

## Tongdao Liepin Group 同道獵聘集團

(Incorporated in the Cayman Islands with limited liability) Stock Code: 6100 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021

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## **ABOUT THIS REPORT**

Tongdao Liepin Group (the "Company", together with its subsidiaries and integrated affiliated entities as well as their respective subsidiaries and branches, collectively, "Liepin Group", "Tongdao Liepin Group", "our Group" or "the Group") is pleased to present the Group's Environmental, Social and Governance Report. Unless otherwise stated, this report covers the locations where we operate our core businesses, including the Group's headquarter located in Beijing and its regional branch offices, for the period from 1 January 2021 to 31 December 2021 (the "Reporting Period").

#### **Reporting Standards**

The Group has complied with the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") for the year ended 31 December 2021. This report has been verified by the management and reviewed and approved by the board of directors of the Company (the "Board").

#### **Report Scope**

This report covers the overall performance of the Group's core business in three main aspects of environment, society and governance for the year ended 31 December 2021, which highlights the Group's efforts in sustainable development in the following aspects:

- environmental aspect (emissions, resource use, environment and natural resources); •
- social aspect (employment, health and safety, development and training, labor standards, supply chain management, • product responsibility, anti-corruption and community investment and participation); and
- governance aspect (board of directors, board composition, board committee, board meeting and attendance record of • directors, diversity policy of board members, nomination policy of directors, corporate governance function).

### **Preparation Basis**

Environmental, Social and Governance Reporting Guide, Hong Kong Stock Exchange China Corporate Social Responsibility Report Guide (CASS-CSR4.0), Chinese Academy of Social Sciences

### **Comments from Stakeholders**

The Group welcomes comments from stakeholders on our environmental, social and governance policies and performance. Relevant comments may be sent by email to ir@liepin.com.





## **EXECUTIVE'S STATEMENT**

In 2021, China's economy saw a steady recovery thanks to the national holistic control over the pandemic and the social and economic development. The complicated and volatile bigger picture in the world, however, worsened by the persistent global pandemic, lent the economic development uncertainties. Tongdao Liepin Group stayed committed to its vision and mission, which meant how to seek true opportunities amid changes and challenges and make users, businesses and the wider civil society a greater success by technologically innovative services.

We stayed focused on data security and personal information protection, community investment and involvement, technological innovation, IPR protection and staff career development. We are convinced that Tongdao Liepin Group has been poised to embrace the opportunities and challenges ahead. Guided by the Company's vision and mission, we will promote the environmental, social and governance ("ESG") as the driver for our medium and long-term development to better shoulder what we are tasked with by the times.

Environmentally, we proatively rolled out live streaming recruitment in 2021 and aligned the online recruitment with the efforts in energy conservation, this reduced the possible carbon emissions in the traffic and venue required by the traditional offline recruitment. In 2021, the Company staged over 300 recruitment events by live streaming on the platform, which garnered a maximum of 100,000 views for a single event. We will help the low-carbon operation of the recruitment industry by sustained model and technological innovations.

Socially, we will put an eye on the demand for community development, and technologically create a much sounder and happier community life. In 2021, the Group once again sponsored the major 7 recruitment events under the campaign "100-day Online Special Recruitment Events" organized by the Ministry of Human Resources and Social Security of the People's Republic of China, bridging the employment between quality businesses and elite talents. We also offered jobs to female talents and enhance public attention to office ladies and otherwise. The Group participated in the hosting of the female recruitment event to provide better channels and opportunities for female employment in the event "2021 National Private Business Recruitment Month" organized by the Ministry of Human Resources and Social Security of the People's Republic of China. Furthermore, we have long been devoted to Chinese education, particularly rural education. We cooperated with "One-kilo Box", a welfare innovation institution aiming at rural equal access to education, to launch "Rural Children Home", a Liepin welfare student aid program.

For governance, we believe that high-level corporate governance is crucial to the high quality development of a company. This in turn will better guarantee the interests of shareholders, potential investors and business partners and enhance corporate value for better transparency by formulating new strategies and policies.

In 2022, we will continue to integrate ESG philosophy and business operations and stay true to the mission of the times to support talent upgrades and the development of Chinese businesses. We believe that the demand for and value of professional talents will be increasingly high as the Chinese businesses become mature and successful. We will always be a strong champion for the long-term contribution to the national efforts in talents.

**Dai Kebin** *Chairman of the Board* 





## **CORPORATE CULTURE, VISION AND VALUES**

## Vision



## **Mission**

To help every talent achieve greater career success.

## **Corporate Values**

Corporate values are the core of our corporate culture and the beliefs that we adhere to in our business operations. We are committed to integrating the right values into the whole process of corporate activities in order to optimize our operational capabilities, help the Group achieve stable and positive development, and continuously create value for users, the industry and society.

The values of Tongdao ("Tongdao Values") are the values advocated by the Group, which can measure whether the employees can go on with the organization from the attitude aspect; Tongdao Values are the requirements for all employees of the Group, which are the criteria to judge whether the employees' work behavior is right or wrong.



Justomer first: Do an extra step to move cus
succeed
Honesty and trustworthiness: Keep promises
not being influe
Mutual trust and cooperation: Trust each oth
and responsibi
Pursuit of excellence: Result-oriented, kee
improvement of work ef
Embracing changes: Embrace changes, be in
difficulties and setbacks



stomers, tap into their needs and help them

- s, keep your words, being courageous and enced by interests or pressures
- her, share responsibility, share experience ility among colleagues
- ep improving, and pursue the ultimate fficiency

9

nnovative, and be brave to overcome



## HONORS AND AWARDS





## **HONORS AND AWARDS**

Liepin Group has always taken the mission of making people in the workplace more successful, with technology-driven and data-enabled as its core, and is committed to becoming a one-stop talent service solution provider driven by technology and data. In recent years, the Group has been widely recognized by the community for its outstanding performance in capital markets and business. The awards received by the Group in 2021 are as follows.:



### High-tech enterprises (wjx.cn)

**ESG Best Practice Enterprise of** 

China Hunan Provincial Science&Technology Department, Hunan Provincial Department of Finance, Hunan Provincial Tax Service, State Taxation Administration



## User Recommend SaaS Brand of the Year (wjx.cn)

Organizing Committee of China SaaS Application Conference



MANAGEMENT POLICIES AND STRATEGIES OF ENVIRONMENT, SOCIETY AND GOVERNANCE



## MANAGEMENT POLICIES AND STRATEGIES OF **ENVIRONMENT, SOCIETY AND GOVERNANCE**

#### 1. Balanced and Sustainable Development

Over the years, Liepin Group has been dedicated in facilitating the sustainable development of its business, advocating environmental protection and focusing on the undertaking of social responsibilities, in an endeavor to set a good example for the public. In the course of its business operations, the Group also highly emphasized the balance of interests among shareholders, customers and employees, and preserved an equal emphasis on the business development and the fulfillment of social responsibilities.

#### 2. Analysis of Material Issues

In order to identify the most significant aspects of environment, social and governance for the Group to be reported in this report, key stakeholders (including investors, shareholders and employees) have been involved in regular discussions to identify the impact of the Group's business on economic, environment and social aspects, and the issues of concern to the stakeholders. The key stakeholders, issues of concern and communication channels that we identified are listed in the table below





### 3. Stakeholder Engagement and Materiality

The Group attaches great importance to the enhancement of corporate sustainability. Through continuous communication with major stakeholders, combined with the operational characteristics of the Company, and based on the study of domestic and international social responsibility standards and benchmarking with leading companies, the Group identifies, classifies, screens and ranks issues that reflect the significant impact of the Group's economic environment and society and have an important impact on all stakeholders, and finally forms a database of substantive issues, which serves as the basis for presenting the contents of this report. We will discuss the contents of each issue separately in this report.



social and governance	Key communication channels	
anagement sibility and community	<ul> <li>Policy consultation</li> <li>Incident reporting</li> <li>Information disclosure</li> <li>Participation in meetings with governmental authorities</li> </ul>	
sibility	<ul> <li>Information disclosure</li> <li>Shareholders' meetings</li> <li>Social media</li> <li>Face-to-face communication</li> </ul>	
ty nd training s	<ul> <li>Communication meetings</li> <li>Social media</li> <li>Face-to-face communication</li> </ul>	
sibility	<ul> <li>Customer service hotline</li> <li>Official website</li> <li>Social media</li> <li>Information disclosure</li> </ul>	
sibility	<ul> <li>Customer service hotline</li> <li>Official website</li> <li>Meetings</li> <li>Business visits</li> </ul>	
anagement	<ul><li>Suppliers' visits</li><li>Suppliers' meetings</li></ul>	
es It and natural resources anagement sibility	<ul> <li>Social media</li> <li>Official website</li> <li>Press conference</li> <li>Exchange meetings</li> <li>Customer service hotline</li> </ul>	
es It and natural resources estment	<ul> <li>Community interaction</li> <li>Public welfare activities</li> <li>Social media</li> <li>Poverty alleviation projects</li> </ul>	

# ENVIRONMENTAL ASPECT



## **ENVIRONMENTAL ASPECT**

In 2021, the Group paid great attention to environmental protection. Apart from ensuring the compliance with laws and regulations related to environmental protection, we also reduced environmental pollution by utilizing resources effectively and adopting environmentally friendly energy-saving measures, which improved energy efficiency continuously. The discharge and production of wastes by the Group was mainly resulted from its use of electricity, paper, gasoline and water. Given the Group's business nature, the Group believes that the impact directly exerted by its business operation on the environment and natural resources was insignificant. To the best knowledge of the Group, there was no material noncompliance with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.

#### 1. Green Office

Electricity and water are the main resources that we consume in the Group's operations.

