

祖龙娱乐
ARCHOSAUR GAMES

祖龙娱乐有限公司
Archosaur Games Inc.

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

Stock Code 股份代號 : 9990

2022

環境、社會及管治報告

Environmental, Social
and Governance
Report



Environmental, Social and Governance Report



ABOUT THE REPORT

This environmental, social and governance (“ESG”) report (the “Report”) is the third ESG report of Archosaur Games Inc. (the “Company” or “Archosaur Games”) and its subsidiaries (“the Group” or “we”), which sets out the Group’s initiatives, plans, performance and achievements in ESG areas such as operation management, employment, labour practices, environmental protection and community investment, concentrates on issues concerning to stakeholders, and demonstrates the Group’s commitment to sustainable development.

Reporting Period

The Report covers the activities, challenges and measures with respect to ESG aspects of the Group for the year starting from 1 January 2022 to 31 December 2022 (the “Reporting Period” or “2022”).

Reporting Scope

The Report reflects the ESG performance and contribution of the Group’s main business operations in a balanced manner. The ESG key performance indicators (“KPIs”) data are gathered from operations under the Group’s direct operational control. The reporting scope of the Report is consistent with the annual report, which covers the Group’s offices in Beijing, Shanghai, Guangzhou, Chengdu, Changchun and Haikou in the People’s Republic of China (“PRC” or “China”) and the operation in Korea, which are the main operational locations of the Group. The operations of Haikou and Korea business commenced in 2022. When the Group’s data collection system becomes more mature, we will consider an expansion in the scope of the disclosure in the future.

Reporting Framework

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Group has applied the reporting principles of “materiality”, “quantitative”, and “consistency”. We will appropriately adjust the scope of disclosure when necessary.

- **Materiality:** We have conducted a materiality assessment, and the results of the assessment were reviewed and confirmed by the board of directors (the “Board”). We report on ESG-related issues based on the results of the materiality assessment. For further details, please refer to the sections headed “STAKEHOLDER ENGAGEMENT” and “MATERIALITY ASSESSMENT”.
- **Quantitative:** The Report referenced applicable quantitative standards, practices, and adopted quantitative methodologies to calculate and disclose KPIs. The calculation standards, methodologies, assumptions and/or calculation tools for the KPIs in the Report, and the sources of conversion factors used have been explained where applicable.
- **Consistency:** The preparation approach and KPIs of the Report are aligned with the annual ESG report for the period 1 January 2021 to 31 December 2021 (“2021”) for comparison purposes. If there are any changes in the scope of disclosure and calculation methods, which may affect the comparison with previous reports, the Group will explain the corresponding data. The reporting scope for 2022 has been adjusted, please refer to the “Reporting Scope” section for details.

Information relating to the Group’s corporate governance practices can be found in the Corporate Governance Report of the 2022 annual report.



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Contact Us

The Group welcomes opinions and suggestions from stakeholders. You may provide opinions on the Report or our sustainability performance through the following methods:

Address: 4/F, No. 8 Hangxing Science Park, No. 11 HePingLi East Street, Dongcheng District, Beijing, PRC
Email: ir@zulong.com

ABOUT THE GROUP

Our Values



The Group is a leading mobile gaming company in China with more than twenty years of research and development experience. Our mission is to “be a top-class gaming company in the world, serving global game players by continuously creating industry-leading games of various genres with excellent online entertainment experiences”. As at 31 December 2022, we have launched a total of 19 mobile games with several regional versions available in more than 170 regional markets (including PRC, Hong Kong, Macao, Taiwan, Southeast Asia, South Korea, Japan, Europe and Americas) in 14 languages, the cumulative number of global registered players of 13 mobile games in operation have surpassed 140 million. We are a pioneer in China’s mobile game industry focusing on developing high-quality mobile MMORPGs, SLGs, female-oriented games, shooting games, strategy cards and other genres, with proven capabilities in developing high-quality mobile games, and the high-quality game portfolio in various categories provided has a good market reputation.

We continue to lead technological transformation in the industry, and have pioneered many of China’s mobile game industries: Life Makeover (以閃亮之名) is a pioneering female-oriented game developed by Unreal Engine 4 in China, Under the Firmament (鴻圖之下) is the first mobile SLG developed by Unreal Engine 4 in China. Dragon Raja (龍族幻想) is China’s first next-generation real 3D mobile MMORPG powered by Unreal Engine 4, Fantasy Zhuxian (夢幻誅仙) is one of the pioneering real 3D turn-based mobile MMORPGs, and Loong Craft (六龍爭霸／六龍御天) is one of the first real 3D mobile MMORPG grand strategy wargames. We also have products in our pipeline utilising Unreal Engine 5, which makes us running at the forefront of the Unreal Engine 5 technology applications field.

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The Group continues to develop high-quality games with a resolute attitude, and with great sincerity. In the second half of 2022, we achieved a great breakthrough in the female-oriented game market with the launch of Life Makeover (以閃亮之名) in Hong Kong, Macao, Taiwan, Singapore, Malaysia and Japan. On the first day of its launch, it topped the Top Free Game Chart of iOS App Store in these six regions and the Google Play Top Games Chart in Hong Kong, Macao and Taiwan. Currently, Life Makeover (以閃亮之名) has obtained dual-terminal game publication numbers for mobile and PC games in mainland China, and is expected to expand on PC and other platforms. In March 2023, it topped the Top Free Games Chart of the iOS App Store in mainland China on its first day of launch and dominated the chart for four consecutive days, with more than RMB10 million gross billings on the first day, and entered top 10 of the Bestsellers Games Chart of the iOS App Store in mainland China on the next day of its launch. We are optimistic that this game will continue to deliver outstanding performance as more gameplay is developed and as it is made available on additional platform channels.

The globalised strategic layout is an important direction for our development. We have strong advantages in Hong Kong, Macao, Taiwan, Southeast Asia and other Asian regions, and have achieved strong expansion in the Japanese and South Korean markets in 2022. Our publishing teams in South Korea and Japan are continuously polishing our approach, attracting outstanding talents, launching game products and reflecting our determination for long-term development in these markets. In addition, we have achieved impressive results in the high-paying user-dominated European and American markets. By offering diverse products and implementing customised strategies, we have secured a stable and significant market share in these regions. Furthermore, our collaboration with internationally renowned developers on top-tier intellectual property (“IP”) products has enhanced Archosaur Games’ influence on a global scale. The smooth progress of the Avatar mobile game project Avatar: Reckoning (阿凡達:重返潘多拉) symbolises our international recognition for high-quality research and development as well as operations, and has given us the confidence to further expand into overseas markets.

Under the leadership of the Board and the management, the Group has taken various measures to establish a sound ESG corporate compliance mechanism. With years of exploration in cultural innovation, industry-education integration and public welfare charity, the Group was awarded the “ESG Practice Paragon Award” and the “Corporate Governance Pioneer Enterprise Award” respectively at the 11th China Financial Summit and 2022 Cailianshe (財聯社)’s 3rd ESG Enterprise Summit and “Far-reaching Award” Ceremony, demonstrating the recognition and encouragement from all the community and the panel of judges for the Group’s exploration of ESG path in recent years. The Group will insist on creating happiness with craftsmanship, and bringing more excellent games to global users, while continuing to efficiently fulfil its corporate social responsibility, actively spreading healthy and positive social energy, and exploring a new model of ESG for the cultural and entertainment industry.

Going forward, on the basis of continuously accumulating overseas publishing experience, we will continue to expand diversified game categories and styles, actively develop and strategise a business system of conducting self-research and self-development and integrating research and development and operation in the vertical field.



Environmental, Social and Governance Report

Sustainable Development Governance Structure

The Group incorporates work on environmental and social responsibility into its daily management work plan, ensuring that the governance of sustainable development is aligned with our business strategy. The Board provides overall supervision and guidance, and undertakes overall responsibility for decision-making and reporting of environmental and social responsibility work. The Board selects qualified members with appropriate skills, experience, knowledge and perspectives required for relevant ESG issues. The Board's duties include determining the Group's ESG management approach and strategy, and, with the assistance of management, conducting meeting at least annually to discuss and review the Group's material ESG issues and the performance towards ESG-related targets, and assess risks on the Group's environmental and social responsibility to ensure that an appropriate and effective risk management and internal system is established. The Board will regularly review and evaluate the implementation of the Group's environmental and social responsibility system, and approve the disclosures in the Report.

The management of each division of the Group is jointly responsible for the practical implementation of ESG matters. The management comprises core members from different departments with relevant expertise in various aspects of ESG to assist the Board in its supervision of ESG. The management is required to arrange a meeting regularly to evaluate the effectiveness of the ESG system, identify and assess the ESG risks of the Group, and ensure compliance with ESG related laws and regulations. The management engages an independent third party to conduct an annual materiality assessment to evaluate, prioritise and manage significant ESG-related issues and to prepare ESG reports. Through the collection and analysis of ESG-related data, the management regularly reviews the progress of ESG-related targets to supervise the Group's fulfilment of its corporate social responsibility, and ensure the long-term growth potential of the business. The management is required to report its findings, decisions and recommendations to the Board at least once a year.

STAKEHOLDER ENGAGEMENT

The Group adopts two-way communication with the stakeholders to achieve mutual growth. Therefore, the Group values the opinions of different stakeholders on our operations and ESG issues. In order to fully understand, respond to and address the core concerns of different stakeholders, we have been working closely with key stakeholders, including but not limited to shareholders and investors, employees, players of our games, suppliers, as well as society and the public.

