

Duiba Group

兑吧集团有限公司

Duiba Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1753



Environmental, Social and Governance Report 2019

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ABOUT THE REPORT



Duiba Group Limited (“**Duiba**” or the “**Company**”, and together with its subsidiaries, the “**Group**” or “**we**”) is pleased to present its first Environmental, Social and Governance Report (the “**Report**”) published after its listing, which discloses the sustainability philosophies, strategies and performance of the Group for the period from 1 January 2019 to 31 December 2019 (the “**Reporting Period**” or the “**Year**”).

REPORTING STANDARDS

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



REPORTING SCOPE

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

FEEDBACK

We hope to promote the communication between the Group and the stakeholders through the Report, and regard it as a driving force for our continuous progress. We welcome all stakeholders and the public to provide valuable opinions and suggestions on the contents of the Report, the reporting methods and the Group's sustainability performance and contact us via the following methods:



Principal Place of Business in China:

Room 702, Shuyu Building,
98 Wenyi West Road, Xihu
District, Hangzhou, Zhejiang
Province, China

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

We are a leading user management SaaS provider for online businesses and a leading interactive advertising platform operator in China. With our outstanding innovation capacity and unique business model, we have achieved rapid growth in recent years.

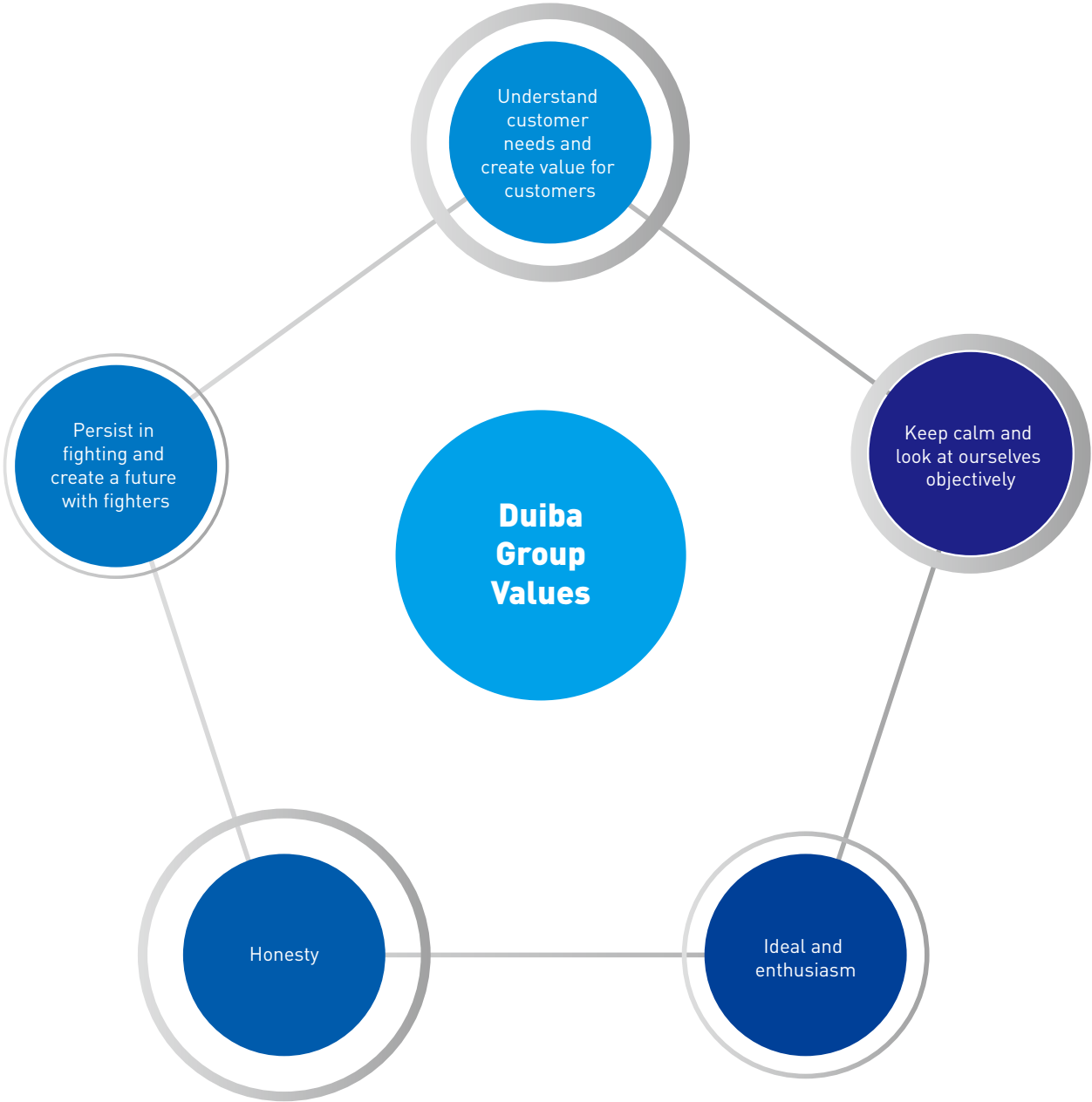
The user management SaaS and the interactive advertising markets in China are expecting to see rapid growth in the future. We have already made arrangements several years in advance to get ahead in these two huge and undeveloped markets. With advanced big data and artificial intelligence technology, we have provided strong and powerful support for operation and continuous innovation. There is strong synergy between the two major businesses, thus laying the foundation for the Group's sustainable development in the future.

OUR MISSION

Our mission is to become a user management partner to enterprises, providing them with the full-cycle services in user acquisition, retention and monetization.



CORPORATE VALUES



ABOUT THE GROUP

- **Understand customer needs and create value for customers**

Creating value for our customers is our foundation and the principal code of conduct for every position in the Company.

Only by correctly understanding customer needs can we continuously improve products and services and create greater value for customers, thus forming our core competitiveness. This is the only way to realize our corporate value.

- **Persist in fighting and create a future with fighters (奮鬥者)**

Persistence and fight are the necessary conditions for a company and an individual to develop from mediocrity to greatness. A group of ambitious fighters working together will certainly build great careers in the future.

We will always be fighter-oriented and achieve development, success and results with the fighters.



- **Keep calm and look at ourselves objectively**

We should keep calm in prosperity or in adversity. We should see crises in prosperity and opportunities in adversity.

We should understand our limitations, alert ourselves from being arrogant, and should be practical.

