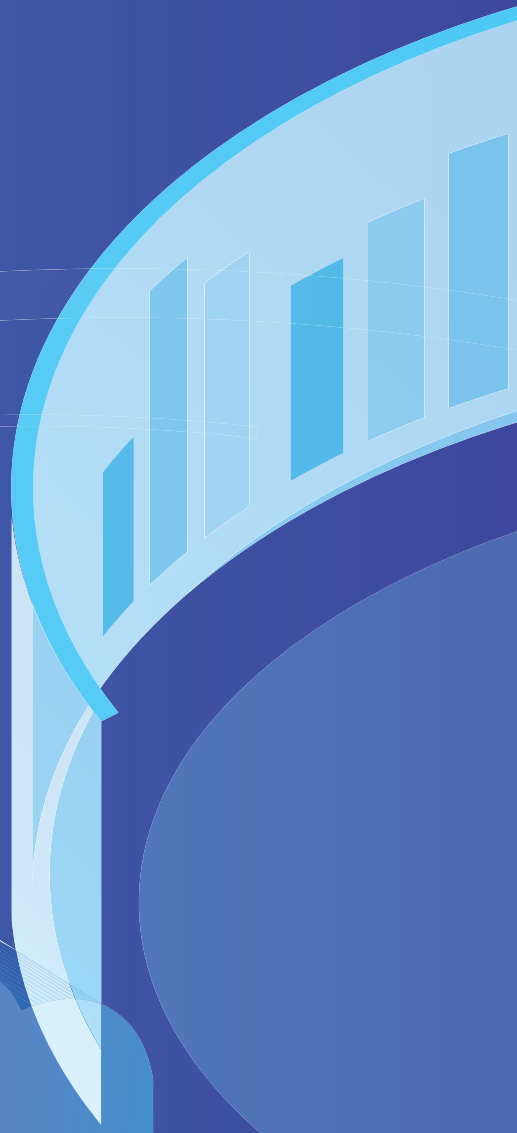



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ABOUT THE GROUP

PURPOSE OF THE REPORT

Duiba Group Limited (“**Duiba**”, “**Duiba Group**” or the “**Company**”, and together with its subsidiaries, the “**Group**” or “**we**”) is pleased to present its second 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 2020 to 31 December 2020 (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 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.

REPORTING PRINCIPLES

In the preparation of the Report, the Group complies with the following reporting principles: materiality, quantitative, balance and consistency. For details, please refer to the following table.

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.	Current material sustainability issues are identified through stakeholder engagement. 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 in quantitative terms.	Information is presented with quantitative measures whenever feasible.
Balance	The report should present a balanced 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 transparent comparison of trends.
Consistency	The report should present 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 areas in order to facilitate year-on-year comparisons of <u>the</u> performance by stakeholders.

ABOUT THE GROUP

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 between the Chinese version and the English version, the Chinese version shall prevail.

FEEDBACK

We hope to promote the communication between the Group and 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 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

Deeply engaged in Hangzhou, China, the Group is a leading user management 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.

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 and gamification operation 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. Meanwhile, we have been extending user management SaaS solutions to serve offline enterprises. We actively explore cooperation opportunities with top offline corporate brands in several sectors including retailing, catering, banking and new media. 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.

Moreover, the outbreak of novel coronavirus pneumonia (Covid-19) further increased the public awareness of live streaming events. We noticed that since April 2020, the product turnover period in the banking and insurance industries has been obviously long, and customers have excessively relied on the guidance of salesmen, and therefore, we began to provide a complete set of plans for production of professional live streaming content as well as live streaming support products for the industries.



ABOUT THE GROUP



In 2015, the Group pioneered and launched its interactive advertising business, which aggregated the traffic of different app scenarios, systematically managed content 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 increases user engagement with recreational and leisure activities. Meanwhile, the discounts and benefits are shown on the landing pages, which meet and stimulate user demand. The Group will be committed to upgrading its advertising technology capability and providing 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

SUSTAINABILITY OVERVIEW

The interactive advertising platform provided traffic monetization services for **7,220** media channels, with the daily advertising page view of over **33** million times

Performance-based advertising placement services were provided to **3,902** ultimate advertisers, and the number of paying customers who used our charged user management SaaS services increased by **29.0%** to **832**

The average charge per customer increased by **86.6%** to approximately RMB **125,000**

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

The number of employees from our Research and Development Department was **424**, accounted for **52.3%** of the total number of employees of the Group

Research and Development investment increased by **21.5%** from RMB **106.6** million in 2019 to RMB **129.5** million in 2020

810 employees, **100%** of the employees were full-time, the number of female employees accounted for **45.7%** of the total number of employees

Total training hours reached **16,063** hours

As at 31 December 2020, we registered **64** trademarks, **80** software copyrights and **16** copyrights of works in Mainland China and Hong Kong

Total greenhouse gas emissions were **439.02** tCO₂e, representing a decrease of **5.44%** as compared with 2019

Total energy consumption was **568.62** MWh, representing a decrease of **2.68%**, as compared with 2019

Total non-hazardous waste disposed was **17.50** tonnes, representing a decrease of **15.09%**, as compared with 2019

Average training hours of female employees and male employees were **12.2** hours and **14.3** hours, respectively

Average training hours of senior management, middle management and technical staff were **12.9** hours, **5.2** hours and **13.8** hours, respectively



ABOUT THE GROUP

AWARDS AND HONORS

Awards and Honors	Awarding Organization
Best Enterprise Service of 2020	Chandashi (蟬大師)
Outstanding Financial Technology Innovation Award	Pioneering China (領航中國)
Shopping Mini Program Innovation Award 2020	Alibaba
Best User Management SaaS Platform of 2020	China Internet Weekly
Digital Marketing Innovation Award	Retail Banking
Best Partner of 2020	Zhejiang Branch, Unionpay





“BEST ENTERPRISE SERVICE IN 2020” GRANTED TO DUIBA FOR ENABLING CORPORATE USER MANAGEMENT

During the Reporting Period, “Global Mobile Cicada Awards and the Second Cicada Awards Ceremony” organized by Chandashi was held in Shangri-La Hotel in Guangzhou. Duiba won the title of “Best Enterprise Service of 2020”, with its outstanding performance in enabling user management for many enterprises, which distinguished Duiba from many enterprises. Duiba was invited to give a speech, sharing with the guests on the scene, how the enterprise service opened up the marketing imagination in the era of scenario-based online marketing. By analyzing the cat-raising event of Taobao, which was the most eye-catching in recent marketing communication, Duiba realized that scenario-based construction had a profound influence and role on marketing communication. Many Internet enterprises have also carried out scenario-based construction, such as the tree planting activity of Pinduoduo. The scenario-based construction does not seem to have direct relations with the main businesses of Internet enterprises. However, through the scenario setup by Internet enterprises, the discounts and benefits are distributed, and the users are guided and encouraged to carry out core behaviors, so as to achieve user conversion. The scenario-based construction plays a very important role in the process. The main business of Duiba is user management. Duiba has always been committed to researching into how to attract more active users for enterprises, so as to promote higher user conversion and thus enable the operation of enterprises.

We focus on how to attract users’ attention, increase the user time spent and stimulate users’ core behaviors. We know that users focus on “tangible rewards” or “intangible rewards”, while the use of “tangible rewards” by an enterprise in setting up a scenario is the simplest application. “Tangible rewards” are more important than “intangible rewards”. Enablement by Duiba of corporate marketing communication mainly lies in exploring how to encourage users to help enterprises carry out publicity, rather than placement through a single enterprise channel. Duiba will be deeply engaged in customized marketing plans in the process of enablement for enterprises, with continuous exploration and improvement, so as to create more optimized plans. Moreover, complete SaaS tools have been created based on the successful user management experience accumulated by cooperation with leading enterprises, and are available for configuration and use by enterprises on the SaaS back-end platform.

Nowadays, digitalization has become an inevitable trend, but enterprises face a major difficulty in user management, namely fragmented Internet traffic. For such difficulty, Duiba integrates data based on years of user research. When the unified integration of data is completed, Duiba will carry out more accurate user management for enterprises, thus maximizing the user retention and conversion. As a forerunner in user management SaaS in China, Duiba has been deeply engaged in user management SaaS for six years, with a CAGR of over 218%, and has accumulated rich industry cases and practical experience. In the future, Duiba will continuously enable delicacy management for enterprises and create maximum value for its customers.



