Weimob 微盟

WEIMOB INC.
微盟集團*

(Incorporated in the Cayman Islands with limited liability)
（於開曼群島註冊成立之有限公司）

Stock Code 股份代號：2013

Environmental, Social and Governance Report
環境、社會及管治報告
2019

Making Business More
Intelligent
讓商業變得更智慧

CONTENTS

ABOUT THE REPORT

Weimob Inc. (stock code: 2013, the "Company") hereby issues the second Environmental, Social and Governance Report (the "Report") of the Company and its subsidiaries (collectively the "Group", "Weimob" or "we") to demonstrate our practices and performances regarding environmental, social and governance ("ESG") areas to all stakeholders.

REPORTING SCOPE

The Report covers the Company and its subsidiaries. The reporting period is from 1 January 2019 to 31 December 2019 (the "Reporting Period"). The key performance indicators ("KPIs") in environmental area disclosed in the Report are applied to our main offices in Shanghai, Hefei and Beijing. During the Reporting Period, the expanding scale of our Beijing office had caused greater impact on the environment and was thus included in this report herein. Apart from this, this report made no significant adjustment to the reporting scope compared with the 2018 ESG report released on 24 July 2019.

REFERENCE

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Guide") in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEX"). The Report is presented in compliance with the disclosure requirement of "comply or explain" in "ESG Guide" and explains the inapplicable disclosure provisions.

The Report is presented according to the following reporting principles:

➢ **Materiality**: The Group identified key ESG issues through stakeholder engagement and materiality assessment, which has been disclosed in this Report;

➢ **Quantitative**: Information on the standards, methodologies and source of conversion factors used for the reporting of emission and energy consumption has been disclosed in this Report;

➢ **Consistency**: In addition to the expanded coverage of environmental KPIs, statistical methodologies and KPIs are consistent with those of previous years.

REPORT AVAILABILITY

The Report is available in electronic version, which can be viewed or downloaded on the Company's official website (https://www.weimob.com) and the HKEXnews website (http://www.hkexnews.hk).
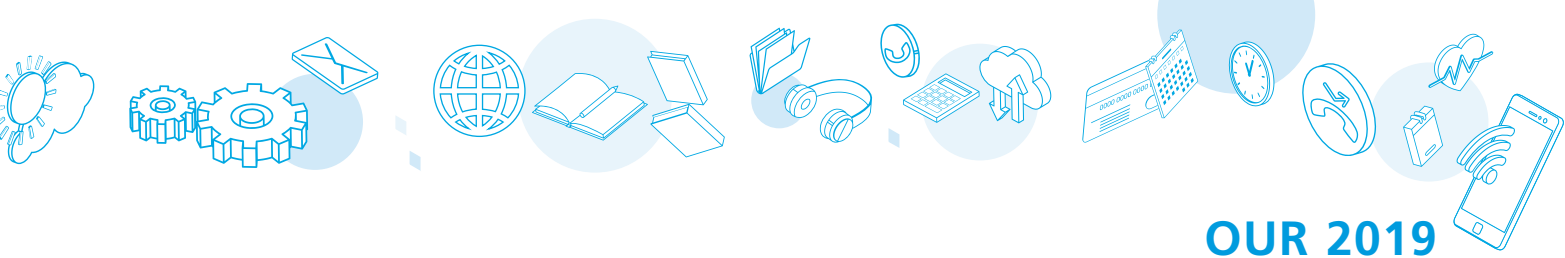
- "2019 SOFT6.COM SaaS Influential Enterprise"

- "Official Partner of Tencent Smart Retail"

- "Best Partner for Regional and Medium to Long Tail Channels in 2019" of Tencent Ads

- "2019 Top 20 Retail Digital Service Providers" and "2019 Top 20 Catering Service Providers" by IYIOU.COM

- "2019 iResearch Awards – Best Innovative Platform Award"

- "2019 ifenxi · China Top 100 Science and Technology Innovation Enterprises"

- "China Top 50 Retail Innovation Enterprises"

- "WISE 2019 King of the New Economy in Consumption Sector – King of New Retail" by 36Kr

- "2019 Most Influential Innovation Enterprise Award in Enterprise Service" by Lieyunwang

- "2019 Enterprise Service Platform for New Industrial Economy" by Zncaijing

- "2019 Most Valuable Smart Retail Platform" by Feifan Capital

- "2019 EBRUN Top 30 in New Services of Future Retail"

1 RESPONSIBLE GOVERNANCE

1.1 COMPANY PROFILE

Weimob Inc. was founded in April 2013, and successfully listed on the main board of Hong Kong Stock Exchange in 2019. Currently Weimob has over 3,900 employees, 1,600 channel partners, and 3.5 million registered merchants. Weimob is the leading provider of cloud-based commerce and marketing solutions and targeted marketing services on Tencent's social networking service platforms for SMBs in China.

Weimob empowers digital transformation for SMBs through decentralized, intelligent business solutions. Through our Commerce Cloud, Marketing Cloud and Sales Cloud offerings, Weimob has established a cloud-based ecosystem to provide comprehensive intelligent business services. Currently, Weimob's products include: Wei Mall, Smart Retail, Smart Restaurant, Ke Lai Dian, Smart Hotel, Smart Leisure, Smart Beauty, Sales Pusher, Wei Station, and Marketing Assistant. Weimob is helping its merchants improve operational efficiency and profitability in the new retail era through these solutions. In the targeted marketing segment, Weimob provides one-stop marketing solutions combining technologies such as big data, intelligent algorithms, and marketing automation with premium media resources. Meanwhile, Weimob Cloud Platform has attracted third-party developers and established a cloud ecosystem to provide more application choices and better services to merchants by sharing the technical capabilities of Weimob's core products.
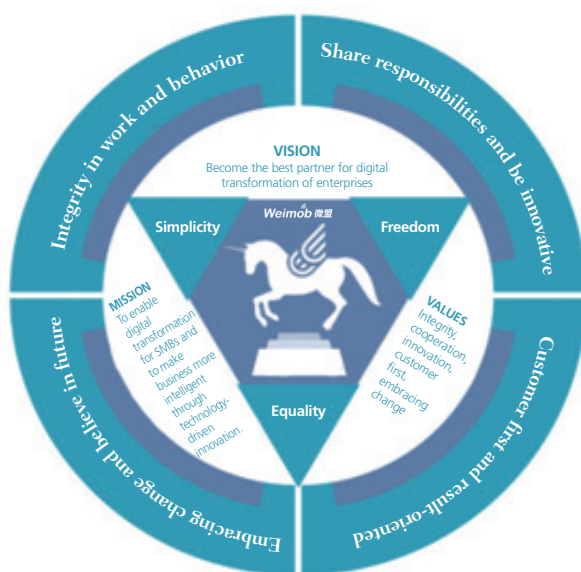
Weimob Corporate Culture Model

In 2019, we launched a new round of strategic upgrade and organizational structure upgrade, established an intelligent business career group and an intelligent marketing career group. At the same time, we also focused on the intelligent business ecosystem strategy, continuously catered to user needs and market changes, strengthened our investment in product research and development, provided better products and more professional services, and deepened our connection with merchants, advertisers and partners, which contributed to the sustained growth of our two core businesses, namely SaaS products and targeted marketing.

Looking forward to 2020, we will take the digital transformation of enterprises as our core strategy, continuously expand our cloud service offerings, strengthen the monetization of existing customers, enhance cooperation with Tencent and other decentralized platforms, build an open and cooperative ecosystem of Weimob Cloud Platform, explore more strategic cooperation and acquisition opportunities, and persist in empowering business through the decentralization.
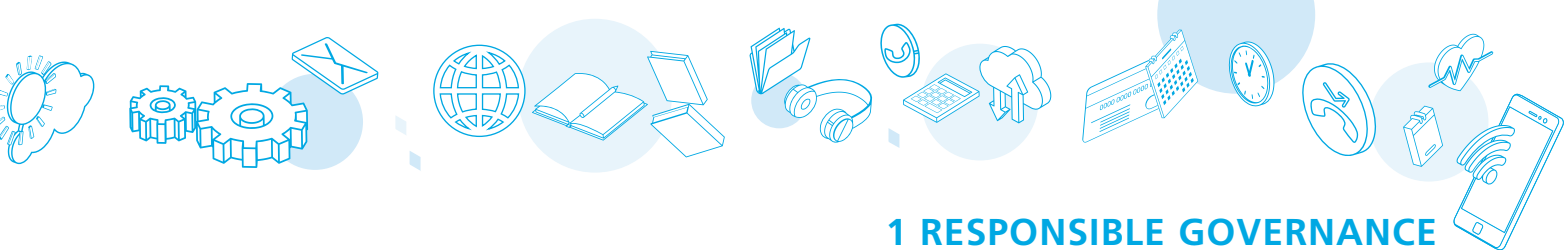
1.2   ORGANIZATION STRUCTURE

Knowing well the importance of improving our environmental and social benefits for sustainable operations, we have incorporated environmental, social and governance ("ESG") risk and opportunity factors into our business strategies to guide daily operations.