Environmental, Social and Governance Report



Through different stakeholder engagement and communication channels, we will incorporate their expectations into our operations and ESG strategies. The communication channels for key stakeholders and their expectations and concerns for the Group are as follows:

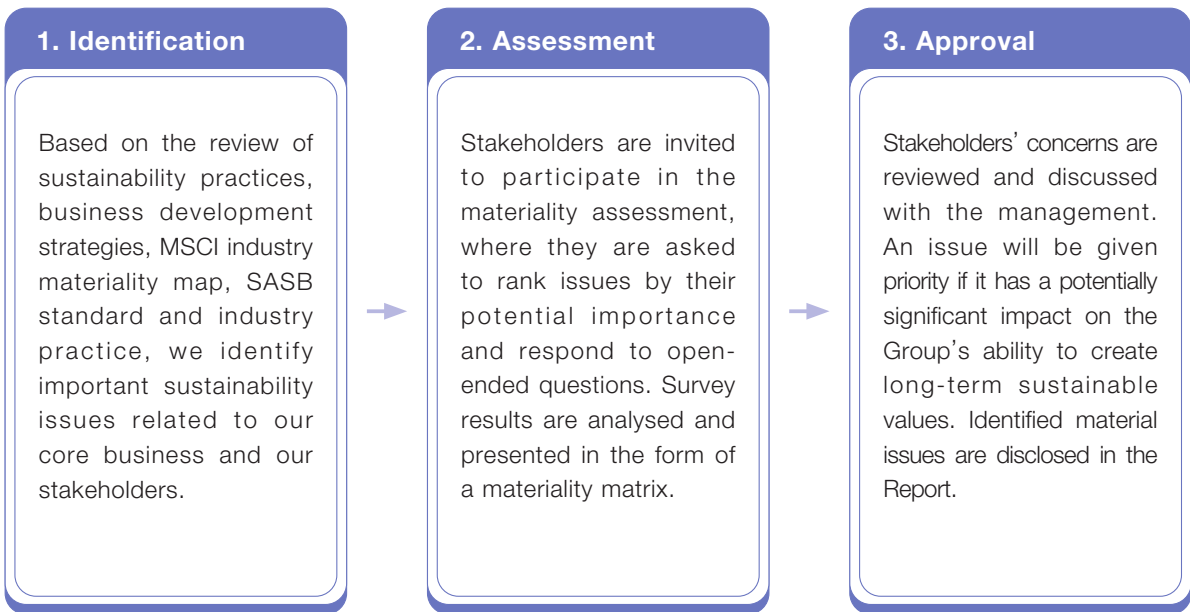
Stakeholders	Communication Channels	Expectations and Focuses
Shareholders and investors	<ul style="list-style-type: none"> Annual general meeting and other shareholders' meetings Financial reports Investor relations activities Announcement and circular 	<ul style="list-style-type: none"> Financial performance Corporate transparency Sound risk management and internal control ESG issues
Employees	<ul style="list-style-type: none"> Training and seminars Regular performance evaluation Employee suggestion box Fraud report email Internal announcements and communications 	<ul style="list-style-type: none"> Career development Competitive remuneration and benefits Equal opportunities Healthy and safe working environment
Players	<ul style="list-style-type: none"> Customer service email and telephone Company Weibo, WeChat and QQ public account Official game forum Company website In-game online customer service system 	<ul style="list-style-type: none"> High-quality games and services Customer privacy protection Anti-cheating and fair game Healthy gaming experience
Suppliers	<ul style="list-style-type: none"> Email Conference call Communication tools such as WeChat and QQ 	<ul style="list-style-type: none"> Responsible supply chain management Business ethics and reputation Fair and open competition
Government and regulatory bodies	<ul style="list-style-type: none"> Email Conference call Interview Training and seminars 	<ul style="list-style-type: none"> Compliance with laws Corporate governance
Society and the public	<ul style="list-style-type: none"> Company Website – News Centre ESG reports Company Weibo, WeChat public account 	<ul style="list-style-type: none"> Implement green operation Provide job opportunities Support public welfare Open and transparent information



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MATERIALITY ASSESSMENT

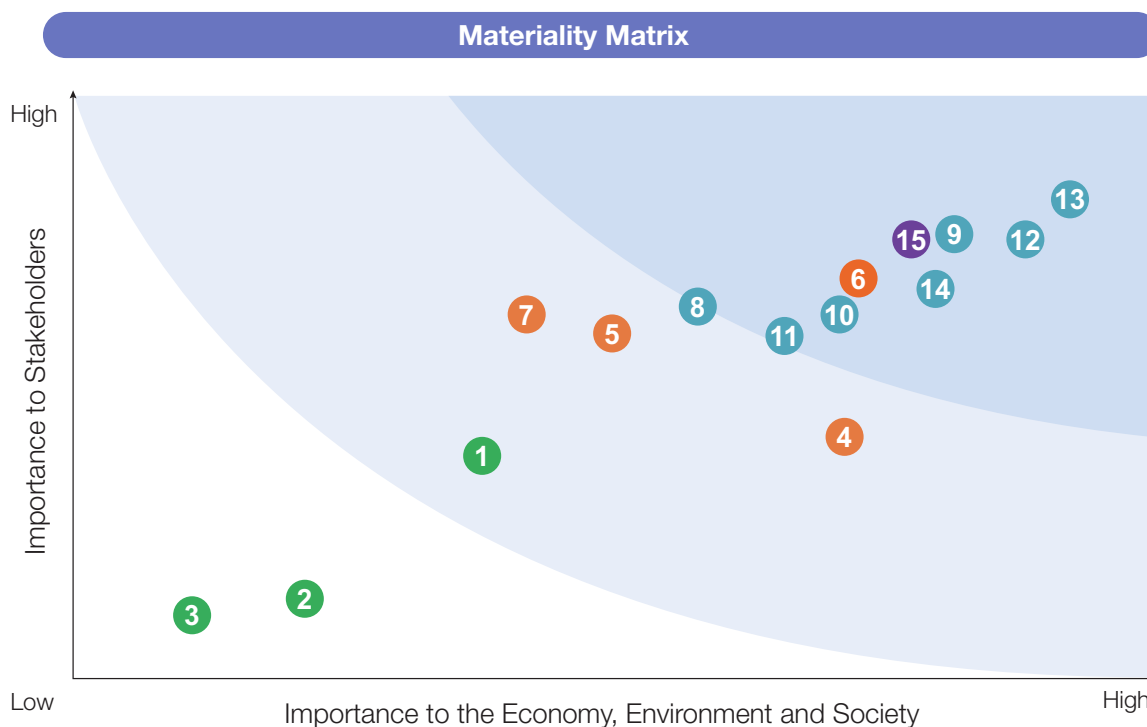
In order to better understand the views and expectations of stakeholders on the ESG performance of the Group, we not only consider the business development strategies and the industry practices but also refer to the industry materiality map set by Morgan Stanley Capital International (“MSCI”) and the standard formulated by Sustainability Accounting Standards Board (“SASB”), to identify the ESG issues that are pertinent to the Group’s business. Through conducting an annual materiality assessment in the form of questionnaires, relevant stakeholders of the Group are invited to participate in the materiality assessment and rate potential material topics to evaluate and prioritise the sustainability issues that stakeholders consider to be most material in the core business.



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During the Reporting Period, the Group's materiality matrix is as follows:



• Environmental Protection	• Employment and Labour Practices	• Operation Management	• Community Investment
1 Water and Energy Management	4 Human Resource Development	8 Supply Chain Management	15 Corporate Social Responsibility
2 Carbon Emissions	5 Employee Engagement, Diversity and Inclusion	9 Research and Development	
3 Climate Risk Management	6 Employee Health and Safety	10 Healthy Gaming	
	7 Development and Training	11 Communication with Players and Customer	
		12 Data Security and Privacy Protection	
		13 IP Protection	
		14 Anti-corruption	

The most important issues of the Group's concern are IP protection, research and development and data security and privacy protection. The Group regards the materiality assessment results as important indicators for future planning and policy formulation in ESG aspects to strengthen the Group's ESG strategies and promote sustainable development.



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OPERATION MANAGEMENT

PRODUCT RESPONSIBILITY

The vision and mission of the Group are to “be a top-class gaming company in the world, serving global game players by continuously creating industry-leading games of various genres with excellent online entertainment experiences”. Providing users with a good entertainment experience is the Group’s most important product responsibility, and also the key to attracting and retaining game users. We are highly focused on the quality of products and services. When launching new games, we predict and match changes in players’ interests and preferences as well as the ever-changing competitive environment in the mobile game industry. We also try to effectively promote new games and game upgrades to strengthen regional penetration. In addition, we continue to upgrade our technology and infrastructure to minimise downtime and maintain game system stability.

During the Reporting Period, the Group and its products have won various awards, demonstrating its significant progress in the field of game development and the high recognition by the market. Awards and recognitions include:

Awardee	Award/Recognition	Awarding Institutions
Archosaur Games	5 th Boao Enterprise Forum – 2021 Leading Enterprise in Game Industry	Boao Enterprise Forum
Mr. Li Qing (Chairman and Chief Executive Officer of Archosaur Games)	5 th Boao Enterprise Forum – 2021 Leader in Game Industry	Boao Enterprise Forum
Archosaur Games	2022 IF • Innovation Leader Ceremony – Annual Cultural Leading Enterprise	The Economic Observer
Archosaur Games	2022 Chinese Game Enterprises of the Year “White Horse Award”	Gamma Data
Archosaur Games	2021 China Listed Companies Reputation Ranking – Most Growing Overseas Listed Company	National Business Daily
Archosaur Games	2021 Top 10 Global Publishers	Game United
Archosaur Games	2021 Top 10 Global Research and Development Company	Game United
Archosaur Games	Golden Tea Award – 2021 Best Overseas Game Company of the Year	Game Teahouse (遊戲茶館)

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Awardee	Award/Recognition	Awarding Institutions
Life Makeover (以閃亮之名)	Golden Tea Award – GTA 2022 Best Overseas Game	Game Teahouse (遊戲茶館)
Dragon Raja (龍族幻想)	Golden Tea Award – GTA 2022 Best Long-Term Operating Game of the Year	Game Teahouse (遊戲茶館)





Environmental, Social and Governance Report

The Group upholds the legal compliance of the development and operation of game products, continues to optimise game functions, and protects the legitimate interests of game players. The Group has formulated the Environmental and Social Responsibility Management Policy to ensure that the Group's business activities such as research and development, operations, and marketing meet the national standard and the requirements of industry-related services, and effectively improve product quality and service standards. The Group strictly complies with the laws and regulations relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress, including but not limited to the Advertising Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Consumer Rights and Interests, Product Quality Law of the People's Republic of China, Trademark Law of the People's Republic of China, Patent Law of the People's Republic of China, and Copyright Law of the People's Republic of China. During the Reporting Period, the Group was not aware of any significant non-compliance of laws and regulations related to the health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that could have a significant impact on the Group. In addition, the Group does not have any products recalled for safety and health reasons (2021: no recalled products).

Data Security and Privacy Protection

As a mobile gaming company, the Group receives, transmits, and stores information related to the players' personal information and the data generated during the use of its products during its operations, the Group firmly believes that adequate maintenance, storage, and protection of user data and other related information is an important responsibility of our continuous business development. The Group strictly complies with the requirements of relevant laws and regulations including the Cyber Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and the Data Security Law of the People's Republic of China.

