



家鄉互動科技有限公司

Homeland Interactive Technology Ltd.

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 3798

2021

**ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT**

Environmental, Social and Governance Report

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ABOUT THIS REPORT

Reporting Scope and Period

Homeland Interactive Technology Ltd. (the “**Company**” or “**Homeland Interactive**”, together with its subsidiaries, collectively known as the “**Group**”), is pleased to present its third Environmental, Social and Governance Report (“**ESG Report**” or this “**Report**”) of the Group to its stakeholders in order to showcase its strategy and performance in sustainability from the period of 1 January 2021 to 31 December 2021 (the “**Reporting Period**”). Unless otherwise stated, the reporting scope of this Report covers the Group’s business operation in the People’s Republic of China (the “**PRC**”).

Reporting Standard

This Report is compiled in accordance with the disclosure requirements of the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix 27 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) issued by the Stock Exchange of Hong Kong Limited (the “**HKEx**”).

Reporting Principle

This Report has been prepared according to the four reporting principles, namely materiality, quantitative, balance and consistency as set out in the ESG Reporting Guide. Below outlines the application of these reporting principles in this Report:

Reporting Principle	Definition	Our Application
Materiality	Materiality is the threshold at which ESG issues become sufficiently important to investors and other stakeholders that they should be reported.	Materiality assessment has been conducted to identify issues that are of material to the Group and its stakeholders. Relevant information of these issues has been collected and disclosed in a targeted manner.
Quantitative	Key performance indicators (“ KPIs ”) should be measurable. Targets can be set to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	Comparative and quantitative information has been disclosed in this Report.
Balance	This Report should provide an unbiased picture of the issuer’s performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	This Report has disclosed both achievements and challenges of the Group in an objective way.

Reporting Principle	Definition	Our Application
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time. The issuer should disclose in the ESG report any changes to the methods used or any other relevant factors affecting a meaningful comparison.	Consistent methodology has been used in this Report with necessary explanation on any changes to the methods used as compared to previous years.

Data Collection Method

The information cited in this Report is sourced from the Group’s official documents and statistical data. This Report has been approved by the board (the “**Board**”) of directors (the “**Directors**”) of the Company in May 2022.

Access of this Report

As part of the Group’s the published annual report 2021 (the “**Annual Report**”), this Report has been prepared in both English and Chinese and is available on the Group’s website at <http://www.jiaxianghudong.com/> and on HKEX’s website. In case of discrepancy, the English version shall prevail.

Collecting Feedback

The Group values every feedback from our stakeholders. Should you have any opinions on this Report or the Group’s sustainability performance, please contact us at:

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ABOUT HOMELAND INTERACTIVE

Homeland Interactive Technology Ltd., is the leading localized card and board game developer and operator in the PRC with a special focus on localized Mahjong and poker games. Our mission is to become a globalised leisure competitive game platform, starting from the leading localised card and board game operator in the PRC. Most of our games are the recreation of classic games with a long history in the real world, The Company's board and card games are ranked first in China based on the number of game varieties. In recent years, the company has achieved leapfrog growth in its user base and has successfully established a stable and healthy inflow of its own platform traffic. In addition to cultivating in the field of board and card, the group also develops casual games, and has launched a number of casual games. In the future, the company will continue to devote itself to provide safe and reliable gaming experience with rich content and beautiful graphics.

Mission

To provide the most native online games.

Vision

Become a globalised leisure competitive game platform, starting from the leading localised card and board game operator in the PRC.

Core Values

Fair, Professional, Safe, Innovative.

Our Approach To Sustainability

Being a leading enterprise in the industry and corporate citizen, the Group has always been upholding the principle of taking corporate social responsibility in our daily operations and business development. To showcase our commitment, we have established all-round policies to manage our practices in environmental protection, labor practices, supply chain management, product responsibility, business ethics and integrity, in the hope of building a sustainable entertainment life cycle for our employees, players, suppliers and business partners, shareholders and investors and other stakeholders. We would regularly review our policies and management approach in various environmental, social and governance aspects in order to strengthen our sustainability performance, hoping to bring positive influence to the broader society.

Sustainability Governance and Board's Oversight

The Board of has the overall responsibility for the Group's ESG strategy and reporting. The Board provides oversight of ESG issues with an emphasis on the Group's long-term development and positioning. Delegated by the Board, our senior management drives the planning and implementation of the Group's ESG-related matters during the Reporting Period. Our senior management oversees ESG management approach and advises the Board on matters including the below on an annual basis:

- development and review of the sustainability strategies, management approach and targets of the Group;
- identification, review and management of material ESG-related risks and opportunities (including but not limited to climate-related risks and ESG risks along supply chain);
- ESG-related training on the ESG trends, updates, and ESG risk management approach for enhancing the ESG risk management mechanism;
- reviewing and monitoring the implementation of ESG-related policies and practices to ensure compliance with laws and regulations;
- monitoring and reviewing the Group's ESG performance and progress against any targets and goals;
- reviewing and monitoring the Group's stakeholder engagement channels to ensure effective communication with key stakeholders; and
- preparing an annual ESG report on its activities for Board's approval.

ESG Risk Management

The Board takes up the ultimate responsibility to oversee the Group's risk management activities and monitors ESG risks that are material to the Group. The Group considers risk management as an integral part of daily management and sound corporate governance. Risk management mechanism assists the Group to evaluate and minimize risks that may prevent or endanger the achievements of its business objectives in a dynamic business environment where economic, industry, regulatory and operating conditions continue to change.