ABOUT THE GROUP

OUTSTANDING FINANCIAL TECHNOLOGY INNOVATION AWARD GRANTED TO DUIBA FOR ENABLING USER MANAGEMENT OF BANKS

The Fifth International Intelligent Finance Forum and 2020 JRJC “Pioneering China” Ceremony was held, at which hundreds of senior executives of financial institutions jointly discussed the future development path, innovation, integration and mutual benefit, so as to pursue historical opportunities in the times. At the ceremony, with rich experience in serving over 170 financial institutions such as banking and insurance institutions, Duiba won the honor of the “Outstanding Financial Technology Innovation Award”. 2020 is a year for innovation. Those who fail to carry out innovation will fall behind. In the post-pandemic era, those who are inventive and good at innovation can keep pace with the times. Currently, the world is facing a transformation of the kind not seen for a century. Innovation is essential for coping with the test arising out of the complex transformation as well as the impact of the COVID-19 outbreak.

This is especially true for financial technology used to serve financial institutions. With 6-year effort, the “interactive management system” of Duiba has been innovated and recognized by many banking customers. The operation team of Duiba designed activity rules, action strategies and key processes, based on the understanding of the underlying logic of strategies, delicacy management of numerical values and grasp of user psychographics, and guided users to continuously carry out operation indicator conversion, through game-based operation, so as to boost the APP activity for banks, the number of forwards of latest product information and user stickiness of banks, help banks establish more vivid brand images and increase the rate of product purchase. For example, through data analysis, we found deficiencies in key processes of the game activities designed for a large state-owned bank, such as insufficient user onboarding, dull marketing methods, and lack of motivation. Through a new activity process designed by Duiba, the reach was increased by 350%, and the retention rate was up to 72%.

Duiba can be recognized by many banks, with its three major advantages:

1. Complexity of operation scenarios

The underlying architecture and technical means of user management SaaS of Duiba can satisfy the needs in the user reach scenario in all trades and industries, provide diversified methods for adaptation, and are flexible enough to meet the needs of different customers or different needs of the same customer.

2. Supporting high traffic and high concurrency

Excellent performance and architecture design at the bottom layer can support instantaneous high traffic and high concurrency. The customers with the user management SaaS of Duiba include the APPs of leading Internet companies, and offline leading banking, catering and consumer brands, with instantaneous traffic flow during Double 11, anniversary celebration and other activities. Since 2014, there has been no system failure in user management services of Duiba caused by instantaneous high concurrency and high traffic, due to underlying architecture design, which can ensure the service stability while taking into consideration the cost-effectiveness of servers.





3. High security

All data of user management SaaS business are obfuscated and encrypted, which cannot be reversely cracked by third parties. Compared with the common MD5 encryption method, Duiba uses a set of obfuscation and encryption methods, which ensure the data security of customers and are also the foundation and entry requirements for us to cooperate with various financial and banking customers.

As a forerunner in user management SaaS in China, the philosophy of creating value for customers is deeply rooted in Duiba Group. Duiba has been deeply engaged in user management for six years, and has accumulated rich industry cases and practical experience. Duiba also expects to continue to enable more banks to carry out digital transformation and better serve the banking industry in the future.

DISCUSSING THE DIGITAL TRANSFORMATION OPERATION EXPERIENCE IN THE BANKING INDUSTRY, IN THE PREMISES OF SHANXI BRANCH, UNIONPAY

In the premises of Shanxi Branch, China UnionPay, the Group held a meeting on the breakthrough in the digital transformation of banks in 2020, which was attended by experts from more than ten banks including China Construction Bank, China Everbright Bank, Bank of Communications, China Bohai Bank, Jinshang Bank, SPD Bank, Ping An Bank and China Guangfa Bank. At the meeting, with a focus on the “key to the breakthrough in the digital transformation of banks”, they deeply discussed and exchanged with each other with regard to how to achieve the online operation, ecological operation, and the establishment of interactive scenarios of banks.

Chen Xiaoliang, chief executive officer of the Group, gave a keynote speech on the “SaaS Business and Future Prospects of Duiba”, sharing industry insights and business strategies with guests from macro market and industry perspectives. He pointed out that China has developed into the second-largest economy in the world, with great room for improvement in the tertiary industry, while the largest opportunity in the tertiary industry at present lies in improving quality and increasing efficiency for enterprises facing bottlenecks in all trades and industries, which is also the value of the Group to the entire society. The philosophy of creating value for customers has been deeply rooted in Duiba Group. Therefore, at present, Duiba serves head customers in various industries, including over 170 financial institutions such as banking institutions and insurance institutions, including four major state-owned banks, joint-stock banks and various urban commercial banks. Duiba expects to continue to enable more banks to carry out digital transformation in the future.

Subsequently, Li Jia, general manager of the banking business department of the Group, deeply analyzed the current problems of banks, such as sharp increase in customer acquisition costs and difficulty in controlling marketing effect, with a focus on the “breakthrough in the digital transformation of banks”. Li Jia described in detail, the recent online live streaming by Duiba for the retail department of a joint-stock bank. The middle-end platform system of Duiba showed that within one hour after the commencement, there was a sharp increase in the purchase of relevant meal vouchers in the local area, with GMV reaching 0.78 million. This shows that Duiba can improve the users’ sense of gain and experience and help banks achieve low-cost and high-efficiency marketing through the construction of operation ecology and interactive operation scenarios.

ABOUT THE GROUP

Interactive operation scenarios are mainly classified into three categories: animals and plants, IP and operation. Its three elements include: users, virtual object and brand owner. In the process of cultivation, brands interact with users in the form of launching various daily tasks, entertainment activities, treasure chest, pair-up benefits and otherwise, thus increasing their user stickiness and ensuring the continuous activity of their users. For example, Duiba innovatively designed a game framework through “Octalysis”, which gives priority to and meets users’ mental motivation and needs, thus really stimulating behaviors of users. For example, through data analysis, we found deficiencies in key processes of the game activities designed for a large state-owned bank, such as insufficient user onboarding, dull marketing methods, lack of motivation. Through a new activity process designed by Duiba, the reach was increased by 350%, and the retention rate was up to 72%.

Finally, Lu Wen, vice president of Duiba Group, shared his reflections with the theme of the “Social Sharing and Growth of Banks”. He described that the operation team of Duiba designed activity rules, action strategies and key processes, based on the underlying logic of strategies, online practical experience in user management accumulated since 2014, and grasp of user psychographics, and finally guided users to continuously carry out operation indicator conversion, through game-based operation, so as to boost the APP reach for banks, the number of forwards of latest product information and user stickiness of banks, help banks establish more vivid brand images and increase the rate of product purchase.

With the operation thinking and experience accumulation, Duiba puts forward the operation philosophy of “triple linkage” and increased the reach of WeChat official account and other channels by 10 times. Especially for the middle-end platform of marketing for customer managers in banking, through the training of customer managers, Duiba lowered the threshold for use of the system by customer managers and promoted the banks to issue announcements, thus enhancing the motivation of bank managers and improving the acquisition efficiency. The management back-end platform can meet the needs of efficient launch of activities and assessment by the head office of a bank, and reduce the communication cost.

Duiba has recently launched full-link live streaming services for banks, including relevant publicity materials and modular social sharing tools, which helps banks achieve the WeChat official account/text message/APP/customer manager WeChat Moments/community/one-to-one promotion, thus reaching private domain users. The live streaming solution of Duiba helps organizations in banking, insurance and other industries with a long decision-making process acquire customers and display their new products through effective lead provided by live streaming. Live streaming can not only achieve better results than offline customer acquisition at low cost, but also help directors achieve visual data assessment of customer acquisition ability of customer managers.



SUSTAINABILITY POLICY

SUSTAINABILITY VISION AND STRATEGY

Our mission is to become a user management partner to enterprises, providing them with the full-cycle services in user acquisition, retention and monetization. We have always advocated and pursued the philosophy of responsible development, and are determined to take into consideration environmental, social and economic benefits and carry out operation in a responsible manner.