We value the protection of players' personal information and have formulated Archosaur Games User Agreement and Archosaur Games Privacy Protection Policy, explaining how we collect, use, store, provide and protect the personal information of players, and how players can manage their personal information. Players should read the full contents of the Archosaur Games Privacy Protection Policy before using the Group's products and services, by agreeing to Archosaur Games User Agreement, players agree to authorise us to process their personal information in accordance with Archosaur Games Privacy Protection Policy to the extent permitted by applicable laws.

For handling the personal information of children under 14 years old, the Group has issued Archosaur Games Privacy Protection Policy for Children to explain its collection, use, storage and protection of personal information involving children, as well as the relevant rights enjoyed by the children when using the game products and services operated by the Group. We have designated a dedicated person responsible for protecting the personal information of children, and protect the personal information of children in strict accordance with the relevant policies. If there are any related questions, comments or suggestions, the Group will handle and respond to them in a timely manner to ensure proper resolution of the related matters.

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We have adopted appropriate industry-standard security measures and technical means to store and protect the personal information of players from loss, misuse, unauthorised access or leakage, tampering or destruction, including but not limited to firewalls, SSL encryption, de-tagging and anonymisation process, and access rights restrictions. Our relevant system has passed the national network security level protection level 3 test and completed the relevant filing. We have established special security management system and procedures, including but not limited to the Personal Information Security Protection System, Permission Management System, Password Management System, Security Vulnerability Handling System and Data Security Management System. We allow access to personal information only to those employees deemed necessary to know the relevant information, and require them to fulfil the corresponding confidentiality obligations and monitor their operation. We also regularly organise information compliance training for employees. In order to avoid any loss of information and ensure information control, all information generated on our leased cloud servers are backed up immediately on the leased cloud servers and stored in accordance with local laws and regulations.

In case of any unfortunate security incident such as information leakage, we will immediately activate the emergency plan to prevent the expansion of the security incident, and report it to the relevant competent authorities in a timely manner in accordance with the requirements of laws and regulations. We will inform players of the relevant conditions of the incident by email, push notification or announcement. If our physical, technical or administrative protective equipment are damaged, resulting in unauthorised access to, public disclosure of, alteration of, or destruction of personal information, leading to damage to the legitimate rights of players, we will assume corresponding legal liabilities. During the Reporting Period, we have not experienced any material leakage or loss of users' information.

Research and Development

As a mobile game company with the ability to develop high-quality mobile games and a good market reputation, the research and development of games are particularly important to the long-term development of the Group. The Group counts on its industry-leading research and development capabilities as a driving force to propel us forward, along with constant technology upgrades, continuous enrichment and expansion of product genres, and our core advantage of “integrating research and development and operation”, to enhance our industry reputation. In the process of game development and operation, the Group always takes user experience as the highest standard, and meticulously crafts every detail, so that the game has outstanding performance in various aspects such as graphics, combat, and interaction. In the mobile gaming field, the Group has always maintained its advantages with its spirit of fine craftsmanship, and through continuous innovation, it has created excellent game products of international quality.



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Research and development have always been our driving force and engine for continuous progress. The Group had a research and development centre (“R&D centre”) that primarily focuses on designing new games, optimising existing games, innovating gameplay, originating game content, and enhancing players’ experience. In order to maintain a competitive edge, our games have undergone a rigorous process of research, appraisal, development and testing. As at 31 December 2022, the total number of full-time employees in the Group is 1,181 people, of which R&D centre personnel account for approximately 78% of the total staff. At the end of 2020, we have established a new R&D centre in Shanghai that covers East China, to attract high-end research and development and publishing talents in the game industry with Shanghai as the core and covering the peripheral regions of Jiangsu, Zhejiang and Anhui. In addition, during 2021, the Group also established the subsidiary in Guangzhou to actively expand overseas publishing channels. As a result, we have formed a research and development and publishing team centred in Beijing, gradually expanding to various developed regions of the game industry across the country, and constantly recruiting high-end industry talents from point to area. Going forward, on the basis of continuously accumulating overseas publishing experience, we will actively develop and strategise a business system of self-research and self-development and integration of research and development and operation in the vertical field, and on the basis of maintaining the core competitive edge of our MMORPG products, we will enrich and extend the array of products and genres, including SLG, female-oriented games, shooting games, strategy cards and other genres to facilitate our continuous introduction of high-quality games.

Our continuous breakthrough and innovation and relentless pursuit of exploration in the field of technology have been our consistent persistence, as well as the core factor that has kept us at the industry-leading position. We are among the first batch of companies in the industry to research and use the globally leading Unreal Engine to develop mobile games, and quickly established a next-generation workflow based on Unreal Engine 4, continuously refining and exploring it. Up to now, we have successfully launched 5 game products developed based on Unreal Engine 4, ranking among the top in the industry. In 2022, Epic Games, with whom we maintain deep cooperation, officially launched Unreal Engine 5. As one of the five mainland Chinese companies that collaborate with Epic Games on this technology, we have conducted in-depth research on Unreal Engine 5 and have greatly improved and optimised high-frame-rate game screens and the logical sense of objects utilising its virtualised micro-polygon geometry system, and significantly improving the efficiency of art production and operation maintenance by applying this technology. We are at the forefront of the application of Unreal Engine 5 technology. Our product reserves include high-quality cross-era games that use Unreal Engine 5 to create exquisite scene rendering and ultra-high on-screen fidelity. It is foreseeable that our advanced layout of Unreal Engine 5 will bring us a first-mover advantage in future competition.

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In terms of artificial intelligence-generated content (“AIGC”), we keep pace with the technological development trend and combine with our strong technologies and research and development advantages to actively explore the application and expansion of artificial intelligence in game products. Through the application and in-depth training of different artificial intelligence tools, we accurately grasp the spontaneity and creativity characteristics of artificial intelligence in upgrading our game products in multiple dimensions such as algorithm models, content design, art creation and intelligent interaction. We can also use the natural language system built by the in-depth application of artificial intelligence technology to create non-player characters (“NPC”) with independent personality, thus enhancing the player’s sense of reality and immersion in the virtual world.

In order to improve product quality and standardise the work on decision-making, the Group has formulated the Project Development Management Policy. This policy specifies the management issues in the project development process, including the management department of the work on research and development, project approval process, game publication number application, the internal testing process, etc., to ensure the coordination and cohesion of each development process. The game development team must carry out continuous testing of the game during the development phase in accordance with the Pre-release Testing Policy System, such as internal and public testing, to eliminate the defects and design flaws of the game project and ensure the quality of the game.

IP Protection

IP are fundamental to our business and we dedicate significant time and resources to their development and protection. A significant portion of the Group’s IP is internally created, including Loong Craft (六龍爭霸／六龍御天), Love & Sword (御劍情緣), etc. Going forward, our product line will also cover multiple game works with original IP, and we will continue to enrich our original IP resources. The Group relies on strong IP creation and operational capabilities to strategically support our future business layout, at the same time, leveraging cooperation with the world’s top IP, we expect that the influence of the Group will be further enhanced on a global scale. As at 31 December 2022, the Group had 120 copyrights certified and has registered and laid out trademarks in 16 countries and regions. In order to protect intellectual property rights and safeguard our own legitimate interests, we actively apply for copyrights, trademarks and patents for relevant products and technologies. We also strive to reinforce our original IP field. The launch of new products such as Life Makeover (以閃亮之名) in 2022 is a manifestation to our continued focus on cultivating original IP. In respect of deepening our involvement in authorised IP, we have taken a further step to establish a longer-term collaborative relationship with the IP holder of Dragon Raja (龍族幻想), which has been widely endorsed and supported by global game players since it was launched, and we have obtained exclusive right to adapt the entire dragon product series for the production of MMORPGs for a seven-year period. With regard to attracting international IP, the Group has cooperated with “Avatar”, the world’s leading IP, to develop an Avatar mobile game Avatar: Reckoning (阿凡達:重返潘多拉), which will be published by Tencent, a company that possesses top-notch publishing capabilities on mobile platform. We are confident that this product will fully leverage and showcase the strengths of the “IP – Research and Development – Distribution” partnership.



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The Group adopts various precautionary measures to avoid the third parties of obtaining and using, without our consent, the IP owned by us or licensed to us. Save as copyrights, trademarks, patents and other IP law, the Group has employment contracts that set out IP rules that safeguard the inventions created by us, commercial secrets, and development projects, and enters into contracts for confidentiality and authorisation, in order to secure our IP. The Group also specifies in the Code of Business Conduct for Employees that employees shall not, without the authorisation of third parties and consent of the Group, apply the proprietary information or other information with IP into the Group's businesses to show respect to the IP rights of other parties.

Healthy Gaming

Mobile game companies are obligated to fulfil the social responsibility of concerning the health of players, which is also an important part of providing a profound gaming experience for players. The Group understands that players in different regions have cultural differences, so operating teams in each region will strictly comply with the laws and regulations on healthy games in the place of operation and in the app store according to the relevant requirements of different countries.

The Group is dedicated to providing a healthy, green and civilised gaming environment for our players and maintaining a good and harmonious gaming atmosphere together with them. The Group strictly adheres to the bottom line of content safety, and firmly prohibits all illegal and unlawful acts, such as trading cryptocurrency, using plug-ins, spamming advertisements, spreading rumours, abusing, fabricating or distorting facts, destroying national unity, making personal attacks on others, violating others' privacy, involving obscene pornography, violence and terror, drugs, promoting gambling or abetting criminal topics, etc. The Group strictly examines violations and controversies, and if it is found that the above activities are carried out using our internet service system, we will take appropriate punitive measures in accordance with the nature and extent of such activities at our discretion in accordance with the Punishment System for Violations by Players. If users find that other users may be engaged in such violations, they may also report and complain through the specific reporting function in our products and services or through the specific channels provided on the official website of the Group.

Preventing Minors from Indulging in Online Games

Since its establishment, the Group has been actively fulfilling its corporate social responsibility, continuously improving measures for the protection of minors and constructing a protective system for healthy games for minors. The Group has strictly complied with the Notice on Prevention of Minors from Indulging in Online Games published by the General Administration of Press and Publication. The Group has participated in the initiation and strict implementation of the terms and conditions of the Convention on Prevention of Indulgence in Online Games Industry, and joined hands with the industry to create a disciplined and ethical ecology of online game industry. The convention has been published on the Group's official website and game interface at prominent locations.