With the assistance of an independent professional third party, we identified and assessed the ESG risks that have a significant impact on our business operations, including climate change, product quality and innovation. To prioritize ESG risks, including climate-related risks, we determined risk levels according to their likelihood and potential impact on the Group. We have identified which ESG risks may have a significant impact on the Group, and accordingly, should be addressed in our operations.

In order to manage ESG risks, coupled with sound internal controls, we have formulated corresponding risk mitigation measures to each of the ESG risks identified and delegated related business departments to implement the measures to minimize the risks from disrupting our business operations. Details on our risk management approach can be found in the Corporate Governance Report section of the Annual Report.

Stakeholder Engagement

The Group sees every feedback from our stakeholders as an opportunity to improve our approaches in business development and sustainability. We have identified directors and employees as our internal stakeholders, as well as shareholders/investors, suppliers/customers, distributors, government, and community/academic institutions as our key external stakeholders. Through a number of formal and informal communication channels, we maintain close and mutual communications with stakeholders in order to collect their opinions on the Group's internal control system, corporate governance and policies for the sake of continuous improvement. Below table outlines the types of stakeholders, key issues of their concern and the major communication channels deployed:

	Types of stakeholders	Key issues	Major communication channel
Internal Stakeholders	Directors	Risk management	Consultation via phone calls and emails Direct communication Company conferences Suggestion box
	Employees	Vocational training and development Salaries and benefits Health and safety	Consultation via phone calls and emails Direct communication Company conferences Suggestion box

	Types of stakeholders	Key issues	Major communication channel
External Stakeholders	Shareholders/ investors	Stable return on investment Transparency of information disclosure	Annual general meeting Consultation via phone calls and emails
	Suppliers/ customers	Performance of contract Standardized supply chain management system and procurement process Establishment of complaint system	Annual report Meetings
	Distributors	Well-established information exchange system Steady and stable supply of products	After-sales opinion box Consultation via phone calls and emails Meetings
	Government	Business operation in compliance with relevant laws and regulations	Annual report Meetings
	Community/ academic institutions	Contributions to community development	Annual report Community service

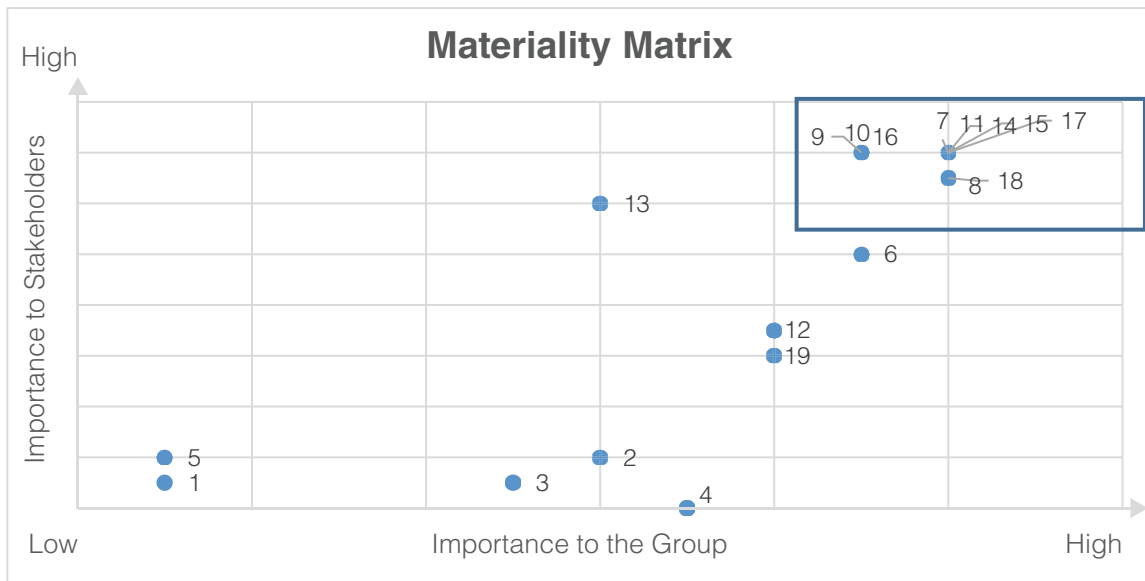
Materiality Assessment

Apart from regular communications listed above, we have also conducted a survey in the Reporting Period with the assistance of an independent consultant, by inviting key stakeholders to take part and rank the importance of various ESG issues according to their materiality to the Group. Below outlines the procedures of the materiality assessment:

1. Based on past and existing stakeholder communication results, listing rules requirements and the latest sustainability trends, we identified 19 ESG issues that are relevant and material to the Group.
2. Key stakeholders were invited to conduct a survey by way of questionnaire to rate identified issues.
3. We prioritized 19 issues for analysis based on comprehensive rating made by stakeholders and the management through the online survey.

Materiality Matrix

The results of the materiality assessment are set out in the following materiality matrix. The 10 issues in the upper right corner indicate those stakeholders shared the most concerns in this analysis, and will be disclosed in a focused manner in this Report.



