, experience, professional knowledge and personality, so as to seek and select employees with the best quality. For the promotion of employees, we give priority to our employees, and the working ability and performance of the employees are taken as the measurement criteria.

We provide employees with a variety of benefits, including holiday benefits, employment anniversary gifts, lunch benefits, etc. In offices of the Group's headquarters in Hangzhou, there are fitness rooms and reading rooms for employees to relax after busy work.

Shaping Dreams for Employees

2021 Sports Day of Duiba Group

In November 2021, the Group held a unique, mysterious and interesting sports meeting in the West Lake Cultural and Sports Center. We set up twenty super teams, each with its unique name and poster. In addition, in the activities, the dual-point competition system for individuals and teams were adopted, so that all employees of Duiba can participate in various educational and sports games as team member or individually. The activities included table tennis ball clamping, football sudoku, and basketball shooting, so that employees can challenge themselves in the games.

After the competition, we also held an award ceremony to grant the all-around sports award, excellent sports award, benchmarking sports award and breakthrough sports award to employees. There were generous prizes for the competition, including cash cards and earphones, to commend the top team and individuals who ranked among the top 50 in terms of points. The sports meeting was surrounded by enthusiasm and laughter, and ended successfully in a happy atmosphere. The sweaty, cheerful smiles and perseverance of unity became unforgettable memories in the heart of every member. We hope that employees can achieve a balance between work and life, and build an inclusive and coadjutant team for all employees.

Shaping Dreams for Employees

PROTECTION OF RIGHTS AND INTERESTS

The Group continues to provide employees with a fair and open working environment. The Employee Handbook of us covers issues in relation to remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, prevention of child and forced labour, and other benefits and welfare, to ensure that employees will not subject to any form of discrimination based on sex, age, race, nationality, marital status and other factors. We will provide competitive remuneration and benefits based on the qualification, experience, job nature, performance of employees and market conditions, so as to attract high-quality talents. If employees are found to violate rules, we will ensure that adequate investigation has been conducted before giving an exhortation or a warning, or even suspending them from their duties or terminating labor contracts with them, depending on the impact of the violation and the degree of losses arising out of the violation. The Group operates on a 5-day workweek. If overtime work is required for business needs, employees are required to obtain approval. Employees of the Group are entitled to statutory holidays in accordance with the "Regulation on Public Holidays for National Annual Festivals and Memorial Days" (《全國年節及紀念日放假辦法》). Employees may apply for sick leave, marriage leave, funeral leave, maternity leave, paternity leave, antenatal care leave and annual leave as required.

CHILD AND FORCED LABOUR

The Group strictly prohibits any use of child and forced labour. It resolutely does not allow the use of child or forced labour as prohibited by international standards and relevant domestic laws and regulations.

The Human Resources Department of us will carry out regular training in the prevention of child and forced labour. In the recruitment process, the Human Resources Department will take effective measures to verify the age of the candidate, such as checking the certificate of identification of the candidate, to avoid the employment of child labour. If a child labour under the minimum legal age of employment is found to work for the Group, we will immediately terminate the employment relationship with the child labour in strict accordance with the Regulations on Special Protection of Minors, take the child labour out of the workplace and notify the local welfare agencies, and take relevant remedial measures to protect his/her interests. Meanwhile, we will investigate the defects in the recruitment process and carry out correction within ninety working days.

If forced labour is found, the Group will arrange for a checkup for employees involved to confirm their physical and mental health conditions and fully understand their situation. In addition, we will immediately investigate the staffing problems and take corrective measures within ninety working days. During the Reporting Period, we were not aware of any violation by the Group of laws and regulations on child and forced labour.

Shaping Dreams for Employees

TRAINING AND DEVELOPMENT

The Group is committed to actively providing training and development opportunities for employees, so that employees can give full play to their strengths in their work, and that the Group can develop and share its results with its employees. In order to continuously enhance the skills and knowledge of employees, we provide sufficient resources and diversified training opportunities, so as to impart industry and professional knowledge to employees and improve their working skills. During the Reporting Period, our total training hours reached 17,232 hours, and the percentage of employees trained was 100%.