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, from four perspectives, namely “Creating Value for Customers”, “Creating Ideals for Employees”, “Creating Positive Acts for the Environment” and “Creating Harmony for the Community”.



Creating Value for Customers

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



Creating Ideals for Employees

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



Creating Positive Acts for the Environment

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



Creating Harmony for the Community

Organization of various community activities to promote social harmony.

SUSTAINABILITY GOVERNANCE

Chaired by the board secretary and the company partner, the Sustainability Supervision Committee of the Group (the “**Committee**”) is comprised of senior management of departments and major business units of the Group. The Committee is authorized by the Board of Directors 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 of Directors and evaluates sustainability strategies, objectives and performance of the Group.

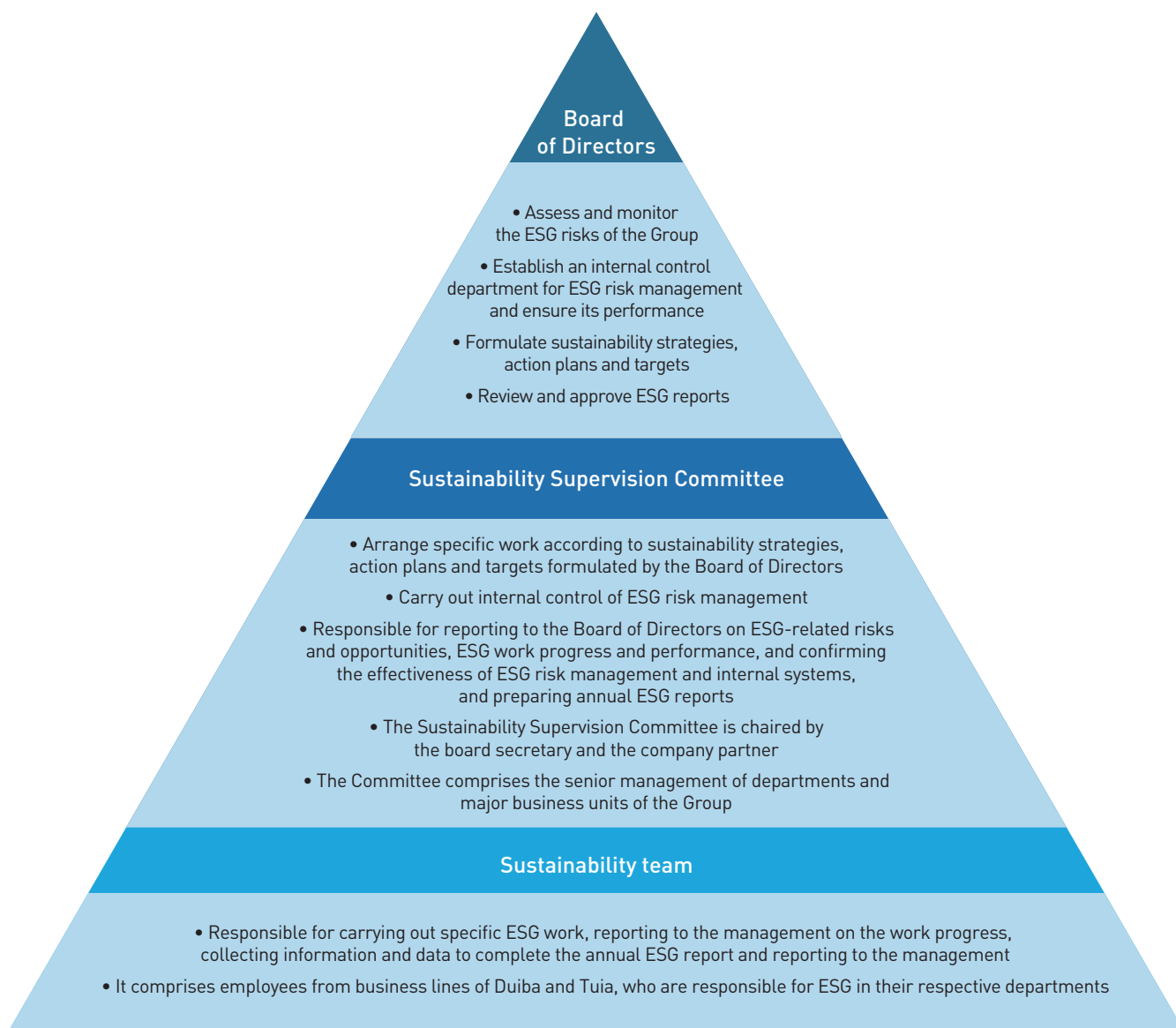
We have established a sustainability team to carry out specific work, help directors understand our environmental, social and governance risks and work in a timely manner, so as to better incorporate environmental, social and governance factors into future plans, daily production and operations of the Company.



SUSTAINABILITY POLICY

The sustainability team of the Group comprises members from the business lines of Duiba and Tuia. The team, 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 team directly reports to the board secretary and the partners of the Company, and implements relevant measures of the Group in various business divisions and departments of Duiba.

SUSTAINABILITY GOVERNANCE ARCHITECTURE



SUSTAINABILITY POLICY



STAKEHOLDER ENGAGEMENT

We attach importance to the interests and participation of stakeholders in our sustainable development. Constant engagement of internal and external stakeholders improves the transparency of communication, which helps us understand the interests of stakeholders and lays a foundation for improving the sustainability performance.

Stakeholder Group	Engagement Method	Issues Concerned	Response of the Group
Customer	<ul style="list-style-type: none"> Industry summit Company 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 	<ul style="list-style-type: none"> Quality control enhancement Improvement in the customer communication mechanism Network security and privilege setting
Employee	<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 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Annual and periodic reports General meeting Circular and announcement Website of the Group Meeting with investors 	<ul style="list-style-type: none"> Return on investment Corporate governance Risk control Transparency of information 	<ul style="list-style-type: none"> Profitability increase Improvement in the risk management and internal control system Regular information disclosure
Government departments and regulatory authorities	<ul style="list-style-type: none"> Work report Application for approval Exchange at meetings Supervision and investigation 	<ul style="list-style-type: none"> Compliant operation Tax payment by law Support for local development 	<ul style="list-style-type: none"> Enhancement of anti-corruption campaigns
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 	<ul style="list-style-type: none"> Review, selection and monitoring Formulation of the Code of Conduct
The community and the public	<ul style="list-style-type: none"> Public welfare and charity activities Website of the Group Official accounts on social media Campus recruitment 	<ul style="list-style-type: none"> Community engagement Environmental protection Job opportunity 	<ul style="list-style-type: none"> Public benefit projects Comprehensive implementation of green operation Creation of job opportunities

SUSTAINABILITY POLICY

MATERIALITY ASSESSMENT

In order to identify the significant sustainability risks and opportunities of the Group, in addition to the conventional engagement methods mentioned above, we have 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 environmental, social and governance issues to the Group, and prioritize the issues to identify the sustainability issues that the Group and its stakeholders are most concerned about, thus adjusting resource allocation and making the reporting and communication on sustainability issues more targeted. The main steps of materiality analysis are as follows:

Stage	Action
Stage 1 Identification of relevant issues	27 ESG issues were identified according to the results of previous and existing stakeholder engagement and the Environmental, Social, and Governance Reporting Guide of the Stock Exchange.
Stage 2 Collection of feedback of stakeholders	An opinion survey was conducted in the form of online questionnaires for which stakeholders in all aspects were invited to assign scores for issues.
Stage 3 Identification of material issues	According to the two parameters, namely the stakeholder's score for the materiality of an issue and the score for the materiality of an issue to the Group, quantitative analysis and prioritization were conducted, and issues were expressed in the form of a matrix, thus determining the most important issues at the two levels.
Stage 4 Verification	The list of material issues was submitted to the sustainability supervision committee for review, and 13 material issues were identified as those that need to be prioritized and emphatically reported.