- | | | | |
|-------------------------------|--|--|-------------------------------|
| 1. Air emissions | 6. Green procurement | 11. Labor compliance | 16. Advertising and promotion |
| 2. Waste | 7. Labor benefits | 12. Environmental and social risks of supply chain | 17. Anti-gambling |
| 3. Carbon emission and energy | 8. Equal opportunities, diversity, anti-corruption | 13. Customer service | 18. Anti-corruption |
| 4. Water resources | 9. Occupational health and safety | 14. Internet safety | 19. Community investment |
| 5. Climate change risks | 10. Staff development and training | 15. Intellectual property rights management | |

ENVIRONMENT

We are a digital entertainment platform that develop and distribute games through mobile applications and websites. Due to our business nature, the Group does not impose material negative impact on our environment.

Nonetheless, The Group has always been upholding the principle of environmental protection during our daily operations. Due to our business nature, the Group does not impose material negative impact on our environment. we are highly concerned about our emissions and use of resources, and strive to introduce environmentally-friendly measures into our operations as far as possible, in order comply with applicable environmental laws and regulations, including but not limited to the *Environmental Protection Law of the PRC*, the *Law on the Prevention and Control of Atmospheric Pollution*, the *Law on the Prevention and Control of Water Pollution*, the *Law on the Prevention and Control of Solid Waste Pollution and Regulations on the Administration of Hazardous Waste Transfers*. During the Reporting Period, the Group was not aware of any material non-compliance of applicable environmental laws and regulations.

Climate Change





Climate change has become the spotlight of different countries. Climate change contributes to sea level rise, temperature increase and more frequent extreme weather events. The Group is committed to making contributions in combating climate change as far as possible through stringently managing our emissions and use of resources. Our management bears the responsibility to oversee and identify climate-related risks, including physical and transitional climate risks and climate opportunities, and formulate appropriate measures to tackle with the identified risks. We have conducted an ESG risk assessment to identify potential climate risks that pose threats to our business during the Reporting Period. Furthermore, we regularly evaluate the effectiveness of existing mitigation measures and possible areas of improvement, further strengthening our business resilience towards climate change.

Key Climate-related Risk and Actions

Type	Climate-related Risk	Potential Impacts	Our Actions
Transitional Risks	Policy and legal risk		
	Policy and regulatory updates relating to climate change	<ul style="list-style-type: none"> Increase in compliance cost 	<ul style="list-style-type: none"> We keep track of policy and market updates by conducting regular reviews.
Physical Risks	Acute risk		
	Increase of severity of extreme weather events, including wildfires, typhoons, hurricanes, and flooding	<ul style="list-style-type: none"> Damage to our operating locations Increase in maintenance and repair costs 	<ul style="list-style-type: none"> We have implemented a group level business continuity plan which provides a set of procedures to carry out disaster recovery process.
	Chronic risk		
	Long term changes in weather patterns and the climate, such as the sustained high temperatures and droughts	<ul style="list-style-type: none"> Disruption to business operation Increase in energy cost for our offices and data centers 	<ul style="list-style-type: none"> Our 7/24 hardware operation team will be on standby to minimize disruption. We will work with property management office for temperature cooling in case of high temperature.

In an effort to combat climate change, the Group has set the below environmental targets during the Reporting Period:

Our Green Targets

 <p>GHG Emissions</p>	<p>To reduce our greenhouse gas emissions by improving energy efficiency and incorporating energy-saving measures.</p>
 <p>Waste</p>	<p>To minimise our waste generation by applying 4R principles, avoiding unnecessary consumption.</p>
 <p>Energy</p>	<p>To reduce our energy consumption by implementing energy conservation measures.</p>
 <p>Water</p>	<p>To improve water efficiency by implementing water conservation measures.</p>

Air, Greenhouse Gas Emissions and Energy Management

Air and greenhouse gas (“GHG”) emissions the Group emit are mainly attributed to the fuel consumption of vehicles and use of purchased electricity. Due to our business nature, our energy consumption mainly comes from purchased electricity and gasoline consumption of our vehicles.

As a responsible corporate citizen, we are committed to reducing our greenhouse gas emission, improving energy efficiency, and incorporating energy-saving measures in our business operation, with details set out below:

- advocate our employees to join carpooling
- encourage employees to take public transport as far as possible
- use video conferencing to replace business travel
- enhance energy efficiency by installing time controllers into air conditioning system and other electronic devices
- turn off devices automatically during off-work hour to avoid unnecessary electricity consumption
- prioritize the purchase of energy saving electronic devices with energy efficient labels
- conduct inspection to ensure air-conditioners are turned off during non-working hours

Waste Reduction

Apart from air and GHG emissions, the Group also generates waste emissions, which mainly include office general refuse generated from daily operations. Due to business nature, the Group did not generate material hazardous waste emissions. We have deployed qualified third party to collect and handle such waste properly. To minimize the negative impact imposed on the environment, we have introduced a number of measures to properly manage and reduce waste:

- Promote the principle of “Reuse, Recycle, Reduce” in the office to enhance employees’ awareness in minimizing waste at source
- Advocate paperless office by using electronic way for communication and data storage
- Adopt double-sided printing and reusing paper
- Engage waste recycler to recycle electronic waste

Water Conservation

Domestic water consumed by the Group is supplied from local municipal water suppliers. We did not encounter any problem in water sourcing. Although water consumption within the Group is immaterial, in view of the scarcity of water resources in the world, we are highly concerned about saving water through installing automatic sensors in faucets to avoid water wastage. We also educate our employees on water conservation through placing signs and posters next to water taps, to promote water efficient culture in our daily operations. Due to our office-based nature, we do not consume packaging materials.

