赤子城
newborntown

Newborn Town Inc.

赤子城科技有限公司

Stock Code：9911

(Incorporated in the Cayman Islands with limited liability)

2024
ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

9911

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. REPORT DESCRIPTION

1.1 About this Report

Newborn Town Inc. and its subsidiaries (hereinafter collectively referred to as "**the Group**" or the "**Company**" or "**we**") prepared this 2024 Environmental, Social and Governance ("**ESG**") Report (the "**ESG Report**" or "**this Report**") in accordance with the Environmental, Social and Governance Reporting Code set out in Appendix C2 of the Main Board Listing Rules ("**Listing Rules**") of the Stock Exchange of Hong Kong Limited (the "**Exchange**"), and upholds the reporting principles of **materiality**, **quantitative**, **balance**, and **consistency**.

In order to disclose to stakeholders the Group's ESG management and performance in 2024, we identified key stakeholders and the ESG issues of their concern. We prioritised and responded according to stakeholders' materiality in the chapter entitled "Stakeholder Engagement" in this Report.

We use quantitative data to present key performance indicators ("**KPIs**", and each a "**KPI**") at the environmental and social levels so that they can be measured and validated. Quantitative criteria, methodologies, assumptions, and/or calculation tools for KPIs, as well as the sources of conversion factors used, have been described herein where appropriate. We have adopted a statistical approach to disclosure that is consistent with that of previous years, and individual changes have been explained in the corresponding parts of this Report.

This Report aims to reflect our ESG performance in 2024 in an objective, fair, and balanced manner. It is recommended that the Governance part of this Report be read in conjunction with the Corporate Governance Report included in the 2024 Annual Report.

1.2 About the Group

As a group focusing on global pan-entertainment social networking, we specialise in emerging social networking forms such as video and audio formats, creating a slate of diversified social networking products including MICO (a live streaming social networking platform), YoHo (an audio social networking platform), TopTop (a game-based social networking platform), SUGO (a companion social networking platform), Blued and Heesay (diversified group social networking platforms). We are committed to providing creative and interactive lifestyles, consistently creating positive emotional value, and thus enabling users around the world to enjoy rich social entertainment lives. We are also dedicated to cultivating an inclusive community, thus building a more equitable society.

1.3 Time Frame

This Report covers the period from 1 January to 31 December 2024 (the "**Reporting Period**"). Certain contents and data can be traced back to previous years as appropriate.

1.4 Scope of this Report

The scope of this Report covers the ESG performance of businesses directly operated and managed by the Group at its principal operating locations in China.

The content of this Report complies with the "mandatory disclosure" requirements and "comply or explain" provisions set out in the ESG Reporting Code, and the Company gives considered reasons for "comply or explain" provisions in the ESG Report.

1.5 Source of Information and Reliability Guarantee

The data and cases in this Report are mainly derived or lifted from the Group's statistical information and relevant documents. The Group undertakes that there are no false records or misleading statements in this Report, and takes responsibility for the authenticity, accuracy, and completeness of its contents.

1.6 Access and Respond to this Report

This Report is available in Traditional Chinese and English versions, and is only available online (unless specific requests are otherwise received from shareholders). In case of any inconsistency between both versions, the English version shall prevail. The electronic version is available on the website of the HKEX at www.hkexnews.hk and the Group website at https://www.newborntown.com/. Should you have any comments or suggestions on ESG management of the Group, please contact us via email ir@newborntown.com, and we look forward to your valuable comments.

2. BOARD STATEMENT

The Board of Directors (the "**Board**") takes full responsibility for the Group's ESG strategy and reporting. The Board oversees the Group's ESG matters and supervises the effectiveness of ESG management. At management level in relation to ESG matters, the Group established an ESG Working Committee to conduct daily management of ESG matters, directs the implementation of ESG work, and reports to the Board. At the executive level in relation to ESG matters, the ESG execution team, composed of varying functional departments of the Group, is responsible for implementing and executing various ESG strategies.

The Group has developed ESG concepts and management strategy, which are regularly reviewed by the Board to ensure the effective implementation of ESG strategy. The Group attaches great importance to the potential impact of ESG-related risks and opportunities. The Board carries out ESG oversight and oversees the assessment of ESG-related risks and opportunities and ensures that appropriate and effective ESG risk management and internal monitoring systems are in place. The Group conducted a materiality assessment of ESG issues stakeholders are most concerned with. The Board participated in the evaluation, prioritisation, and management of important ESG issues.

The Group identifies and assesses the risks and opportunities related to climate change, and formulates measures to address climate related risks. Meanwhile, the Group has set business-related environmental targets. The Board conducts regular review of the implementation progress of the environmental targets.

3. ESG CONCEPT AND MANAGEMENT

3.1 ESG Concept

Guided by the vision of "To Create More Social and Entertainment Vibes Worldwide", we deeply devoted ourselves to the fields of social networking and gaming, and worked on both domestic and overseas markets with a global perspective. Since the establishment of the Group in 2009, we have delivered dozens of quality Apps to our global users in the social networking, gaming, and tool categories.

We not only provide a variety of products that satisfy the diverse needs of our global users, but also actively fulfil our social responsibilities and gradually promote the integration of ESG management into our daily operations. We continuously improve our ESG performance by adhering to compliance operation, emphasising product and service quality, listening to the voices of our users, ensuring information security, promoting green office, and focusing on community investment. The Group looks forward to working with all stakeholders to support the sustainable development of the industry as well as the society.

3.2 ESG Management

To better implement our ESG concept and strategy, bolster our capability of sustainable development, we formulated a three-tier governance structure, which contains governance, management, and execution, with documented rules guiding the work and responsibilities of each tier to promote our ESG work.

Governance

The Board is the highest decision-making body on the Group's ESG management. It oversees the Group's ESG matters and assumes overall responsibility for ESG strategies and reporting.

Management

The ESG Working Committee is the management body for ESG matters in the Group, responsible for developing ESG strategies, framework, principles, and policies, guiding ESG practices, as well as reviewing the implementation of ESG targets.

Execution

Comprised of representatives from the Group's relevant functional departments, the ESG execution team is responsible for promoting the execution of the Group's ESG management strategies and achievement of ESG targets, assessing ESG materiality and associated risks, organising trainings to raise employees' ESG awarenesses, as well as reporting to the management and governance levels regularly.

3.3 Stakeholder Engagement

The Group attaches importance to the communication with stakeholders and the feedback obtained, establishes a good communication mechanism and diversified communication channels with stakeholders, and continuously refines its ESG strategies and practices by addressing stakeholders' concerns.

In 2024, the Group continues to identify and respond actively to ESG issues of concern to stakeholders. Our stakeholders include government and regulators, shareholders and investors, employees, users, suppliers and so on. Based on the evaluation of stakeholders' ESG concerns, the materiality analysis was conducted, and its result presented as follows.

Stakeholders	Communication Channels	Major Concerns on ESG Issues
Government and Regulators	Official correspondence, policy consultation, supervision and inspection, information disclosure, etc.	Product responsibility, anti-corruption, climate change, employment
Shareholders and Investors	Shareholders' meetings, corporate reports and announcements, etc.	Product responsibility, anti-corruption, utilisation of resources, climate change
Employees	Communication meetings, internal corporate announcements, training, employee wellbeing activities, employee feedback mechanisms, corporate events, channels for employee appeals, etc.	Employment, labour standards, health and safety, development and training
Users	Customer communication and complaint channels, user feedback activities, membership service, exhibition activities, satisfaction survey, etc.	Product responsibility
Suppliers	Supplier strategic cooperation negotiation, cooperation agreement, regular communication, business meetings, etc.	Supplier management, anti-corruption
Media & non-governmental organisations	Company websites and social platforms, press conferences, news interviews, advertising, etc.	Product responsibility, climate change
Communities	Public welfare activities, employment promotion, community activities, poverty alleviation projects, etc.	Community investment, employment

The materiality assessment matrix of the Group's ESG issues is as follows:

4. ENVIRONMENTAL PROTECTION

The Group strictly abides by environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Water Pollution Prevention Law of the People's Republic of China, the Air Pollution Prevention Law of the People's Republic of China and the Law on the Prevention and Control of Environmental Pollution by Solid Wastes, and actively undertakes its environmental protection responsibilities. We advance the implementation of a number of resource conservation and emission reduction measures, practise the green office concept, advocate paperless green office mode, promote resource recycling and enhance employees' awareness of environmental protection to aid the Group in its low-carbon transition.

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4.1 Resource Conservation

The main resources we use in our daily operations are electricity, gasoline, paper, and water. To improve the efficiency of resource utilisation, the Group specifies detailed measures to conserve major resources used in daily operations, such as electricity, water and printing paper, in order to promote the rational use of resources. In 2024, we implemented a number of resource conservation initiatives to reduce resource consumption in our office operations.

Water resource conservation

- Strengthening the daily inspection, maintenance and management of water-using facilities and promptly identifying and dealing with water waste.
- Using sensor faucets in all newly renovated office areas to reduce water consumption.

Promote paperless green office

- Using online office system for paperless office and advocating the use of electronic documents to reduce paper consumption.
- Applying digital office system and financial reimbursement systems for online review and management of labour contracts and financial reimbursement related documents.
- Carrying out office area assessment and setting up multi-functional spaces based on the assessment results to flexibly switch between different use scenarios such as office and leisure to enhance space utilisation and reduce total office electricity consumption.

Promote recycling

- Collecting recyclable resources uniformly such as paper and consumable packaging materials, for recycling and disposal by recyclers.
- Establishing an office supplies ledger to manage the use of office supplies, and continuing to use supplies that are still usable.
- Reducing the use of ballpoint pens and disposable pens, and using refills if they are not damaged.
- Encouraging double-sided printing and promoting reuse of paper to reduce consumption of office supplies.