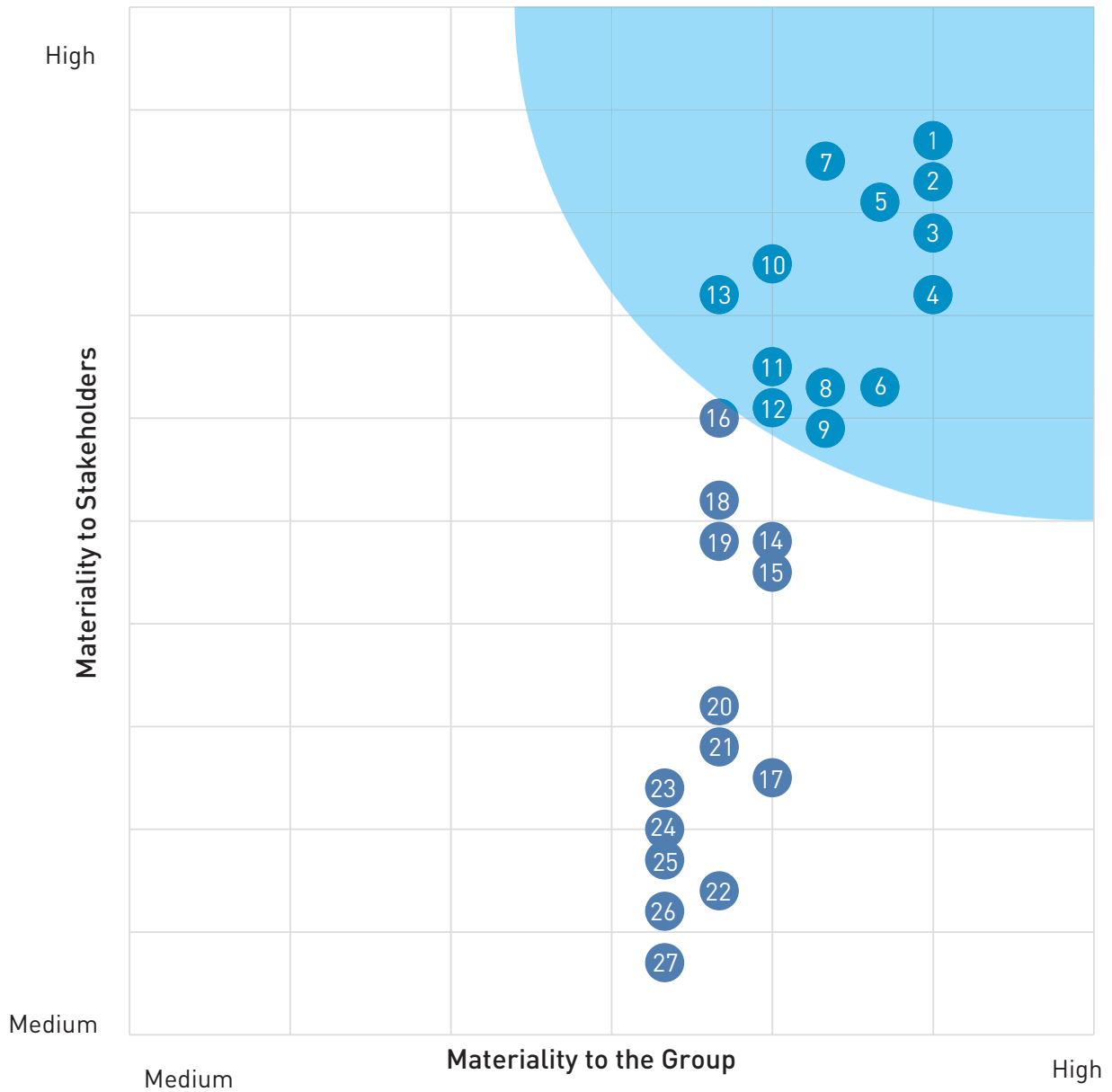


SUSTAINABILITY POLICY



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

Materiality Matrix



SUSTAINABILITY POLICY

During the Reporting Period, the results of the materiality analysis we concluded were set out in the above materiality matrix, in which 13 issues at the top-right corner 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 Issue

No.	Issue	Section	Page
1	Compliance of products and services	Creating Value for Customers – Compliance of Products and Services, and Advertising and Publicity	<u>22, 29</u>
2	Product and service quality	Creating Value for Customers – Quality Assurance	<u>23</u>
3	Customer communication and satisfaction	Creating Value for Customers – Customer Communication and Satisfaction	<u>27</u>
4	Service stability and accident response	Creating Value for Customers – Information Protection and Service Stability	<u>24</u>
5	User privacy and information security	Creating Value for Customers – Information Protection and Service Stability	<u>24</u>
6	Complaint handling	Creating Value for Customers – Customer Communication and Satisfaction	<u>27</u>
7	Technology research and development	Creating Value for <u>Customers</u> – Technology Research and Development	<u>23</u>
8	Recruitment of talents and retention of employees	Creating Ideals for Employees – <u>Recruitment and Retention of Talents</u>	<u>31</u>
9	Employee training and development	Creating Ideals for Employees – Training and Development	<u>34</u>
10	Employee <u>benefits</u>	Creating Ideals for Employees – <u>Recruitment and Retention of Talents</u>	<u>31</u>
11	Anti-corruption (including bribery, extortion, fraud and money laundering)	Creating Ideals for Employees – Anti-corruption and Promotion of Honesty	<u>36</u>
12	Maintenance of intellectual property rights	Creating Value for Customers – Maintenance of Intellectual Property Rights	<u>28</u>
13	Occupational safety and health	<u>Creating Ideals for Employees</u> – Occupational Health and Safety	<u>35</u>





Other Issues

No.	Issue	Section	Page
14	Sustainability and social responsibility of suppliers	Creating Value for Customers – Supply Chain Management	<u>29</u>
15	Supplier evaluation	Creating Value for Customers – Supply Chain Management	<u>29</u>
16	Workplace diversity, antidiscrimination and equal opportunity	Creating Ideals for Employees – Protection of Rights and Interests	<u>33</u>
17	Environmental protection publicity and promotion	<u>Creating Positive Acts</u> for the Environment	<u>37</u>
18	Prevention of child and forced labour	Creating Ideals for Employees – Child and Forced Labour	<u>33</u>
19	Employment relations and communication with employees	Creating Ideals for Employees – Employment Compliance/Employment <u>Overview</u>	<u>30</u>
20	Green <u>procurement</u>	<u>Creating Positive Acts</u> for the Environment	<u>37</u>
21	Participation in <u>community activities</u>	Creating Harmony for the Community	<u>41</u>
22	Charity donation	Creating Harmony for the Community	<u>41</u>
23	Electricity and water conservation	<u>Creating Positive Acts</u> for the Environment	<u>37</u>
24	Sustainable utilization of other resources (e.g. paper and packaging)	<u>Creating Positive Acts</u> for the Environment	<u>37</u>
25	Greenhouse gas and <u>air</u> emissions	<u>Creating Positive Acts</u> for the Environment	<u>37</u>
26	Risks and opportunities from climate change	<u>Creating Positive Acts</u> for the Environment	<u>37</u>
27	Waste disposal and management	<u>Creating Positive Acts</u> for the Environment	<u>37</u>

CREATING VALUE FOR CUSTOMERS

We are committed to becoming a company that can represent the industry in the era of industrial Internet, and believe that our products and services can really help enterprises improve their efficiency.

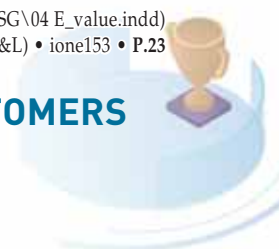
Goal	Method
Meet and forecast customer demands	Continuously carry out innovation
Provide high-quality and reliable services and products	Achieve and exceed service performance targets
Protect personal data	Implement privacy and personal data policies
Maintain high-quality customer services	Promote excellent customer services

COMPLIANCE OF PRODUCTS AND SERVICES

We are fully aware of the importance of ensuring compliance of products and services. 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 mainly appoint our internal legal department and external consultants to regularly monitor the latest applicable laws and regulations, and provide training for employees of relevant departments and enhance internal system construction.