We established an ESG management system with clarified management functions and responsibilities at all levels. We carry out specific work through the ESG working group and help the Board of Directors (the "Board") understand our ESG risks and performance in a timely manner, to better incorporate ESG factors into company planning and daily operations.

- The Board is the highest decision-making body supervising Weimob ESG activities and assumes full responsibility for ESG strategies and reporting. The Board is responsible for formulating ESG management approach and strategy, including evaluating, prioritizing, and managing material ESG-related issues and their risks to the Company's business. The Board regularly reviews the Group's ESG performance and approves annual ESG report;

- The management is responsible for assigning specific work to ESG working group based on the approach and strategy formulated by the Board. The management reports ESG-related risks and opportunities and submits the Group's annual ESG performance and ESG report to the Board;

- The ESG working group is composed of heads of each functional department. Specific person is designated to perform daily ESG work, prepare annual ESG report. The working group reports daily ESG performance to the management, collects information and data to complete and submit annual ESG report to the management.

1 RESPONSIBLE GOVERNANCE

1.3 STAKEHOLDER ENGAGEMENT

Through different communication mechanisms, we established close relationship with key stakeholders including government, shareholders, employees, consumers, business partners, environment and community, actively responding to their expectations and requirements for Weimob.
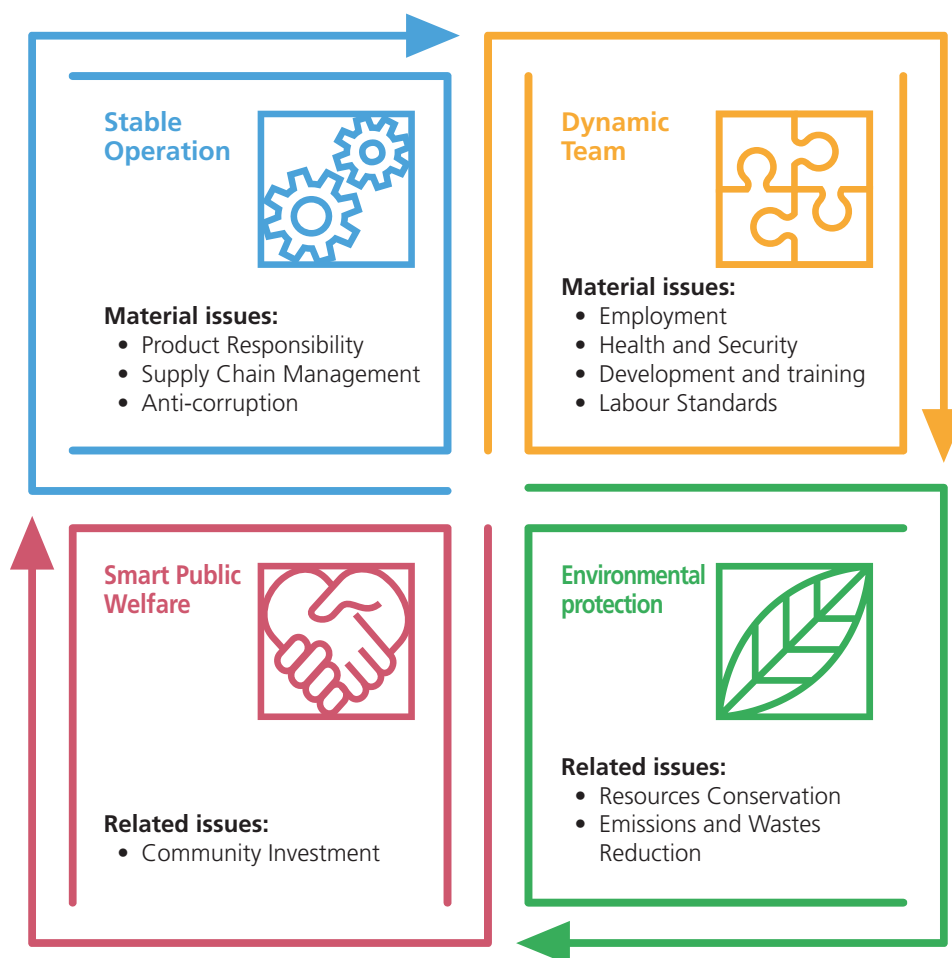
Stakeholders	Expectations and Requirements	Communication Mechanism
Government	• Law and discipline observation • Tax payment in accordance with laws • Support for local development	• Daily management • Conferences • Supervision and inspection
Shareholders	• Return to shareholders • Information disclosure • Investor relations • Corporate governance • Risk control	• General meeting of shareholders • Information disclosure • Activities promoting investor relations
Employees	• Salaries and welfare protection • Good working environment and development platform • Fair opportunity for promotion and development	• Two-channel career development system • Performance appraisal management measures • Employee activities • Democratic communication Weimob-Chat • Weimob College • Healthy and safe working environment
Consumers	• High quality products • Quality services • Protection of consumer rights and interests	• Contract performance • Customer service centre specifications • Customer satisfaction survey
Business partners	• Fulfilment of promises • Procurement in an equal, open and fair manner • Win-win development	• Compliant procurement • Contract fulfilment
Environment	• Environmental protection • Protect ecological balance	• Reduction in emissions and wastes • Energy conservation and waste reduction
Community	• Improvement of community environment • Support for community welfare	• "Internet + Philanthropy" public welfare platform
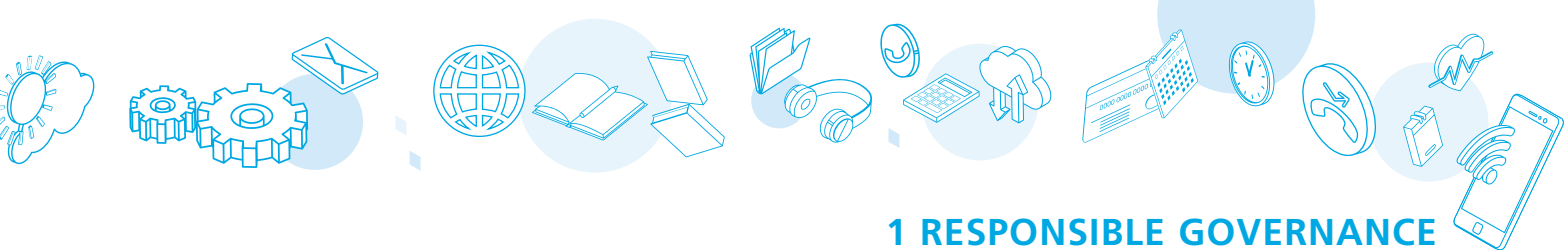
1.4 MATERIALITY ASSESSMENT

In accordance with the *ESG Guide*, we constructed an ESG materiality assessment model, and conducted a materiality assessment through internal questionnaire survey and communication with external shareholders to identify material issues. We disclose and respond to these material issues in the Report.

Stable Operation

Material issues:
- Product Responsibility
- Supply Chain Management
- Anti-corruption

Dynamic Team

Material issues:
- Employment
- Health and Security
- Development and training
- Labour Standards

Smart Public Welfare

Related issues:
- Community Investment

Environmental protection

Related issues:
- Resources Conservation
- Emissions and Wastes Reduction

2 OUR STABLE OPERATION

2.1 PRODUCT INNOVATION

We have taken the development opportunities brought by smart business and maintained our leading position in the market of SME cloud business and targeted marketing. We have made continuous efforts to cater to changing user needs and markets, for which, we strengthened product R&D input to further diversify and improve efficiency of both products and services with strong R&D strength and outstanding technical R&D teams, in an effort to deepen the connection with merchants, advertisers and partners.

62,000 deals

99.9%	**30,000**	**<200 ms**
System available	**Deals processed per second**	**Average response time**

In 2019, we made breakthrough progress in both SaaS products and targeted marketing business.

➢ SaaS Products

In terms of SaaS products, our Commerce Cloud products are oriented towards social e-commerce, smart retail, smart catering, smart hotel, local life and other verticals, providing a complete one-stop solution.

- **Social e-commerce:** we have launched Mini Programs for distribution market and live broadcasting, thereby establishing distribution networks and live broadcasting selling platforms for enterprises, and expanding their sales channels; we launched Zhiketui, which is deeply linked with our targeted marketing business, reduces steps of e-commerce advertisers to create transactions, and enables merchants to quickly sell goods through advertising.

- **Smart retail:** we also carried out strategic cooperation with Demo Network, a digital retail CRM service provider, to deeply integrate Weimob smart retail solutions' digitalization capabilities and Demo's membership marketing capabilities to form an integrated solution of "Mini Program + member + shopping guide".