The Group takes active measures to promote the accountability for reasonable use of electricity. The Group requires that indoor lights and air conditioners be turned off when they are not in use, so as to advocate reasonable use of electricity. We arrange for personnel to conduct regular inspections to avoid the situation where the lights are on but there are no people in the office area. At the same time, the Group selects and purchases high efficiency products and adopts energy-saving power supplies. The printers, office computers, fax machines and other equipment are set to be in a condition where their monitors will be automatically turned off and under "sleep" and "power saving" modes if they are not in use for a long time.

In order to save water resources, we set reasonable speed for water flow in the toilets of some offices to avoid waste of resources caused by human negligence, and arrange for regular inspections to avoid the situation of "keeping the tap running all the time"

We also adopt other measures to reduce the use of resources, for example: (i) the Group fully implements the office automation (OA) system, advocates paperless office among employees to reduce printing, and promotes email communication instead of paper fax to avoid waste of paper; and (ii) the Group also encourages employees to print on both sides of paper, re-use paper and print multiple pages per sheet where practicable.

The Group's data center strictly follows the Guiding Opinions of the Three Authorities on Strengthening the Building of Green Data Centers issued by the Ministry of Industry and Information Technology, and adopts energy-saving refrigeration equipment and other energy-saving actions to save energy consumption and build a green data center.

The Group's offices are located in locations where public transportation is convenient, and we encourage the use of public transport such as shared bicycles to effectively reduce the use of gasoline from the origin so as to reduce carbon emissions

Through the above energy-saving actions, we have made great achievements in emission reduction and energy conservation. The following is the performance of emissions and energy consumption during the Reporting Period.

#### 2021 Gas Emissions Data

Total direct greenhouse gas (GHG) emissions

1.837.07 carbon dioxide equivalent (ton)



0.32 ton/person



#### Notes:

- from electricity converted from fossil fuels.
- ٠ in 2006 published by the Intergovernmental Panel on Climate Change.
- minimize the generation of hazardous materials.



• Based on the operating characteristics of the Group, the main emissions are GHG emissions, which originate

GHG emissions include carbon dioxide, methane and nitrous oxide. The GHG emission data are presented in terms of carbon dioxide equivalent, which is obtained by comprehensive calculation according to the Baseline Emission Factors of China's Regional Power Grid in 2019 published by the National Development and Reform Commission of the People's Republic of China and the IPCC Guidelines for National Greenhouse Gas Inventory

• During the Reporting Period, the hazardous materials of the Group mainly include waste electronic items generated from daily office use, including toner cartridges, batteries, waste lamps and computers. The Group's non-hazardous wastes mainly include waste paper, cardboard boxes and domestic garbage generated from daily office, which are handed over to the property company for unified classification and treatment, so as to

## **ENVIRONMENTAL ASPECT**

#### 2021 Energy and Resource Consumption Data



Notes:

- The total energy consumption is calculated according to the total electricity consumption and the conversion factor in the national standards of the People's Republic of China General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589–2008).
- The water resources used by the Group come from the municipal running water supply. The statistics of water consumption office areas are Beijing, Shanghai, Hangzhou, Hefei, Shenzhen, Chongqing, Xi'an, and the water charges of other office areas are included in the property fee, so water consumption cannot yet be separate.
- Packaging data is not applicable to the Group.

#### 2. Low Carbon Operations

In 2021, the Group actively promoted online live broadcast of recruitment business, linking business development with energy conservation, and reducing carbon emissions from transportation, venues and other aspects that may be generated by traditional offline recruitment activities. As of 31 December 2021, the Group held over 300 live recruitment events, with the highest number of viewers in a single event exceeding 100,000. The online recruitment business achieved outstanding results.

#### 3. Environmental Promotion

The Group believes that raising awareness of environmental protection is the key to doing a good job in environmental protection. Therefore, the Group regularly conducts environmental protection promotion to executives, employees and other related parties, explaining relevant knowledge about energy conservation and emission reduction, and cultivating their concepts and habits towards environmental protection.

#### 4. Addressing Climate Change

The Group continues to pay attention to the risks brought by climate change by understanding the possible impact of such risks on business activities and operations, thus to actively take countermeasures, and fully support global climate actions.







# **SOCIAL ASPECT**



## SOCIAL ASPECT – DATA SECURITY AND **PERSONAL INFORMATION PROTECTION**

#### 1. Safety Management System

#### Multi-level Special Management Organization

#### **Security Committee**

The chief executive officer is the chairman of the Security Committee, and the chief executive officer, chief financial officer, chief technology officer, senior legal director, vice president of public affairs and vice president of the security center are members of the Security Committee. As the highest exclusive organization for risk prevention and control, data protection and compliance operation of the Group, the Security Committee is responsible for the research and decision-making of major information security and legal compliance related matters, establishing a firewall for corporate operation and business expansion to ensure the safe and sound sustainable development of the Group.

#### **Compliance Review Department** The Group has set up a special security center to formulate the overall policy and strategy of data compliance management, coordinate the establishment of technical safeguard measures for data compliance, and take the lead in data risk identification, risk assessment and risk disposal. Under the Security Center, **Security Center** there are Platform Content Security Department, Business Security Compliance Department, Internal Information Security Department, Internal Audit and Internal Control Department and other units, which are responsible for daily related resource coordination, internal communication and work implementation. The Group has established a legal department to continuously monitor the development of data regulations in China and the countries (regions) involved in **Legal Department** its business, and provide timely data compliance advice to business departments and data compliance consultation to management and employees of various departments.

#### **Special Team**

If the Group finds major risks or faces urgent adjustment needs, the Group will quickly set up a special team. Generally, the special team is led by the chief executive or the person in charge of security, and cooperates with employees of various departments of the Group, such as security, legal affairs, products, operations and R&D, to properly solve security risks.

### 1. Safety Management System (Continued) Well-established Management System

The Group strictly abides by the laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Administrative Provisions on Online Recruitment Services, and the Interim Regulations for the Human Resources Market, and has set up perfect data security-related systems, including the Regulations on the Management of Sensitive Information, the Management System for Backup and Recovery of Information Systems, the Emergency Response Plan for Serious and High-risk Security Vulnerabilities of Liepin, Information Security Risk Assessment Management System, and the Specifications for Security Development and Vulnerability Repair of Liepin.

#### Key relevant laws and regulations:

### Personal Information Protection Law of the People's Republic of China

Article 6	Processing of personal info and shall be conducted fo and in a way that has the l
	Collection of personal info for achieving the purpose
Article 14	Where personal information such consent shall be a sindividual on a fully inform be obtained from individu provided by any law or ad In the event of any chang personal information to be
Article 15	Individuals shall have the personal information car processors shall provide a



formation shall be for a specified and reasonable purpose, or a purpose directly relevant to the purpose of processing least impact on personal rights and interests.

ormation shall be limited to the minimum scope necessary of processing and shall not be excessive.

on is to be processed based on consent of an individual, voluntary and explicit indication of intent given by such ned basis. Where specific consent or written consent shall luals for the processing of their personal information as dministrative regulations, such provision shall prevail.

ge of the purpose or method of processing or the type of e processed, personal consent shall be obtained anew.

right to withdraw their consent to the processing of their rried out based on their consent. Personal information an easy way to withdraw consent.



# SOCIAL ASPECT – DATA SECURITY AND PERSONAL INFORMATION PROTECTION

#### 1. Safety Management System (Continued)

#### Well-established Management System (Continued)

#### Data Security Law of the People's Republic of China

Article 27	Those conducting data handling activities shall, in accordance with laws and regulations, establish and perfect a data security management system across the entire workflow, organize and conduct data security education and training, and adopt the corresponding technical measures and other necessary measures to ensure data security. Those conducting data handling activities by using the internet or other information networks shall, based on the graded cybersecurity protection system, perform the aforesaid data security protection obligations. Those handling important data shall clearly specify responsible personnel and management bodies for data security and fully implement data security protection responsibilities.
Article 29	Those conducting data handling activities shall strengthen risk monitoring, and where they discover risks such as data security flaws and vulnerabilities, immediately adopt remedial measures; when data security incidents occur, they shall immediately take disposal measures, notify the users as required and report the matter to the relevant competent department.
Article 30	Those handling important data shall, in accordance with relevant provisions, periodically conduct risk assessments for their data handling activities, and submit a risk assessment report to the relevant competent department. The risk assessment report shall include the categories and quantities of important data handled by the said organization, how data are handled, the data security risks faced and their countermeasures.

In 2021, Liepin has established and publicized the List of Personal Information Collected and the List of Personal Information Shared with Third Parties, and listed concisely and clearly the list of user personal information collected by the App (including SDK) and the basic information of user personal information shared with third parties, including the types of information collected (shared), the purpose of use, and the scenarios of use, etc. At the same time, Liepin has improved the Personal Information Protection Policy, with increasing the legibility of the policy, providing users with a summary of the privacy policy of the app products and setting out in detail the personal information required for business scenarios and the purpose of collection, etc. to assist in enhancing users' understanding of the personal information protection policy.

## 2. Security Management Measures

#### Strict Audit for Account Verification

We strictly abide by the relevant laws and regulations in the qualification audit and job compliance audit of the Group, implement the relevant requirements for the registration of users' real identity information, and have a perfect process system and strict audit system in the registration and use of three-terminal accounts of the enterprise (B), headhunter (H) and individual (C), so as to strengthen the qualification audit of enterprises and the identity authentication of managers, and ensure the matching and authenticity between users and enterprises. In 2021, the Group rejected about 190,000 registered users of recruiters (enterprises and headhunters) and about 340,000 unqualified positions.