Reduce office energy consumption

- Modifying electric circuits in the office area, and setting up the one-key general control system in newly renovated office areas to achieve timing switch of indoor lighting, and reduce electricity consumption of lighting, which effectively conserves energy.
- Using electrical equipment reasonably such as computers, printers, and photocopiers in an energy-saving manner, and switching off the equipment after work to avoid prolonged standby of office equipment.
- Using energy-efficient light fixtures and advocating the use of natural lighting in office areas.

Employee awareness development

- Publicising excellent practices of resource conservation, carrying out education and activities related to resource conservation, and integrating the resource conservation concept into employees' work practices.

KPI[1]: Energy and Resource Consumption[2]

Indicators	2024 Data
Comprehensive energy consumption[3] (MWh)	**1,041.77**
Density of energy consumption (MWh/m^2)	**0.050**
Gasoline consumption (MWh)	**97.96**
Electricity (MWh)	**943.81**

4.2 Waste Management

In terms of waste management, the Group has formulated internal management systems such as the Fixed Assets Management Policy and the IT Asset Management Measures. We further improve our waste management work through cooperation among various departments under the leadership of the Group's administrative team.

For kitchen and plastic waste, we have developed a separate waste separation and recycling system, promoting resource utilisation of waste.

For the harmless waste generated, we hand over to the property of the office area for unified treatment, and for the recyclable part of it, we will collect, organise and transfer it to the designated location for secondary use through the property.

For electronic waste, we have established a standard process of evaluating and phasing out office electronic equipment, and cooperated with third-party recycling companies to dispose of such hardware and consumables that are outdated and exceeded energy consumption standards. For hazardous wastes, we send them to qualified third parties for recycling and disposal.

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[1] The statistical scope of energy and resource consumption covers the Group's main offices in Beijing, Guangzhou and other places.

[2] The energy consumption of the Group is mainly electricity consumed by office operations. The water sources used by the Group are mainly municipal tap water and purchased barrel-filled drinking water, and the Group has no problem in obtaining suitable water sources. Drinking water is used to meet the basic living needs of employees, and tap water is commonly shared with other companies via public facilities, so it is not possible to conduct separate consumption statistics. Considering the principle of materiality and data accuracy, KPI A 2.2 – Water consumption in total and intensity are not disclosed in this Report. As the Group's operations do not involve the production of physical products, KPI A 2.5 – Total packaging material used for finished products is not applicable to the Group and is not disclosed in this Report.

[3] Total energy consumption is measured by using direct and indirect energy consumption with reference to the coefficients as listed in the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).

Clarify the responsibilities of waste disposal management

The administrative team is in charge of waste disposal supervision in a coordinated manner, inspecting the Company's recycling and disposal processes and designated personnel in each department to be responsible for waste write-offs and hand-overs in order to eliminate possible violations.

Specify waste recycling and disposal process

Each department declares the waste that is ready for disposal, and the waste approved for write-off will be notified by the designated personnel to the administrative team for unified management. The administrative team then collects and identifies waste from departments and engages qualified third parties and suppliers for waste disposal and recycling.

Announce waste disposal status

The administrative team is responsible for keeping records and regularly disclosing of the waste disposal process to prevent improper disposal and increase transparency of waste disposal process.

KPI: Waste[4]

Indicators	2024 Data
Hazardous waste (tonnes)	0.045
Density of hazardous waste (tonnes/m^2)	0.0000022
Non-hazardous waste (tonnes)	138.60
Density of non-hazardous waste (tonnes/m^2)	0.0067

4.3 Climate Change

We deeply understand the importance of climate actions, and pay close attention to the promulgation and dynamic development trends of national policies in response to climate change. We also actively identify potential risks and opportunities arising from climate change and formulate countermeasures to promote the sustainable development of the Group.

4.3.1 Climate Risk Identification and Response

In 2024, we identified and assessed the risks and opportunities arising from climate change faced by the Group in light of the Group's operations, and referenced the latest Guidance on Climate Disclosures issued by HKEX. Taking into account the possible impacts of different climate risks on the Group's business operations, we have formulated corresponding countermeasures to provide strategic guidance for the Group's sustainable development.

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[4] The statistical scope of waste covers the Group's main offices in Beijing, Guangzhou and other places. The non-hazardous wastes generated by the Group mainly include household waste and waste electronic equipment generated in office areas. Household waste mainly includes office waste, which is processed by the property management team of our office areas. We estimated the non-hazardous waste data according to the Manual for the First National Pollution Source Survey of Urban Domestic Sources Emission Coefficient issued by the Office of the Leading Group of The State Council for the First National Survey of Pollution Sources. Waste electronic equipment is disposed of and recycled by qualified third parties and suppliers.

Risk category		Risk description	Countermeasures
Physical risks	Acute risks	Extreme weather caused by climate change, such as floods, blizzards, and typhoons, adversely affects the Group's business continuity and threatens the commuting safety of our employees.	Establishing an emergency plan for extreme weather; according to the relevant requirements in the emergency response plan, carrying out efficient handling during the occurrence of extreme weather to minimise its impact and damage.
	Chronic risks	The chronic risks arising from climate change, such as extreme temperature, droughts, and abnormal climate, may increase the energy consumption for office operations and increased operating costs.	Improving the office environment and providing homeworking supports to ensure efficient operation despite extreme climate conditions.
Transition risks	Policy risks Market risks	Policy changes, such as dual carbon goals and energy saving and carbon emission reduction, and shifts in market demand have influenced the business models and cost structures.	Monitoring policy and market dynamics, participating in industry discussions, and developing digital content products themed by low carbon and environmental protection; promptly adjusting business management methods and initiatives to ensure the flexibility of business strategy.
	Reputation risks	With increasing public and investors' concern over, the transparency of a company's environmental management and environmental initiatives have a significant impact on its brand image and reputation.	Ensuring the openness and transparency of the Group's climate-related management and actions is conductive to enhance brand reputation and image. Implementing low-carbon operation management measures to reduce carbon emissions and resource consumption. Considering suppliers' environmental features during supplier selection.

Climate change poses risks as well as opportunities. The Group actively identifies potential opportunities brought by climate change. By improving the utilisation efficiency of natural resources during office operations, we save business costs and continuously promote the Group's sustainable development.

Opportunities	Opportunity description	Countermeasures
Changes in the electricity energy structure	Supported and encouraged by the national policies, the percentage of green power supply in the power grid has gradually increased, which helps reduce the carbon emission per unit of corporate electricity consumption.	Considering promoting the use of green power.
Advance in green and low-carbon technology	With the gradual maturing of green power technology, the unit cost of green power purchased by companies is gradually decreasing.	
Investors' concerns over corporate carbon reduction efforts are growing	Investors are increasingly focusing on whether corporate carbon reduction strategies are aligned with national and international climate change response requirements.	Regularly and publicly disclosing corporate carbon emission information and achievements made in addressing climate change. Considering making commitments related to carbon reduction.

4.3.2 Greenhouse Gas (GHG) Management

In terms of GHG emission management, we have reduced GHG emissions by strengthening energy consumption management of office equipment, fostering awareness of energy conservation among employees, and enhancing our energy consumption management.

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KPI: GHG Emissions[5]

Indicators	2024 Data
Total GHG emissions[6] (Scope 1 and Scope 2)[7] (tonnes)	**530.43**
GHG emissions (Scope 1) (tonnes)	**23.98**
GHG emissions (Scope 2) (tonnes)	**506.45**
GHG emission density (tonnes/m^2)	**0.026**

4.4 Environmental Targets

We continue to promote green office, enhance energy efficiency and formulate environmental targets based on the characteristics of our office operations. Please see the table below for the targets and progress we made in 2024:

Environmental targets	Status	
Encourage 100% waste sorting in office buildings to promote resource utilization.	Completed	In 2024, 100% waste sorting was encouraged in office buildings.
Adopt smart light switches in all newly renovated office areas to uniformly control lighting hours, thereby reducing energy consumption.	In progress	In 2024, all newly renovated office areas had smart light switches.
Use sensor faucets in all newly renovated office area to reduce water waste.	In progress	In 2024, all newly renovated office areas had 4 sensor faucets installed on each floor, with alternating hot and cold water supply according to seasonal changes.
Achieve a 100% purchase rate of energy-saving lighting fixtures and energy-saving labelled air conditioners to improve energy efficiency.	In progress	In 2024, a 100% purchase rate of energy-saving lighting fixtures and energy-saving labelled air conditioners was achieved.

The Group's GHG emissions are primarily attributable to office and operational energy consumption and no separate GHG reduction targets have been set for the year of 2024 on top of the energy efficiency targets already in place.

[5] The statistical scope of GHG emissions covers the Group's main offices in Beijing, Guangzhou and other places.

[6] GHG emissions data is presented in carbon dioxide equivalent and is measured according to the Announcement of the Release of CO2 Emission Factors from Electricity for 2022 issued by the Ministry of Ecology and Environment of the People's Republic of China, and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Edition).

[7] GHG emissions (Scope 1) arise mainly from the consumption of "direct energy" by the Group's operation; GHG emissions (Scope 2) arise mainly from the consumption of "indirect energy" (purchased or obtained electricity) by the Group's operation.

5. RESPONSIBLE OPERATION

As the leading global internet company, the Group constantly provides users with high-quality, healthy and safe products, building fair and transparent cooperative relationships with suppliers, prohibiting any corruption, and creating a business environment with honesty, integrity and sustainability.

5.1 Product Responsibility[8]

The Group pays high attention to the quality of its products, and compliance, health and creativity of product contents, and constantly ensures the data security and privacy protection. We deeply listen to users' feedbacks, continuously improve our intellectual property protection system, keep a close eye on the governance of advertising and propaganda, and endeavour to provide users with high-quality social network applications and casual game products. By doing so, we aim to create a warm and more inclusive online community ecosystem.