During the Reporting Period, we were not aware of any violation by the Group of laws and regulations in relation to health and safety, advertising, labels, privacy and remedial measures of products and services provided.





TECHNOLOGY RESEARCH AND DEVELOPMENT

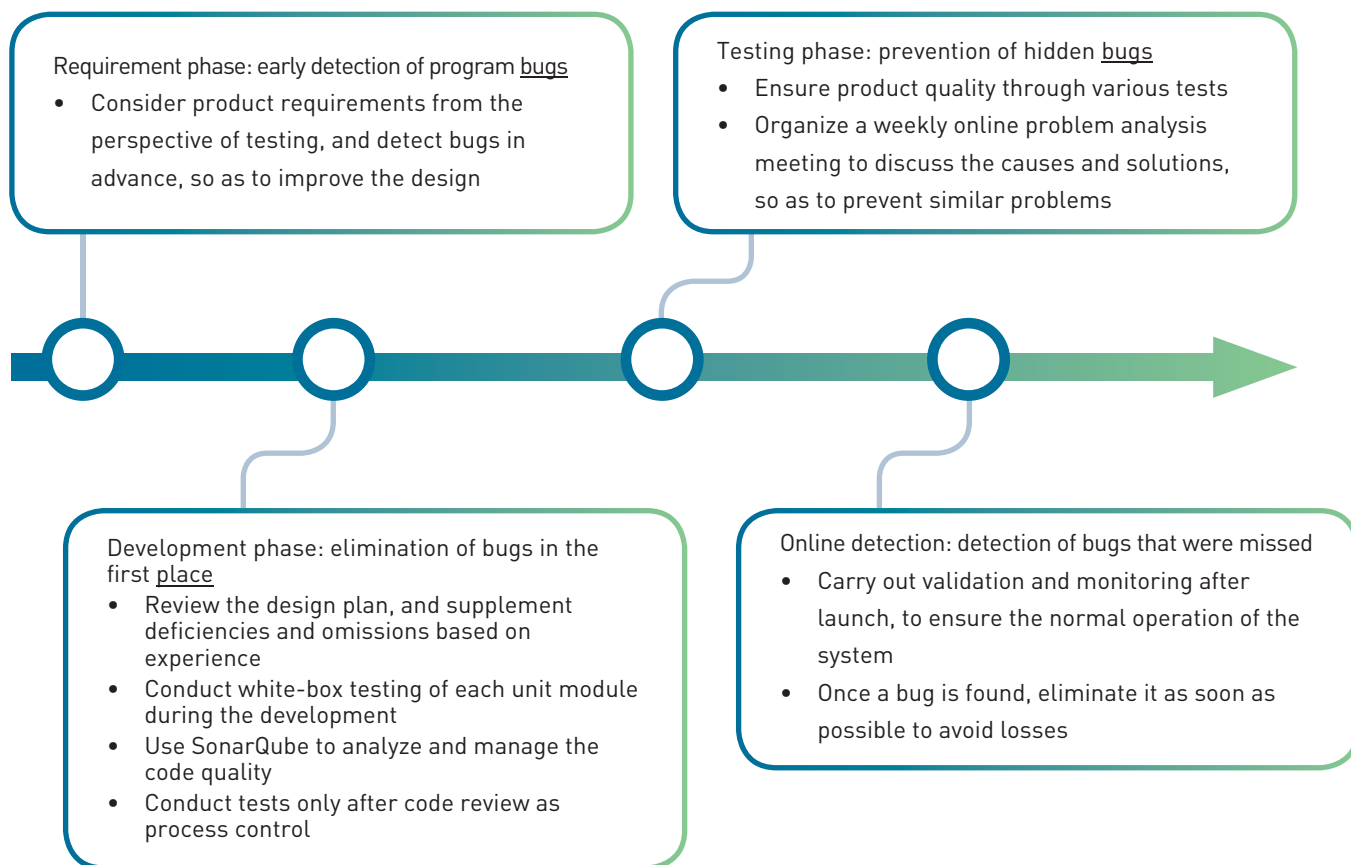
The Group continued to increase its investment in research and development. As of 31 December 2020, the number of employees from our Research and Development Department was 424, accounting for 52.3% of the Group's total employees, and the Group's research and development expenses increased by 21.5% from RMB106.6 million in 2019 to RMB129.5 million in 2020. In order to improve and optimize our algorithms, we appointed Mr. Chen Xiuyi (陳秀義), who has extensive experience in the application of algorithm technology relating to online advertising, as the chief technology officer on 1 April 2020.

Moreover, as at 31 December 2020, we registered 64 trademarks, 80 software copyrights and 16 copyrights of works in Mainland China and Hong Kong.

QUALITY ASSURANCE

The Group is committed to providing excellent customer experience, high-quality products and services, and establishing long-term relationships with customers. We keep improving our work at the demand analysis, research and development and launch phases, so that our customers can have an unprecedented operation experience.

CREATING VALUE FOR CUSTOMERS



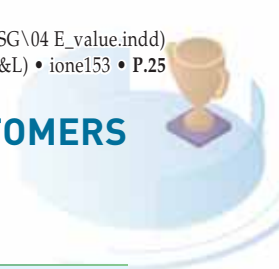
INFORMATION PROTECTION AND SERVICE STABILITY

The stability of networks and systems is crucial to the businesses of the Group, as an Internet service provider.

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, we have strictly complied 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》]. The Privacy Policy and Legal Notice provided to customers clearly specifies the designated use by us of customer information and the measures to protect such data.

For common system and data security risk incidents such as 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, Duiba takes a series of preventive measures to reduce the probability of risk occurrence or the loss after risk occurrence:

CREATING VALUE FOR CUSTOMERS



<p>Regular drill</p>	<p>Regardless of external attacks or other risks, Duiba has a mechanism for drill on a regular basis, usually once a month. 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 certain incentives to employees who do not produce program bugs. Moreover, the cloud server used by us can also help us prevent most distributed denial-of-service (DDos) attacks.</p> <p>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.</p>
<p>Standardized operation</p>	<p>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.</p>
<p>Early warning, monitoring and recording</p>	<p>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.</p>

CREATING VALUE FOR CUSTOMERS

<p>Authorization</p>	<p>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.</p>
<p>Separation of duties</p>	<p>We have 3 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.</p> <p>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.</p>
<p>Server capacity reserve</p>	<p>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 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.</p> <p>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 one hour), higher than the industry level of 99.9%.</p>



CREATING VALUE FOR CUSTOMERS

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 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 from time to time, including job skill and legal <u>regulations</u> training, 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.

CUSTOMER COMMUNICATION AND SATISFACTION

Customer service and satisfaction are the core indicators to measure our service quality. Our business team hears the opinions of our customers and understands their service needs. 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 contact us directly through the customer service channel. Our operation and sales team will also visit customers regularly for exchange and communication with them, and collection of their opinions, so as to further improve our service quality. We handle customer complaints according to the following three principles:



CREATING VALUE FOR CUSTOMERS

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.

The number of complaints received by us in 2020 only accounts for 0.75%* of the total number of inquiries, reflecting our excellent product quality and customer service standards.

* The proportion of complaints is the proportion 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.

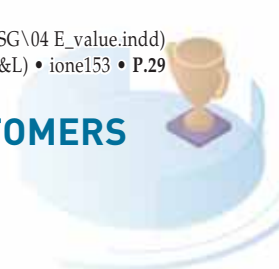
MAINTENANCE OF INTELLECTUAL PROPERTY RIGHTS

We are fully aware of the importance of intellectual property rights to technology innovation. Therefore, we attach great importance to protecting our intellectual property rights, and never allow our infringement of third-party intellectual property rights. The Group strictly 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》). We have formulated the Trademark Usage Management System of Duiba to strengthen the management of intellectual property rights, prevent the use of our platform by other persons and safeguard the reputation and interests of the Group. With regard to materials provided by commercial clients, such as trademarks, we have internal access management and review policies, specifying that any use is subject to the authorization of the cooperator, so as to prevent the materials from being misused or misappropriated.

In order to raise employees’ awareness of protecting intellectual property rights, we have installed on our office computers, legitimate software that is required for our business, and 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”.