Marketing Business Training

Shaping Dreams for Employees
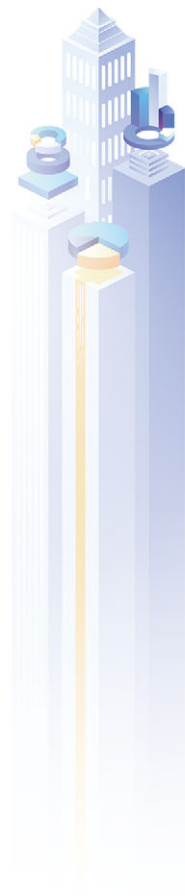
Percentage of Employees ▶
Trained by Gender
Female (%)

46.1%

(2020: 50.7%)

◀ Percentage of Employees
Trained by Gender
Male (%)

53.9%

(2020: 49.3%)

Average Training Hours ▶
Completed per Employee
by Gender Female

13.9hours

(2020: 12.2 hours)

◀ Average Training Hours
Completed per Employee
by Gender Male

14.7hours

(2020: 14.3 hours)

▲

Percentage of Employees
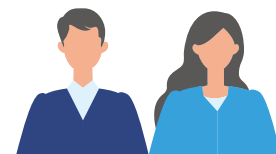Trained by Employee Category
Senior Management (%)

0.9%

(2020: 1.2%)

▲
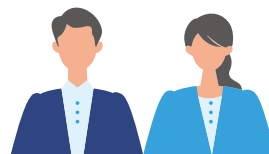
Percentage of Employees
Trained by Employee Category
Middle Management (%)

4.8%

(2020: 6.4%)

▲

Percentage of Employees
Trained by Employee Category
General and Technical Personnel
(%)

94.3%

(2020: 92.4%)

▲

Average Training Hours
Completed per Employee by
Employee Category
Senior Management

38.1hours

(2020: 12.9 hours)

▲

Average Training Hours
Completed per Employee by
Employee Category
Middle Management

29.5hours

(2020: 5.2 hours)

▲

Average Training Hours
Completed per Employee by
Employee Category
General and Technical Personnel

13.3hours

(2020: 13.8 hours)

Note:
(1) Training data included relevant training data of employees who left during the Reporting Period, so as to reflect the size of resources invested by the Group in training and the degree of utilization of resources.
(2) As the training data for 2020 included the training data of interns, the training data for 2021 cannot be directly compared with the data for the previous year.
(3) Percentage of employees trained = (the number of employees trained by relevant categories/the total number of employees trained) *100%
(4) Average training hours completed per employee = total training hours of employees in the category/(total number of employees in the category as at the end of the Reporting Period + total number of employees in the category who left during the Reporting Period)

Shaping Dreams for Employees

OCCUPATIONAL HEALTH AND SAFETY

The Group always regards the safety and well-being of its employees as its primary consideration. We strictly comply with relevant laws and regulations applicable to our business, including the "Labour Law of the PRC" (《中華人民共和國勞動法》), the "Labour Contract Law of the PRC" (《中華人民共和國勞動合同法》) and the "Prevention and Control of Occupational Diseases Law of the PRC" (《中華人民共和國職業病防治法》). Every year, we specially make check-up programs for our employees, and improve our emergency plans in accordance with the "Prevention and Control of Occupational Diseases Law of the PRC" (《中華人民共和國職業病防治法》) to ensure the safety of properties and employees of the Group. We have also developed the Emergency Plan for Accidents and Disasters, and conduct emergency rescue training for emergency rescue personnel every year. We also carry out drills for major dangerous cases every year, and evaluate the drill results to develop improvement measures. We will regularly check the availability of fire emergency facilities to ensure that the emergency equipment is fully sufficient and complete. During the Reporting Period, our working days lost due to work-related injuries were 0. In the past three years (including the Reporting Period), there were no work-related fatalities, and we were not aware of any material violation of any laws and regulations related to health and safety.