- **Smart catering:** our Smart Restaurant products, which are based on decentralized business model, provide catering enterprises with one-stop smart catering solutions such as membership marketing, meal ordering, payment and food delivery, helping them accumulate members and build private domain traffic; we strengthened our arrangements for Mini Programs for food delivery, and formed the comprehensive strategic arrangement of "agent operation + Yun Xiao Dian + Yun Guan Jia + business school", in order to serve catering brands in all aspects of "product – service – empowerment". We provided an integrated solution of "full domain membership + private domain traffic" in four scenarios, i.e. to home, to store, en route and takeout, and helped merchants establish their own Mini Programs for food delivery.
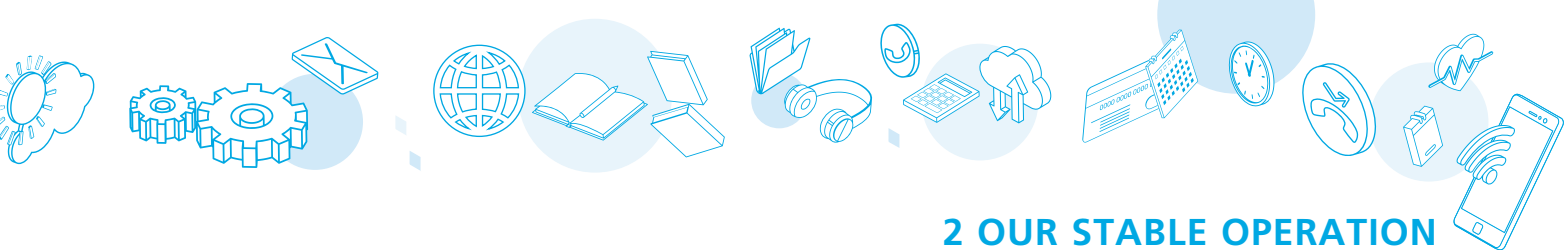
- **Smart hotel and local life:** our Smart Hotel products provide hotel merchants with WeChat direct sales solutions, including online room booking, online mall, membership marketing and other services; our Ke Lai Dian products have the core functions of online reservation, membership management and periodic pay-per-use card. We continuously improved our products and marketing capacity, thus fully meeting the digital transformation needs of merchants who engaged in local life businesses including beauty, leisure and fitness, and helping stores increase revenue.

Join up with well-known independent software vendors (ISV) to empower omni-channel scenarios

In 2019, Weimob Cloud, the developer cloud platform of Weimob, launched the "Alliance Program" targeting at realising "omni-channel and omni-scenario system data access". The program united well-known ISVs to achieve system integration of orders, products, membership, marketing and service centering on Weimob SaaS products including Wei Mall, Smart Restaurant, Smart Retail, Kei Lai Dian, opening up multi-channel resources to better serve millions of Weimob merchants and improve the efficiency of store operations.
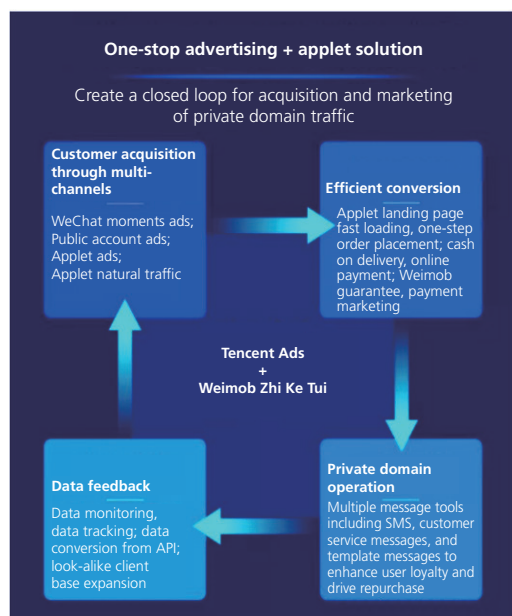
At the same time, Weimob Cloud has launched a series of support policies, such as providing product profiles and integration guidance, holding Weimob Day and various tours, etc., to help ISVs to successfully complete the integration and get more marketing resources after the launch of service, reaching out to numerous Weimob merchants and jointly driving product sales.
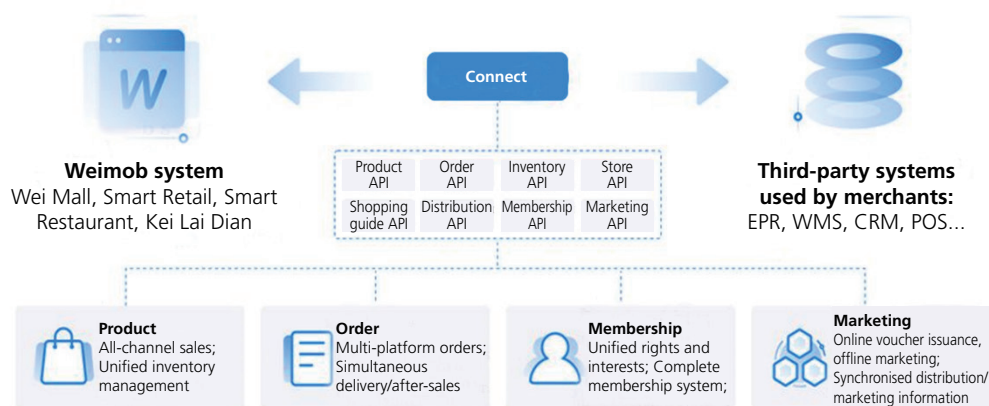
> **Targeted marketing**

In terms of targeted marketing, we have developed in-depth cooperation with Tencent Ads in many other aspects. Both parties have jointly launched the "Tencent – Weimob Plan" to empower DTC (Direct to Customer) e-commerce and have established the first regional marketing service center authorized by Tencent at Shanghai headquarters of Weimob. In addition, we have strengthened cooperation with more media traffic providers to improve our traffic supply. We have established a short video center, which firmly ensures creative delivery of short video advertisements by advertiser.

2 OUR STABLE OPERATION

One-stop advertising + applet solution

Create a closed loop for acquisition and marketing of private domain traffic

Customer acquisition through multi-channels

WeChat moments ads;
Public account ads;
Applet ads;
Applet natural traffic

Efficient conversion

Applet landing page fast loading, one-step order placement; cash on delivery, online payment; Weimob guarantee, payment marketing

Tencent Ads + Weimob Zhi Ke Tui

Data feedback

Data monitoring, data tracking; data conversion from API; look-alike client base expansion

Private domain operation

Multiple message tools including SMS, customer service messages, and template messages to enhance user loyalty and drive repurchase

Tencent – Weimob Plan

In 2019, we joined up with Tencent Ads to launch the "Tencent – Weimob Plan", an integrated promoting program centering on applets that combines the traffic advantages and targeted marketing function of Tencent Ads with Weimob SaaS service and payment systems embedded with performance monitoring and guarantee functions, to support e-commerce merchants to complete the construction and in-depth operation of private domain traffic.

2.2 CUSTOMER SERVICE

We, based on the core values of mobile social network, have realised a strategic integration of software development, advertising and marketing, e-commerce, finance, investment and big data in cross-functional field to create an intelligent business service ecosystem, forming a sales network all over the country and possessing a huge and rapidly growing customer base. We continuously build our service capabilities to become the ideal partner of our clients. We took the following measures to enhance the customer service:

✓ *Specifications on Weimob Customer Service Centre* is in place to manage service attitude, language courtesy, customer waiting, expression ability, understanding and listening, etc.;

✓ *Specifications on Weimob Customer Success Department* was put into effect. It requires that employees should record customers' product requirements, service complaints, and BUG feedbacks within stipulated time, submit relevant work orders, follow up and feedback to customers the progress of the work orders, and notify them of the updated content and whatever they should pay attention to;

✓ *Customer Satisfaction Sampling Policy* was instituted, which demands that employees should track customers' requirements in real time, throughout the closed cycle from pre-sales to after-sales, to ensure timely response to customers' feedbacks;

✓ Special teams are designated to deal with customer complaints in accordance with the standard procedure for customer complaint handling;

✓ Monthly surveys on customer satisfaction for after-sales services in accordance with the *Weimob Standards for After-Sales Satisfaction Survey* was conducted, and corresponding measures to improve customer satisfaction based on the survey results were taken.
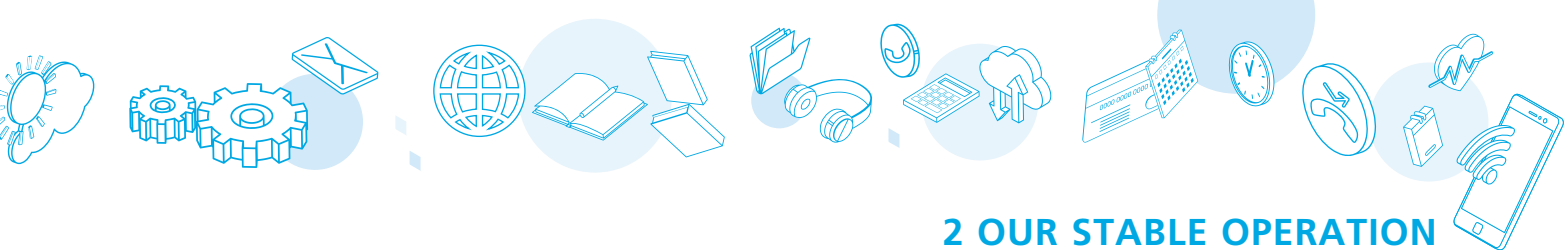
In 2019, our after-sales satisfaction was 98% and customer service satisfaction was 97%.