Communication with Players and Customer Services

The Group offers game players with a wide range of player services and technical support, not only committed to satisfying the needs of our players, but also aimed at understanding the expectations of target customers through communication with players so as to constantly optimise our games. The Group has developed various policies for the customer service department, including Player Visit Specifications and Data Query Specifications and also designated player service representatives who are dedicated to answering queries, resolving technical issues, and offering consultation on gameplay and account maintenance. Players may contact our player service representatives through a variety of channels, including instant messenger, email, telephone and in-game consultation systems. We provide players with the latest communication channels through announcements, record feedback from players on account, data, recharge and other related issues, handle them in order as soon as the service is restored to normal, and inform players through announcements. The Group also outsources player services to third-party service providers, such as local service representatives, who are engaged to tackle language problems in communicating with local game players, and telephone operators, who are engaged to answer and direct calls to our internal representatives.

The Group has policies in place for responding to complaints to ensure proper handling of complaints and recommendations raised by game players, and practically safeguard the rights and interests of game players. During the Reporting Period, the Group received a total of 25 game-related complaints, with 24 complaints from players and 1 advice for improvement from Korean Internet and Security Agency. All complaints were answered, and the problems were followed up until they were resolved or a complete solution was given.

Meanwhile, the Group has a survey team that actively solicits players' feedback and collects information from online public forums. A data analysis system is used to evaluate players' satisfaction with our games, calculate and analyse player retention rates and other operating indicators, the games will then be redesigned or optimised based on the analysis.

Advertisement Management

The Group markets its games worldwide through a diverse spectrum of advertising and promotional programs. We have a dedicated team that works closely with our publishing team to design and implement marketing and promotional programs catering to the demographics and characteristics of our target groups of game players. According to the target audience's preferences, the Group carries out different online advertising forms such as feeds, online video commercials, loading screen commercials and in-app commercials, and applies artificial intelligence and big data to monitor the quality of the content and commercial effectiveness. Through analysing our game player demographics and behaviour data, we may also select our offline marketing and promotion activities to achieve optimal publicity with commercial efficiency. In addition, the Group participates in various industry expos and conferences to promote our games and achieve maximum exposure.

The Group has established guidelines related to advertising and labelling to regulate product advertising and labelling issues. We strictly review the products and services we provide as well as related sales, marketing and advertising strategies and materials to ensure that no false publicity is involved and they comply with applicable laws and regulations, including the Advertising Law of the People's Republic of China and Interim Measures for the Administration of Internet Advertising, etc. We strictly conduct legal marketing and consciously resist illegal acts and vulgar marketing.



Environmental, Social and Governance Report

ANTI-CORRUPTION

The Group believes that a corporate culture of high integrity is the key to its business success, therefore, it attaches high importance to its anti-corruption work and system establishment, and is committed to building an incorruptible, open and transparent corporate culture. As one of the core values, the Group expects every employee to adhere to the principles of honesty and integrity in all aspects of work. The Group requires all employees to abide by the code of business ethics, and undertake that there will be no corruption and bribery, nor will they engage in any fraud, extortion or money laundering activities.

In order to enhance governance and internal control of the Group, the Management System for Anti-fraud and Anti-money Laundering stipulates the work conduct required for employees by defining various areas relating to the work of anti-fraud and anti-money laundering, so as to avoid behaviours and circumstances which endanger the interests of the Group and shareholders or violate the recognised ethical norm of society, and minimise risk exposure of the Company. As the highest regulatory body, the Board is responsible for the overall examination and supervision of anti-fraud measures. By offering regular and irregular personnel training and performing a background check for recruitment of key positions, the human resources department exercises the related function of fraud prevention. Each year the Group conducts a comprehensive risk assessment, including the assessment of risks of fraud, and exercises regular control of the implementation of countermeasures.

In addition, the Code of Business Conduct for Employees stipulates the expectation of the Group on the employees regarding anti-corruption and prohibits behaviours involving risks of bribery, extortion, fraud and conflicts of interests. All staff in discharge of duties on behalf of the Group should abide by various requirements outlined in the code and uphold honesty and integrity. For staff violating such code, their employment contracts will be terminated and will be liable to corresponding punishment.

The Group also arranges anti-corruption related training activities for its directors and employees at least once a year. During the Reporting Period, 7 directors and 56 employees of the Group (2021: 7 directors and 36 employees) participated in an anti-corruption training seminar provided by a professional organisation, to get familiar with their corresponding roles and responsibilities in anti-corruption and business ethics, so as to cultivate employees' anti-corruption awareness and good professional conduct.

The Group strictly complies with the laws and regulations related to the prevention of bribery, extortion, fraud and money laundering, including but not limited to the Criminal Law of the People's Republic of China, Company Law of the People's Republic of China and Anti-Unfair Competition Law of the People's Republic of China. During the Reporting Period, the Group was not aware of any significant non-compliance with the laws and regulations which may have a significant impact on the Group relating to the prevention of bribery, extortion, fraud and money laundering, nor any filed and concluded legal cases regarding corrupt practices brought against the Group or its employees (2021: no cases).



WHISTLEBLOWING MECHANISM

The Group has established a strict and safe reporting mechanism to cultivate and maintain a clean and transparent culture of the Group. Through an internal system and mailbox for whistle-blowing provided on the company website, our stakeholders, including employees and the public, may report any suspected fraud cases. Whistle-blowers may choose to report anonymously or with real names. The Group strictly keeps confidential of the identities of whistle-blowers except in cases where public authorities request access in accordance with the law. For the reported information received, the internal audit department is responsible for acceptance and preliminary verification in accordance with formal operating specifications and procedures. For cases showing signs of fraud, the internal audit department will conduct an investigation, with the results and opinion published and reported to the Board.

SUPPLY CHAIN MANAGEMENT

The suppliers of the Group mainly include third party channel distributors, IP holders and marketing service providers who are responsible for our integrated game distribution and operation of business. In order to standardise, stylise and institutionalise the procurement management process, the Group has established the Procurement Management Procedures to regulate the procurement management work of the Group's management, responsible personnel for procurement, procurement executives and financial budgeting team to reduce the risk of procurement work. Each procurement-related department has established and improved the supplier evaluation and access system. For suppliers identified for cooperation, capital information (business license) and relevant qualification certificates (such as exclusive agent) and other information of the suppliers shall be obtained. The relevant policy regulates the standards for procurement inquiries and price comparison. The procurement executives select 2 to 3 suppliers for price inquiries and comparison, and carry out evaluation on suppliers' performance in various aspects, such as product quality, product price, procurement volume, supplier scale, and after-sales services, etc. The evaluation results are reviewed by the management.

The Group ensures that the procurement process is carried out under open, fair and just conditions, and does not give discriminatory treatment to any suppliers, employees and other individuals who have a relationship for common benefit with the relevant supplier are strictly prohibited to participate in relevant procurement activities. If the subject of the procurement is from a single source of supply or is of a monopoly nature, or if the department has special procurement needs, the technical department or the requesting department will need to provide full and reasonable justification to ensure fairness of the procurement process. The Group has also shown concern about the integrity of suppliers and partners and has zero-tolerance for bribery and corruption, it is strictly prohibited for suppliers and partners from obtaining procurement contracts or partnerships through any form of transfer of benefits.

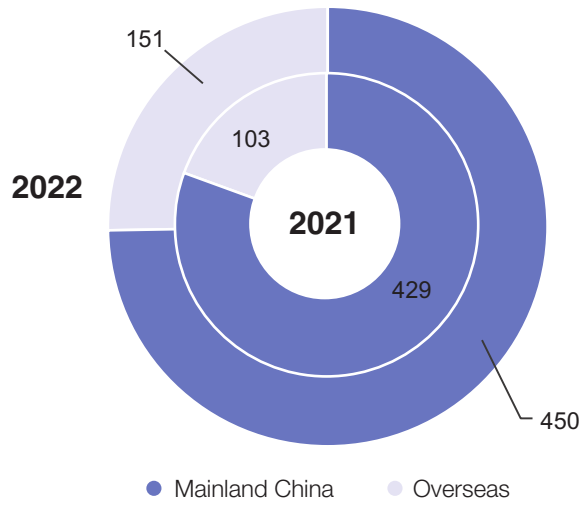
The Group carefully evaluates potential candidate suppliers in accordance with the Internal Management Control Policy, selects suitable suppliers to support the Group's operations and minimises potential environmental and social risks, including giving priority to suppliers who provide environmentally friendly products and services in the selection process. We also give preference to local suppliers in order to support the local economy and to integrate corporate social responsibility into our supply chain management.



Environmental, Social and Governance Report

During the Reporting Period, the Group had a total of 601 suppliers from different regions (2021: 532 suppliers), all of which passed the Group's procurement assessment. Suppliers are distributed by geographical region as follows:

Number of Suppliers by Geographical Region





EMPLOYMENT AND LABOUR PRACTICES

HUMAN RESOURCE DEVELOPMENT

Employees are the Group's largest and most valuable asset and the core of its competitive advantage, while providing the Group with the driving force for continuous exploration and innovation at the same time. The Group firmly believes that talents are the top priority of the Group's sustainable development strategy, we respect and protect the legitimate rights and interests of every employee. We have implemented comprehensive employee policies including the Employee Handbook, Code of Business Conduct for Employees and Attendance Management Policy, etc. and distributed them to all employees. The policies contain internal rules and guidelines on best business practices, professional ethics, anti-fraud mechanisms, negligence and corruption. We provide employees with regular training and resources, and explain the guidelines contained in the Employee Handbook. Through these policies, the Group is committed to protecting the occupational health and safety of employees, safeguarding the vital interests of employees. The Group fully respects and attaches great importance to stimulating employees' enthusiasm, initiative and creativity, and is devoted to building harmonious labour relations.

The Group strictly complies with the laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, including but not limited to Labour Law of the People's Republic of China and Labour Contract Law of the People's Republic of China. During the Reporting Period, the Group was not aware of any major non-compliance with laws and regulations regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that may have a significant impact on the Group.