The Environment and Natural Resources

In light of our business nature, we are not aware of any material impact imposed on the environment by the Group. Nonetheless, we are dedicated to taking up corporate social responsibility by monitoring our emissions and use of resources closely and regularly to identify appropriate areas to implement environmentally friendly measures. We have arranged trainings for our employees to enhance their awareness and sense of responsibility in protecting the environment.

Environmental Performance Data

Emissions	Unit	2021	2020
Air Emissions			
Nitrogen Oxides (NO _x)	Tonnes	2.58	2.36
Sulphur Oxides (SO _x)	Tonnes	1.91	1.75
Particulate Matter (PM)	Tonnes	0.19	0.17
GHG Emissions			
Total GHG Emissions (Scope 1 and 2)	Tonnes CO ₂ e	200.32	123.05
Scope 1 Direct Emissions	Tonnes CO ₂ e	13.76	12.59
Scope 2 Indirect Emissions	Tonnes CO ₂ e	186.56	110.46
Scope 1 Direct Emissions Intensity	Tonnes CO ₂ e/employee	0.02	0.02
Scope 2 Indirect Emissions Intensity	Tonnes CO ₂ e/employee	0.35	0.20
Waste			
Total Non-hazardous Waste	Tonnes	40.43	N/A
Total Non-hazardous Waste Intensity	Tonnes/employee	0.08	N/A
Use of Resources			
<hr/>			
Total Energy Consumption	MWh	190.62	174.35
Energy Consumption Intensity	MWh/employee	0.35	0.35
Purchased Electricity	MWh	144.3	132.0
Gasoline	MWh	46.3	42.35
Total Water Consumption	Tonnes	1,782.1	1,630.0
Total Water Consumption Intensity	Tonnes/employee	3.24	2.96

Notes on calculation methodologies:

1. In accordance with The Greenhouse Gas Protocol — A Corporate Accounting and Reporting Standard (Revised Edition) published by World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, while Scope 2 indirect emissions are resulted from the generation of purchased or acquired electricity, consumed within the Group.
2. Due to adjustment of the locations of offices of the Group in the Reporting Period, the management office was not able to provide water consumption sub-meter to individual occupant, and hence the water consumption data during the Reporting Period were reasonably estimated.
3. Due to business nature and materiality principle, non-hazardous waste emissions of the Group were not material. To disclose the Group's environmental performance data in a comprehensive way, we have been collecting and disclosing relevant data during the Reporting Period.
4. Due to adjustment of the locations of offices of the Group in the Reporting Period, the gasoline consumption data were not able to be collected, and hence the gasoline consumption data during the Reporting Period were reasonably estimated.

SOCIAL

Employment and Labour Practices

The Group has always been upholding the principle of “people-oriented” by promoting a harmonious, safe and equal working culture to safeguard the rights of our employees. The Group has formulated a series of human resources policies to manage our labour practices in terms of employment, remuneration and benefits, occupational health and safety, provision of training and promotion, in order to comply with applicable laws and regulations, including but not limited to *the Labour Law of the PRC, the Labour Contract Law of the PRC, the Employment Promotion Law of the PRC, the Labour Dispute Mediation and Arbitration Law of the PRC, the Regulation on the Annual Leave of Employees*. During the Reporting Period, we were not aware of any non-compliance issues in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

We conduct recruitment process in line with the “Recruitment Management System”. We ensure that the recruitment process upholds the principle of equality, diversity and anti-discrimination. We would recruit talents through online recruitment, talent market, campus recruitment, advertisement, head-hunting companies, staff referral and other recruitment channels. Candidates’ education background, work experience, personality and other factors will be considered. We have also formulated the “Dismissal Management System” that clearly outlines the responsibility and terms of the employer and employee during dismissal and resignation to protect the rights of both parties.

The Group provides employees with competitive remuneration and benefits with regard to the “Compensation and Remuneration System”. Employees are provided with standard salary, project impact bonus and year-end bonus. We will review the Group’s remuneration package to ensure it is in line with market level. In addition, we also provide our employees with social insurance and housing provident fund in accordance with the *Social Insurance Law of the PRC*. Employees can also enjoy annual leave, marriage leave, compassionate leave paternity leave, maternity leave and pre-maternity leave, as well as paid sick leave.

Throughout all labour practices, we are committed to treating all employees equally, regardless of their nationality, age, ethnicity, race, religion, gender, marital status, pregnancy, sexual orientation, or political stance.

The Group strictly prohibits the employment of child and forced labour. During the recruitment process, the Human Resources Department would verify the identity documents of candidates to ensure their ages have met legal requirements. We have also stated the terms of work position, remuneration package, employment date and other relevant information in the employment letter. If child or forced labour is identified within the Group, we would immediately remove them away from the workplace, terminate the labour relationship, review our labour practices to identify any loopholes and take corresponding remedial actions to prevent reoccurrence. During the Reporting Period, the Group did not identify any child or forced labour in the workplace.