5.1.1 Products Upgrade and Innovation

The success of a product depends on an accurate understanding of user and market demand. With the user experience as the driving force for product design and iteration, we are committed to enhancing the user experience through a multifaceted approach. This includes strengthening our R&D talent pool, innovating product gameplay and features, optimising advertising strategies, improving product localisation, protecting user privacy, and other product innovation and optimisation strategies.

(1) *Game Apps*

Conduct user research

Regularly send questionnaires to users, build user profiles, and make reasonable product improvements based on users' preferences for gaming materials. For example, when we recognise that a particular game level is experiencing frequent user dropouts, we will reconsider the difficulty settings for that level to improve product gameplay and enhance user experience. The community team exploits user demands and strengthens user loyalty by maintaining the product communities through Discord, Facebook, email, and other channels. The team also conducts periodic in-depth survey of core paying users to understand their pain points and gaming demands, thus ensuring that the game development satisfies core users' expectations.

Analyse market trend

Continuously optimise the gaming apps' research and development process, conduct regular market trend analysis according to the Group's gaming apps development strategy, respond to market dynamics, and constantly build a comprehensive product matrix.

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[8] Given that the operations of Newborn Town do not involve the production of physical products, key performance indicator B6.1 – Percentage of total products sold or shipped subject to recalls for safety and health reasons does not apply to Newborn Town and is thus not disclosed in this Report.

Strengthen talent pool

Ensure the gaming research and development team has sufficient design and research and development capabilities and rich development experience, and increase product development quality and efficiency; establish an internal sharing mechanism for product design resources, art material resources, and planning resources to improve communication efficiency and integrated team competence.

Innovate product and game features

Continuously update the gaming mechanism and gameplay, establish social interaction systems and improve interactions. In addition, we carry out regular game version iterations, update game content and fix known issues to maximise users' gaming experience.

Optimise the advertisement placement strategy

Enhance the compatibility of promotional materials with the gameplay, target audience, art design, and product stories in our gaming apps. Continuously optimise the quality of promotional materials, update core elements of the materials in real time, enhance the effectiveness of advertisement promotions. Conduct in-depth research on the settings and presentation form of advertising spaces, design advertising spaces that are more in line with the user experience, and block advertisements that may affect the user experience in a timely manner. Establish the Group's placement system, regularly analyse data of promotion effect to understand indicators such as the click rate, conversion rate and return on investment (ROI) of advertisements, and promptly adjust the promotion strategy according to data of promotion effect to avoid user fatigue caused by excessive promotions. Optimise the combination of advertising channels to increase the actual value of performance advertising; combine excellent classic cases to promote client projects and shape the brand story in depth; and create brand-specific interactive zones around online activities to inspire users to participate.

(2) *Social networking apps*

Improve product localisation

Based on the culture and user preferences in social interactions of the target regions, launch region-specific products, continuously optimise product distribution strategies, and improve user matching efficiency to precisely respond to users' social needs. Combine local traditional festivals and events to host unique activities, conduct detailed localised operations, and bring better social products to our global users.

Focus on product technological optimisation

Ensure stable product operation using technologies. Establish monitoring mechanisms to issue warnings when users' network conditions fluctuate and assist operators in resolving network abnormalities in a timely manner.

Maintain product advantages

Stay focused on the industry development trend, analysing and learning from the operation modes and product features of quality social networking products in the market, continuously producing quality content and optimising our own products by integrating with their style and characteristics.

Emphasise user experience

Drive improvements in product and operational quality through analysing user behaviour patterns and satisfaction with product features. The "Today's Match" function allows users to chat directly with randomly matched users, and after both parties have expressed their good feelings, the product will present users' personal information to each other to enhance the efficiency of users' dating and matching. We have launched the "Multiplayer Dating Room", exploring a brand new form of livestreaming and providing diversified entertaining play for social users of different depths. We upgraded the value-added service "Map Play" to meet users' needs for exposure and increase the matching of users' social purposes. Through multiple optimisation attempts of the recommendation algorithm, we precisely recommend different types of streamers to users to improve users' stickiness. We have revamped User Interface (UI) to unify the application design style, enhance users' visual and interactive experience, and satisfy their demands for novel and high-quality design.

Protect user privacy

We have launched the user privacy protection and non-disturbance function, and added the non-disturbance function for search to protect users' privacy of chatting, community comments and other aspects and improve their social experience. The new "Forbidden Save" function prohibits others from saving the users' avatars, private album pictures, dynamic pictures, etc., to protect the privacy of their real social assets.

5.1.2 Product Content Management

The Group strictly complies with the Law of the People's Republic of China on Protection of Minors, the Administrative Measures on Internet Information Services, and other relevant national laws and regulations, continuously strengthens product content assessment and optimises measures related to the protection of minors in its products and services to resist improper content and ensure that the content is healthy and safe. In 2024, combined with the secondary verification function of liveness detection, we iteratively upgraded the Guardian Trust Model provided by the third party, further enhancing the identification capability of underage users, and effectively fulfilling our responsibility of protecting minors.

(1) *Content Management for Gaming Apps*

Manage game genre settings

Game product types include niche games and casual games. No inappropriate game types are involved in our business.

Meet platform management requirements

Identify and comply with content requirements of the application launching platform. Assess users' age through third-party platform registrations, such as Facebook and Gmail, upon product launches to prevent such use by inappropriate age groups. Regularly review the degree of compatibility between product content and users' age and adjust product content according to the review results.

Strengthen internal product management

Establish a content reviewing mechanism, update product quality standards, avoid inappropriate information display, and provide a high-quality gaming experience.

Enhance the compatibility of materials and products

Continuously improve the compatibility between in-game character IPs and game themes. Designate legal department to review IP compliance and avoid inappropriate IP content.

(2) *Content Management for Social Networking Apps*

Comply with regulatory requirements and platform management regulations

Strictly comply with regulatory requirements of the Cyberspace Administration of China and content requirements on the launching platform of our social networking apps, regularly improve a safety review mechanism of contents, update the relevant review standards, clearly define improper contents, and optimise the discovery and handling procedure of improper content. In 2024, we updated our child safety policy to adopt a zero tolerance approach to any form of abuse, exploitation and/or sexualisation of children. Any user who fails to comply with the policy on protection of minors will be removed from the product list. Child sexual exploitation and abuse will be identified through manual review and AI detection to detect underage activity, and the user accounts involved will be banned.

Improve product review effectiveness

Intensify the training of reviewers on review standards and related knowledge base, refine and split the relevant review indicators, and comprehensively improve the review level of the team. Improve the efficiency of manual review leveraging continuously improved automated review capabilities, further refine the review mechanism and quality, and accurately and effectively eliminate the illegal, prohibited, pornographic and other inappropriate contents. Upgrade the identification model of content review, and comprehensively manage illegal accounts and contents based on the identification of account features, interception of blacklist feature library, user behaviour analysis, content security identification technology, etc.

Identify inappropriate product users

Comprehensively analyse users' account information, such as profile, third-party platform registration information, and the published content on the platform to effectively identify and block underage users. Introduce a third-party AI review system platform to optimise the risk control model and improve the screening and blocking strategy for underage users. For other illegal accounts, build a special strategy system using the analysis of the account's behavioural characteristics as well as model detection technologies (text, image, audio, etc.). Timely recall and dispose of illegal accounts through automated or manual review, and continuously optimise the existing detection capabilities through continuous case study and data mining.

Strengthen image and text content review

Use special content models and sensitive word thesaurus to identify the illegal content in product text, images and videos, and timely intercept, filter and process the content identified; push high-risk content to manual review to ensure review efficiency and accuracy. Introduce a third-party review model and translation system to identify illegal content in multi-language scenarios. Regularly train the content model according to the compliance requirements and violation cases, to enhance the efficiency of automated review and ensure the health and safety of the content ecosystem.

Enhance real-time content review

For livestreaming and other real-time scenarios, based on real-time manual monitoring, use audio-to-text, video frame cutting and other technical means, as well as the content model to identify risky content, and timely dispose of illegal content and accounts to ensure a clean and healthy livestreaming environment.

Improve the reporting function for improper content

Encourage users to provide feedback and report any suspicious behaviour, and handle those verified as illegal according to the rules. Continue to improve the user reporting process and the corresponding review mechanism, in a bid to build a good community ecology with users.

Conduct employee training

Adhere to our operating principles, conduct employee training on product content health and safety, and provide users with a healthy and safe product experience.
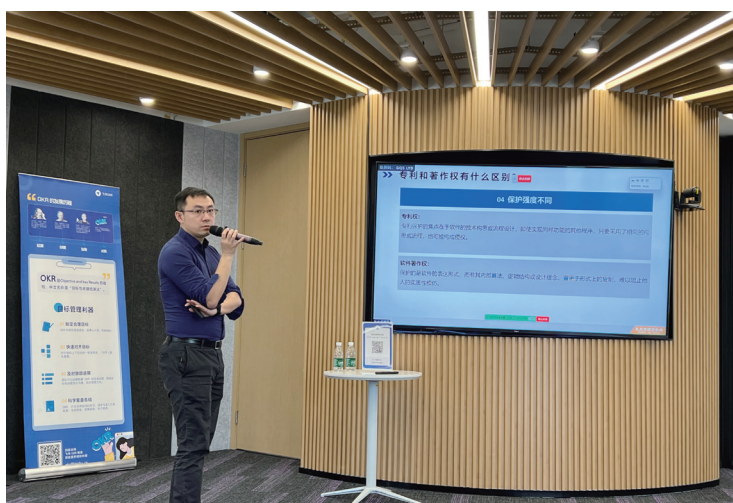
5.1.3 Information Security Management

The Group has always prioritised the security of user information and privacy. We have strengthened the foundation of data security from information security system construction, risk management, workflow, awareness promotion, etc. These efforts have improved our data security management capabilities in all aspects. As a result, we fully respect and secure users' privacy and data information.