As at 31 December 2022, the Group employed 1,181 full-time employees. The breakdown is as follows:

Category	Number of Employees (Breakdown)	
	As at 31 December 2022	As at 31 December 2021
Total number of full-time employees	1,181	1,485
By gender		
Male	769 (65.11%)	1,011 (68.08%)
Female	412 (34.89%)	474 (31.92%)
By age group		
Under 30 years old	610 (51.65%)	853 (57.44%)
30-50 years old	571 (48.35%)	631 (42.49%)
Above 50 years old	-	1 (0.07%)
By geographical region		
Beijing	947 (80.19%)	1,185 (79.80%)
Chengdu	46 (3.90%)	59 (3.97%)
Changchun	68 (5.76%)	113 (7.61%)
Shanghai	76 (6.43%)	87 (5.86%)
Guangzhou	31 (2.62%)	41 (2.76%)
Haikou	10 (0.85%)	N/A
Korea	3 (0.25%)	N/A



Environmental, Social and Governance Report

The Group's total number of employee turnover in 2022 is 742 (2021: 500), resulting in a turnover rate¹ of approximately 55.66% (2021: approximately 37.13%). The employee turnover rate by gender, age group and geographical region is shown as follows:

Category	Number of Employees Left (Turnover Rate)¹ 2022
Total	742 (55.66%)
By gender	
Male	522 (58.65%)
Female	220 (49.66%)
By age group	
Under 30 years old	473 (64.66%)
30-50 years old	268 (44.59%)
Above 50 years old	1 (200.00%)
By geographical region	
Beijing	529 (49.62%)
Chengdu	30 (57.14%)
Changchun	46 (50.83%)
Shanghai	79 (96.93%)
Guangzhou	47 (130.56%)
Haikou	7 (70.00%)
Korea	4 (133.33%)

Note:

1. Employee turnover rate = the number of employees left in that category for the year ÷ the average number of employees in that category at the beginning and end of the year × 100%. The total employee turnover rate has been disclosed since 2022, and the relevant data for 2021 have been calculated and supplemented. As the Group did not have any employees in Haikou and Korea at the beginning of 2022, the denominators of the relevant turnover rate formulae are only taken from the number of employees at the end of that year in order to reflect the actual operation.

Employee Remuneration and Benefits

The Group is committed to establishing a competitive and fair remuneration and welfare system to attract and retain outstanding talents. To ensure employees receive a competitive remuneration package, we continually refine our remuneration and incentive policies through market research and comparisons with our competitors and has formulated the Remuneration Management Policy and implemented confidential remuneration. The remuneration of employees usually includes basic salary, performance bonus and year-end bonus. By adopting an equity incentive plan, the Group rewards directors, senior management and employees for their contributions to the Group and attracts, motivates and retains skilled and experienced talents for the future development and expansion of the Group as well. The Group also has a salary adjustment mechanism, we conduct monthly performance evaluations to provide employee performance feedback, and conduct quarterly selections to affirm and encourage outstanding employees.

Environmental, Social and Governance Report



The Group has also formulated Welfare Management Policy to specify the content of employee benefits. The Group has signed and performed labour contracts with employees according to the Labour Contract Law of the People's Republic of China and provide social insurance welfare "five insurances one fund" (i.e. pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund in accordance to the law), to ensure that employees enjoy social insurance benefits. Employees are entitled to various types of paid leave, including but not limited to annual leave, wedding leave and maternity leave, etc. In addition, the Group also provides supplemental medical insurance, personal accident insurance, annual medical check-up, file management and work residence permit application services for employees.

The Group also complies with the requirements of the national and local laws and regulations such as the Labour Law of the People's Republic of China, to effectively protect the legitimate rights and interests of labour and respect their rights to rest and take vacations, and regulates the employees' working hours and various holidays in accordance to the Employee Handbook.

Recruitment, Promotion and Dismissal

The Group has formulated a transparent Recruitment Management Policy to attract and select trial talents and enhance the business competitiveness. The Group's recruitment follows the principle of equal opportunity. When there is a job demand, the Group's employees have the same opportunities as external applicants, and the principles of fair competition, merit-based admission and probation shall be ensured. All recruitment of candidates needs to be jointly inspected by the employing department and the human resources department in terms of knowledge, ability, morality, health, and job competence. At the same time, we focus on the skills capability and integrity that are closely related to the Group's strategy, culture, and business. The human resources department of the Group is not only responsible for the implementation of recruitments, selections, interviews, but also responsible for consolidating the recruitment needs from various departments, in accordance to the existing plans and business development. It is also responsible for compiling annual staff recruitment plans and decomposing monthly recruitment plans, and improving the Group's recruitment system and process.



Environmental, Social and Governance Report

The Group has set up a talent recruitment channel on its official website, among which the main page of the campus recruitment details the recruitment process, employee benefits and vocational training to provide appropriate guidance for fresh graduates on job seeking. On 2 December 2022, the Group was awarded the 2022 Nfuture Most Socially Responsible School Recruitment Employer Award by Nowcoder. This award is a high recognition of the Group's social responsibility work by the expert judges of Nowcoder and university students. The Group will adhere to its original intention, continue to carry out more public welfare activities, and nurture and deliver more professional talents to the industry.



The Group has established a Performance Management Policy to guide, evaluate, develop, motivate and reward employees' performance in a systematic manner. The policy also regulates the promotion and career development of employees. For employees with outstanding performances, the Group will provide more opportunities in training, promotion and career development. The Group has also formulated the Resignation Management Policy to regulate resignation of employees, clarify the operation procedures of resignation, and ensure the legitimate rights and interests of the resigned employees.



Employee Engagement, Diversity and Inclusion

Apart from taking good care of its staff at workplace, the Group also aims to provide employees with a work-life balance lifestyle. The Group organises festive celebrations during the festivals such as Chinese New Year's Day, Dragon Boat Festival, Chinese Valentine's Day and Mid-Autumn Festival, presenting its employees with gifts and expressing sincere festive blessings to them. During the Reporting Period, we also held the 8th anniversary activities for our employees to enjoy the joy of growth with us.



2022 Annual Party



Children's Day and Dragon Boat Festival



8th Anniversary Celebration and Mid-Autumn Festival

Equal Opportunity

The Group is committed to creating an equal corporate culture and providing employees with an equal, diversified and non-discriminatory working environment. We strictly abide by the laws and regulations of the nation and the local government, and adopts a fair, impartial and open recruitment process. We are committed to providing equal opportunities in respect of employment, maintaining a workplace in which nobody is differentially treated, excluded, or given preference out of their race, colour, age, family background, gender, religion, ethnicity, or social origin. In the process of recruitment, training and promotion, we treat all candidates equally to protect their rights and interests, which creates and maintains an inclusive and collaborative workplace culture.



EMPLOYEES' HEALTH AND SAFETY

As a mobile game company, the Group's employees do not involve in any significant health and safety risks in daily operation. Nevertheless, the Group attaches great importance to the health and safety of employees, and has also formulated relevant policies to ensure a healthy, safe and comfortable working environment for employees.

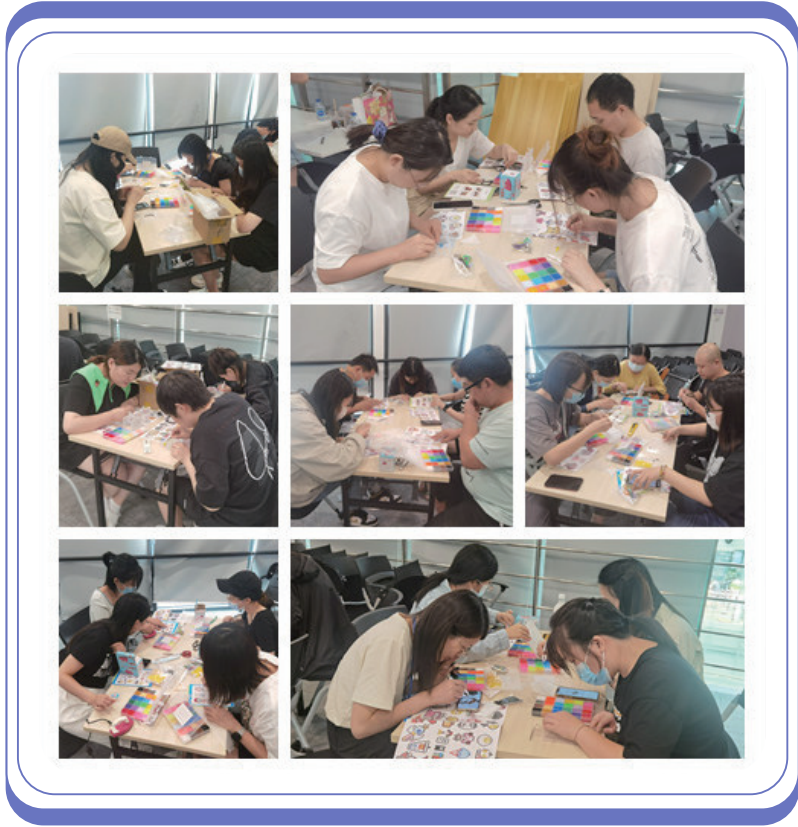
The Group strictly complies with the laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards, including but not limited to the Labour Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Fire Protection Law of the People's Republic of China, etc. During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that may have a significant impact on the Group, and had no lost days due to work-related injuries (2021: no lost days due to work-related injuries). The Group had no work-related fatalities for three consecutive years.

At the same time, the Group cares for its employees and values their mental health, and encourages employees to achieve a balance between work and life and maintain their physical and mental health. The Group has established various clubs for employees, including clubs for ball games, board games, handicrafts, photography, dances, etc. The Group also sets up dance studios, reading areas and other equipment for employees. It aims to enhance the sense of belonging of employees and the cohesion of the team through social activities, relieving work pressure, and creating a good working atmosphere.





Environmental, Social and Governance Report



Environmental, Social and Governance Report



Also, the Group provides healthy lifestyle and safety information to employees to enhance their own health awareness. Apart from providing daily massage and relaxation time, the Group also organises regular free medical examinations for employees and provides gym rooms and table tennis rooms for them to use, fully demonstrating its care for the health of employees.

During the pandemic, the Group strictly abides by and implements the guidelines and announcements of the Chinese Centre for Disease Control and Prevention on pandemic prevention. We remind employees of maintaining personal hygiene to protect their health and to minimise our operational risks.