Human Resources Overview

As of 31 December 2021, the Group employed a total of 539 employees, of which all are full time employees. The distribution of employees by gender, age group and employee category as well as turnover rate are outlined below:

	Number of employees	Employee turnover rate
Total number of staff	539	53.81%
By gender		
Male	392	51.30%
Female	1475	59.81%
By age group		
Age 21–30	267	59.90%
Age 31–40	262	47.37%
Age 41–50	10	40.00%
By employment type		
Senior management	8	6.90%
Middle-level management	38	9.52%
General employees	493	59.02%

Health and Safety

We see every employee as the Group's valuable asset. As a result, we strive our very best to safeguard the health and safety of our employees by complying with applicable laws and regulations, including but not limited to the *Labour Law of the PRC*, the *Fire Prevention Law of the PRC*, the *Prevention and Control of Occupational Diseases of the PRC*. We have already formulated comprehensive policies and measures to implement stringent occupational health and safety management in the workplace. We implement a 24 hour security management system, with monitoring coverage for access control. External visitors are required to be received by specially assigned person or guided by the front office. Access control to senior management area is management by designated personals. In addition, we provide employees with and medical insurance. Also, we conduct fire drill and examination of fire equipment on a regular basis. The Group did not record any work injuries or work-related fatalities in our offices in the past three years.

COVID-19 Response

In response to the COVID-19 outbreak, we attach great importance to protecting our employees while playing our parts to prevent secondary transmission and spread of virus. To maintain a healthy and safe business and operating environment, we have put in place the following precautionary measures to manage health risk:

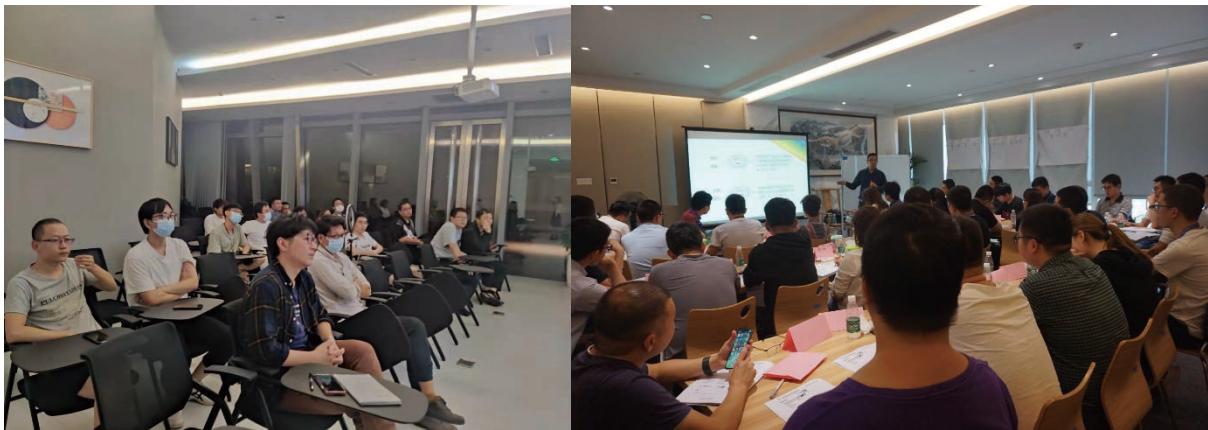
1. Provide employees with sufficient masks.
2. Provide sufficient hand-sanitizers and disinfectant swabs all over the company.
3. Conduct temperature check on all employees regularly.
4. Examine all visitor's healthy code upon entrance.
5. Increasing cleaning frequencies of office space.
6. Mandatory work from home policy during peak of virus outbreak to ensure the safety of our employees.
7. Switching office layout from open concept into cubicles for more individual spaces.

Development and Training

Being a research and development (“**R&D**”) driven company, the Group understands that our success is inseparable from continuous trainings to enhance our employees' knowledge and skills. The Group arranges a wide range of internal and external trainings for our employees on a regular basis, including but not limited to game development training as well as specific technique training, allowing them to be abreast of the latest knowledge and skills of the industry.

We provide all new employees with a comprehensive onboard orientation which explains department responsibilities, corporate cultures, vacation policies and communication channels to help new employees get familiar with our corporate culture and work arrangement.

We have developed a comprehensive internal training system and provide trainings in various forms, including lectures, meetings, seminars, exchange meetings etc. We encourage our senior staff to be lecturers to give lectures. They would give lectures and share their personal work experience with their colleagues. Apart from internal trainings, we also arrange multiple external trainings for our staff to keep abreast of the latest technologies and knowledge of the industry. The forms of external trainings include external courses, exchange seminars, and internal trainings hosted by external lecturers etc.



During the Reporting Period, we have arranged over 900 hours of trainings. Training topics range from U3D techniques, 3D techniques, art design, introduction to popular games, development of science fiction etc. The total training hours and training ratio by gender and employment type as stated below:

Training Overview

	Percentage of employees trained (%) 2021	Average training hours (hours/ employees) 2021
Training		
By employment category		
Senior Management	1.16%	1.52
Middle Management	4.62%	1.24
General Employees	94.22%	1.70
By gender		
Male	84.39%	1.99
Female	15.61%	0.87

Apart from providing training opportunities, we also provide adequate career development opportunities to retain our talents. We would conduct monthly, half-yearly and yearly performance appraisal to assess the performance of our employees. The results of the appraisal will form an important basis for the adjustment of job position and remuneration.