# SOCIAL ASPECT – DATA SECURITY AND PERSONAL INFORMATION PROTECTION

#### 2. Security Management Measures (Continued)

#### Strict Regulation on Information Release

In response to the relevant information released by users in the recruitment platform, we have carried out special management of high-risk information such as collection of fees, inducement of cooperation, high salary inducement, suspected pornography, fraud, etc. many times, through multi-dimensional analysis, we have found the violating users and enterprises, and implemented the platform blacklist system for the violating enterprises. At the same time, the Group implements all-round security audit of user registration information, usage behavior and release information by means of risky mobile phone number identification, risky IP identification, risky device identification, image identification, picture OCR identification, abnormal behavior identification, etc., and intercepts violating users before they commit any substantive behaviors to ensure normal users' job search and recruitment experience. We establish a user labeling system according to the types of violations, and implement corresponding security disposal actions for users with various labels to stop the spread of illegal information, and incorporate users and companies with serious violation types into the credit record system and never cooperate with.

Through the improvement of technical means, the illegal information will be blocked in the process of user registration and information release audit to improve the user experience. In 2021, Liepin disposed of nearly 40,000 illegal accounts; there are about 12,000 enterprises that have been incorporated into the credit record system and will never cooperate, and about 24,000 users who are never allowed to register. Strong regulation has significantly promoted the use satisfaction of all parties in the platform. In 2021, the number of job-seeking users reporting recruiters decreased by 46.6% compared with 2020, and the number of recruiters reporting job-seeking parties decreased by 7.9% compared with 2020.

<b>Rejected number</b>	Re
of registered	nι
users of recruiters	ur
about	рс
190,000	3

Rejected number of unqualified positions about 340,000 Disposed illegal accounts nearly 40,000

Percentage

of Reporting

recruiters

compared with 2020

**46.6%** 

#### Product Innovation and Audit

#### Product Audit

All online new products are required to undergo strict internal audit before they go online, and can only be released online after several internal audits to ensure that the product design, functions, data involved and other aspects fully comply with the regulations. At the same time, the risk strategy established by the Group continuously tracks and monitors the functions that have been launched, recalls them immediately when risks are found, re-conducts risk assessment, and optimizes and rectifies them before releasing them online to ensure that all products dynamically comply with the requirements of latest laws and regulations.



## 2. Security Management Measures (Continued)

#### Product Innovation and Audit (Continued)

#### Product Innovation

In 2021, Liepin has made several upgrades in terms of data security and personal information protection on the product side to continuously optimized user privacy protection and user experience.

Product safety upgrade direction	Safety protection function	Function realization
Intermediary Phone number	Provide virtual call forwarding service for candidates to guarantee their phone privacy and security. When a candidate is turned on, the only way for a recruiter to initiate contact with a candidate is through virtual phone communication.	<ol> <li>Candidates who take the initiative to open privacy protection account for 86%.</li> <li>87% of our recruiters use intermediary phone number.</li> <li>In 2021, the number of minutes of using intermediary phone number is nearly 7 times that of 2020.</li> </ol>
IM function	In the online information conversation, through the "keyword intelligent identification" technology, all aspects of information can be reviewed to ensure information security.	<ol> <li>Sending messages hitting sensitive word reminders (including money, pornography, politics and other sensitive word types) as well as picture intelligence recognition, triggered nearly 2.5 million times a month.</li> <li>Sending pictures with intelligent recognition and alerting the receiver nearly one million times.</li> </ol>
Add user permissions	Improve the user's right to know about the use of privacy and protect their privacy rights.	<ol> <li>Support users to set whether the real name is displayed to the public; whether to turn on the browsing record protection; salary data hidden and other permissions.</li> <li>Set the function of "visitor mode" to protect users' right of informed consent more comprehensively and achieve the minimum necessary principle requirements.</li> <li>Users are required to manually confirm the relevant authorization agreements when logging in, registering, installing software, and updating agreements; and to publish privacy agreements, personal information mobile phone lists, lists of personal information shared with third parties, and algorithmic recommendation service descriptions to users.</li> </ol>
Optimizing shielding system	Job seekers are supported to block enterprises through keyword fuzzy search. After operation, the related information of the blocked enterprises is not displayed in multiple interfaces, and the blocked enterprises cannot actively search for job seekers' information.	More than 700 million users use the function of blocking enterprises to apply for jobs safely on the recruitment platform.

# SOCIAL ASPECT – DATA SECURITY AND PERSONAL INFORMATION PROTECTION

#### 2. Security Management Measures (Continued)

#### **Data Transmission and Storage Method**

#### Data transmission method:

The Group has established and implemented the Regulations on the Management of Sensitive Data of Liepin, which manages the data integrity, confidentiality, usability and other aspects of data life-cycle security management (creation, storage, use, transmission, dissemination, etc.), and classifies the data according to the importance of the data and the harm caused to the company or customers after leakage. Different control measures will be taken for different data levels.

#### Data storage method

According to the Regulations on the Management of Sensitive Data of Liepin, measures such as logical isolation, access control and recording of access logs are taken for data storage, including:

- a. When deploying sensitive data databases, it is necessary to isolate them from non-sensitive data databases, and random access is not allowed.
- b. Control the relevant access rights of the database storing sensitive data, and ensure that the access rights conform to the principle of minimizing rights;
- c. Databases storing sensitive data require output access rights, open logs and data access logs, and regular and effective security audits.

#### **Enhancement of Professional Services**

The Group always adheres to and practices the value of customer first, maintains an open communication channel with customers on the basis of understanding their needs, and continuously optimizes and upgrades the Group's products and services based on their feedback. The Group always attaches importance to the feedback and handling capability of customer complaints and continuously optimizes the customer complaint handling system to enhance service capability and customer satisfaction.

Platform feedback channel		
Feedback within PC/ APP	Through the form of online text feedback from users and online reply from customer service, it is convenient for users to quickly and conveniently feedback problems in actual use scenarios.	
Other feedback channels		
400 hotline	Through manual one-to-one telephone communication, users' questions can be received efficiently, and the customer's emotions can be soothed manually, so as to promote the real-time feedback and solution of problems and ensure the user experience.	
Public mail feedback	Through the form of email feedback, it provides users with multi-channel feedback, effectively ensuring the diversity of users' feedback questions and improving service experience. Universal mailbox: jubao@liepin.com Personal mailbox: service.c@liepin.com Headhunting mailbox: wing@liepin.com	

### 2. Security Management Measures (Continued)

#### Enhancement of Professional Services (Continued)

Liepin has set up multiple complaint and feedback channels to understand the needs and suggestions of users in a timely manner. According to the feedback channel of the platform, we set up a full-time team to be responsible for the verification and handling of users' complaints, and by optimizing the types of complaints and the entrance of complaints, we can ensure that users can report quickly. Strengthen the ability of risk tapping in reporting links, and conduct a comprehensive investigation and verification of reported users.

For our corporate, headhunter and individual clients, the Group has set up a dedicated complaint handling team for customer communication to achieve the most efficient handling of customer feedback, complete the complaint closure loop and enhance customer satisfaction.

For customer complaints on the enterprise side, we resolve customer complaints on the enterprise side in a timely and efficient manner by establishing a complete complaint feedback mechanism. After the customer calls the 400 hotline to make a complaint, the customer service team will communicate with the customer in turn, and the mail will reach the corresponding responsible team, so as to reach the goal of communicating with the customer within 2 hours, resolving the complaint within 24 hours and paying a return visit to the customer. By the end of 2021, the Group had handled more than 600 customer complaints from the enterprise side, down nearly 8% from 2020.



In response to customer complaints at the individual end and the headhunting end, the Group has established a highrisk customer complaint warning mechanism and a high-risk customer complaint review mechanism to continuously optimize the customer complaint handling plan. Through the early warning mechanism of high-risk customer complaints, the standards of high-risk customer complaints such as user experience and rights and interests are unified, the acceptance time limit and the heads of various departments are defined, and the business departments of the platform work together to solve the problem, so as to ensure the efficiency of accepting user problems. According to the customer complaints that meet the high-risk standards, file them uniformly and feed them back level by level to promote the collaborative optimization of various business departments and continuously promote the upgrading of user experience. By the end of 2021, the Group had handled more than 1,900 complaints from individual end and headhunter end, a decrease of nearly 9% compared with 2020.



## SOCIAL ASPECT — SOCIAL CONTRIBUTION

#### 1. Community Investment and Participation

While seeking its own development, Liepin Group actively pays attention to the development needs of the community, and helps to create a more perfect and better community life through science and technology.

#### 1) Driving National Employment through Public Welfare

Liepin Group has always supported the recruitment needs of various industries with its leading technology research and development and professional service capabilities, supported the upgrading of talent structure and the development of Chinese enterprises, and continued to contribute to ensuring the national employment level and economic and social development.

Liepin Group has actively responded to the national policy direction of "Stabilization in Six Areas" and "Six Guarantees" and attached great importance to "Employment Priority", and assisted the Ministry of Human Resources and Social Security and provincial governments in organizing various public welfare employment activities. In 2021, the Group once again undertook seven special recruiting sessions of the "100-day Recruitment Special Campaign" of the Ministry of Human Resources and Social Security, opening up customized service channels for the recruitment needs of key industries and featured talents. The Group gave full play to the advantages of platform resources, carries out customized and accurate matching according to the needs of different industries and groups of people, and builds an efficient job search channel between high-quality enterprises and elite talents. The special campaign held a total of 35,000 online and offline job fairs, released more than 30 million job information, about 15 million job seekers participated. Among them, nearly 70,000 enterprises have been mobilized to provide more than 350,000 jobs in the seven special recruitment activities.