Weimob products and services have been undergoing rapid updates and iterations. To help new customer service staff better understand products and services, we provide regular trainings on product and service knowledge, to improve their business capabilities of providing customers with the latest and most complete product and service information.

New employee training on product knowledge for Smart Retail shopping guide

To help new employees better familiarise with Weimob Smart Retail business, the customer service centre gave new employees a training on product knowledge for Smart Retail shopping guide in December 2019.

We regard the data privacy of merchants and their consumers as confidential information of the Company. In terms of management, we established an independent information security department to manage user data; we sign the user data authorization agreements with our merchants in compliance with applicable laws and regulations in the People's Republic of China, and inform them about the purpose, scope and methods of information collection and use, with which we always conform; we have not sold or illegally provided such personal information we have accumulated to any third parties. In terms of technology, we have adopted a range of security measures, including but not limited to enforcing encrypted data transmission and storage, conducting data classification management, applying strict management policies on user data access and usage, to safeguard the data we have accumulated and stored. Accredited Grade Three of the Graded Protection of National Network Security, we boast reliable information and infrastructure security capabilities and strive to protect user privacy to the full extent.

In addition, we also organise law trainings for relevant personnel to teach the latest cybersecurity management regulations to improve their cybersecurity awareness. In 2019 when the *Interpretation on Several Questions Concerning the Application of Law in Handling Criminal Cases Such as Criminal Use of Information Networks, and Assisting in Criminal Information Network Activities* (the "Interpretation") was passed and implemented, we organised a training hereof to teach the background and purpose of the Interpretation and explain the content involved through case study, communicating relevant legal knowledge to our employees.

2 OUR STABLE OPERATION

2.3 BUSINESS PARTNERS

Our major suppliers are media publishers and suppliers of cloud computing servers, bandwidth, advertising, logistics and payment services. We continue to strengthen cooperation with Tencent and other platforms, and at the same time, we are also constructing our own service provider and partner ecosystem to jointly provide better services to merchants. While achieving win-win cooperation, we also pay close attention to the environmental and social risks of the supply chain, for which, we have established a standardised supplier management mechanism that gives priorities to partners with social responsibility and sustainable development. We also work with suppliers to improve environmental and social performance to achieve co-existence and sustainable development in the era of industrial Internet.

We strictly comply with and require suppliers to comply with relevant laws and regulations, including but not limited to the *Bidding Law of the People 's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China and the Interim Provisions on Banning Commercial Bribery*. Conventional terms of anti-commercial bribery are attached in our contracts with suppliers. We sign the Commitment Letter of Anti-commercial Bribery with suppliers, banning commercial bribery of any kind and safeguarding the legitimate rights of both parties.

2.4 COMPLIANCE MANAGEMENT

➢ Responsible marketing

We stipulate that logos, colours, combination of logos should be in line with the requirements in *Weimob Visual Identity System Handbook* to ensure the consistency of brand identity.

While undertaking advertising business, companies of Weimob strictly comply with relevant laws and regulations, including but not limited to the *Advertising Law of the People 's Republic of China, Regulations on Control of Advertisement and Provisions on the Administration of Advertisement Publishing*. They review their services on advertising consulting, advertising planning, advertising production and advertising management, etc. in accordance with the requirements on verification of advertisers' qualification, advertisement content and double-check mechanism stipulated in the *Weimob Advertising Compliance Guidelines*.

We have also formulated the *Standards for Risk Control Review*, which includes various Internet banned words, and organised relevant trainings to strengthen the identification ability of risk control reviewers.

Internal control training for risk control reviewers

In November 2019, we organised a training on "Discussion and Communication on Internet Banned Words List", a total of 8 people participated in this training.
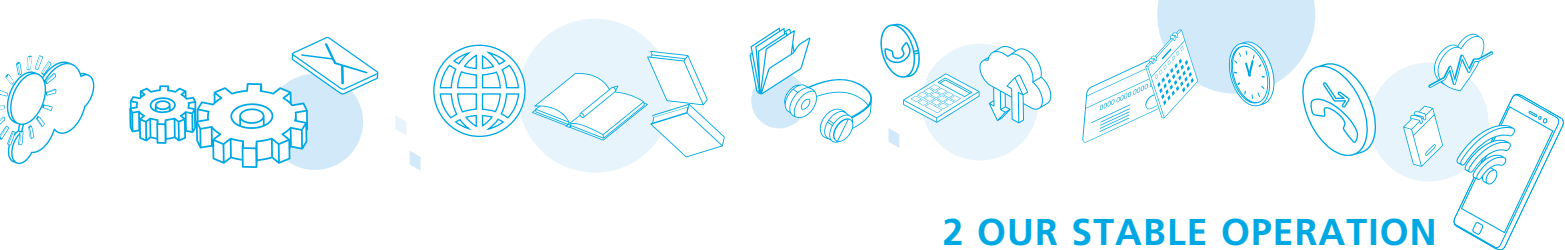
➢ **Intellectual property protection**

As a knowledge-driven enterprise, we put intellectual property protection high on our agenda. In compliance 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 China, Copyright Law of the People 's Republic China* and the *Anti-Unfair Competition Law of the People's Republic of China*. We established the *Weimob Intellectual Property Management Policy*, including the *Patent Management Policy, Trademark Management Policy* and *Software Copyright Management Policy*, etc., to effectively manage intellectual property. We properly record work relating to intellectual property; identify the attribution of results of intellectual property creation activities; implement the confidentiality, protection and commitment systems of intellectual property, to safeguard our legitimate rights and interests in intangible assets.

➢ **Anti-corruption**

In compliance with relevant laws and regulations, including but not limited to the *Company Law of the People's Republic of China* and the *Anti-Money Laundering Law of the People's Republic of China,* etc. we formulated the *Weimob Integrity Management Policy* to prevent bribery, extortion, fraud and money laundering. In the Employee Handbook, Weimob insists that employees should be strict and honest with themselves and never ask for kickbacks or receive gifts from clients or external parties by any means.

Internally and externally, we encourage reporting violations and breaches and set up unimpeded reporting channels accordingly:

• Internal employees are encouraged to report any illegal behaviors of suspicion through internal employee groups or direct contact with management;

• External partners are encouraged to report inappropriate behaviors of our employees to us via reporting hotline on the Group's official website and will be rewarded after verification.