We abide by laws, regulations and national standards such as the Civil Code of the People's Republic of China, the Cybersecurity Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Provisions on the Cyber Protection of Children's Personal Information, the Requirements of Information Security Management Systems, the Baseline for Classified Protection of Information Security Management Systems, the Measures for the Determination of the Collection and Use of Personal Information by Apps in Violation of Laws and Regulations, the Information Security Technology – Personal Information Security Specification, and the Children's Online Privacy Protection Rule, the Federal Trade Commission Act, the California Consumer Privacy Act from the United States, as well as the General Data Protection Regulation (GDPR) from the European Union. We proactively respond to the supervision regulations of the product as well as the product launching platforms' management requirements in regions where the main body of each company of the Group is located. We have specifically established legal teams and liaised with professional legal consulting companies in regions where we launch our products, to constantly follow the updates of local laws, regulations and policies regarding information security and privacy protection. When there are changes in laws and regulations, we promptly communicate and collaborate with relevant business departments to make timely adjustments, ensuring legal and compliant operations.

The Group continuously strengthens its governance capabilities of information security and privacy protection, clarifies the internal organisational structure, and fosters a top-down culture for information security and privacy protection. The Group has formulated and issued internal information security management and user privacy protection systems such as the Information Security Management Measures, the Data Security System Management, the Personal Data Protection System, the Specific Measures to Protect Personal Data Under GDPR and the Confidentiality Management Procedure. We have also revised key policy documents such as the User Agreement, the Personal Privacy Protection Policy and the Personal Data Protection System, to continuously strengthen the data protection of our employees and users. We encrypt sensitive information, review and update security measures on a regular basis, and standardise the Group's requirements for handling user information to ensure the security of user information, and guarantee the completeness, confidentiality and availability of our various information assets. We address users' concerns about personal privacy security by improving mechanisms, optimising methods, and enhancing time efficiency.

(1) *Information Security Risk Management*

Data compliance

Set up a dedicated product data compliance contact email. Assign specific personnel to manage data compliance matters, establish data compliance management system, coordinate various departments to establish technical safeguards for data compliance, and take the lead in identifying, assessing and handling data risks. Organise or assist management and business department to conduct data compliance education and training, and provide data compliance consultation to the management and employees in various departments.

Access control

Further strengthen the isolation control measures for access between systems with different levels of security to improve the isolation of the physical layer, network layer, transport layer, and application layer, refine access control policies, security login procedures and password management requirements, and prevent unauthorised access to systems and information by personnel.

Emergency response

Develop the Crisis Event Management Measures and the Emergency Response and Security Incident Measures to handle information security related emergencies, set up an emergency response team consisting of finance, legal, information security and technical teams from various business lines, establish different levels of detection, response and handling procedures, and continuously improve the security incident emergency response mechanism.

Leak remediation

Promptly and properly handle incidents in accordance with the Security Vulnerability Handling Measures upon information leakage, damage, or when loss occurs or is likely to occur. In case of leakage, we immediately take remedial actions, investigate the causes of the leakage, minimise the negative impact of the incident, notify users in accordance with relevant laws and regulations, and report to the relevant authorities where necessary.

Data security audit

Conduct regular internal and external reviews to update security measures in timely manner and ensure alignment with the latest security standards. In December 2024, BlueCity cooperated with a third-party company to conduct the annual IT audit covering network security, Information Technology General Controls (ITGC) and Information Technology Application Controls (ITAC). During the year, the systems of each business line successfully completed the Level 3 National Cybersecurity Protection Certification.

(2)   Information Security Management Measures

Privacy policy

Configure privacy policies in products according to laws and regulations, timely conduct multiple updates and optimisations on user agreements or privacy policies for different products, including users' right on erasing personal information and how to permanently delete users' account data through the app. While deleting users' accounts, the account related behavioural data, account number, mobile phone number, payment related sensitive identity data will be timely erased. Our privacy policy also includes how we deal with personal information provided by minors.

Data processing

Abiding by the principle of minimal data collection, the Group will not collect sensitive information from users who can directly log in as visitors during the use of the products, and will obtain such prior authorisation and consent of users where it is necessary to collect their information; providing users with the right to dispose of their personal data, and clearly informing them of the circumstances under which the Company and other relevant information processors will process their personal information, and informing them of the rules of personal information protection that are applicable to the processing activities; the Group will not disclose users' private data to third parties without the users' permission. Save as where required by the law or regulatory authorities, the Group will not disclose a user's private data to any third party without such user's authorisation. We de-identify sensitive data to protect personal information.

Information disclosure

Publish the updated Privacy Policy, User Agreement and Community Convention on notable location of products and platforms. Meanwhile, optimise tick box function to provide users with a clearer understanding and consent, fully safeguarding their right to be informed and right of privacy.

Awareness establishment

All employees, contractors and agents who have access to users' information are required to strictly abide by the confidentiality obligations stipulated in their respective contracts.

Data encryption

Utilise encryption technology to ensure preservation of user data privacy during transmission. Encrypt sensitive information such as user login credentials, operational management backend login information, audit logs, and user personal information stored in the backend database. Implement a watermarking function in the system backend to prevent sensitive data from being stored in insecure locations or shared with other companies.

Firewall protection

Set up firewalls for protection against potential cyber threats.

Authorisation management

Require employees to access the Company network through VPN (Virtual Private Network) under the non-office network to prevent unauthorised personnel from accessing our systems.

Device management

Upon phasing out of electronic devices loaded with users' personal information, special personnel are tasked with conducting data erasing in a uniform manner.

(3) *Publicity of Information Security Awareness*

The Group focuses on enhancing employees' awareness and capabilities in information security through various forms of regular publicising and training.

- We required all employees to partake in information security training upon joining the Group, which covers concepts of confidential information and information security, case studies, information security risks, and how employees shall fulfil their confidentiality obligations.

- We send legal knowledge of data compliance to all employees through our internal subscription channels "Newborn's Law Study" and provide the relevant training.

- We organise employees to participate in information security skills training. During the year, relevant training was conducted around security penetration testing techniques to enable employees to understand the principles of creating and exploiting security vulnerabilities. A simulated attack drill was conducted upon completion of the training.

- We work with the government to organise information security competitions to raise awareness of information security among employees.

No major information security incidents occurred in the Group during the year of 2024.

5.1.4 Customer Feedback Management

The Group adheres to the concept of "paying attention to each customer's complaint, providing proactive service, and fulfilling our commitments on service quality". We strive to establish a professional customer service team, set up smooth communication channels, and actively respond to customer feedback.

Customers can submit complaints and feedback through the in-app feedback portals, messages left on the app, comments on app store, emails, or online customer service. Meanwhile, to improve the efficiency of feedback, we have specifically designed scenarios to guide feedback evaluation. In addition, we deploy designated personnel to handle customer feedback on the product launching platform, check and reply to customer questions daily, to ensure response to every piece of customers' compliant, advice and feedback.

Optimised customer complaint handling process

We pacify customers' emotions, listen to and understand their requirements, offer reasonable compensation based on the nature and severity of the complaint and other conditions. Upon receipt of a customer complaint, we will confirm the acceptance of the user's complaint via an auto-reply email and a reminder on the work order submission page, and inform the user of the pre-determined processing time and follow-up process. Meanwhile, we proactively contact customers before the expected response time to make regular progress updates. We also organise business departments to discuss the final solution, communicate with customers until an agreement is reached. Ten minutes after closing a customer complaint case, we send follow-up information to the customer through email or online chat, including the customer's satisfaction with the complaint handling process and outcome, aiming to continuously optimise the customer complaint handling process.

During the year, we improved the keyword alert system by setting up sensitive words and keywords in the customer service system. If a message sent by a user contains the preset sensitive words, an alert will be sent to the administrator in the "Session Monitor System" to ensure that sensitive information is handled with priority and dealt with appropriately.

> **Interdepartmental Linkage Handling Mechanism**
>
> In 2024, we established an interdepartmental complaint handling group to jointly handle complex or interdepartmental complaints, ensuring that all relevant departments from product, technology, operations to customer service could coordinate their work. This mechanism eliminated the "passing the buck" of customer complaints at the root, effectively protecting users' rights and interests.

Based on statistics and analysis of user data, the customer service team records and follows up on the implementation of product suggestions made by users in real time, identifies high-frequency customer feedback, summarises common issues across different feedbacks, reports them to relevant business departments daily, weekly and monthly to drive business improvements based on customer needs, and reduces the probability of customer complaints arising from similar issues. This year, we continued to iterate our business model, analyse complaint data, and assisted the relevant business teams in optimising products for complaint types with high volume and risk, such as account theft. We also held regular interdepartmental meetings to review complaint cases, and adjusted complaint handling strategies or processes for high frequency complaint types to ensure that similar issues were resolved faster and better.

AI Customer Service System

- In 2024, the Group's game products were fully connected to the AI help customer service system. Through the introduction of a real-time feedback mechanism, the system can automatically respond to user feedback and intelligently prioritise the feedback based on the user's game progress and the history of customer complaints, thus reducing the time for initial manual review, resolving user issues more quickly, and effectively improving the speed of handling user complaints.

- To effectively reduce the user inquiry resolution time and improve user experience, in 2024, BlueCity deeply expanded its self-developed customer relationship management (CRM) system supported by AI technology, and launched the CRM intelligent robot self-service module. In addition to the efficient completion of user inquiry response, this module adds the function of self-service inquiry of basic user services, with an independent resolution rate of 12.14%. In addition, during the year, BlueCity further optimised the user queuing experience, and reduced the queuing time of target customers by 12.78% by adjusting the configuration priority.