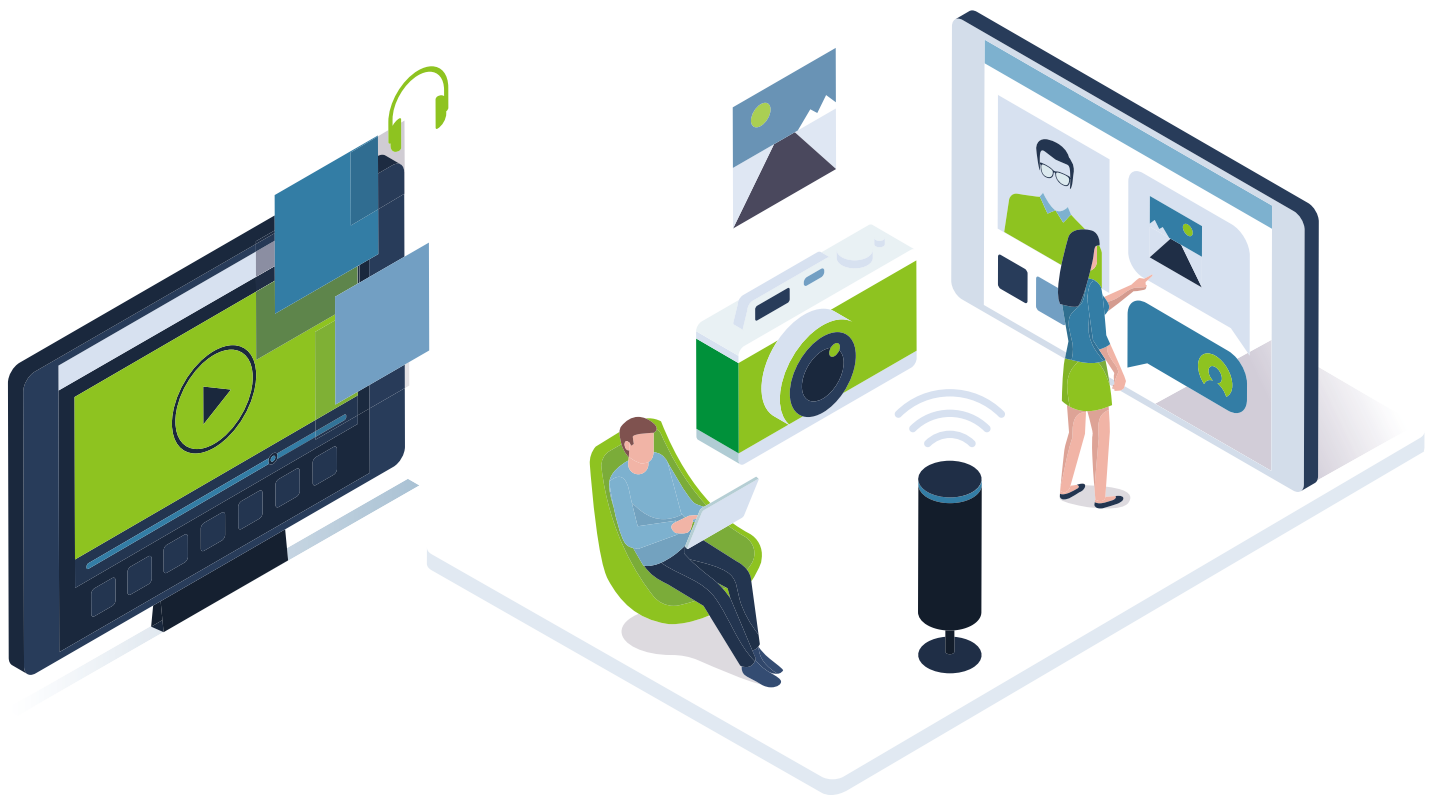
- **Honesty**

Only by being honest to customers, colleagues, family members and friends can we win their trust and respect.

We should be responsible for the results and what we say.

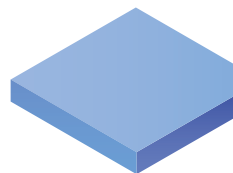
- **Ideal and enthusiasm**

We should be enthusiastic about our career and life and strive to become better versions of ourselves.



HIGHLIGHTS, AWARDS AND HONOURS OF THE GROUP IN 2019

THE COMPANY BECAME LISTED ON 7 MAY 2019



HIGHLIGHTS, AWARDS AND HONOURS OF THE GROUP IN 2019



HIGHLIGHTS, AWARDS AND HONOURS OF THE GROUP IN 2019

In 2019, Duiba Group won a total of 18 honours and awards, the details of which are as follows:

Awards and Honours	Awarding Organization
Awards:	
Highest Growth Value Award of Snowball for 2019 (2019雪球年度最具成長價值獎)	Snowball (雪球)
“WISE 2019-King of New Economy” – King of Application Service (「WISE 2019新經濟之王」- 應用服務之王)	36kr
Top 20 Retail Digital Service Providers	iyiou.com
Marketing Tool Award of the Year by Kotler and New Marketing (科特勒 • 新營銷年度營銷工具大獎)	“New Marketing (新營銷)” and Kotler Marketing Group
“2019 DSP Platform With the Highest Potential at the App of MI Award (2019艾米獎最具潛力DSP平台)” granted for Tuia (推啊)	E.MI.COM
Top 20 Most Influential Innovative Enterprises in Corporate Services (企業服務領域最具影響力創新企業TOP 20)	Lieyunwang.Com
Enterprise Service Platform for New Industrial Economy (新產業經濟企業服務平台)	Zncaijing (鋅財經)
Top 100 Innovative Enterprises in Zhejiang Province	Zhejiang Venture Capital Association
Innovative Enterprises with High Growth in Xihu District in 2019 (2019年度西湖區高成長性創新企業榜單)	Xihu District Committee of the CPC and Xihu District People’s Government



HIGHLIGHTS, AWARDS AND HONOURS OF THE GROUP IN 2019

Awards and Honours	Awarding Organization
Case awards:	
Case of the user management activity for China Merchants Bank, Suzhou Branch Grain Rain Solar Term H5: "April, a Good Time for Reading" (穀雨節氣H5:「芳華四月天·最是讀書日」) won the "Seventh Mawards" – Nomination Award for the Best Mobile Marketing Innovation Award (「第七屆梅花創新獎」– 最佳移動營銷創新獎提名獎)	Meihua.info (梅花網)
"Visit to Ten Scenic Spots in Xihu (西湖十景打卡)", an Instruction Video for the Palm Bank of Agricultural Bank of China, Hangzhou Branch won the "Best Innovative Marketing Case Award in the iResearch Marketing Awards (金瑞營銷最佳創意營銷案例獎)"	iResearch and the Organizing Committee of the iResearch Marketing Awards
Duiba Bank SaaS won the third prize in the Bank Digital Transformation Innovation Contest in "Jinsui Cup (金穗杯)"	Agricultural Bank of China, Chongqing Branch
Personal awards:	
Founder Chen Xiaoliang was listed in "30 Under 30", a list of elites	Forbes Asia
Founder Chen Xiaoliang was selected as one of "WISE 2019 Top 50 Change Makers of China Business (WISE 2019中國商業創變者50人)"	36kr
Founder Chen Xiaoliang was among "Emerging Industry Representatives in Hurun Report"	Hurun Research Institute
Founder Chen Xiaoliang was rated as the "Entrepreneur of 2018 in Hangzhou (杭州2018年度創業人物)"	Hangzhou Science and Technology Committee (杭州市科學技術委員會)
Founder Chen Xiaoliang won the "Honghu Award (鴻鵠獎)" in the "2019 Zhejiang Youth Digital Economy (2019年浙江省青年數字經濟)"	Zhejiang Provincial Committee of the Communist Youth League, and Zhejiang Daily Press Group
Founder Chen Xiaoliang won the award of "Person of 2019 for Zhejiang Digital Economy (2019年度浙江數字經濟人物獎)"	Qianjiang Evening News, and Hangzhou Digital Economy Association (杭州數字經濟聯合會)