DEVELOPMENT AND TRAINING

The Group attaches great importance to the professional development of employees and integrate “continuous learning” into the Group’s corporate culture by setting relevant policies, and providing regular and specialised training tailored to the needs of employees in different departments. The Group has a training centre that regularly organises internal training sessions conducted by senior employees or external consultants on topics of interest that employees can vote on. The training centre, managed by the heads of our human resources department and administration department, schedules regular training, reviews the content of the training, follows up with employees to evaluate the impact of such training and rewards lecturers for positive feedbacks. The training courses cover overall management, project execution, laws and regulations and technical knowledge and other aspects. We constantly review the training content and follow up with employees to evaluate the effectiveness of the training.

The Group also provides regular training to the information technology team and organises workshops from time to time to discuss any issues and necessary updates. Throughout the training, we help our employees to understand the latest development in the industry and follow up with skills and technology, in order to strengthen the skills and knowledge of the employees and meet customer needs.



Environmental, Social and Governance Report

Due to the strict restrictions and uncertainties of the pandemic prevention and control measures, the total training hours of the Group for 2022 has decreased to approximately 1,349.00 hours (2021: approximately 2,711.50 hours), and the percentage of employees trained² has decreased to approximately 25.23% (2021: approximately 39%). The employee training data by gender and employee category are as follows:

Category	Number of Employees Trained (Breakdown ³)		Average Training Hour ⁴	
	2022	2021	2022	2021
Total	298	582	1.14	1.83
By gender				
Male	189 (63.42%)	387 (66%)	1.13	1.82
Female	109 (36.58%)	195 (34%)	1.17	1.84
By employee category				
Staff from research and development centre	262 (87.92%)	500 (86%)	1.30	1.91
Staff from publishing and operation centre	29 (9.73%)	30 (5%)	0.77	0.95
General management staff	7 (2.35%)	52 (9%)	0.30	2.33

Notes:

- Percentage of employees trained = number of employees trained for the year ÷ total number of employees at the end of the year × 100%. Decimal point increases to 2 in 2022.
- Breakdown of employees trained = number of employees trained in that category for the year ÷ total number of employees trained for the year × 100%. Decimal point increases to 2 in 2022. The total number of employees trained has been disclosed since 2022, and the relevant data for 2021 has been calculated and supplemented.
- Average training hours = training hours of employees in that category ÷ number of employees in that category at the end of the year.



LABOUR STANDARDS

The Group strictly complies with the laws and regulations relating to preventing child and forced labour, including but not limited to the Labour Law of the People’s Republic of China, Law of the People’s Republic of China on the Protection of Minors, and Provisions on the Prohibition of Using Child Labour. During the Reporting Period, the Group was not aware of any non-compliance with the laws and regulations related to the prevention of child labour or forced labour that may have a significant impact on the Group.

The Group strictly prohibits the employment of any child labour. To prevent child labour in our operation, the Group requires candidates to provide true and accurate personal information. The recruiters strictly review the candidates’ information, such as identity cards, bank accounts and other information in order to further confirm the qualifications of candidates. If any case of child labour is discovered, the Group will immediately terminate their contract and contact their parents or legal guardians to arrange the return of the child worker to their original place of residence promptly and bear all the related expenses.

In addition, the Group has clearly stated the standardised working hours and overtime management policy in the Employee Handbook to prevent the case of forced labour and protect the rights and interests of employees. Employees need to follow the principle of voluntariness for overtime work and submit overtime applications as required to avoid the violation of labour standards. If any violations are found, the Group will immediately carry out relevant investigations and transfer them to the relevant judicial authorities.



Environmental, Social and Governance Report

ENVIRONMENTAL PROTECTION

GREEN OPERATION

Environmental Targets

As the environmental threats occasioned by climate change are imminent, society increasingly urges concerted efforts to take emergency actions from all walks of life. The Group attaches great importance to sound environmental management and undertakes to provide necessary labour, logistics, technical and financial support for environmental protection work in order to fulfil the Group's social responsibility. In accordance with the national rules on environmental protection and resource conservation, and in line with its actual operational needs, the Group has established an environmental protection and resource conservation system, as described in the Environmental and Social Responsibility Management Policy, to control the greenhouse gases ("GHG") generated and energy consumption during operation so as to ensure compliance with all relevant requirements from environmental protection laws, rules and regulations. We regularly assign designated personnel to examine the implementation of the environmental protection policy, rectify behaviours not in line with the Group's environmental protection policy, and adopt corresponding remedial measures. We have also taken the initiative to introduce environmental protection practices to our operation to raise our employees' awareness of environmental protection.

In order to ensure that we can effectively implement the sustainable business model, the Group has set a number of environmental targets in line with its development direction and strategic direction. We closely monitor and regularly review its progress, and are committed to achieving them through various environmental protection measures in the subsections under "Environmental Protection" aspect. The relevant data and year-on-year comparisons are also disclosed in the subsections under "Environmental Protection" aspect.

Aspects	Targets	Progresses
Carbon Reduction	On or before the year ended 31 December 2025 ("2025"), reduce GHG emission intensity by 5% from 2021 baseline	In progress.
Waste Reduction	In 2022, office paper disposal intensity will be reduced by 2% from 2021 baseline By 2025 or before, implement waste sorting in all office buildings	Completed. The target will be carried forward to the year ended 31 December 2023 ("2023"). On track. Waste sorting has been implemented in Beijing offices, while offices in other regions are progressing in accordance with government requirements.

Environmental, Social and Governance Report



Aspects	Targets	Progresses
Energy Conservation	By 2025 or before, formulate a management system for energy conservation and environmental protection, and implement green office	On track. Currently, energy saving measures are promoted on a daily basis according to the consumption status of the office areas.
	By 2025 or before, optimise the energy system of the building	On track. We will move forward based on the arrangements of property buildings in different regions.
Water Saving	From 2022, hold at least one water saving activity every year to raise the awareness of water saving among our employees	Completed. In 2022, the Group organised a comprehensive promotion activity on environmental protection. The target will be carried forward to 2023.

Emissions

Being a mobile gaming company, the emissions of the Group are insignificant, mainly consisting of GHG emissions caused by purchased electricity and disposal of non-hazardous waste. As set out in the Environmental and Social Responsibility Management Policy, the Group would adopt environmentally friendly technologies whenever possible, such as designs dedicated for energy-saving and waste reduction. The Group would also continue to increase staff awareness of environmental protection and resource conservation through effective means such as propaganda and education, for instance, encouraging our employees to take public transport to lower the generation of daily GHG emissions.

The Group strictly complies with the laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, Law of the People's Republic of China in the Prevention and Control of Atmospheric Pollution and the Water Pollution Prevention and Control Law of the People's Republic of China, etc. During the Reporting Period, the Group was not aware of any material non-compliance of laws and regulations relating to exhaust gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that may have a significant impact on the Group.



Environmental, Social and Governance Report

Exhaust Gas Emissions

Due to our business nature, we are not involved in industrial production or owning any vehicles, therefore the Group’s operations will not generate a large amount of exhaust gas emissions.

GHG Emissions

The major source of the Group’s GHG emissions is the energy indirect GHG emissions (Scope 2) arising from the consumption of purchased electricity. Since the Group does not have industrial production or own any vehicles, it does not involve direct GHG emissions (Scope 1).

The Group proactively adopts electricity saving measures to reduce GHG emissions, including strict control on the usage of air-conditioning, lighting facilities and office appliances. The specific measures will be described in the section “Energy Management”.

Due to inclusion of new offices and expansion of existing offices as well as reduced revenue, the Group’s GHG emissions intensity has increased during the Reporting Period by approximately 81% compared to 2021. The performance of the Group’s GHG emissions is as follows:

Indicators ⁵	Unit	2022	2021
Direct GHG emissions (Scope 1)	tonnes of CO ₂ equivalent (“tCO ₂ e”)	–	–
Energy indirect GHG emissions (Scope 2)			
• Purchased electricity	tCO ₂ e	885.28	774.90
Total GHG emissions (Scope 1 & 2)	tCO ₂ e	885.28	774.90
GHG emissions intensity ⁶	tCO ₂ e/million revenue	1.52	0.84

Notes:

- GHG emission data are presented in terms of carbon dioxide equivalent and are based on, including but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development; “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange; and “Notice on the Management of Enterprise Greenhouse Gas Emissions Reporting by Power Generation Industry for 2023-2025” issued by Ministry of Environmental Protection of the People’s Republic of China; and the “Global Warming Potential Values” from the IPCC Fifth Assessment Report. Due to updated emission factors for the electricity grid in the PRC, the Group has recalculated GHG emissions data for 2021.
- During the Reporting Period, the total revenue of the Group was approximately RMB584.1 million (2021: approximately RMB920.8 million). This data will also be used to calculate other intensity data.

Sewage Discharge

Since our business activities do not consume a large amount of water, we do not generate a large amount of sewage discharge. In addition, the wastewater discharged by the Group will be sent to the regional water purification plant through the municipal sewage pipe network, so the water consumption of the Group is equivalent to the amount of sewage discharged. The Group’s water consumption data will be described in the section headed “Water Management”.



Waste Management

The Group adheres to the principles of waste management and is committed to the proper treatment and disposal of all waste generated by our business activities. We identify, classify, as well as centrally store the waste. The Group sets up unified collection boxes for classification, assigns responsible personnel to handle waste in a timely manner, and maintains the environmental sanitation around the collection boxes. Our waste management practices are in compliance with relevant environmental laws and regulations.

Hazardous Waste

Due to our business nature, the Group does not use toxic or hazardous substances, hence no hazardous waste is generated during the operation. In the unlikely event that any hazardous waste is generated, we will engage a qualified chemical waste recycling company for handling such waste in compliance with relevant environmental laws and regulations.

Non-hazardous Waste

Due to our business nature, the major non-hazardous waste generated during the Group's operation is general office waste. The Group adheres to the 4Rs principle and strives to properly manage and dispose of the non-hazardous waste generated from its operations. In order to minimise the use of paper, we have regularly monitored the consumption of paper and implemented the following measures and regulations to reduce waste.

- Set up waste paper recycling bins;
- Reduce paper consumption in the workplace through double-sided printing;
- Encourage employees to utilise electronic means of communication to promote a "paperless office"; and
- Recycle waste paper, cardboard boxes, envelopes and binders.