In order to meet the strategic needs of local governments for talent introduction, the Group assisted Yunnan Province, Xi'an City, Shaanxi Province, Huangpu District, Shanghai, Chengdu-Chongqing District and other places to conduct live talent introduction activities, thus further gathering more outstanding talents to promote local high-guality development, with fruitful results. In collaboration with the Organization Department of CPC Yunnan Provincial Committee and the Department of Human Resources and Social Welfare of Yunnan Province, the Group held a live talent attraction activity of "Gathering Talents to Create a Better Yunnan". This activity included eight live events, including a special event for famous enterprises, a special event for doctors, a special event for state-owned enterprises, a special event for Dianzhong New District, a special event for Yuxi and a special event for Zhaotong. It provided an official channel for all kinds of talents to learn about Yunnan's talent policy and industrial development, and a new way for Yunnan enterprises to introduce high-level talents. During the event, nearly 70,000 people entered the live broadcast room, more than 1,300 people commented, and nearly 40,000 people watched the live promotional video.

### 1. Community Investment and Participation (Continued)

#### 1) Driving National Employment through Public Welfare (Continued)

The Group has linked up with national media for three consecutive years to launch public welfare cloud standby live recruitment, creating conditions for efficient interaction between enterprises and job seekers to meet the needs of both sides while ensuring that epidemic prevention and control is carried out effectively. In 2021, Liepin joined forces with a number of local media to hold a series of activities of "2021 Extraordinary Employers for Public Welfare Recruitment of Liepin". It continued to build efficient and convenient jobseeking channels for job seekers in different regions and industries, and created diversified live recruitment programs according to regional characteristics to improve the matching efficiency of supply and demand in the local job market and help job seekers improve their employment quality. The Liepin's public service cloud recruitment series is a live broadcast for enterprises to establish a connection between recruitment leaders and job seekers, to communicate face-to-face with the real business situation and cultural philosophy of enterprises, to build fast communication channels and delivery channels for both sides, to help enterprises recruit quality talents with high efficiency, so that job seekers can take a step ahead of others on the career path. During the "Extraordinary Employer" public welfare recruitment live broadcast, more than 2.5 million people watched the live broadcast on the whole platform, and the average number of participating companies delivered and communicated with each other increased by more than 130%, with the highest one increasing by nearly 430% compared with the average.





## SOCIAL ASPECT — SOCIAL CONTRIBUTION

#### **1.** Community Investment and Participation (Continued)

#### 2) Gender Equality, Keep Focus on Women in the Workplace

In September 2021, the State Council issued the Outlines of Women's Development in China (2021-2030). which clearly expressed concern for women's equal rights and interests in health, education and economy. At the economic aspect, we should actively focus on women's equal rights and interests in employment and remuneration, and encourage and support women to contribute to the promotion of high-quality economic development.



In response to the policy call for "gender equality," the Group is taking concrete action to provide employment opportunities and raise the profile of women in the workplace.

The Group assisted the Ministry of Human Resources and Social Security and other departments in organizing the "2021 National Private Enterprise Recruitment Month", and co-hosted a special recruitment session for women to create better channels and opportunities for women's employment. In 2021, Liepin Group launched the "Her Times" Employer Cooperation Program, which is dedicated to discovering outstanding employers that provide fairer job opportunities, better working environment and better training plans for women. So far, it has reached cooperation with 12 well-known enterprises at home and abroad, and the live broadcast covers over 500,000 people. The Group jointly organized the "Her Times" live broadcast with outstanding employers to efficiently connect enterprises with job seekers, explore high-quality employers

to help women develop, and let enterprises give valuable workplace help to female job seekers, so that they can learn more about enterprises.



The Group has always been committed to promoting the realization of gender equality in the workplace and paying attention to the development of women in the workplace. Previously, Liepin has released the insight report of women in the workplace, opened the special recruitment session of "Goddess Advent", and cooperated with the variety show of working mothers' growth observation "Go to Work! Mom" and other ways to help

women's workplace development, calling on enterprises and society to pay attention to the dilemma of women's workplace development. In the future, Liepin will continue to promote gender equality in the workplace with major enterprises and contribute to building a fair and just workplace environment.

### 1. Community Investment and Participation (Continued)

#### 3) Helping the Poor and Achieving Common Prosperity

In order to implement the spirit of China's important instructions on promoting common prosperity in high-quality development, and to serve to win the battle against poverty, Liepin Group has carried out a comprehensive public assistance action in recruitment and employment, technical training and materials for people in poor areas all over China from the industry.

Liepin Group has long been concerned about and committed to the education industry in China, and is especially dedicated to exploring and promoting the development of rural education.

The Group cooperated with "One-kilogram Box", a public welfare innovation organization that promotes rural education equity, and to launch the "Rural Children's Life Home" program, a public welfare assistance program of Liepin. Launched in February 2021 and running through the end of the year, the program aims to get quality learning content and experiences delivered at the lowest cost to the rural students who need them most, so that they can become rural residents and learners. By recruiting teachers nationwide and equipping them with "One-山区孩子获取更多优质教育资源 kilogram Box" that can help students master life skills, the public welfare program can carry out interactive teaching, so that high-quality learning content and experience can be delivered to the most needy students at the lowest cost, enabling them to cope with health, safety and other challenges and problems encountered in life. At the same time, Liepin Group has also took advantage of the platform, donated a "Onekilogram Box" to mountain children on behalf of the HR who posts more than a certain number of positions on the Liepin platform. The program ultimately recruited nearly 90 teachers to work with eight community organizations in Jiangxi to conduct box innovation classrooms in the 2021 Liepin Program.

Both rural revitalization and stable employment are the focus of national efforts, and education revitalization is an important way to achieve rural revitalization. In the future, Liepin will give full play to the advantages of the platform, continue to respond to the call of the state, practice social responsibility, actively innovate the form of public welfare, and make greater contributions to help rural education development, talent growth, and promote social employment.



## SOCIAL ASPECT — SOCIAL CONTRIBUTION

#### 1. Community Investment and Participation (Continued)

#### 4) Fight Against the Epidemic and Help Prevent the Epidemic in Various Regions

Since 2019, the country has faced a severe test of epidemic prevention and control, with multi-point outbreaks. As a socially responsible human resources service group, Liepin Group has provided product support such as training and video interview, live broadcast of public welfare recruitment special session, and live broadcast of HR hot topics such as the interpretation of labor relations policies, enterprise employment risk prevention, employees' emotional stress and mental health, and industry talent data report, aiming at the multi-dimensional problems of organization and management and employee care brought by the epidemic, so as to improve the level of enterprise information sharing and provide reference basis for enterprise employment and adjustment of strategies. In view of the severe situation of COVID-19 epidemic in Shanghai, Shanghai Branch responded at the first time, always paying attention to the mental health and living needs of employees, providing certain allowance support for employees, and working together to fight the epidemic.

- Employment demand research: The demand research of enterprise human resources helps companies understand the changing trend of human resources demand
- Product support: Provide public welfare support for video interview and online course learning
- Interpretation of hot industries: Such as the interpretation of labor laws and policies, employment risk prevention, employees' emotional stress and mental health, and talent data report
- Campus care/support: The Group's largest professional online research platform launched the campus epidemic prevention and control solution at the first time, covering functions such as health status report, online examination, approval of school entrance and exit, and mental health investigation





# SOCIAL ASPECT — TECHNOLOGICAL INNOVATION AND INTELLECTUAL PROPERTY PROTECTION

#### 1. Technology Innovation

Since its establishment, the Group has always attached great importance to the investment in technology innovation. We have been continuously innovating, from the initial mid-to-high-end talent recruitment platform connecting the enterprise, headhunter and individual to the transactional service products, and then to the newly upgraded version of the Liepin for Enterprise. We hope that we can start from technology and constantly lead the market to change and innovate.

We pay attention to the investment in technology research and development. In 2021, the Group's R&D expenditure reached RMB340 million, a year-on-year increase of over 40%. A steady proportion of investment in technology R&D will help to continuously enhance the Group's technological capability and provide a solid foundation for more and more valuable innovative products.

As the awareness and preference of recruiters and job seekers for online interviewing increased, Liepin based on a quick insight into the market demand and technical innovation in interviewing, launched Duomian, a professional tool dedicated to intelligent batch interviewing, for the first time in the industry in February 2020.

#### **Technology Innovation Case: Duomian**

Duomian innovatively implements intelligent interviewing through AI technology, which clearly marks and accurately identifies the competence factors of candidates and their degree of suitability for the position, and solves the demand for batch screening of talents on the enterprise side.

In order to support the interview demands of corporate function demands, Duomian has designed with a component-based product module, which features multi-scene interview, batch invitation, intelligent reminder, evaluation transfer and summary and real-time resume access, etc. Among them, multi-scenario interview covers one-to-one, one-to-many, many-to-many, etc. to cater to meet daily interviews; batch invitation is intended for batch candidates invitation by grouping and creating interview rooms, intelligently analyzing resumes, and matching the right session; intelligent reminder can reach interviewers and candidates 3 times through SMS, email and telephone to ensure the interview rate; Besides, the interview arrangement also provides the flexible choices of queuing up and optional interview time; the evaluation transfer and summary allows interviewers to review the evaluation in each round and make a comprehensive judgment to select talents; the real-time resume access helps interviewers check candidates' resumes at any time during the interview.

Duomian is deeply synergistic with the recruitment tool of Liepin to support the talent screening process through multiple dimensions such as online assessments and talent matching reports, making online recruitment more flexible, more intelligent and more professional.





# SOCIAL ASPECT — TECHNOLOGICAL INNOVATION AND INTELLECTUAL PROPERTY PROTECTION

#### 1. Technology Innovation (Continued)

Duomian is developed with the latest language model, so that the judgment of Chinese semantics has reached the high accuracy recognized by the industry. The machine learning feature matrix is constantly optimized for increasing engine loads. Based on the Hexagram model of Liepin, 33 core competencies are developed, supporting custom assessment dimensions; generating assessment indicators adapted to the needs of enterprises, and achieving personalized and accurate matching while improving screening efficiency.



So far, Duomian has reached deep cooperation with many famous enterprises and government departments. In the spring 2021 school recruitment project, a well-known consumer goods group completed the "preliminary interview" and evaluation of more than 10,000 candidates in 7 days through Duomian; in a large city bank's school recruitment and social recruitment, the system automatically notified and invited 4,300 candidates to interview and completed the preliminary interview in 7 days.