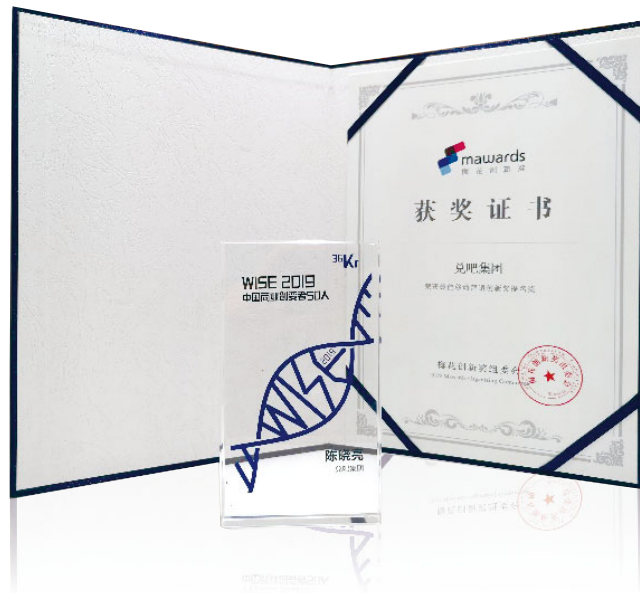


HIGHLIGHTS, AWARDS AND HONOURS OF THE GROUP IN 2019



Wise 2019 – King of New Economy –
King of Application Service

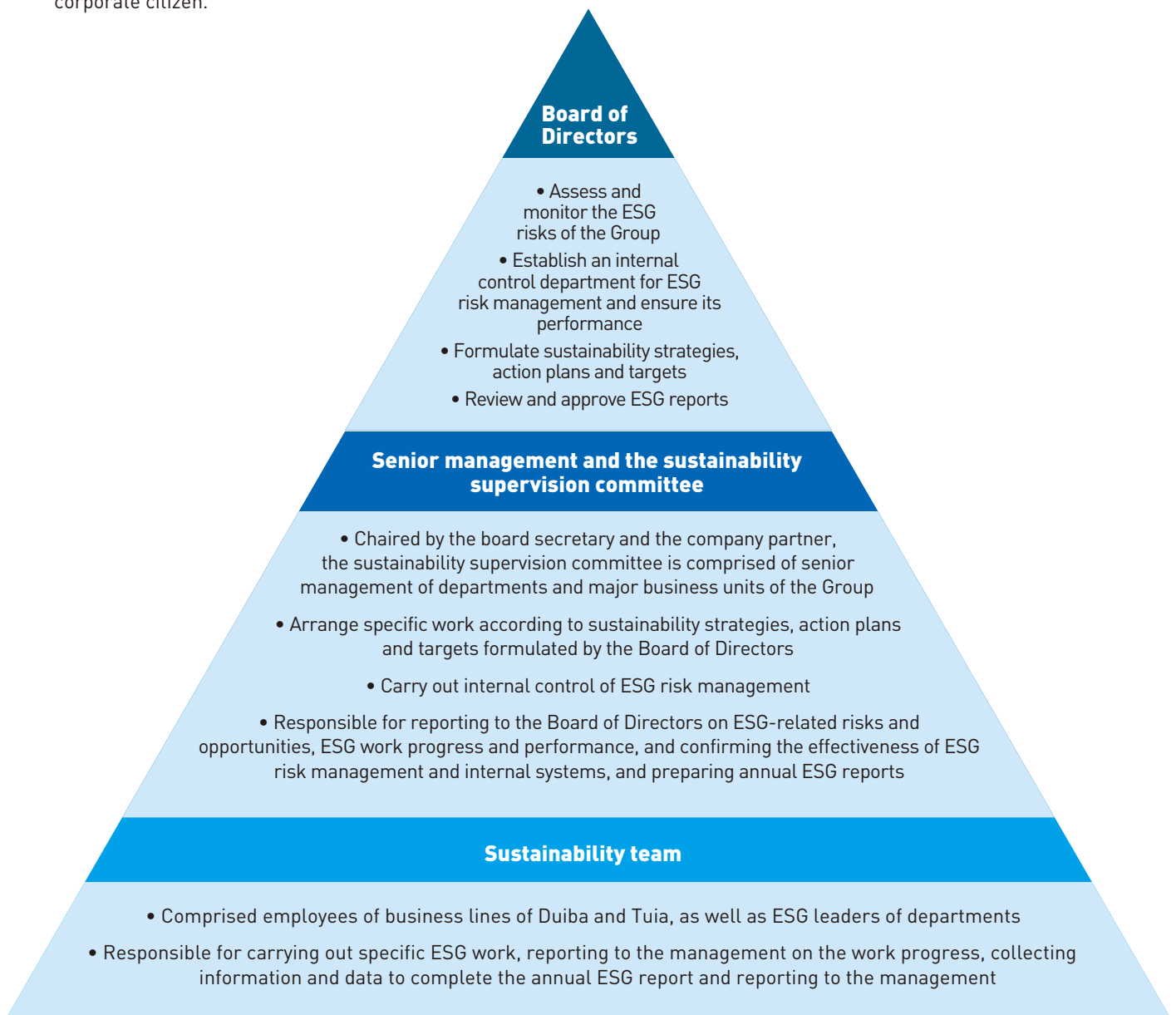
Marketing Tool Award of the Year by
Kotler and New Marketing



Wise 2019 Top 50 Change Makers of China Business and
the “Seventh Mawards” – Nomination Award for the Best Mobile Marketing Innovation Award

In response to the increasing societal concerns and demands for sustainability, we have integrated resource conservation, ecological and environmental protection, protection and improvement of the physical and mental health of consumers and the public into all aspects of operation and management in order to achieve sustainability and organic unity of economic, social and environmental benefits. We have formulated relevant policies for green operation and the creation of a sustainable office environment. We have strived to give back to stakeholders and the wider community in the long term, so as to shoulder social responsibilities as a good corporate citizen.

In order to fulfill the above mission, the board of directors of the Company (the “**Board of Directors**”) has clearly defined the functions and responsibilities at all levels. We have established a sustainability supervision committee, and have carried out specific work and helped directors of the Company understand our environmental, social and governance (ESG) risks and response in a timely manner through the sustainability team, so as to strengthen the consideration of ESG factors in future planning and daily operations. The ESG management structure of the Group is summarized as follows:



STAKEHOLDER ENGAGEMENT

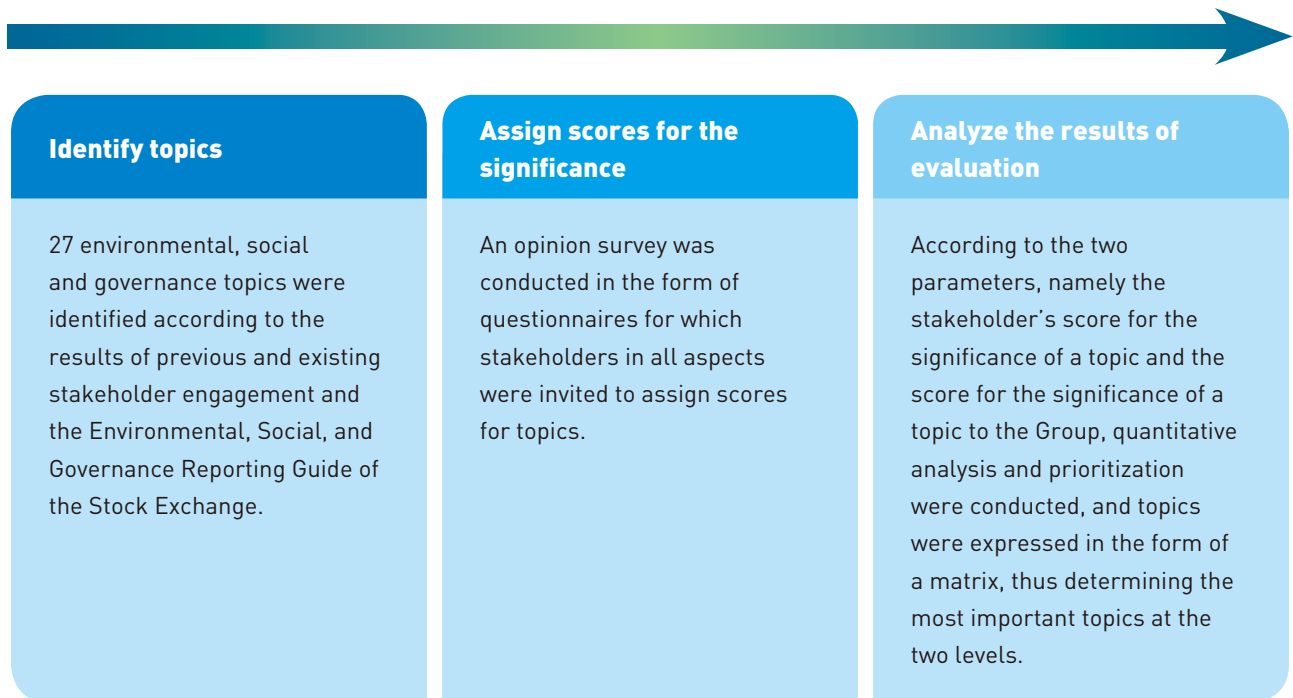
The Group has maintained close stakeholder engagement and enabled stakeholders to express their valuable opinions on our past performance and future strategies on sustainability, based on mutual trust and respect. According to the opinions of stakeholders, we have formulated and adjusted sustainability policies in a timely manner, which helped us cope with risks, seize opportunities and respond to the needs and expectations of stakeholders. Targeting different stakeholder groups, the Group utilized the following various communication channels to understand topics of concern to them:

Stakeholder Group	Engagement Method	Concern
Customers	<ul style="list-style-type: none"> • Industry summit • Group website • Customer interview and working meeting • Daily front-line communication • Online service platform 	<ul style="list-style-type: none"> • Product quality • Customer service • Information security
Employees	<ul style="list-style-type: none"> • Performance assessment • Employee mailbox • Internal meeting and employee meeting • Intelligent office platform • Training and workshop • Team building and employee activity 	<ul style="list-style-type: none"> • Employment rights and interests • Remuneration and benefits • Training and career development • Occupational safety and health • Equal opportunities • Friendly workplace
Shareholders and investors	<ul style="list-style-type: none"> • Annual and periodic reports • General meeting • Circular and announcement • Company website • Meeting with investors 	<ul style="list-style-type: none"> • Return on investment • Corporate governance • Risk control • Transparency of information
Government departments and regulatory authorities	<ul style="list-style-type: none"> • Work report • Application for approval • Exchange of views at meetings • Supervision and investigation 	<ul style="list-style-type: none"> • Compliant operations • Tax payment by law • Support for local development
Business partners/suppliers	<ul style="list-style-type: none"> • Business meeting • Supplier evaluation • Site inspection 	<ul style="list-style-type: none"> • Credibility • Win-win cooperation • Fair and equitable purchase
The community and the public	<ul style="list-style-type: none"> • Public welfare and charity activities • Group website • Official accounts on social media • Campus recruitment 	<ul style="list-style-type: none"> • Community engagement • Local infrastructure • Environmental protection • Job opportunity



MATERIALITY ASSESSMENT

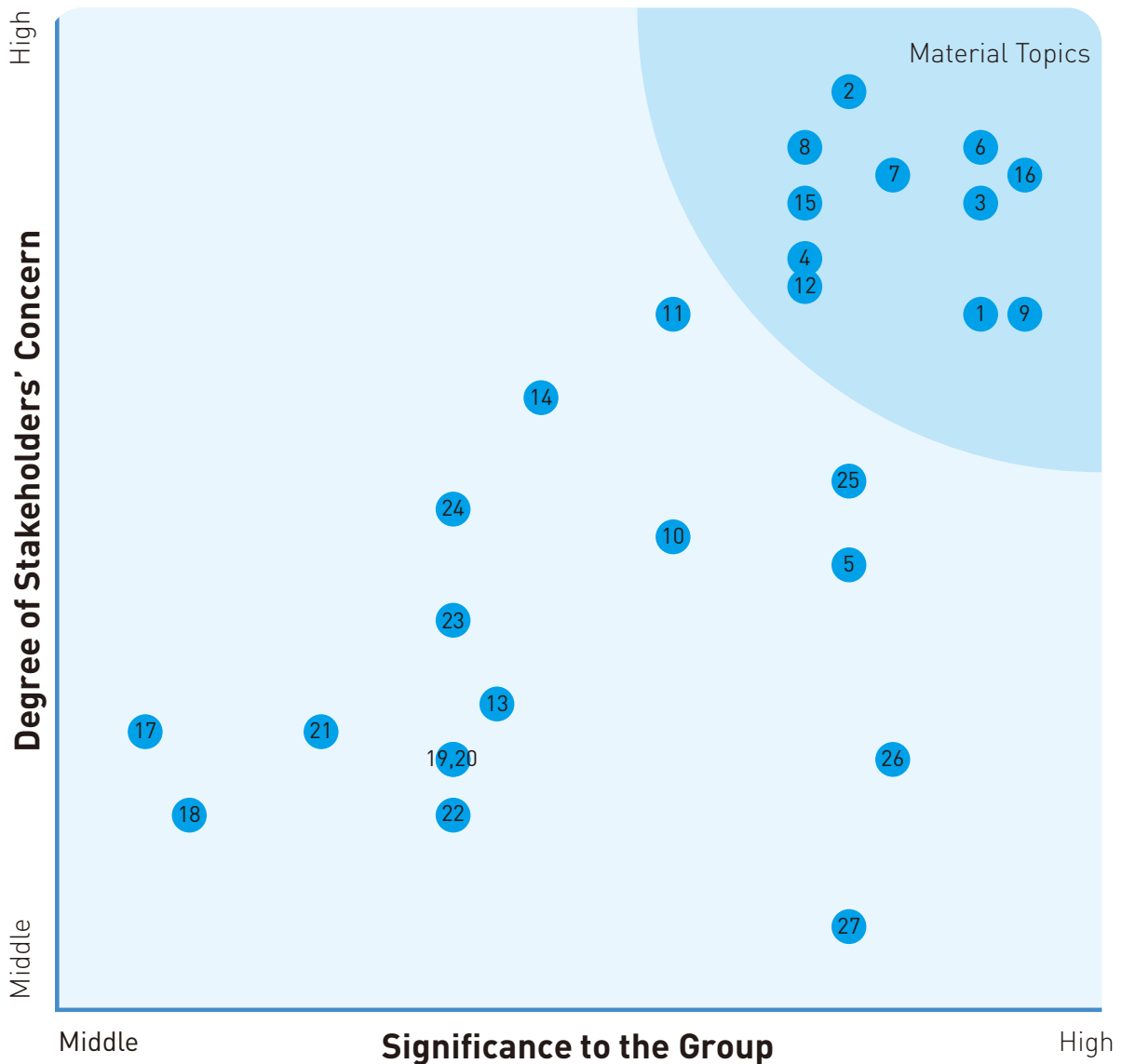
In addition to the conventional engagement methods mentioned above, we have engaged an independent third-party consulting company to assist in conducting the stakeholder questionnaire survey during the Reporting Period, so as to collect the scores assigned by stakeholders as to the significance of environmental, social and governance topics to the Group and to conduct a significance analysis so that we can review, manage and formulate improvement measures for the topics of greater concern to stakeholders. The significance analysis procedures are as follows:



STAKEHOLDER ENGAGEMENT

During the Reporting Period, the results of the significance analysis we concluded were set out in the following materiality matrix, in which 11 topics at the top-right corner were identified as material topics in the analysis. In the future, the Group will regularly review its sustainability policies and focus on the material topics identified above. Meanwhile, it will detail the above topics in the Report.

Materiality Matrix



Work Environment Practice

- 1) Compliance of products and services
- 2) Product and service quality
- 3) Service stability and accident response
- 4) Customer communication and satisfaction
- 5) Complaint handling
- 6) User privacy and data security
- 7) Internet information security
- 8) Maintenance of intellectual property rights
- 9) Technology research and development

Product and Service

- 10) Workplace diversity, anti-discrimination and equal opportunity
- 11) Occupational safety and health
- 12) Employee training and development
- 13) Prevention of child and forced labour
- 14) Employment relations and communication with employees
- 15) Recruitment of talents and retention of employees
- 16) Employee benefits

Environmental Protection and Green Operation

- 17) Greenhouse gas and waste gas emissions
- 18) Waste disposal and management
- 19) Electricity and water conservation
- 20) Sustainable utilization of other resources (e.g. paper and packaging)
- 21) Green purchase
- 22) Environmental protection publicity and promotion

Operational Practices

- 23) Supplier evaluation
- 24) Sustainability and social responsibility of suppliers
- 25) Anti-corruption (including bribery, extortion, fraud and money laundering)