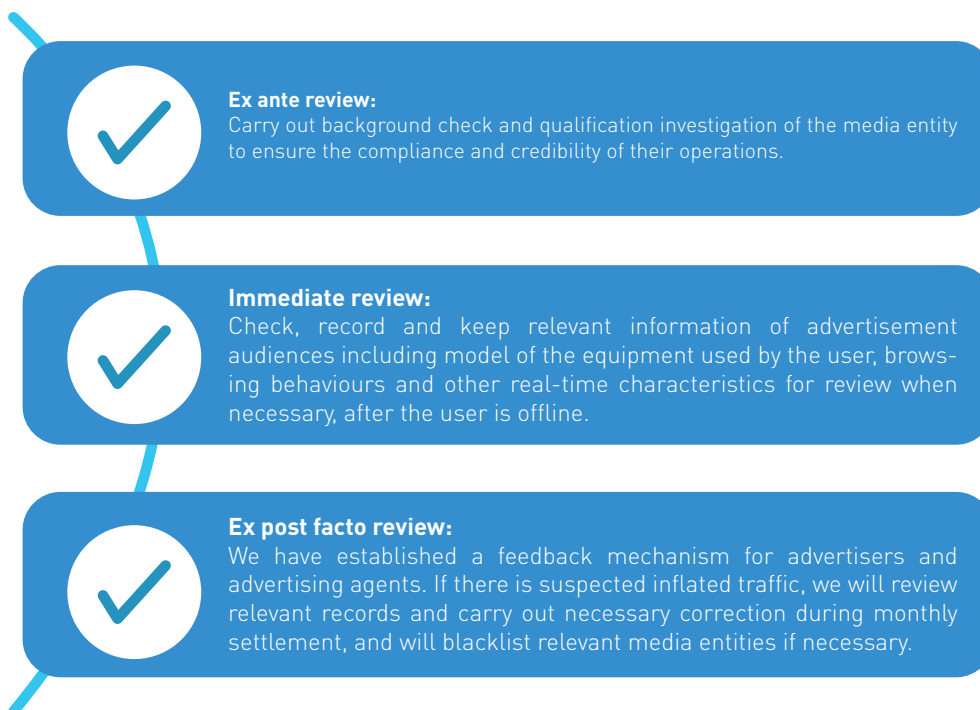




CREATING VALUE FOR CUSTOMERS

SUPPLY CHAIN MANAGEMENT

In order to create a win-win outcome with suppliers, we are determined to extend our moral values and professional integrity to the supply chain. We are an interactive advertising provider, with main suppliers being media. As at 31 December 2020, we cooperated with a total of 7,220 media in the PRC, with the daily advertising page views exceeding 33 million. We have established strict mechanisms and procedures to review, select and monitor cooperative media and traffic:



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 responsibilities and improve their sustainability performance in the supply chain.

ADVERTISING AND PUBLICITY

For our interactive advertising business, we strictly comply with the “Advertising Law of the PRC” (《中華人民共和國廣告法》) and the “Regulations on Control of Advertisement” (《廣告管理條例》), etc. We carefully review 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. As the Group does not produce physical products, regulations on product labeling are not applicable to us.

CREATING IDEALS FOR EMPLOYEES

The success of the Group depends on our excellent talent team. In order to enable the development of employees in a challenging working environment, the Group adheres to the corporate culture of “result-oriented, pro-actively cooperative, innovative, simple, sincere and courageous”, and continuously improves its human resources strategy, and helps employees achieve a work and life balance. Meanwhile, we appreciate and respect multiculturalism, uphold the philosophy of equal employment and create a friendly and inclusive working environment.

Goal	Method
Establish an efficient and vibrant work culture	Improve the remuneration and benefit system, incentivize and retain talents
Concern about the safety and health of employees	Formulate occupational health and safety policies and construct a healthy and safe workplace
Support employee development and retain suitable talents for sustainable development of the Group	Improve promotion policies and training systems
Strengthen the communication between employees and the management to enhance their sense of belonging	Establish a two-way communication mechanism, arrange regular employee activities to promote contact between departments

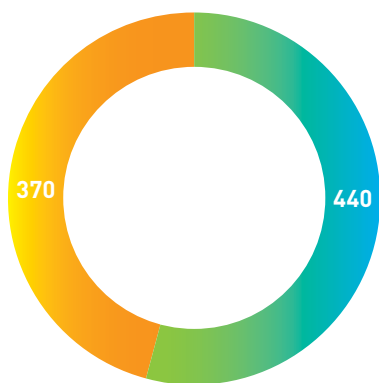
EMPLOYMENT COMPLIANCE

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 sign 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

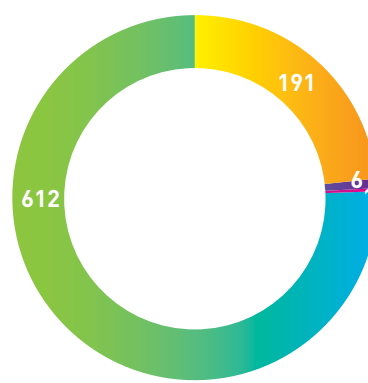
As at the 31 December 2020, our business units employed a total of 810 employees, all of whom worked full-time in Mainland China.

Number of Employees by Gender



Male Female

Number of Employees by Age



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



CREATING IDEALS FOR EMPLOYEES

The overall employee turnover rate is 34%, and all of the separated employees were full-time employees who worked in Mainland China.

By Gender	Male: <u>37%</u>	Female: <u>30%</u>		
By Age	29 or below: <u>34%</u>	30-39: <u>35%</u>	40-49: <u>43%</u>	50 or above: 0%

RECRUITMENT AND RETENTION OF TALENTS

Talents are an essential resource of an enterprise as well as one of the most important core resources for enterprise development. The Group pays attention to its talent pool and sustainability culture. Our project management team comprises senior members with extensive and in-depth experience in technology, product, operation, design and commercial sales. In order to attract and train talents from industries, we continuously strengthen the construction of our talent team through local recruitment, campus recruitment, training, etc. 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 headquarters of the Group in Hangzhou, there are fitness rooms and reading rooms to help employees relax after busy work.



“Summer Huge Gift” for Employees.

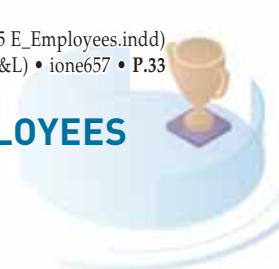
CREATING IDEALS FOR EMPLOYEES

THE SECOND MARATHON OF DUIBA GROUP IN 2020

The second Marathon of Duiba Group was held on a Sunday in November in Dingshan Square, Xianghu. Cold winter did not dampen the enthusiasm of the contestants. We believe that the support and encouragement from family members are essential for each participant in pursuing their objectives in the workplace. Therefore, in addition to the 10 km and 5 km races, we arranged a 3 km parent-child race, so that employees and their family members can have fun on the runway.

As a struggler, we always believe that there will be a return for efforts. After the completion of the races, the president of Duiba presented to the top three contestants, prizes including tablet computers, sound equipment and projectors. On the date of the event, the contestants made great efforts, and our workers earnestly provided pre and post-event supports. Volunteers at every supply station offered ginger tea and cupcakes to contestants for energy replenishment. Moreover, energetic cheerleaders shouted encouragement to the contestants. The contestants did not compete with each other on speed, but helped and encouraged each other, and ran together. A person can run rapidly, but a group of persons can run farther. Like Duiba, a person relies on teamwork and efforts in a team.





PROTECTION OF RIGHTS AND INTERESTS

The Employee Handbook of the Group 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. We advocate a culture of fairness and openness to ensure that employees will not subject to any form of discrimination based on sex, age, race, nationality, marital status and other factors. The Group has adopted a fair and competitive remuneration and benefit system, and the remuneration is calculated and determined based on the qualification, experience, job nature, performance of employees and market conditions. The Group will not dismiss employees without cause. 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 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 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 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.