Joint Efforts Against the Covid-19 Outbreak

Since the outbreak first occurred at the end of 2019, the Group has paid close attention to the COVID-19 pandemic. In order to ensure the health and safety of employees, we arranged for employees to work at home during the severe outbreak, to reduce the risk of virus transmission. We will distribute medical masks and vitamin C tablets to employees, and offer shuttle for our employees. We also provide a prevention and control desk at the entrance of the workplace, to enable employees to take their temperature and disinfect their hands with alcohol, and ensure that employees wear masks.

Shaping Dreams for Employees
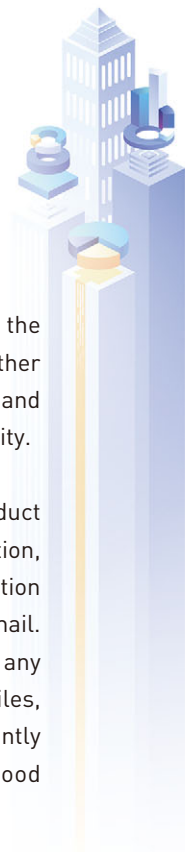
ANTI-CORRUPTION AND PROMOTION OF HONESTY

We attach great importance to the development of an integrity culture and strictly comply with the "Criminal Law of the PRC" (《中華人民共和國刑法》) and the "Anti-Money Laundering Law of the PRC" (《中華人民共和國反洗錢法》) and other laws and regulations applicable to our business. We have developed appropriate internal and risk control policies and systems, and resolutely cracked down on any form of corruption, and actively created a cultural atmosphere of integrity.

The Group's internal systems, including the Employee Handbook, the Anti-Bribery and Anti-Corruption Code of Conduct of Employee, and the Gift Management Policy, specify our requirements for employees' professional integrity. In addition, we also reduce the risk of corruption and other violations through measures such as continuous publicity and education and signature of agreements. Employees are welcome to report any suspected illegal activities to the Group by e-mail. They may also report anonymously by telephone or letter. The Group protects its employees with regard to reporting any violations of laws, disciplines or regulations, strictly specifies the right of access to the reporting information and files, and requires those who have access to the reported information to sign confidentiality agreements. We will subsequently carry out in-depth investigations into the reported incidents and take timely follow-up actions to maintain a good corporate governance environment.

We regularly monitor our advertising business to prevent advertising agents from providing improper advantages. If large advertisers change their advertising agents, we will first check whether there are abnormal circumstances. We have also included anti-commercial bribery clauses in our agreements with our business partners, expecting that they will establish an honest business relationship with the Group.

In order to strengthen the anti-corruption practice and the vigilance of employees and directors on conflicts of interest and integrity issues, we also provide a compliance and safety learning platform, through which directors and employees can learn about laws and regulations related to business operations anytime and anywhere. The knowledge base of the learning platform also includes our gift management system, so as to strengthen the supervision and management of integrity work. In addition, we will require our suppliers to sign the letter of commitment on honest cooperation, invite our suppliers to participate in the integrity indicator survey, and collect their opinions on the Group's anti-commercial bribery management, so as to work together to create a more honest, healthier, fair and impartial business environment.

During the Reporting Period, we were not aware that the Group was involved in any major non-compliance of corruption, extortion, bribery, fraud or money laundering, etc, as well as any corruption lawsuits against us or our employees filed or concluded.

Taking Actions for the Environment

Strategy:	Reducing environmental impact and promoting environmental protection in our operation.
Goal:	Efficiently utilizing resources and reducing environmental footprint to actively promote low-carbon lifestyle.

The Group actively manages the environmental footprint of its business, and is committed to taking a number of mitigation and improvement measures in energy conservation, waste management, resource utilization, and green information and communication technology solutions to help cope with the threat of climate change and achieve a low-carbon economy.

In order to continuously improve our performance in environmental protection, our Environmental Protection Policy of Duiba Group specifies a series of environmentally friendly measures to reduce environmental pollution in operation. As an internet service company, the Group mainly uses information technology to operate online platforms in its offices. Due to the nature of our business, we have no significant impact on the environment. Nevertheless, during the Reporting Period, the Group set the following green targets, with the hope of further promoting environmental protection.