Environmental, Social and Governance Report

The Group advocates paperless office and reduced office hours under the pandemic control. As a result, the printing paper waste disposal intensity of the Group has decreased by approximately 40% from approximately 1.57 kg/million revenue in 2021 to approximately 0.94 kg/million revenue in 2022, while the total disposal volume of non-hazardous waste has also decreased compared to 2021. However, due to a decrease in revenue, the non-hazardous waste disposal intensity has increased by approximately 51% compared to 2021. The performance of the Group's non-hazardous waste discharge is as follows:

Types of Non-hazardous Waste	Unit	2022	2021
General office waste	kg	82,143.00	87,250.00
Plastic waste	kg	6,387.00	5,660.00
Printing paper waste	kg	549.79	1,449.48
Other paper waste	kg	4,150.00	4,560.00
Food waste ⁷	kg	1,790.00	N/A
Total disposal volume of non-hazardous waste ⁸	kg	95,019.79	98,919.48
Non-hazardous waste disposal intensity	kg/million revenue	162.68	107.43

Notes:

7. Food waste data is disclosed since 2022.

8. Total non-hazardous waste equals to approximately 95.02 tonnes (2021: approximately 98.92 tonnes).

Use of Resources

The Group considers the active promotion of efficient use of resources as its mission, and formulated energy conservation policies to ensure that the use of resources in its business operations is reasonable and highly efficient, to promote a green operating environment and minimise the environmental impact of the Group's operations. The Group's employees coordinate with these policies and consciously cherish electricity, paper and water resources. The Group's Environmental and Social Responsibility Management Policy regulates the operational process to carry out energy-saving and emission reduction responsibilities, actively utilise energy-saving products, develop a circular economy, and improve resource utilisation, so as to reduce the consumption of water, electricity, paper and other resources.



祖龙娱乐
ARCHOSAUR GAMES

祖龙环保计划

响应全球环保趋势, 祖龙向你发出环保邀请
2022年祖龙环保计划书
有趣、有爱、有意义
绿色、低碳、可持续

01环保计划 | 环保知识课堂

环保知识课堂, 扫描二维码, 测试你的环保知识储备
活动时间: 12月28日-30日
活动奖励: 得分前30名的同学可获得低碳环保礼品一份

02环保计划 | 咖啡渣妙用

咖啡渣不仅有余香, 还有多种妙用
公司咖啡机产生的咖啡渣, 已经晾干分装
变废为宝, 绿意再生, 轻松GET
活动时间&领取地点: 12月29日14:00 & 公司5F前台

03环保计划 | 环境提升

优化办公环境, 解锁高效办公
如有电源接触不良、工位椅损坏、地毯破损等维修类需求
可百度联系: 行政服务热线, 收到同学反馈后会尽快安排处理
活动时间: 长期有效

04环保计划 | 未来畅想

拥抱自然, 传承美好未来, 传递美好心愿
对地球、环境或是未来的期许, 无限畅想
活动内容: DIY创作, 手绘图&简笔画
活动时间&地点: 12月29日14:00 & 公司5F前台

每个简单的环保动作, 都能汇成强大能量
2022年, 节能环保, 祖龙与你一起, 在路上

人力资源与行政中心

Promotional activities related to resources conservation



Environmental, Social and Governance Report

Energy Management

The Group actively implements the concept of energy conservation and emission reduction. In addition to reducing the unnecessary electricity, the Group is also committed to fulfilling its corporate responsibility for energy conservation and emission reduction and building a green and environmentally friendly working environment. The Group actively reduces electricity consumption by managing the use of air-conditioning, lighting facilities and office equipment to achieve energy conservation. In order to reduce electricity consumption, the Group actively adopts advanced lighting that is more environmentally friendly, and requires turning off or lowering the lights under sufficient sight conditions. In addition, in order to minimise excess energy, the Group has formulated clear management measures for air conditioners and office appliances. These include but are not limited to:

- The air-conditioning cooling temperature setting in summer is not lower than 26 degrees, and the heating temperature setting in winter is not higher than 18 degrees;
- Turn off the air conditioner 30 minutes before leaving the office;
- When using the office equipment, adjust the screen to an appropriate brightness to avoid excessive brightness;
- Turn off the screen when the person leaves the seat for more than 5 minutes;
- Turn off the computers in the office before leaving; and
- Keep ventilation around the computer chassis of the office computers to avoid an accumulation of debris that affects the heat dissipation of the equipment.

Due to inclusion of new offices and expansion of existing offices as well as reduced revenue, the Group's total energy consumption intensity has increased during the Reporting Period by approximately 83% compared to 2021. The energy consumption performance of the Group is as follows:

Types of Energy	Unit	2022	2021
Direct energy consumption	kWh	-	-
Indirect energy consumption			
• Purchased electricity	kWh	1,552,311.00	1,333,742.00
Total energy consumption	kWh	1,552,311.00	1,333,742.00
Energy consumption intensity	kWh/million revenue	2,657.61	1,448.46



Water Management

The water consumed by the Group is mainly domestic water, such as toilet water and cleaning water. Due to the geographical location of the Group's operating sites and nature of the Group's business, the Group does not have any major issues in the access to suitable water sources.

We encourage all employees to develop the habit of consciously saving water. The Group has strengthened water-saving promotion by organising water saving activities and posted water-saving slogans "Turn off the water tap before leaving" and guided employees to use water effectively. Besides, we use water-saving sanitary ware wherever possible, regularly inspect the water supply and drainage systems of the toilets and pantry, and promptly investigate and repair the leakage.

Due to inclusion of new offices and expansion of existing offices as well as reduced revenue, the Group's total water consumption intensity has increased during the Reporting Period by approximately 79% compared to 2021. The water consumption performance of the Group is as follows:

Water Consumption	Unit	2022	2021
Total water consumption	m ³	9,207.00	8,087.50
Water consumption intensity	m ³ /million revenue	15.76	8.78

Use of Packing Materials

Due to the Group's business nature, we do not consume a significant amount of packaging materials as we do not have any industrial productions nor any factory facilities.

The Environment and Natural Resources

The main business of the Group is the development and operation of mobile games, which will not have a significant impact on the environment and natural resources, yet, the Group continues to pursue environmental protection and focuses on the impact of the Group's business on the environment and natural resources. In addition to complying with environmental regulations and international standards and setting up relevant policies, and properly protecting the natural environment, the Group has also adopted a number of measures to reduce its impact on the environment. On the other hand, the Group also provides environmental protection education to all employees, so as to improve their environmental awareness of employees.

Work Environment Management

The Group is committed to providing employees with a comfortable and green working environment and maintaining a hygienic and neat environment in the workplace to increase work efficiency. Representatives from both the Group and the property management company inspect the office area regularly, to ensure that a clean and tidy working environment is maintained. Problems within the workplace will be identified in a timely manner and preventative measures will be taken to minimise potential hazards. Due to the Group's business nature, our daily operation does not have a significant impact on the office's air quality. Nevertheless, the Group monitors the indoor air quality of the workplace regularly and is dedicated to maintaining sound indoor air quality by cleaning the air-conditioning system regularly.



2022断舍离·焕新计划

盛夏时光 loading... 70%

趁着阳光绽放依旧
开启新一季的断舍离旅程
摒弃繁琐复杂, 回归简约纯粹
2022焕新计划, 即刻启程

断舍离计划, 办公区断舍离

活动内容 为大家营造一个干净整洁、清新宜人的办公环境, 我们会安排专人协助小伙伴们收拾办公区的杂物; 也请小伙伴们务必整理收纳遗留在非个人工位旁的物品

活动时间 8月16日-17日

清洁范围 5F-8F所有办公区域, 包括: 办公区通道、会议室、员工宿舍/休息区、浴室、茶水间收纳架上方、防火墙下等

敲重点 “断舍离”活动结束后, 办公区收集的无人认领的个人物品均由员工服务组暂时保管2周, 2周后做废品处理

断舍离计划, 个人工位

活动内容 行政部-员工服务组会根据OA留言进行登记, 并安排对参与同学的工位进行360°全面的清洁、消毒和收纳工作

参与方式 跟帖报名, 格式为: 姓名+工位号

截止报名时间 8月17日

清洁时间 8月18日-19日

注: 为不影响各位同学办公, 工位清洁时间约10-15分钟 (本人在场的情况下打扫)

断舍离计划, 氛围感工位

活动内容 记录工作中的小美好, 晒出你的氛围感工位

参与方式 朋友圈发布自己的工位照片 (请注意信息/数据安全) 并添加话题: #祖龙氛围感工位#, 将最终集赞截图有度至行政部: zhangshuo03082

截止时间 8月19日 12:00

活动奖励 根据集赞数量进行奖励: 1.集赞数前30名可获得盲盒一个
2.集赞数最高的3个同学, 可获得惊喜礼物

断舍离计划, 好物分享

活动内容 为方便小伙伴们标记个人物品, 制作了专属物品登记站, 欢迎大家自取; 同时集合了多种焕新好物、可爱的多肉、清新的绿植, 领完为止哦~

领取时间 8月17日14:00

领取地点 5F前台

收纳神器、提升幸福感的秘籍, 期待评论区里大家的分享~

长夏之后, 悠然入秋
季节轮换, 总有新的故事值得期盼
2022新一季断舍离, 拥抱整洁, 感受焕新能量

人力资源部行政中心

Activities to beautify the work environment



Climate Change

The Group is aware of the potential risks and opportunities that climate change poses to the Group’s operations, and has set up corresponding policies to manage related risks and opportunities. The Group will actively incorporate climate change risks into the corporate risk management and internal control framework, and at the same time strengthen the Group’s resilience and adaptability to the potential impact of climate change. Based on the framework and recommendations of the Task Force on Climate-related Financial Disclosure (“TCFD”), the Board and the management of the Group have identified the physical risks and transformation risks that climate change may cause to the business development of the Group, and formulated corresponding mitigation plans and adaptive responses.