Contribution to Communities

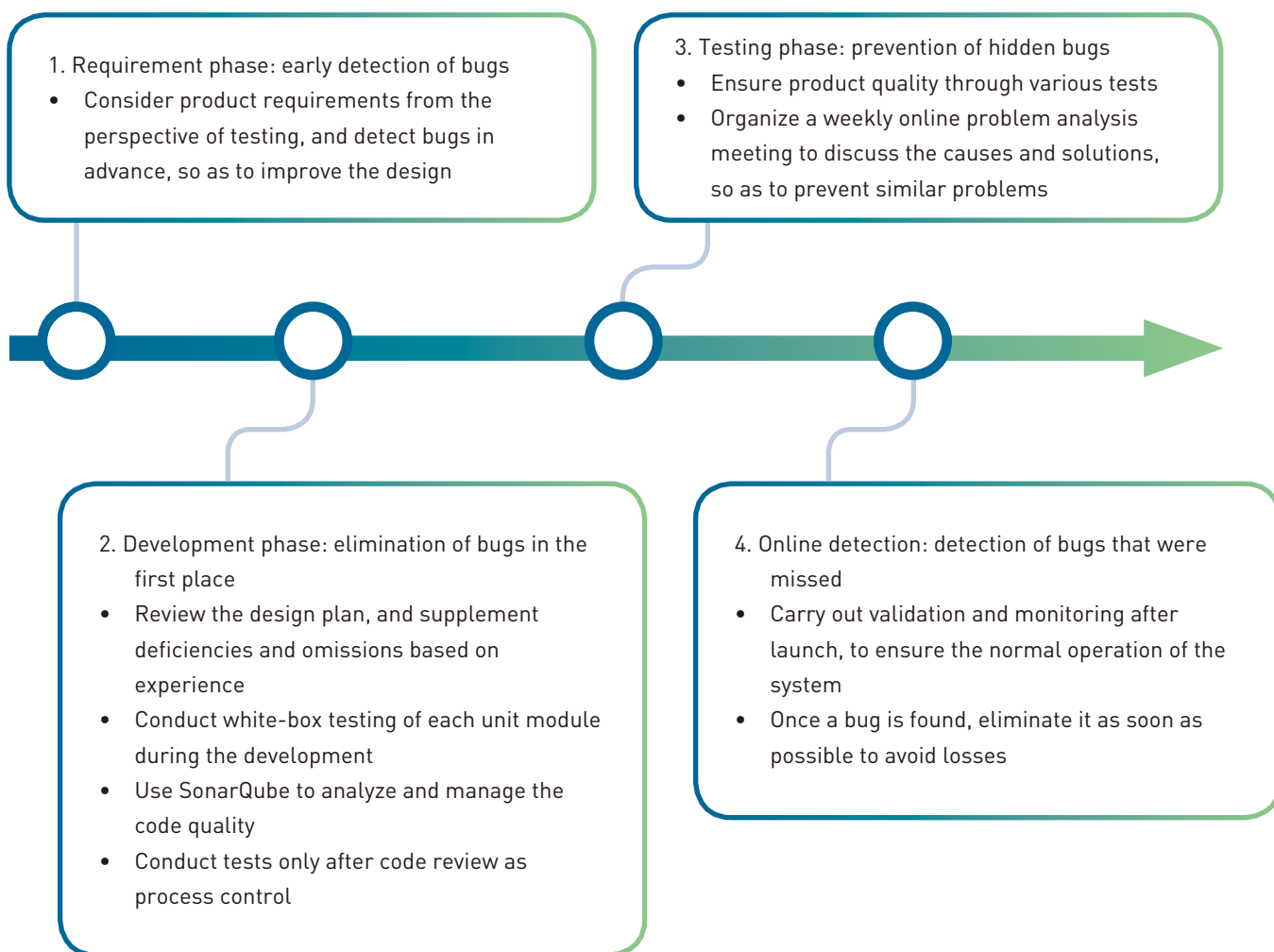
- 26) Participation in public welfare activities
- 27) Charity donation



QUALITY

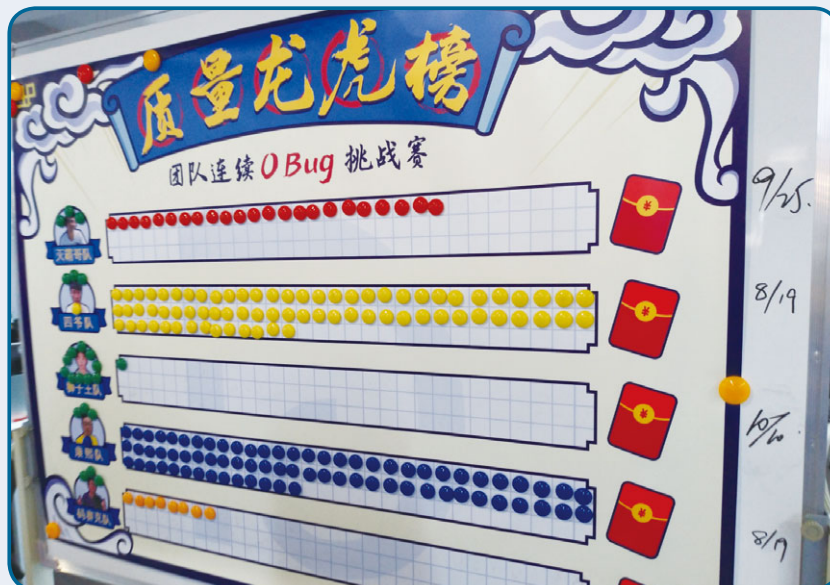
As the forerunner and leader of internet application services in China, we provide high-quality user management and interactive advertising services with innovative businesses and technologies, in order to satisfy customers. We strictly comply with applicable laws and regulations in relation to our products and services, including the Internet Security Law of the People's Republic of China, the Advertising Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Measures for the Administration of Internet Information Services, and the Interim Measures for the Administration of Internet Advertising etc. During the Reporting Period, we were not aware of any violation by the Group of laws and regulations relating to health and safety, advertising and privacy of products and services.

In order to ensure the quality of products and services, we implement multiple quality assurance measures and tests, and arrange for testers to participate in all stages of products:



Key case study: quality rankings

We have set up quality rankings for each development team in the office so that colleagues can encourage each other: As commendation, a mark is awarded to the responsible team for each product launched without a detected bug, and each team is rewarded on a regular basis according to the number of marks obtained, thus enhancing the attention of developers to product quality and promoting their competitive awareness, so as to provide the best quality products and services to customers.



QUALITY

CUSTOMER SERVICE

Our business team has maintained close communication with customers to listen and respond to their feedback and needs. Developers have ensured that products are advanced and of excellent quality through rapid and high-frequency, iterative updates.

As an internet enterprise, we have our own Duiba users, as well as users from partner and client programs. “Customer first” is the foundational principle for our operations. We have always been committed to protecting the interests of cooperative clients and end-users and improving the user experience. Good service is one of the important competitive strengths of the Group. We have tried our best to reduce and even eliminate complaints.

We have a dedicated customer service team which provides telephone enquiry services for end-users to solve problems and difficulties encountered when using platforms such as reward points mall. After using our platform products, customers can easily access our customer service, which allows users to contact us directly so as to handle inquiries. We handle customer complaints according to the following three principles and corresponding methods:

Pay attention to the voices of users	Think about the voices of users	Solve the problems of users
Establish complaint channels to sincerely accept and respond to the feedback of users	For various complaints, establish a clear handling mechanism which defines the responsibilities of employees	Respond to users in a timely manner, and ensure the timeliness of handling, striving to complete the case within 24 hours

The total number of complaints received in 2019 only accounts for 0.13% of the total number of inquiries, reflecting our excellent product quality and customer service standards. Our operation and sales teams will also visit customers regularly to communicate and collect opinions, so as to provide better services.

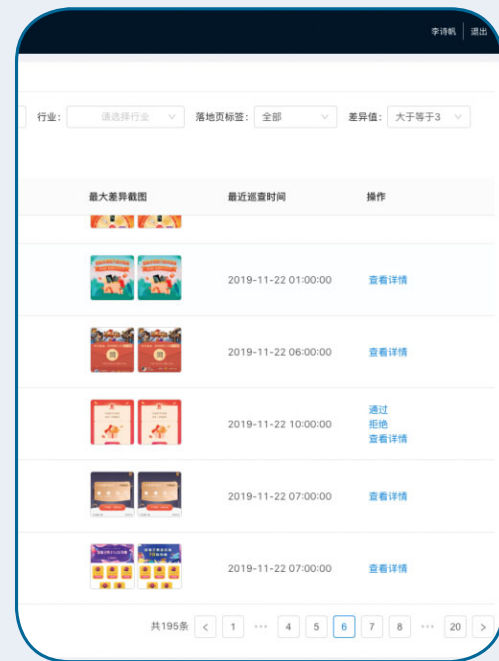
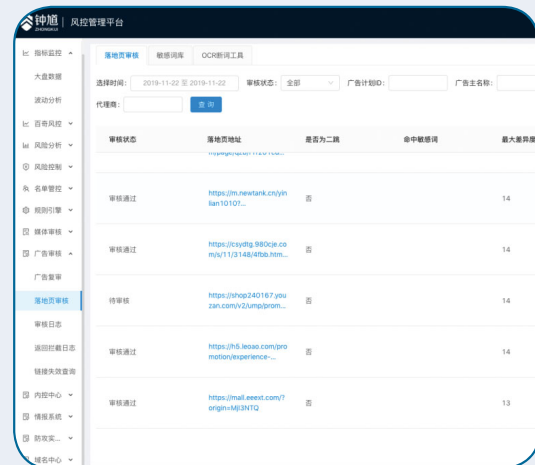
COMPLIANCE OF CONTENTS AND SERVICES

As our user management SaaS platform business mainly operates under the B2B model with a focus on commercial customers, we promote our products and services mainly through participating in industry summits, etc. for marketing. As the Group does not produce physical products, regulations on product labeling are not applicable to us. Meanwhile, for our interactive advertising business, we carry out strict control, fulfill the responsibilities of a corporate citizen, and comply with the Advertising Law of the People’s Republic of China and the Regulations on Control of Advertisement, etc.. We carefully assess the contents of the advertisement to ensure compliance before it is allowed to be uploaded in order to prevent exaggerated and false advertising. After the advertisement has been uploaded, we will also carry out random inspections of the contents of the advertisement, both manually and through artificial intelligence.