The industry-leading technical strength and innovative and convenient product form have made Duomian widely recognized and praised. Since its launch, it has won many awards, including the winner of the 2021 Human Resource Digitalization Entrepreneurship Contest in Suzhou, China, the title of Top 50 HR Technology Companies of China in 2021, the 2021 AI Annual Conference and AI "Golden Goose Award", the 2021 AI Innovation Award issued by the Artificial Intelligence Committee of the China Electronics Chamber of Commerce, the 2021 Best HR Service Provider of HRFLAG Award, and the 2022 Best Product of HR-flag New Flag Award, etc.

#### 2. Intellectual Property Protection

The Group has always been serious to the protection of intellectual property rights, and believes that it is very important for business development and interest protection. We strictly abide by the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Copyright Law of the People's Republic of China and other relevant laws and regulations, and formulate relevant work processes and norms accordingly to establish a sound intellectual property protection system. As of 31 December 2021, the Group registered more than 140 software copyrights, and had four high-tech enterprises under the relevant jurisdiction. Nearly 20 patents are under application, and the intellectual property innovation work has been quite successful.

#### Statistics on intellectual property rights



The Group respects the intellectual property rights of copyright owners and tries its best to protect their intellectual property rights. If we find any content that infringes the intellectual property rights of copyright owners, we will promptly remove it. For example, in the articles pushed by the WeChat official account and the official application, if the articles are not original, we will communicate with the copyright owner to obtain reprint permission before reprinting, and will cite the copyright owner in our pushed articles after getting permission; if the vendor publishes pictures and contents on our website without the authorization consent of the right owner, we will remove the relevant infringing pictures and contents after receiving the notice from the copyright owner in an effort to protect the intellectual property rights of the copyright owner.

Employees are the most important assets of the Company. We strive to create a comfortable and harmonious workplace, protect employees' rights and interests, pay attention to employees' health and safety, carry out employee training and promote employees' development.

#### 1. Well-established System and Rules

We abide by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of the Rights and Interests of Women, the Provisions on Labor Protection of Female Employees and other relevant laws and regulations, protect the legitimate rights and interests of employees, and prohibit the employment of child labor and forced labor. We set up many internal systems, such as the Tongdao Employee Handbook, the Recruitment Management System, the Running Water Management System, the Performance Improvement Management System, the Promotion Management System and the Non-competition Management System to regulate the management of employee recruitment, separation, compensation, benefits, performance and promotion, etc.

#### 2. Composition of employees



2. Composition of employees (Continued)







We timely follow up and provide feedback on the turnover of employees and the risk of resignation, and adjust the human resources work for the year based on the number of employees leaving the Company, reasons for resignation and key phenomena in the previous year, so as to improve and improve the various modules of human resources, so as to better reduce the Company's human resources risks and avoid talent loss. During the Reporting Period, the employee turnover rate of the Group was relatively in normal level than that of previous years.



#### 3. Employee Recruitment and Management Provisions

The Group clear provisions on personnel recruitment and employment policy: The Human Resources Department implements human resources recruitment according to the Company's human resources demand plan, and the recruitment can be carried out by combining external and internal methods. Each department must include the job duties of the required position, the requirements for the candidate, and the person to whom they report when proposing a human resource requirement plan.

The Group selects high potential talents according to the "talent concept of Tongdao", and we believe that those who meet the criteria of the talent concept of Tongdao are capable of doing a good job of Liepin for various positions and becoming excellent people of Tongdao.

#### Talent View of Tongdao

Brain	
Smart	<ul><li>IQ: Be perceptive and learn by example.</li><li>EQ: be good at managing personal emotions, be openness, getting inside others and be empathy.</li></ul>
Good learner	Be good at introspection, and be able to proactively identify your own problems and limitations. Be curious and continuously engage in self-learning to improve, seek and achieve breakthroughs.
Thinking and discernment	Look at the future, have big picture thinking, be logical, take initiative and think independently. Look at things systematically, be able to see the essence of things and analyze trends.

Heart		
Optimism	In good times and bad, see the opportunities first rather than the difficulties.	
Optimisii	Be optimism after understanding the real situation objectively and rationally.	
Withstand the fall, be firm inside, and not be sensitive.	Withstand the fall, be firm inside, and not be sensitive.	
Durability	Withstand the worship and pursuit, and have the right self-awareness.	

Body	
Practice earnestly	Continuously self-driven with firm goals, consistently holding yourself to high standards and making no excuses. Be result-oriented, pursuit of perfection, and mission must be achieved.

The main recruitment types of the Group mainly include campus recruitment, social recruitment, internal recruitment and so on. The Group's recruitment principles are: Open recruitment to select the qualified ones; internal employee shall have the priority under equal conditions.

In 2021, the full recruitment rate of the Company was 99%, and timely and effective recruitment fully supported the business development of the Group. During the year 2021, the Group updated the "Liepin Running Water System", refined the basic gualifications for internal recruitment, sorted out and simplified the job transfer process and defined the allowance standards, supported a fairer and more flexible internal job rotation, helped employees achieve all-round development, and facilitated the Group's diversified development and talent cultivation.

3. Employee Recruitment and Management Provisions (Continued)



(the same group), suppliers, customers, etc.; if such a situation occurs, employees with mutual relatives and couple relationships should take the initiative to provide a written report to the Human Resources Department in a timely manner, the Company has the right to adjust the position of the relevant personnel, otherwise the Company has the right to deal with violations according to the severity of the situation.

#### High Tension Line of Tongdao

#### Internal struggle

Including but not limited to: Forming cliques and cronyism; intentionally isolating, excluding or suppressing other teams or team members; verbally abusing, spreading rumors, and making personal attacks on colleagues, etc.

#### Falsification

Including but not limited to: Falsification of reimbursement documents; filling in false information in the internal management system; making illegal phone calls during working hours; providing false information and data; falsifying customer information and customer certificates, making false contracts, etc.; transferring customers privately to avoid the flow, transferring performance, making false phone calls, making false visits to go out, using system loopholes to make private profits, concealing product failures that have occurred or have been foreseen, etc.

#### **Disclosure of confidentiality**

Including but not limited to: To disclose the company's core data, product information, customer information and financial and other business information to external personnel; violate the company's confidentiality requirements to communicate business, personnel, financial and other important information; share the core business model or product logic; disclose the new product planning not yet launched; unauthorized disclosure of any development or completed documents, prototype drawings or code to personnel outside the company.

#### Acceptance of bribes

Including but not limited to: Soliciting or accepting in any form benefits provided by colleagues, subordinates, customers or suppliers who have interests related to oneself.; misappropriating company property, using company resources for personal gain, commercial bribery to customers, malicious collusion with customers or suppliers to the detriment of the company's interests, namely: Corruption, bribery, favoritism, etc.

#### Inquire about salary

Including but not limited to: Prying into or discussing the salary or other personal benefits of colleagues or superiors, etc.

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Meanwhile, we actively carried out campus recruitment. In the autumn of 2021, school recruitment publicity covered 270 colleges and universities at home and abroad, of which 54 were 985 and 211 (accounting for 48% of the equivalent colleges and universities in China), and there were 920 publicity exposures nationwide. During the school recruitment period, the Group received more than 6,000 resumes and issued more than 130 offers.

The Group has formulated the "high tension line of Tongdao" to strictly regulate the behavior of employees, and to resolutely maintain a fair, equal and friendly working environment. At the same time, the Group does not advocate that employees with relatives and couple relationships work in departments or positions with related interests, such as superiors and subordinates, the same department

#### 4. Occupational Health and Safety Measures

We are very concerned about the health and safety of employees and provide them with a safe office environment.

We strictly comply with the laws and regulations on occupational health and safety and workplace fire safety, such as the Labor Law of the People's Republic of China, the Work Safety Law of the People's Republic of China and the Fire Protection Law of the People's Republic of China, and improve safety management through internal rules and regulations such as the Employee Handbook.

The Group pays for work-related injuries and medical insurance for its employees in accordance with the provisions of the Labor Law of the People's Republic of China, and effectively ensures that work-related injury insurance plays a functional role in preventing occupational risks and pays attention to the physical health of employees. In addition, the Group is committed to providing a safe working environment for its employees and to the extent known, there is no potential risk of occupational diseases as mentioned in the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases. In addition, the Group pays supplemental commercial insurance for regular employees who have been employed for more than 6 months, including outpatient, hospitalization, critical illness and accidental injury, to provide more comprehensive protection for employees' medical expenses.

Our measures to protect workplace safety include: (i) setting up access control to manage personnel's entry into and exit from office areas; (ii) conducting regular fire safety inspections in office premises and rectifying the identified hazards thereof, and (iii) conducting fire safety publicity to enhance employees' awareness of fire safety.

We set up public zones in part of the office areas for employees to communicate among themselves and have a break, and we advocate that work be finished within working hours. We provide employees with a commercial insurance plan every year and organize lectures for employees from time to time to improve their health awareness. With the joint efforts of us and our employees, there have been no work-related deaths or work-related injuries in the past. During the Reporting Period, there were no cases of work-related fatalities and work-related injuries.

#### 5. Employee Development and Training

In terms of employee training, the Group adheres to the training philosophy of "making Liepiner more successful", and in 2019, it gradually improved the training system that includes all employees, professional staff and management staff, involving offline business, online production and research, middle-level and back-office functional teams. In addition, the Group distinguishes between training for new employees, on-the-job professional skills, and management skills in a variety of formats including, but not limited to, mobile fragmented learning, offline workshops, role plays, competitions, and sandboxes, as well as direct training for high potential and high performing employees and middle and senior managers using external resources. A team of nearly 500 certified instructors is generated and operated internally to ensure the efficient transfer of knowledge and skills in Liepin. In 2021, more than 1,500 courses were published and more than 19,700 employee internal trainings were completed. We have accumulated several training cadres such as excellent new employees, trainees of specialized training enhancement programs, certified instructors, and middle and senior managers to guide the construction and iteration of learning organizations.