Empowerment of customer service team

Based on the continuously improved the service quality assurance mechanism, we are committed to developing a customer service team with specialised service capabilities and excellent service quality. We conduct empowerment training courses for all our customer service staff, including complaint communication skills, complaint handling procedures, and internal case sharing, to help employees better deal with various complaint situations and improve user experience. In 2024, we conducted special training on complaint handling and actively carried out psychological building for customer service staff to help the customer service team maintain a positive mindset, and further understand and master the importance and skills of complaint handling, effectively improving service quality.

KPI: Customer Complaints

Indicators		2024 Data
Customer complaints	Total number of customer complaints[9]	**81,861**
	Customer complaint settlement rate (%)	**99.97%**
Customer satisfaction	Overall satisfaction with handling of customer complaint (%)	**98.81%**
	Overall customer satisfaction (%)	**98.46%**

5.1.5 Intellectual Property Rights Protection

As a high-tech company, the Group deeply acknowledges that intellectual property rights are a key to maintaining brand competitive edge and achieving business breakthroughs. The Group highly values the protection of intellectual property rights. We strictly abide by laws and regulations on the protection of intellectual property rights, such as the Copyright Law of the People's Republic of China, the Patent Law of the People's Republic of China, and the Trademark Law of the People's Republic of China. As of the end of 2024, the Group owned 1,187 intellectual property rights, including 728 trademark rights, 401 copyrights, 37 patent rights, and 21 others across multiple countries and regions around the world.

Improvement of the management system

To effectively protect the Group's intellectual property rights and respect others' intellectual property rights, we have established the Intellectual Property Protection Management Policy, the Patent Management Measures, and the Patent Reward Policy to clearly define the responsibilities, scope, ownership, and rewards related to intellectual property rights management. We continuously carry out standardised intellectual property management, stimulate product research and development vitality, and promote corporate innovation while maintaining the smooth operation of the Group's intellectual property protection management and approval systems and strictly regulating intellectual property licensing.

Protection of independent intellectual property

The Group has established intellectual property management teams. Intellectual property personnel are responsible for assisting in formulating the Group's intellectual property strategy and overall layout, and constantly improving the intellectual property protection system.

To enhance employees' awareness of intellectual property risks, the Group regularly conducts intellectual property-related training. We also sign non-disclosure and non-compete agreements with our employees to prevent the disclosure of core technologies and trade secrets.

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[9] This year, the scope of complaint statistic has been expanded. For instance, when users change devices and trigger login protection, the system will automatically create a customer service ticket and count it as a complaint. Meanwhile, the Company has further increased the proportion of projects covered by the customer service system. Therefore, the data has increased compared to 2023.

The Group actively evaluates the output content of our business, applies for trademark and patent registration, or registers copyrights to protect our intellectual property rights in a timely manner. We also engage professional intellectual property agencies and external law firms to provide infringement risk analysis reports to ensure the timeliness and accuracy of intellectual property protection implementation. In 2024, facing unfair external market competition, the Company sent cease and desist letters and filed lawsuits for unfair competition to resolutely safeguard its legitimate rights and interests and maintain a fair competitive market order.

During this year, we strengthened the collaboration between functional departments and business departments in intellectual property rights management. We also strictly controlled the compliant use of our intellectual property, and used encryption technology and access controls to protect the Group's electronic copyright and patent information.

Respect for others' intellectual property rights

We require all offices of the Group to use software and equipment with legitimate intellectual property rights. Such commitment not only aims to protect our legitimate rights and interests but also to maximumly prevent intellectual property rights infringement from others. We rigorously assess intellectual property infringements before launching our products. In product design, content distribution and marketing activities, the Company rigorously reviews the images, text, music and video materials to ensure that all contents are legally authorised or traceable.

5.1.6 Advertising Compliance Management

We strictly abide by the advertising-related laws and regulations of the jurisdictions where we launch our apps, such as the Advertising Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Interim Measures for the Administration of Internet Advertising from the People's Republic of China, the Provisions on the Administration of Internet Pop-Up Information Push Service, and the Federal Trade Act from the United States. We ensure that our advertising content is genuine and legal, and does not contain false propaganda, exaggerated efficacy, or infringes upon consumer rights. The Group continuously promotes and reinforces the implementation of the internal Advertising Policy, strictly controlling the advertising activities in a bid to avoid any deceptive, misleading or inaccurate information. For advertisements in specialised industries such as medical, healthcare and education, we strictly implement the approval and filing system to ensure compliance with industry norms and regulatory requirements. Meanwhile, we further refine our internal compliance review and monitoring mechanism, including legal audits prior to the release of advertisements, regular evaluation of advertising content, and complaint handling and correction procedures, to ensure that all promotional activities are rigorously reviewed and comply with legal requirements.

In addition, the Group actively communicates with market regulators to keep abreast of the latest policy changes and regulatory requirements. We also regularly disclose the results of its advertising management and compliance risk control under the ESG management system, thereby establishing a responsible brand image.

The Group implements a number of measures to manage advertising compliance, including:

- **Closely tracking advertising rules and quickly responding to policy changes:** We continue to study and track the advertising rules and policies announced by the platforms where our products are released, and promptly adjust advertising strategies in response to policy changes to ensure that advertising activities timely adapt to market and regulatory changes.

- **Deeply optimising management mechanisms and focusing on enhancing review requirements:** We persistently and deeply optimise advertising management mechanisms. Specifically, we strengthen the reviewing team by bringing in more professionals, and increase investment in data support teams to ensure close and smooth communication with the advertising platforms.

- **Clearly defining the advertising material review system and enhancing the accuracy of AI review**: We strictly follow the advertising material standards and professional suggestions stipulated by the product placement platform, and review the advertising material in terms of authenticity, accuracy, and content healthiness. For real-time interactive content, we use professional technical means to accurately search text information keywords, and efficiently filter and block advertising links, spam and other undesirable content. We introduce authoritative third-party AI review tools and advanced AI translation systems to regularly review advertisements, pornography, harassment, violence and other undesirable scenarios in multilingual application scenarios. We also upgrade the review model with professional training and continuously improve the recognition accuracy and efficiency of the AI review system.

- **Strictly managing advertising content and ensuring compliance advertising**: We determine the display platform for reaching users in advance and avoid displaying inappropriate content to users of unsuitable age groups. In the contracts signed with advertising partners, the scope of advertising authorisation, authorised advertising media, advertising format, and advertising promotion requirements are clearly stipulated to ensure that both parties provide complete, true, and accurate promotional materials and data while avoiding violations of laws, regulations, and platform rules. We require advertising partners to sign confidentiality agreements to ensure that they do not disclose the Company's sensitive information and avoid using user privacy information. We regularly identify unauthorised use of our advertising materials in the market and promptly communicate the results to our legal department.

- **Robustly conducting compliance training and strengthening employee awareness**: We regularly send compliance reminder articles to employees via online document summary, covering topics such as advertising language use, advertising risk points, and compliance measures. In 2024, we invited professional lawyers to provide advertising compliance training for all employees. After the training, the Legal Department summarised the meeting content through the "Newborn's Law Study" subscription account, and again promoted the relevant compliance requirements, including content compliance and advertising compliance, to all employees.

BlueCity Advertising Strategy Case Won "2024 Creative Strategy Award – Silver"

Under the theme of "Focusing on Innovation, Breaking the Wind", the "iDigital Annual Digital Marketing Awards", organised by iDigital China in 2024, recognised the outstanding contributors and changemakers in digital marketing, smart retail and global branding in the past year and passed their outstanding marketing ideas, cases, advanced technologies and solutions. This year's competition attracted nearly 500 innovative cases and projects from more than 80 companies, and the organising committee invited nearly 40 representatives from leaders in marketing innovation to participate in the review process, ultimately selecting 56 excellent cases in the industry. Among them, Blued's creative strategy of the year – "Unavoidable 2023" won the "2024 Creative Strategy Award – Silver".

5.2 Supplier Management

The Group and its suppliers adhere to the cooperation principle of fairness, integrity, mutual benefit and reciprocity, honesty, and transparency. We continuously optimise supplier lifecycle management methods and promote sustainable development within the supply chain. We adopt consistent standards of responsible operations for suppliers around the world, and continuously monitor the responsible operating performance of suppliers. We have established an admission and assessment system that covers 459 suppliers while incorporating the environmental and social risk management performance into our supplier assessment. During the supplier selection process, we conduct due diligence on the service quality and past service experience, requiring suppliers at all levels to have professional qualifications. We pay attention to the suppliers' reputation and fulfilment of social responsibilities.

To protect the Group's interests of the users and the Group, we require our suppliers to sign confidentiality agreements, which specify supplier conduct guidelines, user information protection and other requirements, and to control potential information security risks to minimise the risk of information leakage. For cloud service providers, we assess various aspects during the server leasing process, including their service stability, network coverage, and after-sales support capabilities, and we pay particular attention to their capabilities and performance in information protection.

The Group ensures the transparency of the procurement process when cooperating with suppliers, adheres to the principle of fair competition, and resolutely eliminates all forms of commercial bribery. The Company has formulated and strictly implemented the Supplier Management Measures, the Procurement Management Measures and other supplier management regulations, and established the "Supplier Admission Process" by comprehensively considering the supplier's scale, products, services, price, technology and other aspects. Signing the Anti-Bribery Agreement is a mandatory requirement for suppliers to collaborate with us.

Adhering to the green procurement concept, the Group prioritises the energy consumption and environmental attributes of electronic products while meeting business requirements. When purchasing electronic devices such as computers, monitors, mobile phones, printers, and networking equipment, we refer to the energy consumption ratings of the devices, and prioritise equipment with lower energy consumption if the product quality and function are similar. We encourage more suppliers to join the Group in building an environmentally friendly office space.