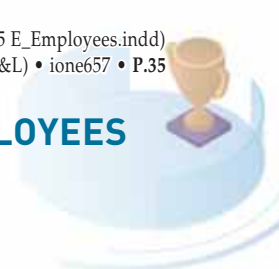
CREATING IDEALS FOR EMPLOYEES

TRAINING AND DEVELOPMENT

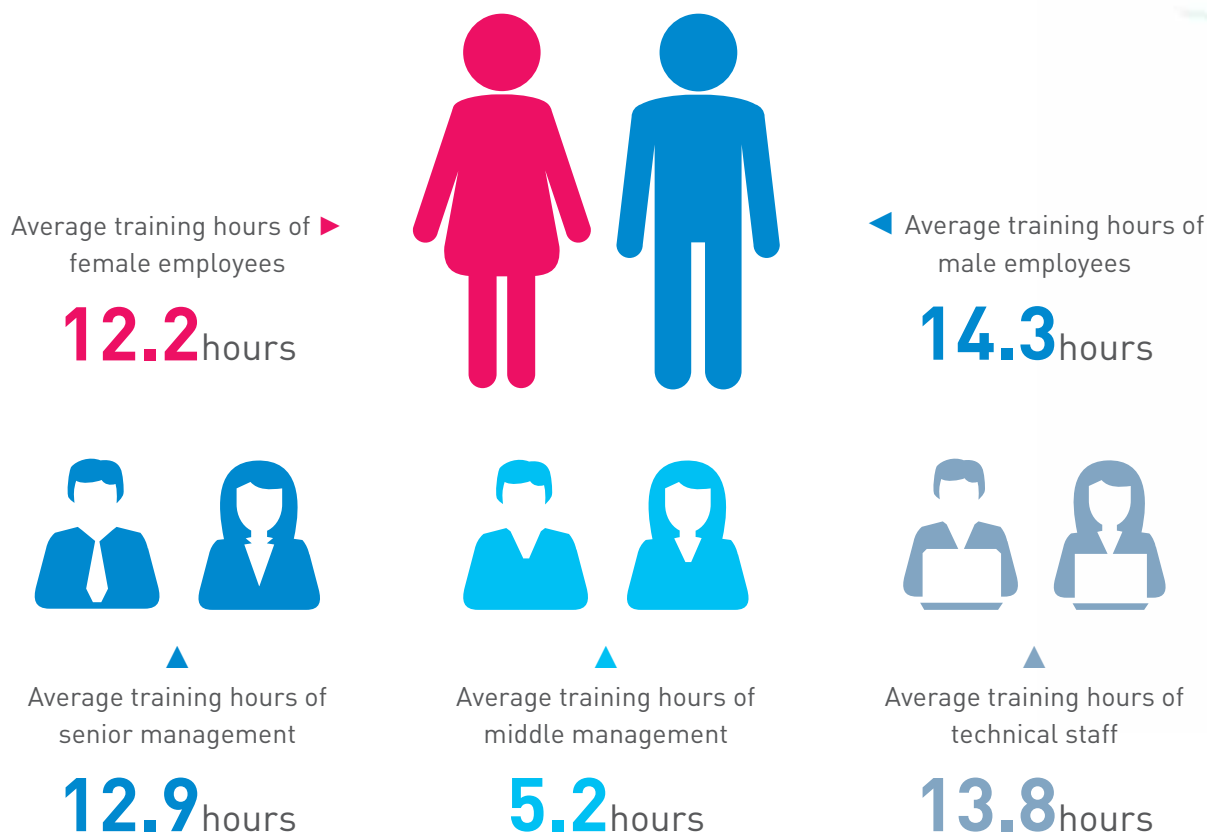
We are convinced that human resources development is the cornerstone of corporate strategy management, and that realizing the potential of each employee plays a crucial role in the long-term business development of the Group. In order to promote the Group's development and results sharing with its employees, the Group actively invests in human resources, and provides diversified training for employees, so as to effectively impart industry and professional knowledge to them, thus improving their skills. During the Reporting Period, our total training hours reached 16,063 hours, and the percentage of employees trained was 100%.



SaaS Training



CREATING IDEALS FOR EMPLOYEES



* Average training hours of employees = the total training hours of employees trained in the category / (the total number of employees in the category as at the end of the Reporting Period + the total number of separated employees in the category during the Reporting Period)

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 in accordance with the “Law of the PRC on the Prevention and Control of Occupational Diseases” (《中華人民共和國職業病防治法》), 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.

CREATING IDEALS FOR EMPLOYEES

Joint Efforts Against the COVID-19 Outbreak

The Group took active measures against the COVID-19 outbreak in 2020 to ensure the safety of its employees. At the height of the outbreak, employees might carry out remote work at home. When our employees returned to the office, we regularly distributed masks, vitamin C and provided shuttle buses for employees. We have a prevention and control desk at the entrance to take the temperature of employees, require them to disinfect hands with alcohol, and ensure that they wear masks.



ANTI-CORRUPTION AND PROMOTION OF HONESTY

We make efforts to maintain the honesty culture of the Group. We 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》). We have formulated appropriate internal and risk control policies and systems, and strengthened anti-corruption practices and employees’ vigilance on conflicts of interest and integrity issues.

The Employee Handbook, the Anti-Bribery and Anti-Corruption Code of Conduct of Employee, the Gift Management Policy and other internal policies specify in detail our requirements for employees’ professional integrity. We have also reduced the risk of corruption and other violations through continuous publicity and education, execution of agreements and whistleblowing e-mail address.

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 enhance employees’ awareness of integrity, the Group arranged two training sessions in integrity for employees by department during the Reporting Period.

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.



CREATING POSITIVE ACTS FOR THE ENVIRONMENT

The Group has been committed to making its business more in line with the principle of sustainability and helping cope with the threat of climate change. We have taken various mitigation and improvement measures in energy conservation, waste management, sustainable use of resources and green information and communication technology solutions, so as to help achieve a low-carbon economy.

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.

Goal	Method
Reduce energy consumption and greenhouse gas emissions	Control and optimize the source of greenhouse gas emissions
Promote responsible waste management	Promote recycling
Assist employees in developing a more environmentally friendly lifestyle	Implement the philosophy of green office

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” (《大氣污染防治法》), the “Water Pollution Prevention and Control Law” (《水污染防治法》), and the “Solid Waste Pollution Prevention and Control Law” (《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.

CREATING POSITIVE ACTS FOR THE ENVIRONMENT

CLIMATE CHANGES AND GREENHOUSE GAS EMISSIONS

Climate change aggravates the risk and frequency of extreme weather events, causing potential risks to our personal safety and environment. As a responsible corporate citizen, we actively improve energy efficiency and make efforts to reduce energy consumption and 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. In order to effectively reduce emissions, we are committed to managing the sources of greenhouse gas emissions and designate special personnel to measure, calculate and analyze greenhouse gas emissions. The Administrative Department regularly evaluates and reviews the quantity and types of main fuels used by the Company, formulates optimization plans to improve the efficiency and results of use, and regularly reports to the sustainability team, and reports to the Board of Directors after summarization.

We have adopted various measures to reduce energy consumption, promote environmental benefits and reduce operating costs. Such measures include the following:

- The use of central air-conditioning equipment is stopped, due to the COVID-19 outbreak;
- 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 at night;
- Employees are encouraged and designated to walk around the office every night and turn off equipment including printers and air conditioners, not in use;
- 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.





CREATING POSITIVE ACTS FOR THE ENVIRONMENT

Environmental KPIs	2020	2019	Unit
Greenhouse Gas			
Total emissions	439.02	464.28¹	tCO ₂ e
Direct emissions (scope 1)	10.54	2.91	tCO ₂ e
Indirect emissions (scope 2)	428.47	461.37¹	tCO ₂ e
Greenhouse gas emissions (scopes 1 and 2) per sq.m. of GFA	79.11	91.48¹	kg CO ₂ e/m ²
Air Pollutants			
Nitrogen oxides (NO _x)	3.29	0.58	Kg
Sulfur oxides (SO _x)	0.06	0.02	Kg
Particulate matter (PM)	0.24	0.06	Kg
Energy			
Total consumption	568.62	584.26	MWh
Electricity	532.53	573.42	MWh
Gasoline	36.10	10.84	MWh
Energy consumption per sq.m. of GFA	102.46	115.12	kWh/m ²

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

Note 2: During the Reporting Period, there was an increase in the fuel consumption and emissions as a result of an increase in the number of business vehicles of the Group.