Supply Chain Management

Our major suppliers include payment vendors, cloud service providers, internet data center providers and online and offline advertising partners. We value our long-term relationships with our suppliers, and as a result we have formulated a comprehensive supply chain management system to properly manage the procurement process to guarantee the rights of the Group and our suppliers. While selecting new suppliers, we would assess candidate suppliers' quality, pricing, payment terms, after-sales services and other factors. As for existing suppliers, we would also conduct annual assessment on their pricing, quality and after-sales services etc. If any suppliers are found not to fulfil our requirements, we would place them in the list of "watch-listed suppliers" and require them to take remedial action. We will also conduct follow-up check on these suppliers regularly to consider whether or not to continue our partnership.

Moreover, the Group is dedicating itself into bringing positive impact on the entire supply chain. As a result, we are committed to managing the environmental and social risks of our suppliers. We have outlined our expectations towards our suppliers in the "Code of Conduct", including business ethics and integrity, occupational health and safety, anti-discrimination, environmental protection and anti-corruption etc. We require suppliers to sign on the "Supplier's Code of Conduct" and abide by its terms at all times. In addition, during supplier selection process, the Group would prefer engaging suppliers who provide environmentally friendly products and services. For example, when purchasing electronic equipment, we would prioritize the purchase of equipment with energy saving label.

We conduct semi-annual review on existing suppliers, with assessment aspects including quality, delivery, service, cost, etc. We encourage suppliers to improve the enterprise competitiveness and make positive progress together with the company.

Besides, we have carried out an ESG risk assessment to identify potential ESG risks along our supply chain during the Reporting Period. The Board and senior management closely monitor the ESG risks along the supply chain and review the effectiveness of the control measures on a regular basis. We will continue to look for areas for improvement to further strengthen our supplier management approach. According to our findings, none of our suppliers were considered "high risk". We mainly engage companies which share the common value with us, by upholding and demonstrating high standard of integrity in terms of environmental and social responsibilities as our suppliers.

As of December 31, 2021, we worked with 154 qualified suppliers and 108 backup suppliers. Below shows the overview of our qualified suppliers by region:

Distribution of Suppliers by Region as at 31 December 2021

Region	Number of suppliers
Northeast China	10
Northern China	31
Eastern China	64
Southern China	39
Central China	2
Southwestern China	2
Northwest China	6

Product Responsibility

Commitment in Game Development

Being a responsible corporate citizen, the Group abides by applicable national and industrial laws and regulations to protect the rights of our players. Such laws and regulations include but not limited to the *Cybersecurity Law of the PRC*, the *Regulation on Internet Information Service of the PRC*, the *Interim administrative Provisions on Internet Culture*, the *Telecommunication Regulation of the PRC*, the *Provisions on the Administration of Online Publishing Services* and the *Interim Measures for the Administration of Online Games*, etc., by formulating a series of robust policies and mechanisms to manage the health and safety, advertising and privacy matters relating to our gaming products and services provided. The Group has received the approval from the State Administration of Press, Publication, Radio, Film and Television for the registration of its games. Also, we have obtained the ICP Licenses for provision of value-added telecommunications services, and Internet Cultural Business Licenses for the operation of our mobile game products to ensure the compliance of our business operations. During the Reporting Period, the Group was not aware of any material breach of relevant laws and regulations.

To develop mobile game products of the best quality to our players, we have formed a strong game development team equipped with professionals enthusiastic in game development. We have also implemented a structural and systematic game development process with stringent control on each procedure. Our game development process mainly includes project commencement, market research and on-site research, coding, internal testing, adjustment, and publication. Before a game is published onto our own game platform or external game publication channels, our internal team will conduct internal tests on the game to identify any bugs and rooms for improvement, allowing the game development team to fix the problems accordingly. We will only publish games after thorough testing. To strive for excellence, our game development team will also closely monitor the performance of our games after publication, and collect and analyze players' behaviors and feedback in order to fix any bugs identified and improve game features from time to time.

Players' Health and Safety and Protection of Minor



Being a leading game developer, the Group is committed to protecting the physical and mental health of our players. As a result, we have formulated a robust mechanism with multiple measures to prevent imposing negative impact on our players, especially children and teenage players. We require players to complete our real-name registration procedures by providing their names and identification numbers before purchasing our virtual products. We also offer access to our games on social media platform which has real-name registration procedures. Also, we have taken appropriate measures to control the playing time of each player to avoid addiction. If our players have been playing our games for over three hours, a window will pop up to notify them and their winning gains will be deducted by 50% if they continue to play. We have also set a limit on the maximum playing time for each account. Once the playing time for an account has reached 10 hours in a day, the account will be suspended for the rest of the day.

To protect the minors, we uphold the principle of "Green Game, Healthy Game", and strictly abide by the *Notice by the National Press and Publication Administration of Further Imposing Strict Administrative Measures to Prevent Minors from Becoming Addicted to Online Games* to avoid under-aged players from getting addicted to online games in order to protect their physical and mental wellbeing. We do so by restricting the time under-aged players are allowed to play, setting real-name registration procedures and refraining from providing game services to accounts without real-name registration in any forms. All our published products have been included in the "Anti-addiction real name registration System" of the National Press and Publication Administration. Also, we guarantee that all our card, board and fishing games are only open to players aged 18 or above.