In 2024, the Group had a total of 459 suppliers, including 331 in the Chinese mainland, 52 in Hong Kong, Macao and Taiwan, and 76 overseas.

5.3 Anti-Corruption

The Group is committed to creating an honest and fair business environment. We strictly abide by the Criminal Law of the People's Republic of China, and laws and regulations pertaining to anti-corruption, anti-money laundering, anti-bribery and anti-unfair competition such as the Anti-Money Laundering Law of the People's Republic of China, and the Anti-Unfair Competition Law of the People's Republic of China. The Group has continued to monitor, identify, track and analyse the updates of anti-corruption legislation in the regions where the main entities of the Group are located, as well as in the regions where products are launched, to ensure the Group's operations comply with the latest legal and regulatory requirements. In 2024, the Group issued the Integrity and Compliance Behaviour Handbook, which requires all employees to strictly comply with anti-corruption and anti-fraud laws and regulations and focuses on the elaboration of prohibited behaviours such as bribery, fraud and embezzlement, as well as reporting standards.

In order to promote the understanding of and attention to anti-corruption, employees are required to sign the Anti-Bribery Agreement when signing the employment contract, which expressly requires that employees shall not give, solicit or receive any form of economic benefit, such as kickbacks, commissions, marketable securities, gifts or benefits in kind. The Group has the right to unilaterally terminate the employment of any employee found to be in breach of the agreement and will actively cooperate with the relevant authorities in pursuing the legal responsibility of any employee who commits crimes.

The Group encourages employees, partners and other stakeholders to provide feedback through the Group's compliance reporting mailbox if they discover or have reasonable suspicion of any dishonest behaviour involving corruption, fraud, bribery, etc. The Group has established a whistleblower protection system to protect the rights and interests of whistleblowers. We support anonymous reporting and encourage real-name reporting, and are committed to protecting all honest and well-meaning whistleblowers to the extent permitted by law to ensure that they are not treated unfairly as a result of their whistleblowing. All whistleblowing matters are investigated by an independent investigation team and the Group strictly protects whistleblowers and the information they provide. In addition, the Group has established an independent monitoring department to deal with reports and investigations relating to fraud and compliance. Based on the investigation results, the Group takes necessary corrective measures to prevent the recurrence of similar incidents.

To raise employees' compliance awareness and improve their anti-corruption and anti-fraud capabilities in practical operations, the Group yearly provides periodic training on topics such as anti-corruption and anti-money laundering, covering relevant cases, and updates of laws and regulations. For new employees, we introduce the code of conduct and the Group's integrity requirements during onboarding training to help them establish corporate culture and values of self-discipline and honesty. For senior management and key decision-makers, we provide in-depth training, emphasising their leadership role in preventing and addressing corruption issues. We also invite professionals to conduct a series of anti-commercial bribery lectures for management and directors to continuously enhance managers' awareness of anti-commercial bribery and to prevent corruption, bribery or fraud. During the year, we distributed the Integrity and Compliance Behaviour Handbook to all employees and directors via email for written dissemination and training. In addition, we held five online video training sessions for dissemination. Through various forms of training, we reached a total of 1,589 people, thereby reinforcing the understanding of directors and employees regarding the Company's compliance and values, such as anti-corruption and anti-fraud. Additionally, we regularly review and evaluate anti-corruption training and make targeted improvements based on employee feedback to ensure its effectiveness and relevance.

In addition, the Group regularly conducts activities such as integrity promotion weeks, internal workshops and interactive seminars to continuously raise employees' compliance awareness through case discussions, role-playing and simulated decision-making. We regularly share the latest judicial cases in the industry and promote various anti-corruption measures within the Group on our internal legal education platform "Newborn's Law Study". We also send related articles through an internal subscription platform, promoting integrity education among all employees. Meanwhile, we also provide compliance consultancy services to our employees. The Compliance Department is responsible for answering employees' compliance-related questions and providing them with the necessary support and guidance.

In 2024, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

6. EMPLOYEE WELLBEING

We are deeply aware that employees are the core driving force for the sustainable development of an enterprise. The Group has always highlighted the rights and interests of employees and endeavoured to create a workplace with diversity, equality, health, safety, and high efficiency and integration. We continue to improve our remuneration and welfare system, fully protect the rights and interests of our employees, provide them with rich and diversified learning and development opportunities, and strive to enhance their sense of well-being and sense of belonging.

6.1 Employment

The Group has always adhered to the principle of lawful and fair employment, and explicitly prohibits any form of discrimination for any reason. We provide our employees with fair and competitive remuneration incentives, encourage them to participate in diversified, healthy and energetic activities, and continuously broaden their communication channels to listen to their voices attentively.

6.1.1 Legal Employment

The Group strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Women's Rights and Interests, the Provisions on the Prohibition of Using Child Labour, the Law of the People's Republic of China on the Protection of Minors, and other relevant laws and regulations, to effectively safeguard employees' legitimate rights and interests, and avoid the use of child labour and forced labour.

We have formulated the Employee Handbook according to relevant laws and regulations to standardise the management processes of employee recruitment, resignation, working hours, remuneration, benefits, holiday and promotion. The employees' working hours, job description, remuneration and benefits, and working conditions are clearly stipulated in the labour contract.

We verify the information of employees before on boarding, to avoid employing child labour. We fully respect the willingness of employees and ensure that employees participate in work on a voluntarily basis, avoiding forced labour. During the recruitment process, we adhere to the principle of equal employment, and fairly and equally treat employees of different nationalities, races, ages, genders, physical conditions, marital status, religious beliefs and cultural backgrounds. During the process of employee resignation, we handle the relevant resignation procedures for the departing employees in accordance with relevant laws and regulations.

In 2024, the Group was not aware of any case of non-compliance with any relevant employment and labour regulation, and so far the Group has never encountered any incidents involving the use of child labour and forced labour. Notwithstanding the foregoing, upon discovery of any case of violation, and especially in the case of child labour or forced labour, the Group will handle any such claim or complaint in accordance with its internal policies, and may consider taking appropriate actions including but not limited to the conducting of comprehensive investigations to assess the validity of the claim and gravity of the case, taking swift action to direct or procure the cessation of any confirmed violation and reporting the same to the relevant authorities (where required). As the Group strives to ensure that its operations are free of child labour and forced labour, remedial measures will be formulated and improvement processes will be implemented so as to strengthen its prevention mechanisms against future violations.

6.1.2 Remuneration and Benefits

The Group strictly follows the laws and regulations of the place of operation and implements equal pay for equal work. In addition, we provide employees with competitive remuneration with a performance incentive mechanism.

For the management performance evaluation, we continuously refine the dimensions, enhance the scientificity and rationality of evaluation, and increase the incentive intensity of performance bonuses.

At the individual employee remuneration level, we have implemented a remuneration scheme based on performance evaluation and conducted comprehensive performance evaluation of employees on a semi-annual and annual basis. The evaluation indicators include working attitude, performance results, task completion and corporate culture recognition.

For the team performance management, we have implemented the OKR system for all employees and the management, and kept track of team goals and progress, aiming to help each business department adapt to the dynamic changes of goals, improving employee participation, encourage employees to challenge themselves, actively innovate, and help employees and the team grow together.

In addition, the Group offers a variety of incentive awards such as immediate incentives and annual merit awards for its outstanding employees and teams. We provide Full Attendance Awards for employees with full-month attendance, regularly select excellent individuals or teams per quarter as "Stars of the Quarter". We have also set up outstanding individual awards such as the Wisdom Partner Award, Performance Contribution Award, and Outstanding Newcomer Award to give them full recognition and encouragement in terms of work attitude, values, output and other dimensions. This effectively enhances their sense of gain and satisfaction.

We provide employees with pensions, work injury insurance, maternity insurance, unemployment insurance, medical insurance, and housing fund. In addition, we provide employees with additional commercial medical insurance, accident insurance and child medical insurance, to ensure better commercial insurance benefits for employees. In the case of employees travelling abroad, the Group purchases insurance to ensure their travel safety. We also care for our employees' families, and provide annual commercial medical examinations covering employees' parents to alleviate their worries.

The Group continuously optimises employees' attendance management system, and sets flexible intervals for employees' time on-and-off work, achieving humanised and flexible management of employees' working hours and allowing them to balance work and life.

We provide diversified welfare and holidays for employees. In addition to statutory holidays, we set up a New Year's welfare leave, which allows employees to take three days' leave in advance of the Chinese New Year holiday. We also provide employees with various benefits, including onboarding anniversary benefits, major holiday benefits, birthday benefits, overtime meal subsidies, nearby shop discounts, afternoon tea, "Wedding Gift Money" and "Childbirth Gift Money". We give additional benefits for critical illness and funeral consolation to provide employees with sufficient humanistic care.

We also provide female employees with special full-pay holidays and maternity and baby care room, so as to actively care for the physical and mental health of female employees during special periods. We provide maternity leave and "parental leave" to all employees, and provide 3 months of parental leave for homosexual employees raising children, fully respecting and paying attention to the diverse needs of our employees.

6.1.3 Employee Activities

To help employees relieve stress at work and create a relaxing corporate atmosphere, we actively carried out a series of corporate culture activities, combining corporate culture and business characteristics to create cultural medals as prize of the activities, so that employees can deepen their understanding and recognition of corporate culture while relaxing and entertaining.

The Group regularly organises group activities such as sports and fitness every month, to enrich the spare time of the employees, and enhance the cohesion of the Group. In 2024, the Group organised a range of cultural and sports activities and competitions, including badminton, basketball, tennis, Frisbee, and jazz dance, and organised employees, and extended heartfelt care to our employees during festivals such as the Lantern Festival, Dragon Boat Festival, Mid-Autumn Festival, Chinese Valentine's Day, International Women's Day, and Programmer's Day. Moreover, the Group also hosts large-scale events, such as hiking and annual meeting, every year, and sets up a variety of fun game projects and a large number of prizes, enriching the daily life of employees and creating a relaxed and warm workplace.