1 The scope 2 (indirect emissions) data for 2019 are recalculated with reference to the emission factor for purchased electricity in Mainland China newly included in How to Prepare an ESG Report published by the Stock Exchange.



CREATING POSITIVE ACTS FOR THE ENVIRONMENT

WASTE AND WATER RESOURCE MANAGEMENT

Our business operations do not involve factory production, the use of large quantities of natural resources, the generation of hazardous waste, or product packaging. Our use of resources is mainly 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. Moreover, we advocate waste sorting for recycling. Waste sorting bins are subject to the latest waste sorting standard of Hangzhou and provided beside the seats of employees, so that they may easily sort and discard waste. In the Employee Handbook and during orientation training of employees, the requirement on waste sorting is specified, so that they will contribute to environmental protection.

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; and
- Through network and electronic technology operation, the paperless office philosophy is implemented as far as possible.

Environmental KPIs	2020	2019	Unit
Non-Hazardous Waste			
Total non-hazardous waste produced	29.50	32.41	Tonnes
Total non-hazardous waste disposed	17.50	20.61	Tonnes
Total non-hazardous waste recycled	12.00	11.80	Tonnes
Non-hazardous waste per sq.m. of GFA	5.31	6.39	kg/m ²
Water Consumption			
Total water consumption	4,721.00	4,729.08	m ³
Water consumption per sq.m. of GFA	0.85	0.84	m ³ /m ²

Note 3: The above data only cover the Group's principal place of business in Hangzhou





CREATING HARMONY FOR THE COMMUNITY

Under the philosophy of “serving the people and giving back to society”, the Group actively sought opportunities of giving back to society, in order to create a better living environment for local communities.

Goal	Method
Support the disadvantaged communities	Actively participate in community service
Promote the industry development	Organize industry activities

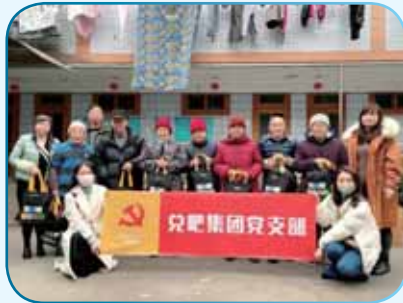
During the COVID-19 outbreak, after purchasing materials through its channels, the Group donated to the Red Cross Society of China, masks, disinfectants, medical gloves, etc., amounting to RMB12,250. In addition, in response to the national call, the Group provided support for teaching in mountain villages by designating the “Candlelight” voluntary teaching team with teaching materials to exchange with the students for 14 days in Ma`ao Primary School in Shenzhen Town, Ninghai County, Ningbo City, Zhejiang Province and established a profound friendship with them. The Group believes that participation in community activities plays an important role in the long-term development of the Group. Through different activities, the Group can develop a culture of participating in community work and giving back to the society. The Group will always pay attention to those in need and spare no effort to promote the development, education and construction activities of the communities where the Group operates.



CREATING HARMONY FOR THE COMMUNITY

Giving Warmth – A Visit to Elderly Apartment

As the winter was approaching, in order to further carry forward the Chinese traditional virtues of respecting and caring for the elderly, the party branch of Duiba Group carried out the activity with the theme of “Giving Warmth” in Gudang Elderly Apartment, where it gave the elderly “Gifts of Love” from Duiba Group, including winter items, so that the elderly could feel the warmth of society.



The Star-Studded Technology Salon 2020 of Duiba Group Was Successfully Held

During the Reporting Period, the Group held a technology salon, which was a sharing activity, at its headquarters in Hangzhou. Six technical experts from Alibaba, Netease and Youzan were invited to share their technical experience and cutting-edge technology in their respective fields on the spot. In addition to the employees of the Group, we invited Zoom, Hunliji (婚禮紀), Kuaishou (快手) and other industry peers for exchange. The salon was based on the philosophy of “openness and co-creation”, while Duiba served as a communication bridge to gather persons who were interested in relevant technologies to exchange and share with each other, so that they could reap the rewards and were inspired.





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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.		<u>Creating Positive Acts for the Environment</u>	<u>37-40</u>
KPI A1.1	The types of emissions and respective emissions data.	<u>Creating Positive Acts for the Environment</u> – Climate Changes and Greenhouse Gas Emissions	<u>38-39</u>
KPI A1.2	Greenhouse gas emissions in total and intensity.	<u>Creating Positive Acts for the Environment</u> – Climate Changes and Greenhouse Gas Emissions	<u>38-39</u>
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.	<u>Creating Positive Acts for the Environment</u> – Waste and Water Resource Management	<u>40</u>
KPI A1.5	Description of measures to mitigate emissions and results achieved.	<u>Creating Positive Acts for the Environment</u> – Climate Changes and Greenhouse Gas Emissions	<u>38-39</u>
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	<u>Creating Positive Acts for the Environment</u> – Waste and Water Resource Management	<u>40</u>

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Aspect A2: Use of Resources			
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		<u>Creating Positive Acts for the Environment</u>	<u>37–40</u>
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	<u>Creating Positive Acts for the Environment</u> – Climate Changes and Greenhouse Gas Emissions	<u>38–39</u>
KPI A2.2	Water consumption in total and intensity.	<u>Creating Positive Acts for the Environment</u> – Waste and Water Resource Management	<u>40</u>
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	<u>Creating Positive Acts for the Environment</u> – Climate Changes and Greenhouse Gas Emissions	<u>38–39</u>
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	<u>Creating Positive Acts for the Environment</u> – Waste and Water Resource Management	<u>40</u>
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.		<u>Creating Positive Acts for the Environment</u>	<u>37–40</u>
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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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.		Creating Ideals for Employees – <u>Recruitment and Retention of Talents, Employment Compliance</u> and Protection of Rights and Interests	<u>30-33</u>
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Creating Ideals for Employees – <u>Employment Overview</u>	<u>30-31</u>
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Creating Ideals for Employees – <u>Employment Overview</u>	<u>30-31</u>
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.		<u>Creating Ideals for Employees – Occupational Health and Safety</u>	<u>35-36</u>
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.	<u>Creating Ideals for Employees – Occupational Health and Safety</u>	<u>35-36</u>

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Aspect B3: Development and Training			
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities		Creating Ideals for Employees – Training and Development	<u>34–35</u>
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	<u>Not disclosed during the Reporting Period, the Group targets to provide such data next year</u>	<u>N/A</u>
KPI B3.2	The average training hours completed per employee by gender and employee category.	Creating Ideals for Employees – Training and Development	<u>34–35</u>
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 issuer relating to preventing child and forced labour.		Creating Ideals for Employees – Child and Forced Labour	<u>33</u>
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Creating Ideals for Employees – Child and Forced Labour	<u>33</u>
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Creating Ideals for Employees – Child and Forced Labour	<u>33</u>
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure Policies on managing environmental and social risks of the supply chain.		<u>Creating Value for Customers – Supply Chain Management</u>	<u>29</u>
KPI B5.1	Number of suppliers by geographical region.	<u>Creating Value for Customers – Supply Chain Management</u>	<u>29</u>
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.	<u>Creating Value for Customers – Supply Chain Management</u>	<u>29</u>



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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 Value for Customers	<u>22–29</u>
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 Value for Customers – Customer Communication and Satisfaction	<u>27–28</u>
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Creating Value for Customers – Maintenance of Intellectual Property Rights	<u>28</u>
KPI B6.4	Description of quality assurance process and recall procedures.	Creating Value for Customers – Quality Assurance	<u>23–24</u>
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Creating Value for Customers – Information Protection and Service Stability	<u>24–27</u>

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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.		Creating Ideals for Employees – Anti-corruption and Promotion of Honesty	<u>36</u>
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.	Creating Ideals for Employees – Anti-corruption and Promotion of Honesty	<u>36</u>
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	<u>41–42</u>
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Creating Harmony for the Community	<u>41–42</u>
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Creating Harmony for the Community	<u>41–42</u>