Green Targets		Method
Emissions	Reducing air pollutant emissions and greenhouse gas emissions	Controlling air emissions and sources of greenhouse gas emissions *For more details, please see the section headed "Energy Consumption and Greenhouse Gas Emissions."*
Waste	Promoting responsible waste management and reducing waste generation	Promoting recycling *For more details, please see the section headed "Waste and Water Resource Management."*
Use of Energy	Improving energy efficiency and reducing energy consumption	Implementing energy-saving measures *For more details, please see the section headed "Energy Consumption and Greenhouse Gas Emissions."*
Water Consumption	Reducing the waste of drinking water and enhancing water use efficiency	Advocating the recycling of water resources and improving water use efficiency *For more details, please see the section headed "Waste and Water Resource Management."*
Participation of Employees	Assisting employees in developing a more environmentally friendly lifestyle	Implementing the philosophy of green office

Taking Actions for the Environment

ENVIRONMENTAL COMPLIANCE

The Group strictly complies with laws and regulations on environmental protection, including the "Environmental Protection Law of the PRC" (《中華人民共和國環境保護法》), the "Atmospheric Pollution Prevention and Control Law of the PRC" (《中華人民共和國大氣污染防治法》), the "Water Pollution Prevention and Control Law of the PRC" (《中華人民共和國水污染防治法》), and the "Solid Waste Pollution Prevention and Control Law of the PRC" (《中華人民共和國固體廢物污染環境防治法》). During the Reporting Period, we were not aware of any violation by the Group of laws and regulations on the environment.

CLIMATE CHANGE

As climate change has intensified the risk and frequency of extreme weather events in recent years, the Group has been well aware of the importance of coping with climate change. We conducted ESG-related risk assessment, including identifying potential climate-related risks of the Group, and regularly evaluating the effectiveness of existing solutions to further enhance our ability to resist climate risks. We are also committed to managing the sources of greenhouse gas emissions, and arrange for special personnel to implement the measurement, calculation and analysis of greenhouse gas emissions. Our administrative department will also regularly assess and review the amount and type of main fuels used by enterprises and develop optimization plans, thus contributing to the mitigation of climate change. We strictly comply with the laws and regulations in relation to climate change, including the "Circular Economy Promotion Law of the PRC" (《中華人民共和國循環經濟促進法》) and the "Atmospheric Pollution Prevention and Control Law of the PRC" (《中華人民共和國 氣污染防治法》). We will continue to review the latest development of laws, regulations and regulatory requirements in relation to climate change, so as to make proper preparations for climate change.

The Group has also developed the following measures against the following climate-related risks:

| Climate-related Risks	Measures
Physical risks caused by climate change, such as extreme weather events	In order to ensure the safety of employees in severe weather, we will regularly pay attention to the weather conditions, and give a gentle notice to all employees on the night before severe weather, reminding them to make relevant preparations and protective measures, including paying attention to their safety on the way to and from work, turning off all power supplies and closing doors and windows before going off work.
Changes in climate-related government policies and regulatory requirements	The Group will cooperate with the property management company at its office address, in meeting the requirements of prevention and control under the new climate policy of the local region, and will arrange for dedicated personnel of the administrative department to take charge of and supervise related work.

Taking Actions for the Environment

ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

As a responsible corporate citizen, we make efforts to reduce energy consumption and greenhouse gas emissions in the operations by actively improving energy efficiency and controlling and optimizing the source of greenhouse gas emissions. Since the Group did not engage in factory production, there were no significant discharges of pollutants by the Group. Electricity consumption, by lighting, air conditioning and office equipment in common areas and offices, is the main energy consumption as well as the source of greenhouse gas emissions of the Group. We make efforts to reduce greenhouse gas emissions in our operations by implementing a number of energy-saving and emission-reduction measures in our office, including the use of smart devices and monitoring of fuel consumption.