Key case study: system for automatic inspection of placed advertisements

The system, an artificial intelligence system independently developed by the Group, is designed to automatically review the contents of advertisements on a regular basis after the placement of the advertisements, so as to reduce repeated work without reducing efforts for the screening and monitoring of advertisement contents. The system will automatically login to receive interactive advertisements from different ports, different regions, at different times, so as to monitor the contents of advertisements in all aspects. It saves information by means of screenshots, etc., and compares the differences in contents between the placed advertisement and the reviewed advertisement, and conducts keyword screening, etc., so as to prevent the contents of the advertisement from being tampered with absence of permission or containing illegal information after the placement, thus ensuring that there is no significant change in advertisements and the contents remain compliant.



QUALITY

PRIVACY PROTECTION

As an online platform operator, we shoulder the important task of protecting the security of user information. Sensitive personal data of end-users are mainly backed up by commercial clients or media themselves. Thus, when a user connects to our service platform, most of the user's important privacy information will have been filtered or hidden, and therefore the Group has a relatively low risk of user privacy leakage.

Nevertheless, during the Reporting Period, we have strictly complied with the Provisions on Protecting the Personal Information of Telecommunications and Internet Users. We have also clearly described the specified usage of customer information we use as well as the measures to protect such data in the Privacy Policy and Legal Notice provided to customers. The Group prohibits any unauthorized disclosure of customer information to third parties. According to the positions of employees, we specify the privileges of access to files in internal systems. In order to prevent the leakage of important information, we will use encryption or isolation internally to hide key information. Meanwhile, the Employee Handbook sets out confidentiality clauses, specifies that employees in important or special positions shall sign confidentiality agreements and requires that employees shall not disclose customer data and company secrets, thus enhancing employees' awareness of the risk of data disclosure and protecting customer privacy.

During the Reporting Period, we were not aware of any material cases of information leakage.



MAINTENANCE OF INTELLECTUAL PROPERTY RIGHTS

As a technology-driven and knowledge-based enterprise, we respect copyright owners and prevent the infringement of intellectual property rights of others, while protecting our intellectual property rights. We monitor and screen content to prevent others from using our platform to infringe the rights and interests of copyright holders.

The Group has strictly complied with relevant laws and regulations, including but not limited to the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China. The Group has also formulated the Trademark Usage Management System of Duiba to strengthen the management of intellectual property rights and safeguard the reputation and interests of the Group. With regard to materials provided by commercial clients, such as trademarks, we conduct internal access management and review, and obtain the authorization of the cooperator before using the materials, so as to prevent the materials from being misused or misappropriated.

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

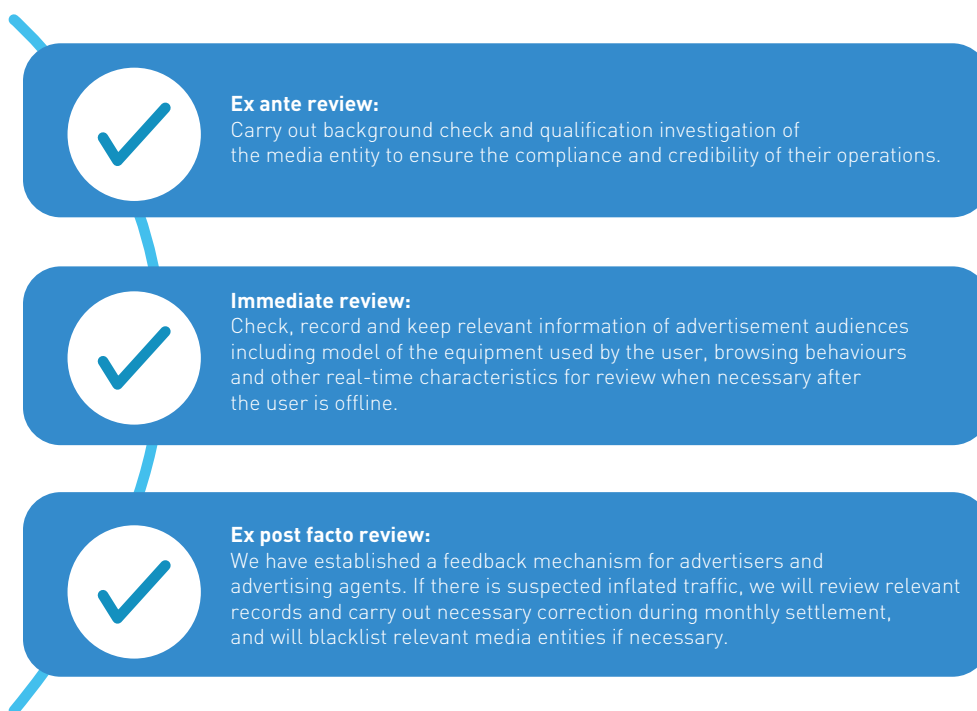
In addition, we have continuously increased the research and development investment and applied for the registration of research and development results. As at 31 December 2019, we registered 49 trademarks in Mainland China and Hong Kong and 77 software copyrights and 16 copyrights of works in Mainland China.



QUALITY

SUPPLY CHAIN MANAGEMENT

For our interactive advertising business, as user traffic is provided by the media, thus media is our main supplier. As at 31 December 2019, there were 6,929 media entities in China cooperating with us, with the daily advertising page view of over 53 million times. We have established mechanisms and procedures to review, select and monitor cooperative media and traffic:



We have formulated the Code of Conduct for Business Cooperation. When signing cooperation agreements with suppliers, we require them to comply with anti-corruption, anti-bribery, anti-discrimination, anti-child labour, environmental protection and other laws and regulations, and fulfill social responsibilities, so as to jointly promote and implement sustainable development.



SERVICE STABILITY AND RESPONSE TO INCIDENTS

As an internet service provider, the stability of networks and systems is crucial to the business of the Group. We will consider the product's stability and capability of handling anomalies as early as during the demand analysis phase of our product design. Then, before the product goes live, we will also carry out capacity assessments, stress tests, etc., and review the expected traffic internally. The cloud system used by us is provided by well-known cloud service providers in China, which guarantees the stability of network infrastructure services, including anti-attack services. Important services, such as user-oriented services, will be supported by two servers simultaneously in case of any emergencies. The internal documents and data of the Group are backed up in real-time and kept in triplicate. We have also established a monitoring system to keep log data for half a year or more.

For 2019, the stability of our business system was as high as 99.99%, with the total downtime being less than 5 minutes for the year. For various technical issues, we have formulated different emergency plans, including the Emergency Plan for Web Server Breakdown, the Emergency Plan for DDoS Attacks, the measures to respond to a sudden increase in database traffic, massive queries, overwhelming connections, etc., in order to rapidly resolve problems and notify customers as soon as possible when an incident occurs.



QUALITY

ANTI-CORRUPTION AND PROMOTION OF HONESTY

Corporate image depends on honest operation, and in order to maintain the reputation and interests of the Group, we require all employees of the Group to strictly comply with the Criminal Law of the People's Republic of China and the Anti-Money Laundering Law of the People's Republic of China. We will not tolerate any form of illegal acts including corruption, embezzlement, bribery, and money laundering.