Moreover, we give regular and irregular anti-corruption trainings to reinforce the integrity of employees and create a self-disciplined and honest business environment.
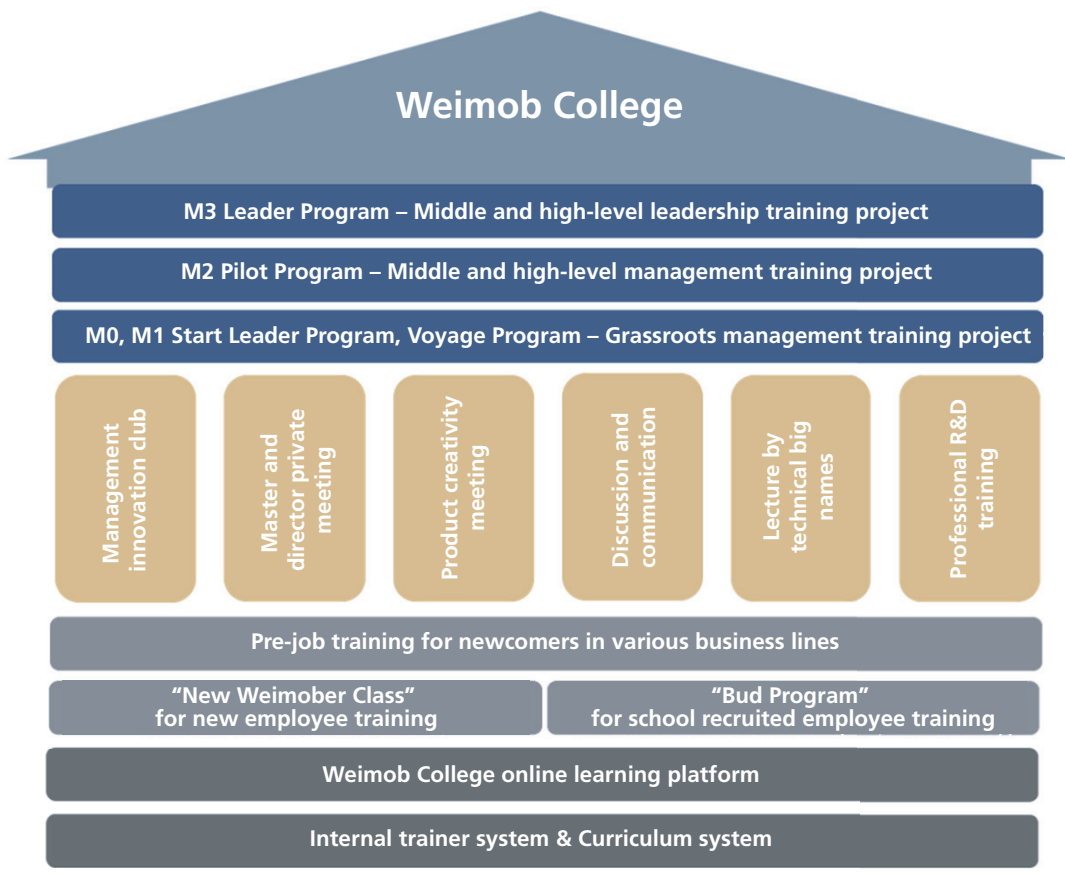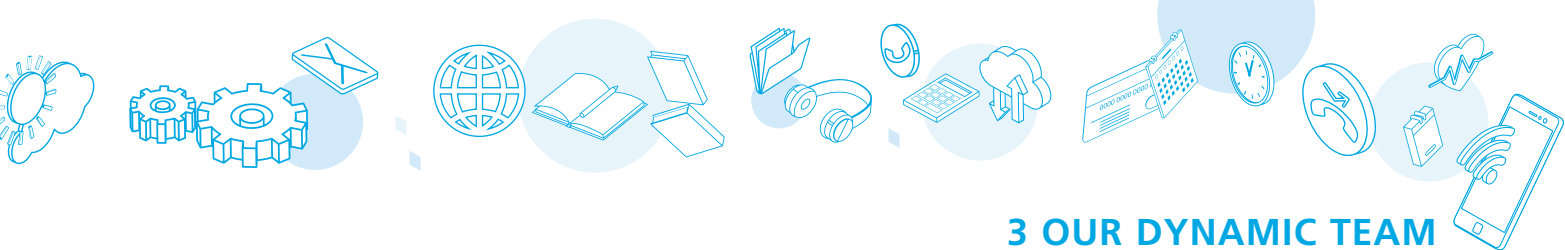
3 OUR DYNAMIC TEAM

We care about the growth of our people and provide a good working environment and incentive mechanisms for them. We constantly improve the training system and career development channels to enable employees to grow together with the Company. We fully respect and trust our staff, and provide continuous guide and encourage for them, making them feel the joy of success.

3.1 TALENT CULTIVATION

At Weimob, employees have opportunities for horizontal and vertical development. We established Weimob College and a two-channel career development system. We provide employees with a long-term career development system, helping them grow from new joiners to key employees and embark on different development channels.

Weimob College provides training curriculum tailored to new employees, current employees and management members based on their roles and skill levels, and carries out trainings via online learning platforms. Employees can log in to the online learning platform via a computer, mobile phone or tablet, and learn premium courses anytime, anywhere.

Weimob College

M3 Leader Program – Middle and high-level leadership training project

M2 Pilot Program – Middle and high-level management training project

M0, M1 Start Leader Program, Voyage Program – Grassroots management training project

Management innovation club	Master and director private meeting	Product creativity meeting	Discussion and communication	Lecture by technical big names	Professional R&D training

Pre-job training for newcomers in various business lines

"New Weimober Class" for new employee training	"Bud Program" for school recruited employee training

Weimob College online learning platform

Internal trainer system & Curriculum system

We developed the *Employee Training Policy* and provide customised training for employees based on their specific conditions. We launch diversified training, such as "Gold Lecturer Training Camp", "Start Leader Program" and "Pilot Program" under vertical and horizontal training modes to meet their claims for special knowledge and development.

Gold Lecturer Training Camp

In August 2019, Weimob College launched the fifth Gold Lecturer Training Camp themed "Innovation through Practice, Empowerment via Collision". This training camp combined case study, interactive classroom learning and online professional course study to guide students to expand their thinking, and circulate knowledge, empower partners and companies in future work and classrooms.

Start Leader Program

In 2019, Weimob started the "Start Leader Program", and then launched two sub-plans for marketers and middle and back-end grassroots cadres in July and December respectively. Offered both online and offline, this program improved the comprehensive ability of grassroots cadres of marketing lines to lead the teams and achieve performance success and cultivated the management ability and leadership of middle-level and grassroots employees.

Pilot Program

In June 2019, Weimob launched the "Pilot Program", which aimed to improve the comprehensive leadership of middle-level management in key positions and help them successfully transform from "leadership" to "leader". This program brought together authoritative business schools, Group's senior management and industry leaders, to empower middle-level cadres from all aspects. A total of 34 middle and high-level employees participated in this program.

3 OUR DYNAMIC TEAM

In addition, we also organised more creative and challenging activities, such as innovative R&D contest, to stimulate the enthusiasm of employees, especially engineers, for work and technology, and provide them a platform to demonstrate and challenge, driving continuous innovation, progress and development.

Weimob 3rd HACKATHON Contest

In December 2019, Weimob organised the 3rd HACKATHON Contest that focused on brainstorming practical market application value, especially on how to improve R&D capabilities and efficiency. A total of 23 teams participated in this program. The entries involved creative applets and digital solutions in education, medical, catering, entertainment and other industries, many of them are expected to go production and commercial.

Award of Popularity for Innovative Application

On-site comments by Mr. Junwei Huang,
Weimob Executive Vice-President and CTO
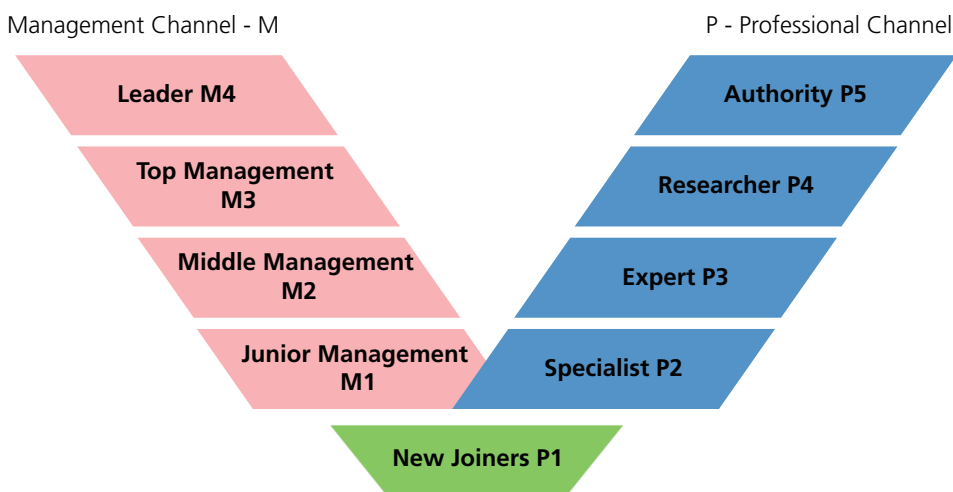
3.2 PROTECTION OF RIGHTS AND INTERESTS

In compliance with relevant laws and regulations, including but not limited to the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People 's Republic of China* and the *Provision on the Prohibition of Using Child Labour*, we effectively protect the legitimate rights and interests of our employees.

• **Recruitment and promotion**

We keep on looking for like-minded talents pursuing common development and expect them to grow into core and key employees of each department of Weimob. We formulated the *Recruitment Management Policy* to hire qualified employees following the principle of "Open recruitment, equal competition, merit-based recruitment, and giving priority to internal candidates over external ones".
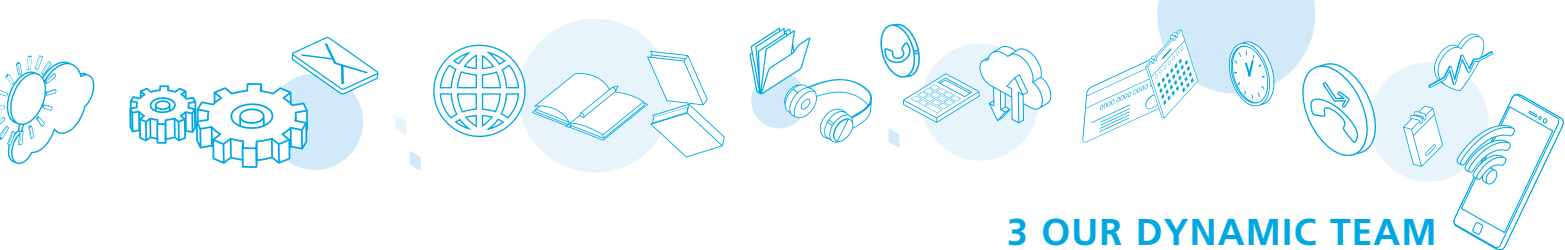
We built a two-channel career development system where employees can choose management career path or professional one depending on their individual conditions. In the case of job vacancies, we give priority to internal candidates in selection to fully explore outstanding internal staff.