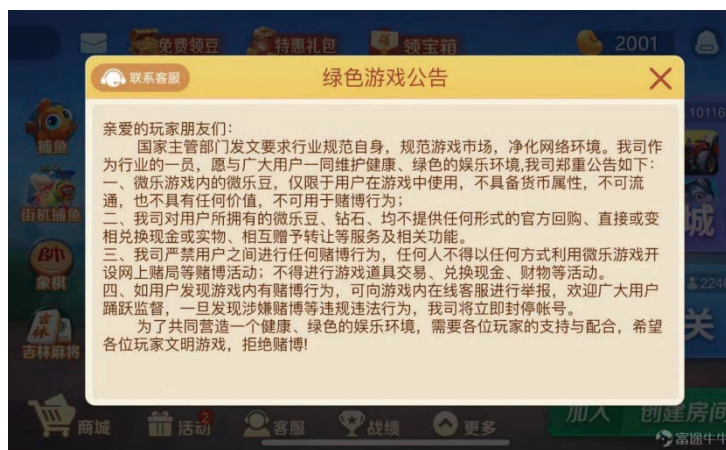
Looking forward, we will continue to strive our best to protect the under-aged while developing our business by taking up the responsibilities to improve the internet environment for the under-aged.

Anti-gambling

Due to the nature of our game products, we see prohibition of gambling as the Group's core responsibility. All the games of the Group are green card and board game, reflecting the features as if playing these games offline, and thus they do not contain any gambling feature, nor favouring the specific feature for gambling. Only risk control personnel could approve each function of the games before developing or applying to the games.

We have implemented a comprehensive "Anti-gambling Management System" and strictly prohibited any illegal and gambling activities in our games. Measures we have taken include:

- Frequently publishing in-game notifications to remind players of the prohibition of gambling
- Setting limit on the daily total top up amount of each account, if the top up amount in a day exceeds the limit, the account is prohibited from topping up that day
- Setting limit on the playing time of accounts without real-name registration or owned by underage player to prevent addiction
- Setting a cap on the total amount of virtual currency that each account wins or loses in all games per day, if the amount won or lost exceeds the cap, the account is prohibited from continuing to play that day
- Setting up a whistleblowing mailbox for report on suspected irregularities with timely follow-up actions
- Prohibiting players from trading and transferring virtual currency and exchanging the currency into real items
- Blocking messages in games related to currency trading and selling, if related messages are identified, corresponding accounts will be terminated
- We will conduct regular review on the above anti-gambling settings in games. We have established a specialized risk control team and "Anti-gambling Management System" by assigning specific risk control personnel to check the work of employees of specific positions and conduct inspection on our game products. We also set up specialised customer service personnel to collect and respond to players' complaints and report. If any illegal situation is identified, we will take immediate remedial action and legal actions according to relevant national laws and regulations for cases that involve regulatory report



- Also, in accordance with the “Anti-gambling Management System”, we strictly prohibit our employees from participating in any forms of gambling, or behaviours that favour the setting of gambling in our games. All employees should have passed their orientation training or specific compliant training during on-boarding to understand the requirements of the “Anti-gambling Management System”. We will also conduct examination after the training. Only passed employees can sign the employment contract officially

Data Security and Internet Safety

The Group has developed a strong internet safety system to avoid internet attack. We have already obtained ISO27001 Information Security Management System and formulated the “IT Safety Policy”, “Data Security Policy” and “Data Security Emergency Handling Procedures” accordingly to properly manage our anti-attack system and data security to ensure the security of data, especially data of players’ personal information, behavior and payment. Such data are saved in our servers with encryption. Only authorized employees and staff managing the servers can access and handle such data. We have set up firewall to prevent unauthorized people from attacking and getting the data in an inappropriate way. We will also monitor the operations of the servers from time to time to ensure there is no abnormality. We have also backed up the data to prevent data from being lost.



Besides, all employees are required to sign a confidentiality agreement upon or within one month from commencement of work. No confidential information including customers’ information and personal data shall be disclosed to any third party without users’ consent under general circumstances. Employees violating such agreement will be subject to disciplinary action, up to and including discharge.

Intellectual Property Protection

The Group abides by applicable laws and regulations in relations to intellectual property, including but not limited to the *Patent Law of the PRC*, the *Trademark Law of the PRC*, the *Copyright Law of the PRC*, the *Administrative Measures on China Internet Domain Name*, the *Measures Concerning Software Products Administration* and the *Anti-Unfair competition Law of the PRC*. We have set up the “Intellectual Property Management Procedures” to manage the handling and use of data. We have also outlined our requirements in protecting the Group’s intellectual property in the confidentiality agreement to be signed by our employees to enhance their awareness in protecting intellectual property. Employees are encouraged to report to the management of any suspected infringement of intellectual property. We will conduct thorough and timely investigation and follow-up actions to protect the rights of the Group.

Complaint Handling

We value the opinions of our players and regard them as opportunities to enhance the features of our games on a continual basis. When players have any enquiries or complaints, they can reflect to our customer service team through the built-in customer service system in games, our website or our customer service hotline. Our customer service team, operation team or technical team will conduct thorough investigation into every complaint and address the players in a timely and appropriate manner. During the Reporting Period, the Group has received 148 complaints from our players.

Advertising

The Group has formulated the “Advertising Management System” with regard to *the Advertising Law of the PRC and the Interim Measures for the Administration of Internet Advertising* to regulate the advertising and promotion of the Group’s products and services. We will verify the content of promotional materials, including online content and press conference to ensure the accuracy and reliability before publication to protect the legal rights of consumers.