We are committed to training whenever and wherever possible, and to meeting the needs of both the company's growth and individual employees. Especially in 2021, when offline centralized training was not possible during the epidemic, we further applied our talent development platform (video course-led online platform) and developed our training system to meet the learning needs of our employees.

### 5. Employee Development and Training (Continued)

We have developed a learning panorama map for employees and managers of each system to build and improve the training system. For all employees, we gradually cover different positions, ranks and development stages through offline and online courses. For new employees, we differentiate positions to design training plans with different lengths and rich training contents, and actively promote the mentor-apprentice guidance system to facilitate their rapid adaptation to the needs of their jobs; we provide targeted vocational training for serving employees to enhance professionalism and professional ability. We have launched a variety of competitions and incentives such as "Business Skills Competition", "Product Training" and "Internal Instructor Certification and Excellence Selection" for business regions to advocate the construction of a learning organization. We have implemented training for different management levels to further enhance their leadership. In 2021, we launched the "Management Academy", in which the management team led by the Chief Executive Officer regularly shares their experiences and reflections on topics such as safety compliance, leadership, and corporate strategy to the company's middle managers. In addition, we use various forms of external training and theme sharing to illustrate our employees to expand their horizons and enhance their creative abilities.

For the year ended 31 December 2021, we aggregated multiple forms of online and offline courses, with a total of more than 44,500 hours of online learning and nearly five hours of learning per person. Generally-speaking, the proportion of female employees trained is relatively high as the proportion of all female employees of the Group is relatively high.

#### **Distribution of trained employees**

### Dimension Number of employees Percentage of employees Average hours of training

#### 6. Employee Performance Assessment

The Group believes that the Group's success and sustainable competitiveness entirely depend on the creativity and performance of its employees. The Group follows objective, fair and rigorous assessment standard and conducts a comprehensive assessment of employees' achievements on performance, ability, attitude and competence, the purpose of which is to demonstrate the achievement of objectives through the scientific and effective management system, and to promote continuous and effective communication, feedback and guidance between the direct supervisor and the employees on the target realization status and professional behavior. At the same time, performance assessment is organically combined with employees' training development, remuneration and welfare system to motivate employees to perform effectively.

The performance assessment system of the Group is slightly different for different departments. The Group motivates efficient performance based on assessment results to promote continuous optimization of organizational efficiency. For those employees who fail to meet the requisite standards of assessment, the Group will help them meet the performance requirements through training or rotation. For those employees who still fail to meet the performance requirements after such training or rotation, the Group has the right to terminate the labor contract with the employees in accordance with the relevant requirements of the Labor Contract Law of the People's Republic of China.

Senior manager	Intermediate manager	Junior manager
19	128	490
0.48%	3.20%	12.26%
1.78	7.21	8.44

#### 7. Employee compensation, benefits and activities

In order to ensure Liepin Group's sustainable development, the Group will provide employees with a remuneration and welfare structure that is competitive in the industry externally and fair internally. At the same time, the Group will regularly collect and analyze relevant remuneration data in the target markets to maintain its sustainable competitiveness. Remuneration consists of cash income and non-cash income, among which, cash income comprises basic salary, bonus, etc.; non-cash income comprises social insurance and provident fund, internal company benefits, etc. The Group has paid social insurance and provident fund for employees since they joined us.

In terms of holiday pay, employees receive full pay for their annual leave and fully paid sick leave. For other sick leave, employees shall be paid based on 80% of the local provinces minimum wage in the current year (for those areas with special regulations, such special regulations shall prevail). For personal leave, the full salary for the day shall be deducted. In addition, the employees of the Company shall receive basic salary for marriage and funeral leave, pregnancy check leave, maternity leave, breastfeeding leave, family planning leave, and public holidays.

The Group is dedicated to create a working atmosphere of "work hard, play hard". During the "moments of truth" with Liepin Group, such as incentives in the daily work, festivals, employees' birthdays, employees' anniversaries, annual meetings, etc., the Group organizes corresponding activities so as to provide welfare mentally and in substance. Create a harmonious working atmosphere like a family for employees. We have organized numerous cultural and sports activities, including organizing the production and research team (看天會) to discuss the product development strategy and holding regularly departmental team building to enhance the bonding between employees in this year.

#### **Group Celebrations**



The tenth anniversary of Liepin

7. Employee compensation, benefits and activities (Continued) Group Celebrations (Continued)



2022 Annual Meeting of the Group - Stars and Seas



Value Star Selection, set the power of role models for the Tongdao Day

#### **Festival activities**



Fun activity for Children's Day in branch company



On October 13, the Tongdao Day, let each peer remember the spirit of Tongdao



Employees' anniversary, thanks for their hard work



Dumplings activity for Dragon Boat Festival in branch company



7. Employee compensation, benefits and activities (Continued) **Festival activities (Continued)** 



Clay sculpture DIY activity for Mid-autumn Festival in branch company



Thanksgiving activity of Teachers' Day in subsidiary



Regular afternoon tea in branch company

Welfare Care



Daily tea party activities of subsidiary



Actively respond to the government's call to provide Chinese New Year customized gift packages for employees who spend the New Year in place



Invite experts to take the pulse of employees, make health physiotherapy for free

#### 8. Female Employee Care

The Group has always been serious to the protection of the rights and interests of female employees and cared for their daily needs. The Group has set up mother and baby rooms for female employees in office areas and holds group celebrations for female employees on holidays such as Women's Day Regional branches will also hold afternoon tea events for female employees according to local characteristics, and prepare corresponding holiday gifts and interactive games as a celebration.



#### 9. Labour Standards and Anti-discrimination

All employees are employed by the Human Resources Department of the Group to ensure that they meet the job requirements of corresponding positions. In addition, the Group complies with relevant laws and regulations, safeguards the legitimate interests of employees, resolutely resists child labour and forced labour, and consciously conducts relevant social supervision.

The Group strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and other national laws and regulations, and are committed to creating an equal and diversified office atmosphere. We do not discriminate against anyone for nationality, race, gender, age, educational background or religious beliefs. We have the Specifications for Job Posting in place internally, which regulates the recruitment process and prohibits discriminatory vocabulary in the job posting.

## SOCIAL ASPECT — BE ETHICAL IN BUSINESS

#### 1. Supply Chain Management

The main business suppliers of the Group are legal entities that meet the national policies, regulations and professional qualifications. In cooperation with business suppliers, the Group attaches importance to the dynamic inspection of their licenses and qualifications to ensure that they meet the relevant requirements and revisions of national policies and regulations. In addition, the Group also encourages suppliers to help raise awareness of environmental protection and social responsibility.

The Group controls the risks that may arise from various aspects of the procurement process. We have established a comprehensive procurement system, promulgated the Tender Procurement Management System, and set up corresponding systems and processes such as the Supplier Management Specification Rules, the Supplier Sourcing Process, the Supplier Performance Assessment Process and the Supplier Recommendation Process to regulate and manage the entire procurement process and various procurement activities of the Company. The whole procurement process and all procurement activities are managed in a standardized manner.

In order to ensure the interests of the Company and employees in all aspects of procurement, the Group provides training on employee responsibility, manager responsibility, supplier screening, and anti-fraud for employees involved in the procurement process. At the same time, the Group clearly stipulates anti-fraud clauses in various procurement cooperation contracts with external suppliers.

The Purchasing Department regularly conducts internal job rotation and self-inspection, and accepts the inspection and supervision of the company's finance department and internal and external audit departments.

With regard to the access of external suppliers, the Group has set up comprehensive supplier inspection and entry criteria, focusing on auditing the integrity of supplier qualifications and operational compliance, as well as conducting on-site inspections of potential suppliers' operating sites. The Group has actively implemented an online supplier management system, which enables supplier access, daily management and assessment to be carried out online. Conduct annual assessment, selection and daily management monitoring of suppliers. The assessment focuses on cost control and delivery quality, and daily management monitors the cooperation status and performance indicators of suppliers. The above actions ensure cooperation with high-quality suppliers who can complete timely and correct delivery of procurement contents. Based on the implementation principle of "fair and just, full competition and meritbased admission" for suppliers, by the end of 2021, there were 130 new suppliers, 137 frozen suppliers and 387 existing suppliers, most of which are based in mainland China.

The Purchasing Department gradually realizes cost reduction and efficiency improvement in procurement work by decentralizing the single risk of purchasers, conducting in-depth investigation and research on procurement prices in the industry as well as continuously optimizing the procurement strategy.

#### 1. Supply Chain Management (Continued) **Procurement Scale Analysis**

Procurement classification	Purchase quantity (Unit: times)	Cost saving rate (%)	Business involved
Project category	6,726	26.3%	Gifts, outsourcing services, marketing activities, design promotion, etc.
Brand, market	619	1.3%	Advertising campaigns, marketing activities, materials and gifts, etc.
Software, services and others	975	0.5%	Functions/operation office, expert services, etc.
Fixed assets	361	11.1%	Computers, network equipment, server hardware, etc.

Note: The cost savings rate here is calculated as cost savings rate = (budgeted purchase amount - actual purchase amount)/budgeted purchase amount

#### **Procurement Process**



## SOCIAL ASPECT — BE ETHICAL IN BUSINESS

#### 2. Anti-corruption

The Group takes anti-fraud work seriously, strictly follows the relevant laws and regulations of the state on anticorruption and anti-bribery and anti-unfair competition to strengthen anti-fraud management and safeguard the healthy development of the enterprise.