Management Channel - M　　　　　　　　　　　　P - Professional Channel

Leader M4	Authority P5
Top Management M3	Researcher P4
Middle Management M2	Expert P3
Junior Management M1	Specialist P2
New Joiners P1	

We formulated the *Weimob Performance Appraisal Management Policy* and took the results of performance appraisal as an important basis for employees' personal growth and development, such as promotion, encouragement, training, etc.

We established promotion review committees both at the department level and company level to evaluate employees based on the work requirements, employees' performance, working competence, relevant job knowledge and experience, and promote or transfer employees to new positions according to the evaluation results. In 2019, promoted employees were nominated by each business unit, and submitted to the Human Resource Department and CEO Office for review upon approval by the Promotion Review Committee at business unit level/corporate level. A total of 598 employees got promoted, more than twice the number of 2018.

• **Remuneration and dismissal**

We formulated the *Remuneration Management Policy* and *signed Labour Contracts* with formal employees providing them with a well-established compensation system. The remuneration of employees consists of basic salary, performance salary, annual bonus and welfare subsidies. We set multiple pay grades in line with different job responsibilities and comprehensively determine the annual bonus amount according to various factors, including the operation condition, the employees' work nature, work quality, performance and contributions to the Company, etc.

In the *Labour Contract and Employee Handbook*, we set out the specific conditions and procedures to be met and followed when terminating the labour contract with employees. Arbitrary dismissal is not allowed.

3 OUR DYNAMIC TEAM

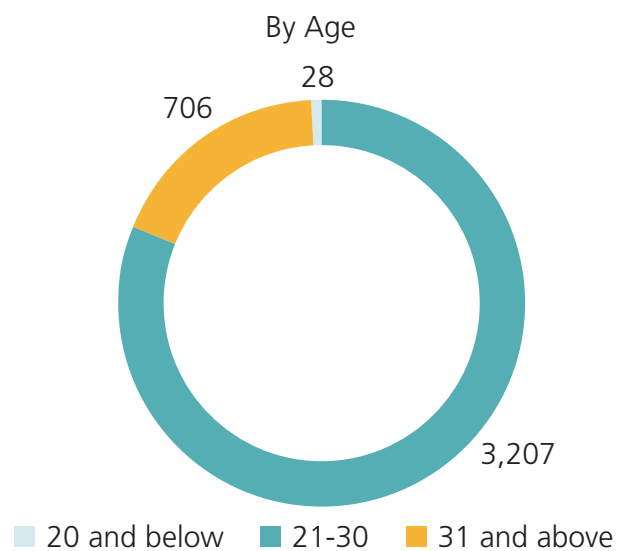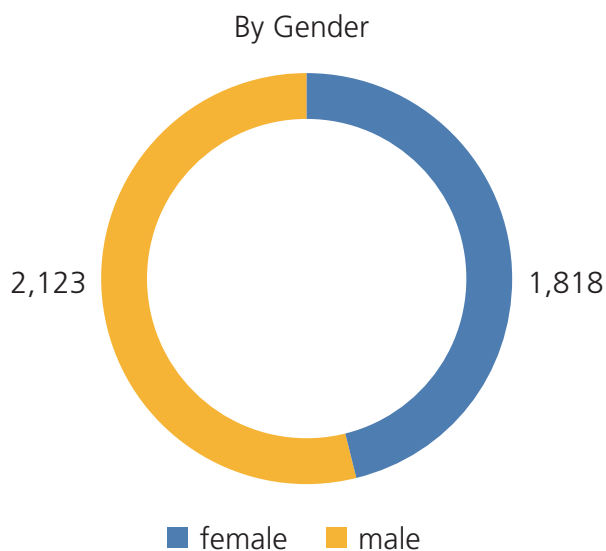- **Working hours, rest period, other benefits and welfare**

Adopting a 40-hour-a-week working system, we work 5 days every week (Monday to Friday). We encourage our people to finish their work with required quality and quantity during normal working hours and discourage them from working overtime. If employees need to work overtime on national holidays or weekends, they should fill out the *Overtime Application Form* and get approval. In such cases, they are entitled to paid leave or overtime compensation in accordance with relevant regulations. Employees enjoy a variety of holidays such as national holidays, paid annual leave, marriage leave, pregnancy leave, maternity leave, sick leave and funeral leave, etc.

We pay social insurance premiums for our staff in accordance with national and local policies and regulations, and provide lots of benefits for employees comprising meal subsidies, communication subsidies, transportation subsidies, etc. In our daily work, we not only provide 24-hour gym, nursing room, billiard room, self-service café, leisure bar, reading room and other spaces for our people in the office, but also provide them with a rich variety of fruits, afternoon tea and other treats.
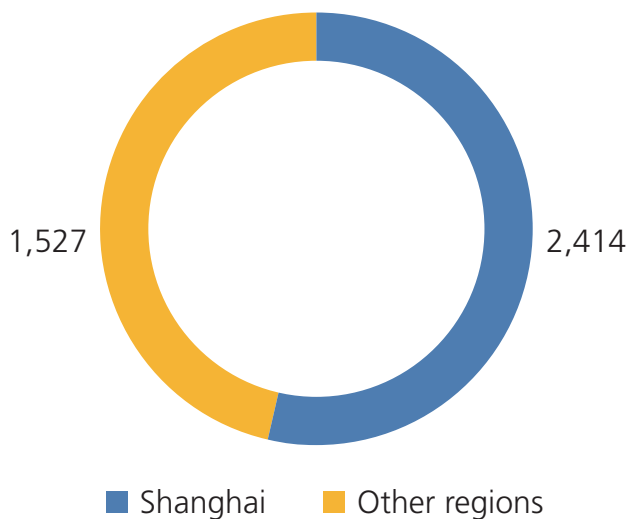
- **Equal opportunity, diversity and anti-discrimination**

We strictly comply with national and local laws and regulations and avoid discrimination against any employee based on personal characteristics such as race, gender, colour, age, family background, ethnic tradition, religion, physical fitness and original nationality, etc. We ensure that all employees are equally treated in compensation and dismissal, recruitment and promotion, working hours, holidays, other benefits and welfare.

By the end of 2019, we had a total of 3,941 full-time employees, the total workforce by gender, age group and geographical region as follows:

By Gender

2,123   1,818

■ female ■ male

By Age

28
706
3,207

■ 20 and below ■ 21-30 ■ 31 and above

By Geographical Region

1,527   2,414

■ Shanghai   ■ Other regions

- **Labour Standards**

In compliance with relevant laws and regulations, we stipulate in our Employee Handbook that people under the age of 18 are not allowed to be employed, and there is no child labour in the Group. In addition, we adopt statutory working hours where employees need to apply and get approval for overtime, and there is no forced labour.

3.3 DEMOCRATIC COMMUNICATION

We attribute communication and exchanges with employees as a critical factor to our continuous development, and strengthen communication channels via meetings, group activities, bulletin boards and internal electronic networks.

As one of the multi-dimensional communication projects of Weimob, Weimob-Chat aims to help new joiners who have been on board for no more than 90 days to solve their problems and help them better integrate into the working life in Weimob. We build a communication platform for new employees, senior staff and management, which enhances communication between new joiners and senior staff, and creates a relaxing and pleasant working atmosphere.

2019 Weimob-Chat Program

3 OUR DYNAMIC TEAM

3.4   DIVERSIFIED ACTIVITIES

In order to relax employees in non-working time after busy work and strengthen the relationship between employees and different departments, we established various staff clubs including football clubs, dance clubs, basketball clubs, yoga clubs, photography clubs, badminton clubs, swimming clubs, roller skating clubs and so on, and organised a wide range of employee activities, such as WeimobFun, team building, festival-themed activities, etc.

2019 Smart Marketing Business Group Fun Games

2019 Lantern Festival

2019 Goddess Festival on 8 March

3.5   HEALTH AND SAFETY

In accordance with relevant laws and regulations, including but not limited to the *Fire Control Law of the People's Republic of China*, we check the firefighting equipment in the office building monthly to ensure fire safety in the workplace and put up fire prevention signs in conspicuous places of the office buildings. We organise employees to participate in fire drills initiated by the fire detachment in the park, so as to improve employees' response and self-rescue abilities.