Category	Short Term (1-5 years)	Mid-long Term (5 years or above)
Physical risks	<p>Climate change brings more frequent and intense extreme weather events, such as typhoon, flood, heavy rain, drought, extremely cold and extremely hot weather. Such events may affect the operation of municipal infrastructure, causing inconvenience to employees in commuting and, in severe cases, threatening the personal safety of employees, thus affecting the stability of the business of the Group. These events may also shorten the service life of the data centre infrastructure, resulting in higher maintenance costs and affecting the financial budget of the Group. The Group has assessed the risk of extreme weather events for each office location based on its geographic conditions, formulated contingency management plans, established disaster backup and recovery system for owned/leased servers, backed up important data through cloud services and organised contingency drills. In case of extreme weather, the Group will follow the instruction of the local government emergency management department to implement flexible work arrangement and preventive measures to protect the safety of people and properties.</p>	<p>The increase in average temperature may lead to an increase in cooling demand in the commercial areas where office buildings are located, resulting in a shortage of electricity and water and an increase in operating costs. To enhance the Group’s capability to cope with long-term physical risks, we have actively implemented management policies and conservation measures for use of resources in our operation, and improved the efficiency of our office facilities, such as using LED lighting system. By improving the efficiency of energy and water resources of our office operation, we believe that not only can we mitigate the impact of climate risks on the Group, but also reduce our operating costs.</p>



Environmental, Social and Governance Report

Category	Short Term (1-5 years)	Mid-long Term (5 years or above)
Transition risks	<p>In response to climate change, the Chinese government has set a target of “carbon peak before 2030 and carbon neutrality before 2060”, and has reduced the cost of GHG emissions through the carbon emissions trading market. In the future, environmental disclosure requirements by regulation authorities and capital markets are likely to be raised constantly, and the requirements on review of carbon emissions information for non-high emission enterprises may also be raised. Such policies and regulations may impose additional compliance costs on the Group. We have actively responded to China’s carbon neutrality plans and targets, and set clear energy conservation and emission reduction targets to reduce GHG emissions, with a view to integrating the transformation of a low carbon economy into our ESG strategies.</p>	<p>In the process of transformation into a low-carbon economy, corresponding new technologies and new equipment may face the risk of financial loss in the event of failure of research and development. We will examine the reasonableness of the investment in new technologies and their suitability for our business content, and gradually implement the application through feasibility studies.</p>

Environmental, Social and Governance Report



Category	Short Term (1-5 years)	Mid-long Term (5 years or above)
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Players are gradually increasing their preference for green products. If we fail to integrate sustainable development into our business operation in a timely manner and effectively address the issues arising from climate change, we may lose our competitiveness, resulting in damage of our brand image, loss of players or reduction in market share. We will maintain good communication channels with our players and research their market preference in a timely manner to ensure our provision of products and services can meet their needs. While fulfilling compliance requirements, we will strengthen our concern about the sustainable development and climate change disclosure requirements, and optimise our internal and external communication to create a corporate image with active response to green transformation. We will also integrate the concept of sustainable development into our daily operation, implement the practice of purchasing environmentally friendly products and services in our operation, incorporate environmental factors into the selection criteria of suppliers, and give priority to cloud server suppliers that hold the concept of green data centre in order to maximise energy efficiency and minimise environmental impact.

In addition to identifying climate change-related risks, we believe that climate change is both a growth opportunity and a value option for the Group. Market changes can also bring value-creating opportunities to the Group as long as the willingness and determination of responsible operating are demonstrated. As a mobile game company with the ability to develop high-quality games, the Group's R&D centre is planning to add elements of the sustainable development concept to games during game research and development, to enhance brand image, cater to consumer preferences and enhance the competitiveness. In addition, continuous review of energy saving and emission reduction measures can reduce the operating costs of the Group. By driving carbon reduction in the value chain and raising environmental awareness, we expect to gain a stronger competitive position in the transition to a low-carbon economy.



Environmental, Social and Governance Report

SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

The Group adhered to the concept and mission of philanthropy. In recent years, we have made unremitting efforts to practice corporate social responsibility by actively exploring various aspects such as cultural innovation and inheritance, integration of industry and education and public welfare projects continuously, as well as fitting in with the changing trends and policy directions, thereby successfully establishing a healthy and positive value orientation, which have been highly recognised by our employees and all walks of society. The Group formulated the Environmental and Social Responsibility Management Policy to standardise the effective performance of corporate social responsibility and realise the synergistic development of the enterprise and society. Each of the departments and various subsidiaries under the Group are required to proactively participate in community activities and charity events to fulfil their social responsibility, and regularly evaluate their performance of corporate social responsibility. The Group, on an irregular basis, makes donations to non-profit and charitable organisations in order to contribute to society, build a good public image and demonstrate its corporate citizenship. In 2022, the Group donated a total of approximately RMB0.36 million and its employees have participated in charitable activities for approximately 770 hours.

In addition, to insist on its corporate values and fulfil its social responsibility, the Group is committed to fostering outstanding professionals for the industry and constantly exploring new possibilities for the sustainable development of China game industry. Guided by the idea of “integration of industry and education”, the Group has established deep cooperative relationships with a number of tertiary education institutions. In Chengdu, we cooperated with Sichuan Conservatory of Music and Chengdu Institute Sichuan International Studies University to develop school-enterprise courses and hold summer camps. In the northeast China, we joined hands with Jilin Animation Institute to build a platform for game industry-academia connection and make active efforts in game creative talent training and dual-teacher team building. We continue the passion without forgetting our core values and constantly transform our years of experience and methodology into knowledge output, thereby incessantly expanding the talent pool in China’s game industry.

In September 2022, the Group launched the internal staff fitness charity campaign “Dragon Walk for the Community”. Through various sports such as jogging, cycling, soccer, basketball and badminton, employees can accumulate mileage, and redeem it for the Company’s charity fund to support the needy areas and people. After achieving the mileage target, the Group has launched the “Love Ward Library Project” and the second session of “Huge Dream Charity Project”. In the future, more public welfare activities will be implemented to spread the love of all the Group’s employees to more groups in need.





Environmental, Social and Governance Report

On 27 October 2022, the charity team of the Group donated a Love Ward Library each to Beijing Anzhen Hospital of Capital Medical University, Children’s Hospital of Capital Institute of Pediatrics and Peking University People’s Hospital, sending 2,000 books, 10 book carts, sterilisation carts and other materials. The construction of the Love Ward Library provides soul food for patients, enriches their mental health during the recovery period, motivates them to fight against diseases, and paves a solid staircase for a bright and wonderful life in the future.



Afterwards, the Group joined hands with Beijing Century Charity Foundation to visit Sinan County, Guizhou to help the children in the mountainous areas of north-eastern Qian (Guizhou) for the second year in a row. The charity team provided field assistance to Sinan County Maoba Primary School, Tianqiao National Secondary School and Wanli Senior Secondary School, bringing classroom chairs, teacher’s podiums, school bags, paintbrushes, paints and other teaching materials to the students of different age groups in the mountainous areas. The donation of this charity project has nurtured the students in the mountainous areas like spring rain, and more and more children in the mountainous areas can receive education in a better learning environment. Their innocent and carefree smiling faces are the best feedback to the charity team of the Group.



The launch of the “Dragon Walk for the Community” event brought a sports and public welfare carnival to the employees of the Group, spreading positive social energy and contributing to the charity work. Bearing in mind the mission of corporate social responsibility, the Group has put social welfare into its strategic position, and carried out social welfare in various forms and fields to promote the positive energy of the gaming industry.



Environmental, Social and Governance Report

CONTENT INDEX OF THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	Sustainable Development Governance Structure
Reporting Principles	Reporting Framework
Reporting Boundary	Reporting Scope

“Comply or Explain” Provisions Subject Areas, Aspects, General Disclosures and KPIs

Aspect A1: Emissions	Section/Declaration	
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.	GREEN OPERATION
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Exhaust Gas Emissions (not applicable – explained)
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).	Emissions – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management (not applicable – explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Targets, Emissions – GHG Emissions
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.	Environmental Targets, Emissions – Waste Management

Environmental, Social and Governance Report



“Comply or Explain” Provisions Subject Areas, Aspects, General Disclosures and KPIs

Section/Declaration

Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
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).	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Targets, Use of Resources – Energy Management
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.	Environmental Targets, Use of Resources – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Use of Packaging Materials (not applicable – explained)

Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Work Environment Management

Aspect A4: Climate Change

General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
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.	Climate Change



Environmental, Social and Governance Report

“Comply or Explain” Provisions Subject Areas, Aspects, General Disclosures and KPIs

Section/Declaration

Aspect B1: Employment

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	HUMAN RESOURCE DEVELOPMENT
KPI B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	HUMAN RESOURCE DEVELOPMENT
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	HUMAN RESOURCE DEVELOPMENT

Aspect B2: Health and Safety

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	EMPLOYEES’ HEALTH AND SAFETY
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	EMPLOYEES’ HEALTH AND SAFETY
KPI B2.2	Lost days due to work injury.	EMPLOYEES’ HEALTH AND SAFETY
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	EMPLOYEES’ HEALTH AND SAFETY

Aspect B3: Development and Training

General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	DEVELOPMENT AND TRAINING
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	DEVELOPMENT AND TRAINING
KPI B3.2	The average training hours completed per employee by gender and employee category.	DEVELOPMENT AND TRAINING

Environmental, Social and Governance Report



“Comply or Explain” Provisions Subject Areas, Aspects, General Disclosures and KPIs

Section/Declaration

Aspect B4: Labour Standards

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	LABOUR STANDARDS
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	LABOUR STANDARDS
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	LABOUR STANDARDS

Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	SUPPLY CHAIN MANAGEMENT
KPI B5.1	Number of suppliers by geographical region.	SUPPLY CHAIN MANAGEMENT
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	SUPPLY CHAIN MANAGEMENT
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SUPPLY CHAIN MANAGEMENT
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SUPPLY CHAIN MANAGEMENT

Aspect B6: Product Responsibility

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	PRODUCT RESPONSIBILITY
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	PRODUCT RESPONSIBILITY
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	PRODUCT RESPONSIBILITY – Communication with Players and Customer Services



Environmental, Social and Governance Report

“Comply or Explain” Provisions Subject Areas, Aspects, General Disclosures and KPIs

Section/Declaration

KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	PRODUCT RESPONSIBILITY – IP Protection
KPI B6.4	Description of quality assurance process and recall procedures.	PRODUCT RESPONSIBILITY
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	PRODUCT RESPONSIBILITY – Data Security and Privacy Protection

Aspect B7: Anti-corruption

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	ANTI-CORRUPTION
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.	ANTI-CORRUPTION
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	ANTI-CORRUPTION – Whistleblowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	ANTI-CORRUPTION

Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.	CORPORATE SOCIAL RESPONSIBILITY
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	CORPORATE SOCIAL RESPONSIBILITY
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	CORPORATE SOCIAL RESPONSIBILITY

祖龙娱乐
ARCHOSAUR GAMES

祖龙娱乐有限公司
Archosaur Games Inc.