Anti-corruption

Business ethics and integrity are considered as the core value of the Group. We have established internal control system in accordance with *the Criminal Law of the PRC*, the Anti-Money Laundering Law of the PRC and other applicable laws and regulations to refrain our employees from bribery, extortion, fraud, money laundering and other illegal acts. We have stipulated terms of integrity and self-regulation in the employment contract, and require our employees to uphold at all times. They are required not to offer or receive money, gifts, loans or other benefits that may affect business decisions or independent judgment. Also, they are not allowed to offer or receive kickbacks, remuneration or secret commissions when calling for business for the Group, and bribe government officials or receive beneficial terms from bribery and conduct insider dealings. We would also arrange trainings for our employees to enhance their awareness and knowledge to avoid all sorts of corruption. The Group was not aware of any material violations of laws and regulations in relation to bribery, extortion, fraud and money laundering during the Reporting Period.

During the year, we have arranged 1 training course to the Board and senior management on compliance and anti-corruption in order to enhance their awareness in integrity and self-regulation to be compliant with laws and regulations. We will also help the management to provide feedback on the Company’s business activities and procedures. Also, we have set up a whistleblowing mailbox hr@weile.com and hotline on report on corruption behaviours. The Group will continue to improve our anti-corruption whistleblowing system and management.

Community Investment & Social Contribution

We believe that it is our utmost responsibility to give back to society by taking up the role as a corporate citizen. As such, the Group invests sufficient time and resources into organizing and participating in a wide range of community investment programs, holding the hands of our employees together to contribute to the community. We have put our resources focusing on epidemic prevention and control, as well as disaster relief during the Reporting Period by donating a total of RMB5 million.

Epidemic Prevention and Control

Since the outbreak of COVID-19 in 2020, we have paid close attention to latest developments related to the epidemic. The Group has donated RMB5 million in 2020 to help on epidemic prevention and control measures.

Disaster Relief

Since the outbreak of flood in Zhengzhou in 2021, we have been paying close attention to the dynamics of the disaster. We noticed an urgent shortage of necessities at that time. In view of this, the Group donated RMB5 million to the Henan Charity Federation, and used the supplement of front-line flood control materials to donate a modest contribution to the people affected in the disaster area.

In the future, being a green card and board game operator, we will continue to take up corporate social responsibility, enhance the Board's governance in sustainability, as well as our environmental, social and governance performance continuously, hoping to join hands with our stakeholders to promote sustainability.



HKEx ESG GUIDE CONTENT INDEX

Subject areas, aspects, general disclosure and key performance indicators (“KPIs”)		Section/ Declaration	Page Number
A. Environmental			
<i>Aspect A1: Emissions</i>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Air, Greenhouse Gas Emissions and Energy Management Waste Reduction	P. 10, 11-13
KPI A1.1	The types of emissions and respective emission data.	Environmental Performance Data	P. 14
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Due to business nature, the Group did not generate material hazardous waste emissions.	N/A
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data	P. 14
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KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.		

Subject areas, aspects, general disclosure and key performance indicators (“KPIs”)		Section/ Declaration	Page Number
<i>Aspect A2: Use of Resources</i>			
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note:</i> Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		Air, Greenhouse Gas Emissions and Energy Management Waste Reduction	P. 10, 11-13
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data	P. 14
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).		
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Air, Greenhouse Gas Emissions and Energy Management Waste Reduction	P. 12-13
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.		
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Group's business	N/A
<i>Aspect A3: Environmental and Natural Resources</i>			
General Disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources.		Environmental and Natural Resources	P. 10, 13
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		
<i>Aspect A4: Climate Change</i>			
General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Climate Change	P. 10-12
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.		

Subject areas, aspects, general disclosure and key performance indicators (“KPIs”)		Section/ Declaration	Page Number
B. Social			
Employment and Labour Standards			
<i>Aspect B1: Employment</i>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Employment and Labour Practices	P. 15
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Human Resources Overview	P. 16
KPI B1.2	Employee turnover rate by gender, age group and geographical region.		
<i>Aspect B2: Health and Safety</i>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Health and Safety	P. 16
KPI B2.1	Number and rate of work-related fatalities.		
KPI B2.2	Lost days due to work injury.		
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.		

Subject areas, aspects, general disclosure and key performance indicators (“KPIs”)		Section/ Declaration	Page Number
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General Disclosure Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.		Development and Training	P. 17-19
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).		
KPI B3.2	The average training hours completed per employee by gender and employee category.		
<i>Aspect B4: Labour Standards</i>			
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Operating Practices			
<i>Aspect B5: Supply Chain Management</i>			
General Disclosure Policies on managing environmental and social risks of the supply chain.		Supply Chain Management	P. 19-20
KPI B5.1	Number of suppliers by geographical region.		
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.		
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		

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<i>Aspect B6: Product Responsibility</i>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Product Responsibility	P. 20-24
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No products of the Group have to be recalled for safety and health reasons	N/A
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Complaint Handling	P. 24
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection	P.23
KPI B6.4	Description of quality assurance process and recall procedures.	The Group is not involved in manufacture of products	N/A
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Security and Internet Safety	P. 23
<i>Aspect B7: Anti-Corruption</i>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Anti-corruption	P. 24
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.		
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<i>Aspect B8: Community Investment</i>			
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Community Investment & Social Contribution	P. 24-25
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		