On 14 November 2019, our safety management personnel participated in the joint fire drill held by the park and Wusong Fire Brigade of Baoshan District, to learn fire safety knowledge, escape tips and usage of fire extinguishers, and had hands-on practice.
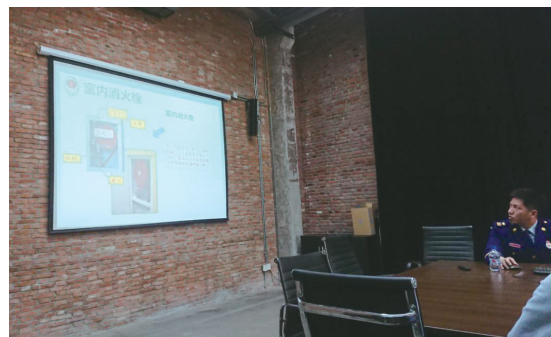
We attach great importance to the health of our staff and provide them with free medical examinations once a year. For the renovated office buildings or exhibition halls, we arrange professional organisations to conduct formaldehyde detection and treatment, and issue relevant test reports, so as to provide employees with a healthy working environment.

Due to our business characteristics, employees mainly work in the office building and are not exposed to dust, radioactive substances or other toxic and harmful factors, so they are rarely inflicted by occupational diseases.

4 OUR ENVIRONMENTAL PROTECTION

There is no material impact on the environment in our operation. In compliance with relevant laws and regulations, including but not limited to the *Environmental Protection Law of the People's Republic of China*, we formulated the *Weimob Environment Protection and Energy Conservation Management Policy*. Administration Department is designated to take charge of environment protection, energy and water conservation, and supervision and management of environment protection activities in Weimob. We contribute ourselves to save energy and reduce emissions.

4.1   EMISSIONS AND WASTES REDUCTION

Due to the characteristics of our business, our waste gases are mainly sulphur dioxide ("SO_2"), nitrogen oxide ("NOx"), and particulate matters produced by office vehicles. Our greenhouse gas ("GHG") emissions mainly come from consumption of gasoline used by office vehicles and electricity in offices. Our wastes are domestic garbage produced in offices.

We actively advocate the idea of Green Office to save energy, thus reducing waste gas and GHG emissions. Also, we collect wastes regularly, classify the wastes for better management and recycle and reuse the wastes with recoverable value. We encourage paperless office and call on employees to decrease printing and copying, use double-sided printing, reclaim waste paper, by which we avoid unnecessary use of paper and produce less non-hazardous wastes.

In 2019, in response to the *Shanghai Municipal Household Waste Management Regulations*, Weimob actively promoted waste sorting by sending emails and putting up posters, to enhance publicity and accelerate the promotion of waste sorting knowledge; we also placed waste sorting trash cans in office areas, seriously putting the waste sorting work into practice.

We also published Weimober, an internal publication that advocates economical use of office stationery such as pens and paper, to reduce waste and pollutant emissions. We let our employees know that the ink in refills of gel pens contains contaminants such as volatile substances, excess ink, and grease, which will cause pollution to soil and water if discarded arbitrarily. We promoted economical use of pens among our employees to reduce their environmental impact.

The most commonly used stationery: paper and pen

According to incomplete statistics, in 2019, 15,898 pens and 2,685,000 sheets of A4 papers were used respectively, topping the list of stationery used in workplace across the country.

Editor:

According to study, "a fast-growing eucalyptus with a diameter of 20cm and a height of 15m can be made into about 30,000 sheets of A4 paper", which indicates that we used about 89 eucalyptus trees in 2019. Then how long will it take for an eucalyptus to have a diameter of 20cm? About 5 to 7 years, according to experts. Of course, it is not practical to use wood only for papermaking. It also involves many processes and resources input. One can figure out why it is necessary to save paper, because what we have consumed is not only money, but also time and resources.

At the same time, economical use of pens is also an environmentally friendly move. The ink in refills of gel pens contains contaminants such as volatile substances, excess ink, and grease, which will cause pollution to soil and water if discarded arbitrarily. In addition, the main material for making disposable pens is polystyrene or modified polystyrene, which could never be able to degrade on its own unless strict waste sorting or incineration is implemented.

4 OUR ENVIRONMENTAL PROTECTION

Our main hazardous wastes are used toner cartridges, ink cartridges, etc., which are collected by qualified recyclers for reclamation. As we are not involved in hazardous waste discharge and have little impact on the environment, KPI A1.3 (Total hazardous waste produced) is not disclosed in the Report.

During the Reporting Period, the types of emissions and respective emissions data are shown as below:

Emissions

NOx (kg)	78.50
SO$_2$ (kg)	0.25
Particulate matter (kg)	7.52
Direct GHG emission (Scope 1) (tCO$_2$e)	35.82
Energy indirect GHG emission (Scope 2) (tCO$_2$e)	1,427.16
Total GHG emission (tCO$_2$e)	1,462.98
Greenhouse gas emission intensity (tCO$_2$e per person)	0.50
Total non-hazardous waste (in tonnes)	205
Non-hazardous waste intensity (tonne per person)	0.07

Note: Greenhouse gas emissions are presented as CO_2 equivalent. The calculation method and conversion factors come from the *Accounting Methods and Reporting Guide for Greenhouse Gas Emissions from Public Building Operators* issued by the National Development and Reform Commission.

4.2 RESOURCES CONSERVATION

We introduced and promoted energy-saving and water-saving equipment and technologies in the office, encouraged employees to reinforce their awareness of electricity and water conservation and reduced energy consumption through green office measures:

• **Electrical Lights and Equipment**
– Multiple controls are used in the lighting system, use LED and energy saving lamps for lighting;

– Unnecessary lights are turned off during the lunch break and overtime work. Unused computers are shut down or switched to power saving mode. Lights, computers, printers, water dispensers and other appliances are shut down after work;

– Lights in conference rooms are switched off in time. Signs are posted at the exit and entrance of conference rooms, reminding employees to turn off lights when leaving;

– When purchasing new appliances, green products that are energy-efficient and environmentally friendly are selected while considering the prices.

- **Ventilator and Air Conditioner**
- Cooling mode of the air conditioner starts operating on working days from June to September at the temperature of 26℃; heating mode is working on the working days from December to March at the temperature of 20℃; natural ventilation is on during the months when the air conditioner is off;

- The central air conditioner in conference rooms is switched off in time. Signs are posted at the exit and entrance of the conference rooms, reminding employees to turn it off when leaving;

- We conduct timely maintenance and repair on air conditioners in the offices and clear up separation nets of the air conditioners and ventilators to ensure their good operation;

- When the air conditioner is on, we always keep windows, doors and curtains closed for heat preservation and energy saving.

- **Water Conservation**
- We use equipment with high water efficiency;

- We properly manage and maintain water equipment so as to find and eliminate failures in time, including water leakage, water dripping and sensor failure;

- Turn off the tap after use so as to prevent long-flowing water;

- Sprinkling or drip irrigation method is adopted for public green spaces to save water;

- The water valve is closed during holidays.

During the Reporting Period, the resource consumption data is set out as below:

Use of Resources

Total direct energy consumption (MWh)	146.50
Total indirect energy consumption (MWh)	2,006.26
Total energy consumption (MWh)	2,152.76
Energy consumption intensity (MWh per person)	0.74
Total water consumption (in tonnes)	24,464.80
Water consumption intensity (tonne per person)	8.41

Note: The energy consumption is presented in MWh (kWh in 000's). The conversion factors come from the default values of relevant parameters of fossil fuels in China in Table 1 and the default values of fuel density in Table 2 in the appendix of *Accounting Methods and Reporting Guide for Greenhouse Gas Emissions from Public Building Operators* issued by the National Development and Reform Commission.

4 OUR ENVIRONMENTAL PROTECTION

Our water is sourced from municipal water system. Therefore, there is no issue in sourcing water that is fit for purpose. Due to the characteristics of our businesses, we do not use any packaging materials, thus KPI A2.5 total packaging material used for finished products is not applicable and is not disclosed in the Report.

We have disclosed the emissions and use of resources in 4.1 Emissions and waste reduction and 4.2 Resources Conservation respectively. Due to the characteristics of our businesses, we are not related to other environment and natural resources during operation. A3 environment and natural resources and KPI A3.1 description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them are not applicable, thus are not disclosed in the Report.

5 OUR SMART PUBLIC WELFARE

Contributing to public welfare with technology is the mission and dream upheld by every Weimober. As a vibrant and innovative internet technology company, we show ingenuity in our community engagement. Following the trend of "Internet + Philanthropy" and taking the advantage of our own, we "contribute to public welfare in a smarter manner" by intelligent and internet means and the power of social networking.