In order to effectively monitor greenhouse gas emissions, we will designate professional organizations to measure, calculate and analyze greenhouse gas emissions regularly. The Administrative Department of the Group will also regularly evaluate and review the quantity and types of main energy used by the Company, formulate optimization plans to improve the efficiency and results of use, and regularly report to the Working Group, and report to the Board after summarization. In addition, we have also adopted a series of energy-saving and emission-reduction measures to promote a low-carbon economy, and such measures include the following:

- In the purchase of devices for offices, priority is given to electrical equipment and other electrical equipment with higher energy efficiency;

- Smart applications are used to remind employees of switching off their computers during non-working hours;

- Employees are encouraged and designated to walk around the office every night and ensure that equipment including printers and air conditioners, not in use, are turned off;

- Gasoline-electric hybrid cars are used to help improve roadside air quality; and

- More stringent approval procedures for the use of vehicles of the Company are made to reduce the use of vehicles of the Company.

Taking Actions for the Environment
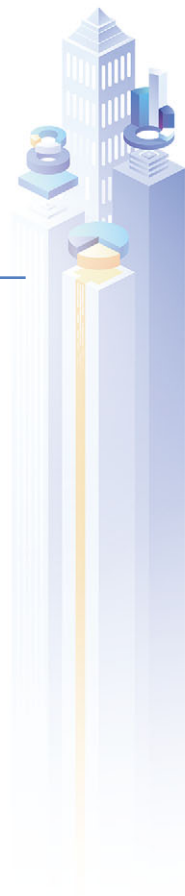
Environmental KPIs	2021	2020	Unit
Greenhouse Gas			
Total Emissions (Scope 1 and Scope 2)	**386.31**	**335.44**	tCO_2e
Direct Emissions (Scope 1)	**15.86**	**10.54**	tCO_2e
Indirect Emissions (Scope 2)	**370.46**	**324.89**	tCO_2e
Total Emissions Intensity (Scope 1 and Scope 2)	**59.34**	**52.58**	kg CO_2e/m^2
Air Pollutants			
Nitrogen Oxides (NO_x)	**4.36**	**3.29**	Kg
Sulfur Oxides (SO_x)	**0.09**	**0.06**	Kg
Particulate Matter (PM)	**0.32**	**0.24**	Kg
Energy			
Total Consumption	**661.49**	**568.62**	MWh
Electricity	**607.21**	**532.53**	MWh
Gasoline	**54.28**	**36.10**	MWh
Total Energy Consumption Intensity	**101.61**	**89.14**	kWh/m^2

Note 1:   The above data only covered the Group's principal place of business in Hangzhou.

Note 2:   Totals may not be the exact sum of numbers shown here due to rounding.

Note 3:   Since the emission factor used in greenhouse gas calculation has been referenced to the relevant figures in the latest "How to Prepare an ESG Report" published by the Stock Exchange, the greenhouse gas data for 2020 has been restated.

Taking Actions for the Environment

WASTE AND WATER RESOURCE MANAGEMENT

The Group is committed to promoting responsible waste management by implementing office waste reduction measures, and saving water by improving water efficiency and recycling water. Our use and disposal of resources are mainly the use of water in the office and disposal of office waste. As our business does not involve factory production, we will not use a large amount of natural resources, generate hazardous wastes or involve product packaging. The water used by the Group comes from the municipal water supply system. During the Reporting Period, we did not encounter any issue in sourcing water that is fit for purpose. In addition, we advocate classification and recycling in the office. The waste sorting bins meet Hangzhou waste sorting standards, and waste sorting and recycling facilities are provided in the office area, so that employees can sort waste. In the Employee Handbook and the orientation training of employees, we require that waste should be sorted before disposal, so as to cause employees to contribute to the environmental protection work of the Group.

Meanwhile, we have implemented the following measures to improve the environment:

- Leaking pipelines or fittings, faucets, and other sanitary facilities are repaired and replaced in a timely manner to reduce waste of freshwater;

- Plants are planted in offices for greening the offices;

- The drinking water left over by the guests is used for watering plants, thus reducing the waste of water; and

- Paper has been replaced by electronic channels and paperless office philosophy is implemented promptly.