We have set up a team-building fund to motivate various departments to organise a variety of team-building activities, such as eating out, sightseeing and watching movies, to enhance the cohesion of departments.

2024 Newborn Festival　　*2024 15th Hiking Event of the Group*

6.1.4 Employee Communication

The Group continuously expands communication channels for employees and creates an open and transparent communication atmosphere. We set up various communication channels such as email, anonymous feedback platform, social media, and communication meetings. We also conduct one-on-one communication for employees at important nodes such as employee probation period completion, promotion and performance evaluation, providing timely feedback on employees' opinions, suggestions, and requirements. We build an online community of "Newborn Circle" and set a module of "Roast and Suggestion" to collect employees' views and suggestions on their own development and work experience, to listen to their voices.

To smooth the channel for employees to communicate with the management level, we continuously conduct face-to-face communication activities with the CEO, during which the CEO directly answers various work and life-related questions that employees encounter. Meanwhile, the management personnel regularly communicate with new employees during their probation period, listening to their thoughts and understanding their difficulties, effectively solving their urgent and anxiety-provoking problems.

During the year, we partnered with a professional institution to conduct employee engagement and satisfaction survey, covering employees at different job levels, departments and positions. This initiative was designed to gain a deep understanding of their engagement and satisfaction. Drawing on the survey findings, we listened to everyone's feedback and took targeted measures to enhance the office experience and boost employee satisfaction. Building on the survey findings, the Company further clarified the job requirements for managers during the talent review process. We also established targeted management empowerment programmes, including management training and management role model mentoring plan, to improve employees' satisfaction and well-being.

KPI: Employment

Indicators		2024 Data
Total number of employees		1,592
Number of employees by employment type	Labour contract employee	1,576
	Contractor and others	16
Number of employees by gender	Male	942
	Female	650
Number of employees by age group	Under age 30	681
	Age 30 to 39	859
	Age 40 to 49	50
	Age 50 and above	2
Number of employees by geographical region	The Chinese Mainland	1,579
	Hong Kong, Macao, and Taiwan	4
	Other countries and regions	9
Total turnover rate[10] (%)		21.42
Employee turnover rate by gender (%)	Male	19.90
	Female	23.53
Employee turnover rate by age group (%)	Under age 30	23.31
	Age 30 to 39	20.09
	Age 40 to 49	16.67
	Age 50 and above	33.33
Employee turnover rate by geographical region (%)	The Chinese Mainland	21.52
	Hong Kong, Macao and Taiwan	20.00
	Other countries and regions	0.00

[10] Employee turnover rate = the number of employee departure in the reporting year/(the number of employee departure in the reporting year + the number of employees at the end of the reporting year) *100%

6.2 Employee Health and Safety

A safe, healthy and comfortable work environment is essential for productivity and creativity. We keep improving the Group's occupational health and safety management system, and endeavour to raise employees' awareness of safety protection to ensure their occupational health and safety.

The Group strictly abides by the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and other relevant laws and regulations. We have formulated occupational health and safety management measures to systematically control occupational health and safety matters in the workplace. We always focus on the use of electricity and water, and fire safety in the workplace during daily operations. We regularly conduct fire safety inspection, reducing operation safety hazards.

A sound health and safety management system is inseparable from the cultivation of employees' safety awareness. The Group regularly conducts safety awareness training for employees. The content includes the prevention and control of occupational disease hazards and fire safety. We also conduct daily safety knowledge popularisation and promotion for employees, and focus on enhancing the Group's management ability of response to safety emergencies. We conduct fire drills twice a year and several firefighting tests.

While ensuring the office safety, we are committed to creating a healthy, warm and comfortable office environment. We provide employees with ergonomic tables and chairs, and create a leisure area with an open view. We hire a professional design team to match furniture colours in order to reduce the visual pressure of employees in the office area, and relieve the working mood of employees.

Leisure Area

The Group pays high attention to employees' physical and psychological health, and provides free medical examination for our employees every year. Additionally, we provide medical services such as psychological counselling and professional health consultations. We equip our workplace with first aid kits and offer hot ginger tea and medicines for preventing colds during the flu season, to ensure medical and health protection for our employees. We also encourage employees to participate in outdoor sports. In each September, we organise large outdoor hiking activities to encourage employees to exercise and relax.

The Group had no work-related fatalities in the past three years (including 2024). There were 2 work-related injuries occurred during this year, 2 people were injured and 344 lost working days due to work-related injuries.

6.3 Development and Training

The Group continues to improve its talent training system, tailoring systematic training courses for employees. We promote the development and growth of employees in all aspects through onboarding training, general education, knowledge and skills development, and career development planning.

The Group has set up diversified training modes for employees of different business departments. We have also developed multi-level training covering top and first-line managers and all employees to continuously enhance their professional skills and professional quality, thereby helping employees improve their workplace competitiveness. For new employees, we have established an induction training programme, adopting a relaxing and engaging approach, incorporating group games to make them familiar with our corporate culture and understand the Group's policies. This helps them quickly integrate into the workplace. For management employees, the Group has initiated training on management skills, aiming to improve their comprehensive ability and continuously improving their leadership skills through daily management actions. For each business department, the Group has set up training on professional skills to constantly enhance their business capabilities.

General Education Training

In addition, we keep optimising a full-process training management system. Specifically, we conduct demand survey in the preliminary stage of training, appoint specialised personnel to organise and plan the training processes, and send out feedback questionnaires after training for continuous improvement on training content, to ensure training effectiveness.

The Group provides a variety of career development paths for its employees so that they can utilise their strengths and abilities. We adopt a dual-channel and dual-promotion path. Senior employees can choose to further specialise in the professional sequence or transfer to the management team, depending on their personal preferences and abilities. Employees can choose to realise their career aspirations through professional development, or opt for cross-pathway lateral development opportunities for broader management development.
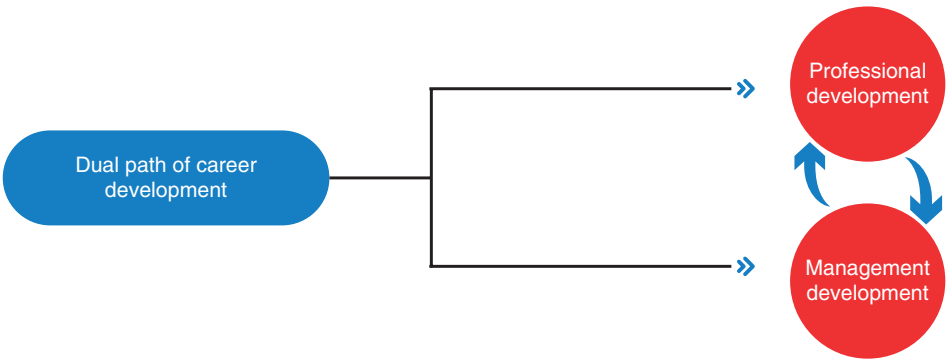
The Company sponsors on-the-job MBA programmes for key managers to further enhance their management skills and business capabilities. We also purchase professional courses for the design and technical teams, such as 3D professional courses, Blender design tool courses, layout design courses, and midjourney (AIGC) courses, effectively enhancing the professional competence of the business team.

KPI: Employee training

Indicators		2024 Data
Percentage of employees trained by gender (%)	Male	**89.81**
	Female	**84.62**
Percentage of employees trained by management level (%)	Management	**75.00**
	Non-management	**88.35**
Average training hours of employees by gender (h)	Male	**7.72**
	Female	**8.23**
Average training hours of employees by management level (h)	Management	**88.00**
	Non-management	**7.69**

We actively promote cooperation between universities and enterprises to carry out on-campus recruitment. Through a series of activities and in-depth agreements, we promote the expansion of employment channels for students while enriching the talent pool and expertise of enterprises in related fields, thus promoting the sound development for industry-university-research cooperation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

7. GIVING BACK TO THE SOCIETY

The Group seeks development while paying due attention to community needs. We actively give back to the society, and fulfil our social responsibilities. We have long-standing relationship with the communities where we operate and organise a diverse range of public welfare activities based on their needs, contributing to the harmonious development of the community.

7.1 Public Welfare Donation

While continuously improving our products and improving user services, we actively involve in charity work, and convey positive social values through various ways. We also help vulnerable groups and advance rural revitalisation, driving the sustainable social development.

In June 2024, the Group donated office devices worth RMB40,000 to the people's government of Nanlong Town, Linxia Hui Autonomous Prefecture, Gansu Province, including 5 desktop computers and 5 laptops, to enhance local office facilities.

In June 2024, the Group donated 35 types of commonly prescribed but scarce medicines, valued at over RMB40,000, to the clinic in Xikou Village, Mingshuihe Town, Arxan City, Inner Mongolia Autonomous Region. This donation effectively alleviated the pressure of most prescribed medicines in short supply in Xikou Village, providing strong medical protection for local residents.

Donation of the Most Prescribed Medicines in Short Supply

In October 2024, the Group donated facilities and equipment worth RMB100,000 to the AIDS Prevention and Control Publicity and Education Base of the Health and Wellness Bureau of Butou County, Liangshan Yi Autonomous Prefecture, Sichuan Province. The donation included 10 computers, 7 printers and 1 Canon camera, aiming to support the local efforts in AIDS prevention and control.

Donation of Facilities and Equipment to the AIDS Prevention and Control Publicity and Education Base

In December 2024, the Group launched a "Love Collection" campaign to encourage employees to donate unwanted clothing, toys, books, stationery and other items. Through the "Project of Warming the West Region" initiated by the Beijing Le Share Foundation, the Group has donated 837 pieces of clothing, 106 toys and 315 books to the western region, sending warmth and care to children in the impoverished mountainous areas.