#### **Related System**

The Group has set up the Anti-Fraud Management Measures, which are applicable to all employees of the Group. To regulate all behaviors involved in the performance of the Group's employees, to prevent and control the occurrence of fraud, and to strengthen the governance and internal control of the Liepin Group.

The Group has formulated the Tongdao Employee Handbook, which stipulates that "accepting bribes" is the high tension line of the Group, and all employees of the Group shall not violate it.

#### **Supervision Mechanism**

The Group has set up three supervision mechanisms to reduce the risk of fraud.

- National Legal Department. The Legal Department is responsible for the acceptance and preliminary examination of anti-fraud reports and the confirmation of filing;
- The leadership team of the business unit involved in the case: After the Legal Department confirms that the case is filed, it will be handed over to the leaders of relevant business departments of the people involved in the case for investigation and evidence collection, and the final conclusion will be given according to the evidence; and
- Compliance Committee: If major cases are involved, refer them to the Compliance Committee. The Compliance Committee is composed of CEO, CFO, Vice President of Personnel, Chief Technology Officer, Head of Legal Department and Head of Audit Department.

The responsibilities and tasks of anti-fraud risk management are defined by the three supervision mechanisms, and the Group also makes continuous optimization according to the three mechanisms to strengthen risk identification and improve the effectiveness of anti-fraud risk management.

#### **Advocacy Means**

Ensure that all employees of the Group abide by the Anti-Fraud Management Measures, and the Legal Department of the Group will initiate all employees by sending all employees' emails and publicizing them in OA system, which will be announced at the company-level meeting.

The Group formulated the "Tongdao Employee Handbook" and distributed it to all employees, signed it together with the labor contract, and made it known to all employees through democratic public procedures such as collecting opinions, employee training, sending it by email and publicizing it in OA.

#### 2. Anti-corruption (Continued)

#### **Reward and Punishment Measures**

The Group has arrangements in place for its employees to raise concerns in confidence about possible misconduct in relation to the Group's financial reporting, internal controls or other matters.

The verification of the reported cases is true, and the corresponding economic losses are actually recovered for the Group, according to the actual amount of economic losses recovered for the Group, the reward is given to the whistleblower, and the source of the bonus for the whistleblower is the amount of losses or fines recovered from the reported matters.

After a fraud case occurs in the Group, the department involved in the remedial measures shall make a written report to assess and improve internal controls, take appropriate measures against the violators, and communicate the results to internal and necessary external vendors.

For employees who are confirmed to have fraudulent behavior, the Group will be subject to the corresponding system disciplinary action in accordance with relevant regulations; if the behavior violates the law, they will be transferred to judicial organs for treatment according to law.

During the Reporting Period, the Group has complied with the relevant laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering It was confirmed that there was no incident of corruption or any violation of relevant laws and regulations.

At present, the Group conducts training for new employees and regular employee training to promote anti-corruption and integrity. In the future, we will conduct internal training on anti-corruption and integrity for employees from time to time and continue to pay attention to the reported situation.









The corporate governance report of Tongdao Liepin Group has been disclosed in the annual report published in the website of the Hong Kong Stock Exchange on 19 April 2022. The following is the summary of the core content of corporate governance management.

#### 1. BOARD OF DIRECTORS AND BOARD COMMITTEES

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and makes decisions objectively in the best interests of the Company. The Board should regularly review the contribution required from each Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing such responsibilities.

#### **Board Composition**

The Board currently comprises eight Directors, consisting of two executive Directors, three non-executive Directors and three independent non-executive Directors.

Members of the Board	Audit Committee	Remuneration Committee	Nomination Committee
Executive Directors			
Mr. Dai Kebin (Chairman and Chief Executive Officer)	_	_	Chairman
Mr. Chen Xingmao (Chief Technology Officer)	_	_	-
Non-executive Directors			
Mr. Shao Yibo	—		-
Mr. Zuo Lingye	Member		-
Mr. Ding Gordon Yi	—	Member	-
Independent Non-executive Directors			
Mr. Choi Onward	Chairman	Member	_
Mr. Ye Yaming	Member		Member
Mr. Zhang Ximeng	_	Chairman	Member

**Mr. Dai Kebin (戴科彬)**, aged 41, is our executive Director, appointed on 30 January 2018. He is also the Chairman of the Board and the Chief Executive Officer of our Company. He is primarily responsible for the overall strategic planning and business direction of our Group and management of our Company. He is also the Chairman of the Nomination Committee of our Company. Prior to joining our Group, Mr. Dai worked as a brand manager in the marketing department in the Great China region of Procter & Gamble Company, the shares of which are listed on the New York Stock Exchange (stock symbol: PG), from July 2003 to February 2008. Mr. Dai received a bachelor's degree in finance from Sun Yat-sen University in June 2003. Mr. Dai currently holds directorships in the following principal subsidiaries of our Group: Wisest, TD Elite and Liedao.

**Mr. Chen Xingmao (陳興茂)**, aged 45, is our executive Director, appointed on 23 March 2018. He is also the Chief Technology Officer of the Company. He is primarily responsible for overseeing product research and development and developing strategies for the technological advancement of our Group. Prior to joining our Group, Mr. Chen worked at Xiamen Dongnan Longtop Technologies Limited from December 2005 to September 2006. Mr. Chen received a bachelor's degree in marine chemistry and a master's degree in environmental science from Ocean University of China (formerly known as Ocean University of Qingdao) in July 1999 and June 2002, respectively. Mr. Chen currently holds directorships in the following principal subsidiaries of our Group: Wisest and Liedao.

**Mr. Shao Yibo** (邵亦波), aged 48, is our non-executive Director, appointed on 23 March 2018. Mr. Shao has been a founding partner of Matrix Partners China, a leading technology venture capital firm in the People's Republic of China since 2008. From 1999 to 2004, Mr. Shao was the founder and the chief executive officer of EachNet.com, an e-commerce company, which was acquired by eBay Inc., the shares of which are listed on the NASDAQ (stock symbol: EBAY), in July 2003. From July 2014 to May 2019, Mr. Shao served as a director of LexinFintech Holdings Ltd., the shares of which are listed on NASDAQ (stock symbol: LX). From June 2018 to March 2019, Mr. Shao served as a non-executive director of BabyTree Group, the shares of which are listed on the Main Board of Hong Kong Stock Exchange (Stock code: 1761). Mr. Shao received a bachelor's degree, summa cum laude, in physics and engineering science from Harvard College of Harvard University in June 1995, and a master of business administration degree from Harvard Business School in June 1999. Mr. Shao currently holds directorships in the following principal subsidiaries of our Group: Wisest and TD Elite.

**Mr. Zuo Lingye** (左凌燁), aged 43, is our non-executive Director, appointed on 23 March 2018. He is also a member of the Audit Committee of our Company. Prior to joining our Group, Mr. Zuo has been one of the founding members of Matrix Partners China since 2008 and has over ten years of expertise of investing in technology companies. From December 2017 to October 2019, Mr. Zuo served as an independent director in Cheetah Mobile Inc., the shares of which are listed on the New York Stock Exchange (stock symbol: CMCM). From December 2014 to December 2020, Mr. Zuo served as a director in Beijing OneAPM Co., Ltd., the shares of which are quoted on the National Equities Exchange and Quotations System (stock code: 838699). From April 2013 to June 2021, Mr. Zuo served as a director in Beijing Beisen Cloud Computing Co., Ltd., the shares of which were previously quoted on the National Equities Exchange and Quotations System. Mr. Zuo received a bachelor's degree in management information system and master of technical economics and management degree from Tsinghua University in July 2000 and in July 2002, respectively.

**Mr. Ding Gordon Yi (丁毅)**, aged 46, is our non-executive Director, appointed on 23 March 2018. He is also a member of the Remuneration Committee of our Company. Mr. Ding is a managing director of Warburg Pincus, which he joined in 2009 and focuses on investments in the technology, internet and media sectors in the People's Republic of China and other parts of Asia. Prior to joining Warburg Pincus, Mr. Ding worked at Citadel Investment Group from 2008 to 2009 and also in the investment banking divisions of Morgan Stanley Asia Limited and UBS Investment Bank from 2005 to 2007. Mr. Ding received a bachelor of science degree from Shanghai Jiao Tong University in July 1997 and a master of business administration degree from the Kellogg School of Management at Northwestern University, United States in June 2005. Mr. Ding currently holds directorships in the following principal subsidiaries of the Group: Wisest and INS Network (Beijing) Information Technology Co., Limited.

**Mr. Ye Yaming (葉亞明)**, aged 58, is our independent non-executive Director, appointed on 9 June 2018. He is also a member of the Audit Committee and Nomination Committee of our Company. Mr. Ye served as the former chief scientist, the chief technology officer and senior vice president of Ctrip, a company currently listed on the NASDAQ (stock symbol: CTRP) from August 2011 to February 2017. From October 2001 to July 2011, he held various positions at eBay and he served as the director of software development before leaving. Mr. Ye received a bachelor's degree in mathematics from Jilin University in July 1984, a master of engineering degree from Institute of Computing Technology Chinese Academy of Sciences in September 1990 and a master of arts degree from Wayne State University in December 1993.



**Mr. Zhang Ximeng (張溪夢)**, aged 45, is our independent non-executive Director, appointed on 9 June 2018. He is also the Chairman of the Remuneration Committee and a member of the Nomination Committee of our Company. Prior to joining our Group, since May 2015, Mr. Zhang has been the chief executive officer and one of the cofounders of GrowingIO, a data analytics company which provides closed-loop data operations across various industries. From April 2010 to February 2015, Mr. Zhang worked at LinkedIn Corporation, and he was senior director of business analytics before leaving. Mr. Zhang received a master of business administration degree from Baldwin Wallace University in May 2004.