Environmental KPIs	2021	2020	Unit
Non-Hazardous Waste			
Total Non-hazardous Waste Produced	35.20	29.50	Tonnes
Total Non-hazardous Waste Disposed	22.10	17.50	Tonnes
Total Non-hazardous Waste Recycled	13.10	12.00	Tonnes
Total Non-hazardous Waste Produced Intensity	5.41	4.62	Kg/m^2
Water Consumption			
Total Water Consumption	5,383.00	4,721.00	m^3
Total Water Consumption Intensity	0.83	0.74	m^3/m^2

Note 4: The above data only covered the Group's principal place of business in Hangzhou.

Note 5: The amount of non-hazardous waste per sq.m. of GFA and water consumption per sq.m. of GFA in 2020 were restated to reflect the actual situation.

Bringing Harmony to the Community

Strategy:	Organizing various community activities to promote social harmony.
Goal:	Supporting the disadvantaged communities and promoting the industry development.

The Group actively performs its corporate social responsibility. It is committed to adhering to the philosophy of "serving the people and giving back to society" and making efforts to create a better living environment with the society. During the Reporting Period, the Group was particularly committed to carrying out poverty alleviation, supporting epidemic prevention and promoting industry development.

POVERTY ALLEVIATION

During the Reporting Period, we donated RMB50,000 to Qingchuan Charity Federation to support the village-enterprise partner assistance in Xihu District, Hangzhou City, and Qingchuan County, Guangyuan City, and further strengthened the poverty alleviation cooperation in the two regions, with the hope of improving the quality of life of the poor.

SUPPORTING PANDEMIC PREVENTION

In order to support the fight against the outbreak in Hangzhou, during the Reporting Period, the Group donated different pandemic supplies, including 500 masks, 1 box of disinfectants and 30 sets of protective clothing, to the Gudang Street Office of Xihu District People's Government in Hangzhou, to ensure the sufficient supply of pandemic supplies for the office.
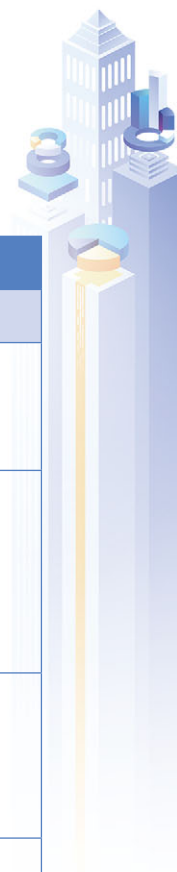
PROMOTING INDUSTRY DEVELOPMENT

During the Reporting Period, the Group held a technology sharing activity at the headquarters in Hangzhou. The sharing meeting was a technical feast organized by the Tuia team of Duiba Group for technical personnel of the Company. In the sharing meeting, technical experts from Dewu (得物), Netease, Kuaishou (快手) and Trip.com were invited to share technical experience and cutting-edge technologies in their respective fields on the spot. The technical personnel of Duiba actively communicated with the experts, thus getting a lot of knowledge in the sharing. The sharing also attracted technical enthusiasts from other companies. Alibaba, Hunliji (婚禮紀), Wacai (挖財) and other industry peers gave positive comments on the activity.

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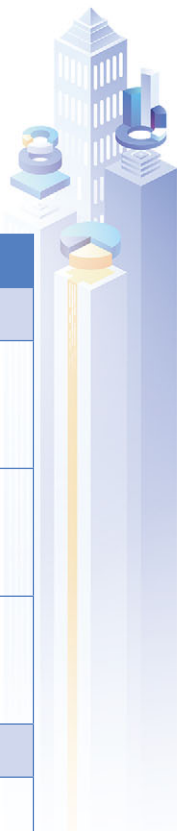| Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
A. Environment			
Aspect A1: Emissions			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Taking Actions for the Environment	32-36
KPI A1.1	The types of emissions and respective emissions data.	Taking Actions for the Environment – Energy Consumption and Greenhouse Gas Emissions	35
KPI A1.2	Direct and energy indirect greenhouse gas emissions and intensity.	Taking Actions for the Environment – Energy Consumption and Greenhouse Gas Emissions	35
KPI A1.3	Total hazardous waste produced and intensity.	No significant hazardous waste is generated in the operations of the Group	N/A
KPI A1.4	Total non-hazardous waste produced and intensity.	Taking Actions for the Environment – Waste and Water Resource Management	36
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Taking Actions for the Environment	32-36
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Taking Actions for the Environment	32-36