In the Employee Handbook and the Anti-Bribery and Anti-Corruption Code of Conduct of Employee, we have specified that employees are not allowed to abuse their authorities or positions, violate laws, company policies or financial disciplines, use their positions for private gain or obtain improper personal benefits, etc., which may cause losses to the Group. We have continuously carried out publicity and education of employees, organized relevant legal knowledge and integrity training, and required employees to sign agreements to strengthen their anti-corruption awareness.

We have formulated appropriate internal control and risk control policies and systems and established internal query and complaint email channels to encourage whistleblowers to participate in the implementation of our integrity monitoring system. The process is handled by the administrative department and kept strictly confidential to protect the rights and interests of the whistleblowers or complainants. If the investigation into the event shows the violation by an employee, he/she will be subject to disciplinary action or even dismissal.

If large advertisers change their advertising agents, we will first check whether there are abnormal conditions, in order to prevent the competition among advertising agents by providing improper benefits. The agreements between the Group and its business partners contain anti-commercial bribery provisions, to ensure that both parties manage and educate their respective employees to jointly resist commercial bribery or other improper transactions, thus creating a good and fair business environment and safeguarding the integrity of society.

During the Reporting Period, we were not aware of the involvement of the Group in any significant corruption, extortion, bribery, fraud or money laundering cases.

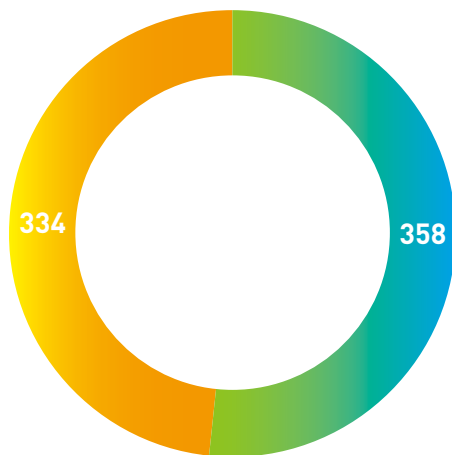


Employees, a source of our innovation and creativity, are crucial for the Group’s business development to meet future needs. Adhering to the corporate culture of “result orientation, active cooperation, innovation, simplicity, sincerity and courage”, the Group has strictly complied with the Labour Law of the People’s Republic of China and the Labour Contract Law of the People’s Republic of China and other relevant laws and regulations, and advocated for a diverse and inclusive cultural background. It has strived to provide employees with a fair working environment. It has provided competitive remuneration based on employees’ skills, knowledge, responsibilities and their participation in affairs of the Group, and promotion opportunities according to their performance. We have formulated and implemented internal employment rules and policies including the Employee Handbook of Duiba Group. We sign labour contracts with employees according to the law, and adhere to the principle of equal employment. During the Reporting Period, we were not aware of any violation by the Group of laws and regulations on employment.

EMPLOYMENT SUMMARY

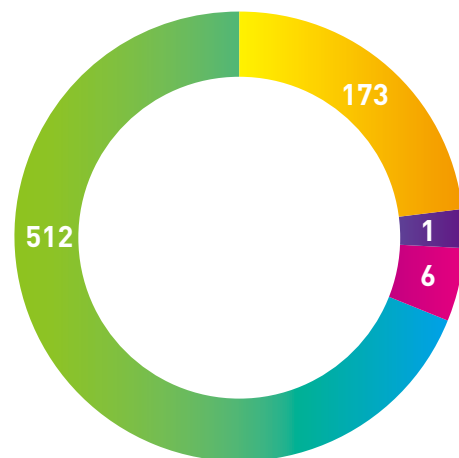
As at the end of 2019, our business units employed a total of 692 employees, all of whom worked full-time in Mainland China.

Number of Employees by Gender



Male Female

Number of Employees by Age



29 or below 30-39
40-49 50 or above

EMPLOYEES

RIGHTS AND INTERESTS OF EMPLOYEES

Remuneration

The Group determines the salaries of employees according to the market average salary level, professional quality and work performance of each position. The human resources department has formulated detailed rules on salaries according to operating conditions and market competition needs. The Group adopts a monthly salary system. The annual income of an employee consists of 12 months' salary and bonus, which will be granted according to the Bonus Assessment System of the Group and the assessment systems of respective departments. The Group has the right not to grant bonuses to employees who resign in advance. The Group deducts taxes payable by employees on a monthly basis in accordance with the Individual Income Tax Law of the People's Republic of China.

Dismissal

The Group has the right to dismiss employees due to their violation. If employees are found to violate rules, we will give an exhortation or a warning, or even suspend them from their duties, depending on the impact of the violation and the degree of losses arising out of the violation. If an employee violates laws, the employee will be subject to supervision with his/her salary reduced to the local minimum wage level, or have his/her contract terminated, depending on the seriousness of the case.

Recruitment

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, priority will be given to employees of the Group, and the working ability and performance of the employees are taken as the measurement criteria. The requesting department will first make full use of the existing human resources and will apply for recruiting new members according to actual needs only when internal adjustment is impossible. Under the same conditions, priority shall be given to internal employees. In addition to interviews, the Group will conduct reference checks for certain important positions, such as management personnel, professional technical staff and sales staff.

Working Hours

The Group operates on a 5-day workweek. If overtime work is required for business needs, employees are required to go through the overtime work approval process, and additional work is considered to be overtime work only after approval through the procedure. If an employee works overtime beyond 9:00 pm, the employee may apply for using the Alibaba business trip car (阿里商旅用車) at the cost of the Group.



Equal opportunity, Diversity and Anti-discrimination

We provide equal opportunities in recruitment, training, promotion, transfer, remuneration and benefits, regardless of age, gender, physical or mental health, marital status, family status, race, skin color, nationality, etc. We encourage employees who suffer or witness discrimination or harassment to immediately report the case to executive officers, employee representatives, human resources personnel or other management personnel who are deemed to be appropriate, or through a complaint mailbox. We also encourage employees to report any harassment by other persons who have business dealings with the Group. The Group promptly investigates all discriminations and harassments in a practical, cautious and confidential manner, and takes necessary confidentiality measures for the complainants, and prohibits any retaliation against the complainants. If discrimination and harassment do occur in the Group, the Group will take such punishment measures as it considers appropriate against the perpetrators, including exhortation, warning, transfer, suspension, and dismissal etc..

Child and Forced Labour

The Group adopts a zero-tolerance attitude towards the 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 will carry out regular training in the prevention of child and forced labour.

Before employing any candidate, 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 labourer under the minimum legal age of employment is found to work for the Group, we will immediately terminate the employment relationship with the child labourer in strict accordance with the Regulations on Special Protection of Minors, take the child labourer 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 90 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 90 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.



EMPLOYEES

RETENTION OF TALENTS

Promotion

In order to encourage the development of talents and to recognize and reward the abilities of outstanding employees, the Group has formulated the Management Measures for Employee Promotion, so as to provide a clear promotion ladder for employees. The Group adopts the principle of attaching equal importance to virtue, ability and performance in terms of promotion management, and will fully consider the personal qualities and abilities of employees, and their achievements in work. In addition, according to the contribution, ability and performance of employees, the Group provides employees with the opportunities of step-by-step and accelerated promotion.

Vacation

Employees of the Group are entitled to statutory holidays in accordance with the Regulation on Public Holidays for National Annual Festivals and Memorial Days. Employees may apply for sick leave, marriage leave, funeral leave, maternity leave, paternity leave, antenatal care leave and annual leave as required.

TRAINING AND DEVELOPMENT

The Group regularly carries out diversified training of its employees. The existing training programs include the seedling program, the business school program and general employee training. The seedling program is the orientation training of new employees. We brief new employees on the Company and invite the leaders of business lines to give them briefings, so that they can get familiar with the new working environment as soon as possible. We also arranged for them to meet with the president, who will acquaint them with the corporate culture. Meanwhile, we provide senior management members with a business school program, organizing monthly learning opportunities beyond the workplace from perspectives ranging from management to operation. There are also many daily cross-departmental training sessions to enhance the efficiency of cooperation between different departments.



Training in sales to large customers



OCCUPATIONAL HEALTH AND SAFETY

In order to ensure the occupational health and safety of employees, the Group has a customized check-up program for employees every year. We have also improved the emergency response plan, and feasible emergency response measures in accordance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, so as to ensure the safety of the properties and employees of the Group. We have made a fire drill plan, and organized drills on time, and evaluated the results of the drills to formulate improvement measures. We also regularly check the allocation of fire emergency equipment to ensure that emergency equipment is sufficiently allocated.