- **"Micro Wish" applets projects**

Worked as the technical supporter, we developed and launched the "Micro Wish" applet of Shanghai Charity Foundation. In 2019, we once again participated in the poverty alleviation project of "Gather the Forces of Youth for Dreams" initiated by the Office for Cooperation and Exchange Affairs of Shanghai Municipal People's Government, Chinese Communist Youth League Shanghai Committee, and Shanghai Charity Foundation, upgraded the applet created by Weimob in 2018 to a public welfare applet "Dream" 2.0, which improved the function of volunteer personal centre, and was able to carry out multiple "Micro Wish" projects simultaneously, enabling more public welfare projects on mobile phones.

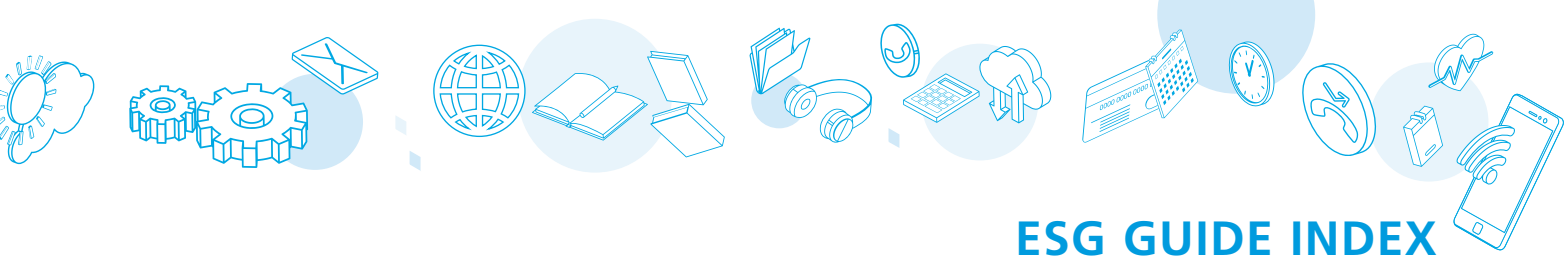Weimob develops "Micro Wish" applet poverty alleviation projects

5 OUR SMART PUBLIC WELFARE

- **Voluntary blood donation**

In 2019, in an active response to the call of Baoshan District People's Government of Shanghai, we encouraged employees to enroll for blood donation, which received enthusiastic response of about 200 staff. On 29 April and 10 June, two teams totalling over 100 Weimob employees donated blood successfully.
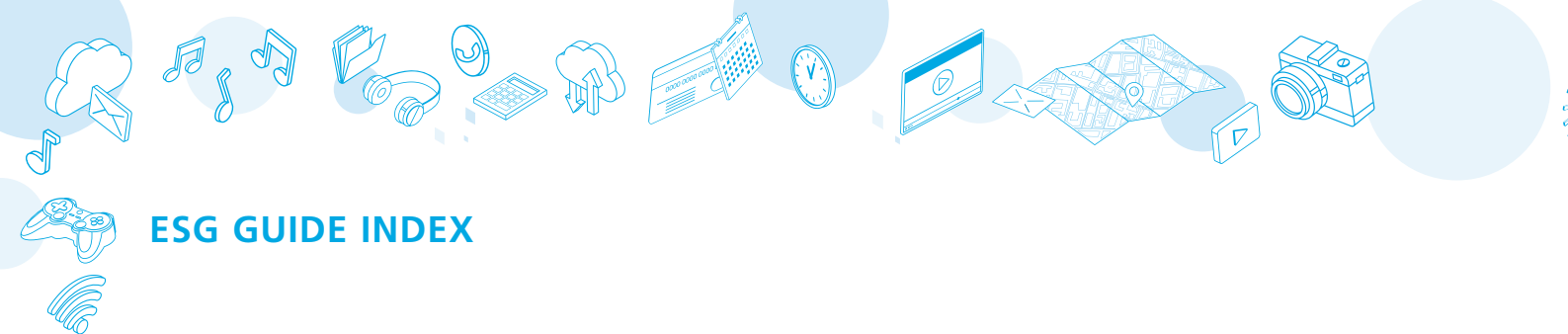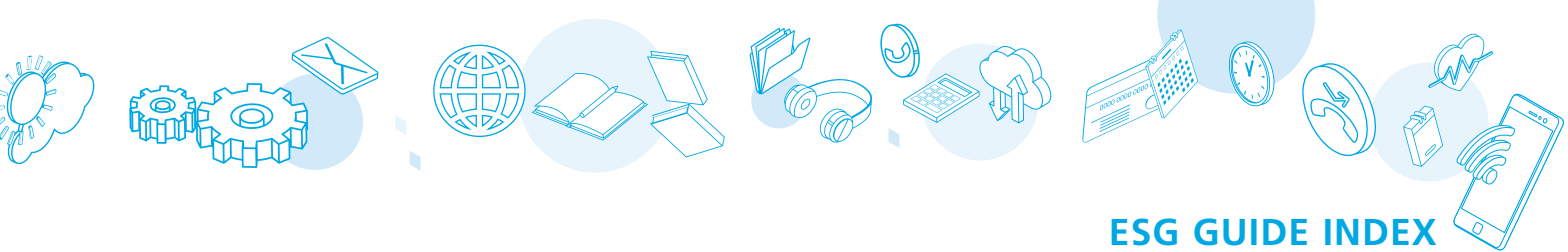

Weimob Blood Donation 2019

Aspects	Descriptions	Chapter
A1	**Emissions** 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. *Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.* *Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.* *Hazardous wastes are those defined by national regulations.*	4.1 Emissions and Wastes Reduction
A1.1	The types of emissions and respective emissions data.	4.1 Emissions and Wastes Reduction
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Emissions and Wastes Reduction
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Emissions and Wastes Reduction
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Emissions and Wastes Reduction
A1.5	Description of measures to mitigate emissions and results achieved.	4.1 Emissions and Wastes Reduction
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	4.1 Emissions and Wastes Reduction
A2	**Use of Resources** Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*	4.2 Resources Conservation

ESG GUIDE INDEX

Aspects	Descriptions	Chapter
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.2 Resources Conservation
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.2 Resources Conservation
A2.3	Description of energy use efficiency initiatives and results achieved.	4.2 Resources Conservation
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	4.2 Resources Conservation
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
A3	**The Environment and Natural Resources** Policies on minimizing the issuer's significant impact on the environment and natural resources.	Not applicable
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Not applicable
B1	**Employment** 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.	3.2 Protection of Rights And Interests 3.3 Democratic Communication 3.4 Diversified Activities
B2	**Health and Safety** 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.	3.5 Health and Safety

Aspects	Descriptions	Chapter
B3	**Development and Training** Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*	3.1 Talents Cultivation
B4	**Labour Standards** 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.	3.2 Protection of Rights And Interests
B5	**Supply Chain Management** Policies on managing environmental and social risks of the supply chain.	2.3 Business Partners
B6	**Product Responsibility** 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.	2.1 Product Innovation 2.2 Customer Service
B7	**Anti-corruption** 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.	2.4 Compliance Management
B8	**Community Investment** 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.	5 Our Smart Public Welfare

READERS FEEDBACK FORM

Thank you for reading the Weimob Inc. Environmental, Social and Governance Report 2019. For the purpose of rendering valuable information to stakeholders in a better way and of improving our capabilities and levels to fulfil ESG responsibilities, we are sincerely expecting your valuable comments and recommendations on the Report.

We cordially invite you to complete the table and return it to us in any of the following approaches:

E-mail address: IR@weimob.com

Address: Weimob Building, No. 258, Changjiang Road, Baoshan District, Shanghai, PRC

1.　　What do you think of the Report in general?

　　　☐ Excellent　☐ Good　☐ Average　☐ Low　☐ Poor

2.　　What do you think of Weimob's fulfilment in social and environmental responsibilities?

Social responsibility	☐ Excellent	☐ Good	☐ Average	☐ Low	☐ Poor
Environmental responsibility	☐ Excellent	☐ Good	☐ Average	☐ Low	☐ Poor

3.　　Do you think whether the Report can reflect the impact of practices in social responsibilities by Weimob on the society and the environment?

　　　☐ Strongly agree　☐ Agree　☐ Neutral　☐ Disagree　☐ Strongly disagree

4.　　What do you think of clarity, accuracy and completeness of the disclosed information, data and indicators in the Report?

Clarity	☐ Excellent	☐ Good	☐ Average	☐ Low	☐ Poor
Accuracy	☐ Excellent	☐ Good	☐ Average	☐ Low	☐ Poor
Completeness	☐ Excellent	☐ Good	☐ Average	☐ Low	☐ Poor

5.　　Do you think whether the content and design of the Report is convenient for reading?

　　　☐ Yes　☐ Average　☐ No

6.　　Could you please provide other comments and recommendation on our work and the Report?

_____

微盟集團Weimob Inc.

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