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Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
Aspect A2: Use of Resources			
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Taking Actions for the Environment	32-36
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Taking Actions for the Environment – Energy Consumption and Greenhouse Gas Emissions	35
KPI A2.2	Water consumption in total and intensity.	Taking Actions for the Environment – Waste and Water Resource Management	36
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Taking Actions for the Environment	32-36
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Taking Actions for the Environment	32-36
KPI A2.5	Total packaging material used for finished products and with reference to per unit produced.	No significant packaging materials are used in the operations of the Group	N/A
Aspect A3: The Environment and Natural Resources			
General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.		Taking Actions for the Environment	32-36
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The operations of the Group have no significant impact on the environment and natural resources	N/A
Aspect A4: Climate Change			
General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Taking Actions for the Environment – Climate Changes	32-33
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Taking Actions for the Environment – Climate Change	32-33

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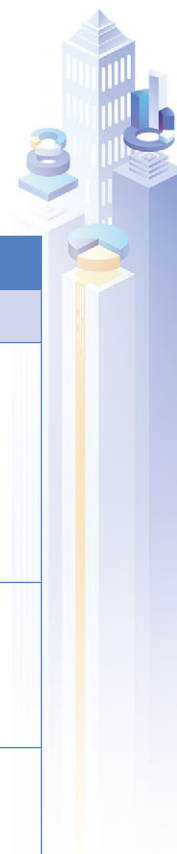| Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
B.Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Shaping Dreams for Employees	24-31
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Shaping Dreams for Employees – Employment Overview	24
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Shaping Dreams for Employees – Employment Overview	25
Aspect B2: Health and Safety			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Shaping Dreams for Employees – Occupational Health and Safety	30
KPI B2.1	Number and rate of work-related fatalities in past three years.	Shaping Dreams for Employees – Occupational Health and Safety	30
KPI B2.2	Lost days due to work injury.	Shaping Dreams for Employees – Occupational Health and Safety	30
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Shaping Dreams for Employees – Occupational Health and Safety	30

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Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
Aspect B3: Development and Training			
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Shaping Dreams for Employees – Training and Development	28-29
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Shaping Dreams for Employees – Training and Development	29
KPI B3.2	The average training hours completed per employee by gender and employee category.	Shaping Dreams for Employees – Training and Development	29
Aspect B4: Labour Standards			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issue relating to preventing child and forced labour.		Shaping Dreams for Employees – Child and Forced Labour	27
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Shaping Dreams for Employees – Child and Forced Labour	27
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Shaping Dreams for Employees – Child and Forced Labour	27
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure Policies on managing environmental and social risks of the supply chain.		Supply Chain Management	22-23
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	22
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	22-23
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	22-23
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	22-23

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Aspect B6: Product Responsibility			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Creating Values for Customers	17–23
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group is not engaged in product production	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Creating Values for Customers – Customer Communication and Satisfaction	21
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Creating Values for Customers – protection of Intellectual Property Rights	21
KPI B6.4	Description of quality assurance process and recall procedures.	Creating Values for Customers – Quality Assurance As the Group is not engaged in product production, recall procedure is not applicable to our business	18
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Creating Values for Customers – Information Protection and Service Stability	19–20

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Aspect B7: Anti-corruption			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Shaping Dreams for Employees – Anti-corruption and Promotion of Honesty	31
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Shaping Dreams for Employees – Anti-corruption and Promotion of Honesty	31
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Shaping Dreams for Employees – Anti-corruption and Promotion of Honesty	31
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Shaping Dreams for Employees – Anti-corruption and Promotion of Honesty	31
Community			
Aspect B8: Community Investment			
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Creating Harmony for the Community	37
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Bring Harmony to the Community	37
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Bring Harmony to the Community	37