COMMUNICATION WITH EMPLOYEES

The Group attaches great importance to communication with employees. We provide employees with an open work environment, different meeting rooms and common areas to enhance exchanges and establish friendly relations between them. Since most of the employees of the Group were born in the 90's, we have established a systematic online platform for mobile phones, so that young people who like to use smartphones can easily communicate with the other employees of the Group, thus improving the work efficiency.



EMPLOYEES

EMPLOYEE BENEFITS

In addition to the contribution to basic insurance and housing provident funds, we provide employees with a variety of benefits, including holiday benefits for major holidays, year-end annual company meetings, birthday gifts, birthday parties, joining anniversary gifts, lunch benefits, occasional travelling benefits, etc. In offices of the headquarters of the Group in Hangzhou, there are fitness rooms and reading rooms to help employees relax after busy work.



Birthday party in the Group



Sports activities



Thailand tour



Outdoor activity

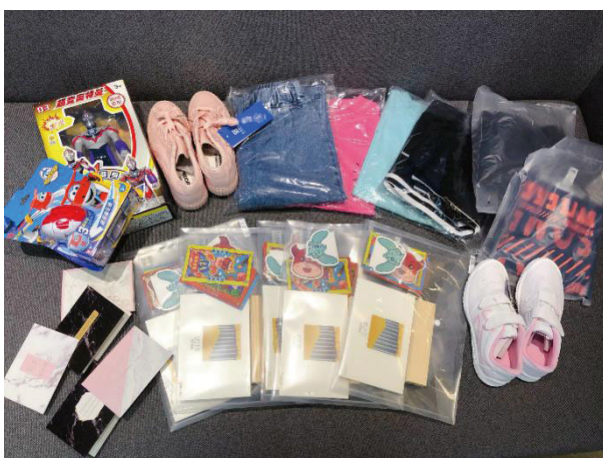


Duiba's business success is closely related to the vigorous development of the community where it is located. The resources, infrastructure and market of the community enable us to develop continuously. While operating our business, we make good use of the Group's resources and encourage the participation of employees and community partners, so as to exert a positive influence in the community where our business is located.

As the Spring Festival approached in 2019, we prepared a small New Year's party for the children in Xiangshan County, Ningbo City, through an activity called "Warm Winter, Little Wish", presenting gifts to the children. In addition, we also provided 300 boxes of ginger tea and 666 Chinese Fu (福字) stickers to urban construction workers who were holding their frontline posts through the activity called "Duiba New Year Blessing to You", so as to give warmth in the cold winter.



Duiba has always paid attention to care projects for children. During the Reporting Period, we took part in the "Little Wish on the Children's Day" activity organized by the Hangzhou Net Volunteer Branch Association, and selected the wishes of five families of the disabled in remote areas of Yunnan, Gansu, etc., with the hope of realizing their wishes before Children's Day and making it a happy Children's Day for them. In addition, we visited Hangzhou Children's Welfare Institute and the place where the children learned and lived daily in the institute, and donated living, hoping that children can grow up in an environment full of love.



ENVIRONMENT

Environmental protection is an important part of the corporate social responsibility as well as the global trend. 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. In spite of this, we have been committed to protecting the environment and have formulated the Environmental Protection Policy of Duiba Group, and have implemented environmentally-friendly measures to reduce emissions and resource consumption.

The Group strictly complies with laws and regulations on environmental protection, including the Environmental Protection Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law, the Water Pollution Prevention and Control Law, and the Solid Waste Pollution Prevention and Control Law. During the Reporting Period, we were not aware of any violation by the Group of laws and regulations on environmental protection.

ENERGY-SAVING AND EMISSION REDUCTION

Since the Group does not engage in factory production, the Group does not have significant discharge of pollutants. Our discharge mainly arises from the daily operations in offices, including greenhouse gas emissions from electricity consumption by air conditioning, lighting, office equipment, etc. We are committed to reducing electricity consumption in our offices. We have arranged for employees to carry out patrol inspection of offices every night and turn off equipment that is not in use, so as to prevent unnecessary electricity consumption by the equipment.

We have implemented the following measures to save energy and reduce emissions, thus reducing operating costs while promoting environmental benefits and raising employees' environmental awareness:

- The temperature of air conditioners in offices are set to 24-26 degrees Celsius in the summer and below 20 degrees Celsius in the winter;
- In the purchase of devices for offices, priority is given to electrical equipment and other devices with high energy efficiency;
- Smart applications are used to remind employees to turn off their computers at night;
- A gasoline-electric hybrid car was purchased for transportation purposes to help improve roadside air quality;
- Unnecessary business trips and travels are reduced to reduce pollution and emission; and
- Offices are conveniently located so that employees may commute by public transport.



Environmental KPIs	2019	Unit
Greenhouse Gas		
Total emissions	406	tCO ₂ e
Direct emissions (scope 1)	3	tCO ₂ e
Indirect emissions (scope 2)	403	tCO ₂ e
Greenhouse gas emissions (scopes 1 and 2) per sq.m. of GFA	80	kg CO ₂ e/m ²
Air Pollutants		
Nitrogen oxides (NOx)	0.58	kg
Sulfur oxides (SOx)	0.02	kg
Particulate matter (PM)	0.06	kg
Energy		
Total consumption	584	MWh
Electricity	573	MWh
Gasoline	11	MWh
Energy consumption per sq.m. of GFA	115	kWh/m ²

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

WASTE AND WATER RESOURCE MANAGEMENT

Our business operations do not involve factory production, the use of large quantities of natural resources, generation of hazardous waste, product packaging, or the use of packaging materials. Our use of resources is primarily water consumption in our offices, while waste disposed of by us is mainly office waste. We obtain water for our offices from a municipal water supply system and do not have any issue in sourcing water that is fit for purpose. In addition, we advocate waste sorting and recycling in our offices. We provide sorting bins beside the seats of employees. We comply with the latest waste sorting standard of Hangzhou. In the Employee Handbook and during orientation training of employees, we clearly explain that waste shall be sorted and disposed of, so as to contribute to environmental protection.



ENVIRONMENT

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

- Leaking faucets, pipelines 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;
- Through network and electronic technology operation, the paperless office philosophy is implemented as far as possible; and
- Employees were encouraged to participate in the “Pick up Rubbish Around Xihu” activity to raise their awareness of environmental protection and protect the beautiful environment of famous scenic spots in Hangzhou.



Environmental KPIs	2019	Unit
Non-Hazardous Waste		
Total non-hazardous waste produced	32	Tonne
Total non-hazardous waste recycled	12	Tonne
Non-hazardous waste per sq.m. of GFA	6.4	kg/m ²
Water Consumption		
Total water consumption	4,729	m ³
Water consumption per sq.m. of GFA	0.84	m ³ /m ²

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



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KPI A1.2	Greenhouse gas emissions in total and intensity.	Energy-saving and Emission Reduction	37
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KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Waste and Water Resource Management	37-38
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			
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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
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Employment and Labour Practices			
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KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Not disclosed during the Reporting Period*	N/A

* As this is the first year of reporting, the Group has not yet recorded the related statistics. The Group targets to provide such data next year.



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KPI B2.1	Number and rate of work-related fatalities.	Not occurred during the Reporting Period	N/A
KPI B2.2	Lost days due to work injury.	Not occurred during the Reporting Period	N/A
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety	33
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General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Training and Development	32
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Not disclosed during the Reporting Period*	N/A
KPI B3.2	The average training hours completed per employee by gender and employee category.	Not disclosed during the Reporting Period*	N/A
Aspect B4: Labour Standards			
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* As this is the first year of reporting, the Group has not yet recorded the related statistics. The Group targets to provide such data next year.



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Aspect B6: Product Responsibility			
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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.	Customer Service	22
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Maintenance of Intellectual Property Rights	25
KPI B6.4	Description of quality assurance process and recall procedures.	Quality	20-23, 27
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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.	During the Reporting Period, there were no corruption complaints against us or our employees which were filed or convicted	N/A
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption and Promotion of Honesty	28
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KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community	35
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