**Mr. Choi Onward (蔡安活)**, aged 51, is our independent non-executive Director, appointed on 9 June 2018. He is also the Chairman of the Audit Committee and a member of the Remuneration Committee of our Company. Prior to joining our Group, Mr. Choi served as the acting chief financial officer of NetEase, Inc., a company listed on the NASDAQ (stock symbol: NTES), from July 2007 to June 2017. Mr. Choi received a bachelor of arts degree in accountancy with honors from the Hong Kong Polytechnic University in November 1993. Mr. Choi is a fellow member of the Association of Chartered Certified Accountants, a fellow member of the CPA Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr. Choi currently serves as a director in the following publicly listed companies:

- Beijing Jingkelong Company Limited, a company listed on the Hong Kong Stock Exchange (stock code: 814), as an independent non-executive director;
- Tuniu Corporation, a company listed on the NASDAQ (stock symbol: TOUR), as an independent director;
- Ucloudlink Group Inc., a company listed on the NASDAQ (stock symbol: UCL), as an independent director; and
- Smart Share Global Limited, a company listed on the NASDAQ (stock symbol: EM), as an independent director.

#### **Board Committees**

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website and the Hong Kong Stock Exchange's website and are available to shareholders upon request.

#### **Audit Committee**

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the year ended 31 December 2021, the Audit Committee held four meetings to review the quarterly financial data, and the interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors, engagement of non-audit services and relevant scope of works, connected transactions and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditors once without the presence of the executive Directors.

#### **Remuneration Committee**

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include making recommendations to the Board on the remuneration packages of individual executive Directors and senior management; reviewing and approving management's remuneration proposals with reference to the goals and objectives of the Board; making recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration; establishing a formal and transparent procedure for developing remuneration policy to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

During the year ended 31 December 2021, the Remuneration Committee held one meeting to review the remuneration policy and the remuneration packages of the executive Directors and senior management.

#### **Nomination Committee**

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) required of the Board annually and making recommendations on any proposed change to the Board to complement the Company's corporate strategy; making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular, the Chairman and the Chief Executive, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's board diversity policy (the "Board Diversity Policy"). The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Company's director nomination policy (the "Director Nomination Policy") that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the year ended 31 December 2021, the Nomination Committee held one meeting to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, and to consider and recommend to the Board on the appointment of Directors. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

#### **Board Meetings and Directors' Attendance Records**

Code provision C.5.1 (former code provision A.1.1) of the CG Code stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals involving active participation, either in person or through electronic means of communication, of a majority of Directors entitled to be present.

Code provision C.2.7 (former code provision A.2.7) of the CG Code has been revised to require that the chairman should at least annually hold meetings with independent non-executive Directors without the presence of other directors.

A summary of the attendance record of each Director at the Board meetings, Board Committee meetings and general meeting of the Company held during the year ended 31 December 2021 is set out in the table below.

	Attendance/Number of Meetings					
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting	Meeting between Chairman and independent non-executive Directors
Executive Directors						
Mr. Dai Kebin	4/4	_	_	1/1	1/1	1/1
Mr. Chen Xingmao	4/4	_	_	_	1/1	-
Non-executive Directors						
Mr. Shao Yibo	4/4	_	_	_	1/1	_
Mr. Zuo Lingye	4/4	4/4	—	—	1/1	—
Mr. Ding Gordon Yi	4/4	—	1/1	_	1/1	_
Independent Non-executive Directors						
Mr. Ye Yaming	4/4	4/4	_	1/1	1/1	1/1
Mr. Zhang Ximeng	4/4	—	1/1	1/1	1/1	1/1
Mr. Choi Onward	4/4	4/4	1/1	_	1/1	1/1

#### 2. BOARD POLICIES

#### **Board Diversity Policy**

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

At present, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any measurable objectives. The Nomination Committee will review the Board Diversity Policy, from time to time and as appropriate, to ensure its effectiveness.

#### **Director Nomination Policy**

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Reputation for integrity
- Commitment in respect of available time and relevant interest
- ٠ background, ethnicity, professional experience, skills, knowledge and length of service

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and reelection of Directors at general meetings. The Nomination Committee will review the Director Nomination Policy, from time to time and as appropriate, to ensure its effectiveness.

Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational



#### 3. CORPORATE GOVERNANCE FUNCTIONS

#### **Auditor**

The Consolidated Financial Statements of the Group for the year ended 31 December 2021 have been audited by KPMG.

KPMG shall retire and being eligible, offer itself for re-appointment, and a resolution to this effect shall be proposed at the AGM.

#### **Company Secretary**

Ms. Fung Wai Sum of Tricor Services Limited, an external service provider, has been appointed as the company secretary of the Company. Ms. Fung is a senior manager of Corporate Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Mr. Tian Ge, the Chief Financial Officer of the Company, is the primary corporate contact person of the company secretary of the Company, Ms. Fung.

For the year ended 31 December 2021, Ms. Fung has undertaken not less than 15 hours of relevant professional training to update her knowledge and skills in compliance with Rule 3.29 of the Listing Rules.

#### 4. SHAREHOLDERS' RIGHTS

The Company engages with shareholders through various communication channels.

To safeguard shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Hong Kong Stock Exchange after each general meeting.

#### **Convening an Extraordinary General Meeting**

Pursuant to Article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the reguisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognized clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

#### **Putting Forward Proposals at General Meetings**

There are no provisions under the Articles of Association or the Companies Law of the Cayman Islands regarding procedures for shareholders to put forward proposals at general meetings other than a proposal of a person for election as a Director

Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

For proposal of a person for election as Director, pursuant to Article 16.4 of the Articles of Association, no person shall, unless proposed by the Board pursuant to the recommendation of the Nomination Committee, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the company secretary of the Company notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected, and such person has been approved by the Nomination Committee and the Board.

#### Putting Forward Enguiries to the Board

For putting forward any enquiry to the Board, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

#### **Contact Details**

Shareholders and investors may send their enquiries or requests as mentioned above to the following:

Address:	Unit 417, 4th Floor, Lippo Centre, Tower 2, No
	the Board of Directors)
Email:	ir@liepin.com

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

#### **Communication with Shareholders and Investors**

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business, performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through AGMs and other general meetings. At the AGMs, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

During the year ended 31 December 2021, there are no significant changes to the Company's Memorandum and Articles of Association. The Memorandum and Articles of Association is available on the Company's website and the Hong Kong Stock Exchange's website.

The Company has in place a shareholders' communication policy to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

Io. 89 Queensway, Admiralty, Hong Kong (For the attention of



# CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspects	Key Performance Indicators	Description	Corresponding section/Remarks
A. Environmental			
A1 Emissions	A1	General Disclosure	Environmental aspects
	A1.1	The types of emissions and respective emissions data	Environmental aspects
	A1.2	Greenhouse gas emissions in total and intensity	Environmental aspects
	A1.3	Total hazardous waste produced and intensity	Environmental aspects
	A1.4	Total non-hazardous waste produced and intensity	Environmental aspects
	A1.5	Description of measures to mitigate emissions and results achieved	Environmental aspects
	A1.6	Description of how hazardous and non- hazardous wastes are handled, reduction initiatives and results achieved	Environmental aspects
A2 Use of	A2	General Disclosure	Environmental aspects
Resources	A2.1	Direct and/or indirect energy consumption by type in total and intensity	Environmental aspects
	A2.2	Water consumption in total and intensity	Environmental aspects
	A2.3	Description of energy use efficiency initiatives and results achieved	Environmental aspects
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Environmental aspects
	A2.5	Total packaging material used for finished products and with reference to per unit produced	Our business does not involve the use of packaging materials
A3 The Environment	A3	General Disclosure	Environmental aspects
and Natural Resources	A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them	Environmental aspects
A4 Climate Change	A4	General Disclosure	Environmental aspects
	A4.1	Description of the impact that have been and may be relevant to the issuer significant climate- related issues and actions taken	Environmental aspects

Aspects	Key Performance Indicators	Description	Corresponding section/Remarks
B. Social			
B1 Employment	B1	General Disclosure	Social aspects
	B1.1	Total workforce by gender, employment type, age group and geographical region	Social aspects
	B1.2	Employee turnover rate by gender, age group and geographical region	Social aspects
B2 Health and	B2	General Disclosure	Social aspects
Safety	B2.1	Number and rate of work-related fatalities	Social aspects
	B2.2	Number of employees lost due to work injury	Social aspects
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Social aspects
B3 Development	B3	General Disclosure	Social aspects
and Training	B3.1	Percentage of employees trained by employee category	Social aspects
	B3.2	Average training hours completed per employee by employee category	Social aspects
B4 Labour Standards	B4	General Disclosure	Social aspects
	B4.1	Description of measures to review employment practices to avoid child and forced labour	Social aspects
	B4.2	Description of steps taken to eliminate such practices when discovered	Social aspects
35 Supply Chain	B5	General Disclosure	Social aspects
Vanagement	B5.1	Number of suppliers	Social aspects
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Social aspects
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Social aspects
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Due to the Group's business nature and product nature, the issue is less relevant



## CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspects	Key Performance Indicators	Description	Corresponding section/Remarks
B6 Product	B6	General Disclosure	Social aspects
Responsibility	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Due to the Group's business nature and product nature, the issue is less relevant
	B6.2	Number of products and service related complaints received and how they are dealt with	Social aspects
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Social aspects
	B6.4	Description of quality assurance process and recall procedures	Social aspects
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Social aspects
B7 Anti-corruption	B7	General Disclosure	Social aspects
	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	Social aspects
	B7.2	Description of preventive measures and whistle- blowing procedures, how they are implemented and monitored	Social aspects
	B7.3	Description of anti-corruption training provided to directors and staff	Social aspects
B8 Community	B8	General Disclosure	Social aspects
Investment	B8.1	Focus areas of contribution	Social aspects
	B8.2	Resources contributed to the focus area	Social aspects