In December 2024, employees of the Group donated office equipment valued at over RMB80,000 to Mazidian Street, Chaoyang District, Beijing, including 8 desktop computers and 2 laptops, to enhance the local office conditions.

In December 2024, the Group donated books, colour pens, stereos, photo printers, photo paper and snacks to the Beijing Chaoyang District Children's Welfare Institution, sending winter warmth to the children and staff.

7.2 Public Welfare Volunteers

We actively fulfil our social responsibilities and continue to carry out public welfare volunteer activities to spread positive energy.

7.2.1 Volunteer Services

In October 2024, the Group participated in the volunteering activities of the Forum on China-Africa Cooperation, with three volunteers providing a two-day service, demonstrating our commitment to social responsibility.

Participation in the Forum on China-Africa Cooperation Volunteering Activities

7.2.2 Danlan Public Welfare Special Fund

In April 2024, the Group completed its annual review of "Youth without AIDS" small grants programmes.[11] Out of 39 programmes reviewed, 11 received approval, with a total funding of RMB90,000 after the initial review and expert assessment.

In August 2024, the Group collaborated with Rainbow Riders (a charity organisation) to host an AIDS testing charity fundraiser. The event aimed to raise awareness among young people about self-protection and proactive AIDS testing. The event received strong backing from "Rainbow Riders" nationwide, who actively participated in and contributed to the cause, showcasing their care for youth health through actions.

Danlan Public Welfare Special Fund Initiated an AIDS Testing Charity Fundraiser

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[11] The "Youth without AIDS" small grants programmes were initiated by the Danlan Public Welfare Special Fund, and are dedicated to enhancing the physical and mental well-being of MSM individuals, complementing national AIDS prevention and control initiatives.

On the 99 Giving Day in September 2024, the Group set up a special zone to encourage employees to make donations. The response was overwhelmingly positive, with employees finally donating a total of RMB21,000, conveying their strong sense of responsibility in guarding health with practical actions. This event showcased the love and responsibility of the Group's employees.

AIDS Prevention Charity Fundraiser

In November 2024, the Group and the Danlan Public Welfare Special Fund of the Chinese Foundation for Prevention of STD and AIDS jointly hosted the 11th "Towards an AIDS Free Generation" event. The event is themed by "Take the Rights Path" of the World AIDS Day 2024. The well-known figures, institutions, and numerous volunteers from the AIDS prevention field were invited to jointly disseminate knowledge on AIDS prevention and treatment among the youth.

11th "Zero AIDS for Youth" Campaign

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

7.3 Public Welfare Outreach

During the year, we actively expanded our overseas business and services, and continued to strengthen our efforts in overseas public welfare activities, thus further enhancing our influence in the field of public welfare.

The Group continuously promoted the Newborn Guardian Plans for Youths

In January 2024, the Newborn Guardian Plans for Youths wrapped up its offline shoe drives in Egypt and Vietnam. With all the efforts of the Group's employees from Egypt and Vietnam, many brand-new shoes were donated to the children in several impoverished schools. In Vietnam, the Group's employees donated food to help improve the children's livelihoods.

In September 2024, the Newborn Guardian Plans for Youths converted 14,914,748 steps accumulated by the Group's employees during the hiking event into a charitable fund of RMB149,200, which was used to purchase books for children in need around the world. Currently, the programme has donated 1,000 books to Vietnam, 369 books to Myanmar, 414 books to Thailand and 570 books to Malaysia, with a total of 2,353 books. In addition, the Group has been actively engaged in book donation activities in Egypt, Beijing and Türkiye. Through these efforts, we hope to bring knowledge and hope to more children and help them grow and develop.

Newborn Guardian Plans for Youths – Egypt

Newborn Guardian Plans for Youths – Vietnam

MICO&SUGO Supported Türkiye's Post-earthquake Reconstruction

In March 2024, MICO and SUGO Türkiye initiated an online platform for post-earthquake reconstruction donation. Users, creators and others participated in donations, raising a total of TRY150,000 (equivalent to over RMB30,000). The teams also visited the earthquake-stricken areas, delivering donations and charitable supplies to the local people and relieving their burdens.

MICO and SUGO Türkiye Delivered Donations and Charitable Supplies to the Earthquake-stricken Areas

SUGO Hosted Charity Donation Events

During the Ramadan period in the Middle East, the Group's platform SUGO gave back to the local community through a series of charity events. SUGO Middle East donated food, necessities and children's toys to several charities in Egypt, bringing social warmth to local vulnerable groups and spreading love and hope.

SUGO Middle East Donated to Several Charities in Egypt

MICO Launched "Magic of Heart" Campaign

From 21 May to 3 June 2024, the Group's platform MICO Vietnam initiated the charity campaign "Magic of Heart". This campaign, which combined online and offline charitable events, was made possible with the help of the MICO app and received donations from nearly a thousand MICO users. With the joint efforts of MICO team, its local partners and creators, 2,448 meals (worth 49 million VND) were given to those in need in Ho Chi Minh City, Hanoi, Da Nang, and Can Tho, showing MICO community's unity and love.

MICO Vietnam Launched "Magic of Heart" Campaign

MICO Launched "Future to be Born under Footsteps" Campaign

On 23 December 2024, the Group's platform MICO held the "Future to be born under footsteps" campaign, donating books to SAAJA school in Indonesia to light up a beacon of hope for the children.

HeeSay Launched HeeCares Charitable Programme

The Group's platform HeeSay launched the HeeCares charitable programme to support global communities in need. Its first project, HeeCares Yagi, focused on providing post-typhoon relief to northern Vietnam, an area heavily affected by Typhoon Yagi.

As part of the HeeCares Yagi programme, HeeSay Vietnam partnered with the Thương Project, a charitable organisation, to provide essential supplies, including notebooks, warm clothing, teddy bears and food, to over 1,800 children across six schools. HeeSay Vietnam also celebrated the Mid-Autumn Festival to bring joy to the children.

HeeSay also hosted an in-app charity livestream, donating a portion of the revenue generated by content creators to the Thương Project to further support ongoing recovery efforts.

HeeCares Yagi Joined Hands with the Thương Project to Provide Supplies to Disaster-stricken Schools

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX

Subject Areas	Aspects	Contents of Disclosure	Section in this Report
Governance Structure	–	A disclosure of the Board's oversight of ESG issues;	2. Board Statement
		The Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses);	1.1 About this Report 2. Board Statement 3. ESG Concept and Management
		How the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	2. Board Statement
Reporting Principles	–	A description of, or an explanation on, the application of the reporting principles (Materiality, Quantitative and Consistency) in the preparation of the ESG report.	1.1 About this Report
		Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	1.1 About this Report
		Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	1.1 About this Report
		Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	1.1 About this Report
Reporting Boundaries	–	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	1.4 Scope of this Report

Subject Areas	Aspects	Contents of Disclosure	Section in this Report
Environmental	A1 Emissions	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.* *Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.* *Hazardous wastes are those defined by national regulations.*	4.2 Waste Management 4.3 Climate Change
		A 1.1 The types of emissions and respective emissions data.	4.2 Waste Management 4.3 Climate Change KPI: GHG Emissions KPI: Waste
		A 1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	KPI: GHG Emissions
		A 1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	KPI: Waste
		A 1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	KPI: Waste
		A 1.5 Description of emissions target(s) set and steps taken to achieve them.	4.4 Environmental Targets
		A 1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.2 Waste Management 4.4 Environmental Targets

Subject Areas	Aspects	Contents of Disclosure	Section in this Report
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*	4.1 Resource Conservation
		A 2.1 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).	KPI: Energy and Resource Consumption
		A 2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	NA. The water sources used by the Group are mainly municipal tap water and purchased barrel-filled drinking water. Drinking water is used to meet the basic living needs of employees, and tap water is commonly shared with other companies via public facilities, so it is not possible to conduct separate consumption statistics.
		A 2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	4.1 Resource Conservation 4.4 Environmental Targets
		A 2.4 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.	4.1 Resource Conservation 4.4 Environmental Targets
		A 2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	NA. The Group's operations do not involve the production of physical products.
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	4. Environmental Protection
		A 3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
	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.	4.3 Climate Change
		A 4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	

Subject Areas	Aspects	Contents of Disclosure	Section in this Report
Social	**B1 Social**	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.	6.1 Employment
		B1.1 Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	KPI: Employment
		B1.2 Employee turnover rate by gender, age group and geographical region.	KPI: Employment
	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.	6.2 Employee Health and Safety
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	6.2 Employee Health and Safety
		B2.2 Lost days due to work injury.	6.2 Employee Health and Safety
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.2 Employee Health and Safety

Subject Areas	Aspects	Contents of Disclosure	Section in this Report
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*	6.3 Development and Training
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	KPI: Employee Training
		B3.2 The average training hours completed per employee by gender and employee category.	KPI: Employee Training
	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.	6.1 Employment
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	6.1 Employment
		B4.2 Description of steps taken to eliminate such practices when discovered.	6.1 Employment

Subject Areas	Aspects	Contents of Disclosure		Section in this Report
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.		5.2 Supplier Management
		B5.1	Number of suppliers by geographical region.	5.2 Supplier Management
		B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	5.2 Supplier Management
		B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.2 Supplier Management
		B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.2 Supplier Management
	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.		5. Responsible Operation
		B 6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	NA. The Group's operations do not involve the production of physical products.
		B 6.2	Number of products and service related complaints received and how they are dealt with.	5.1 Product Responsibility
		B 6.3	Description of practices relating to observing and protecting intellectual property rights.	5.1 Product Responsibility
		B 6.4	Description of quality assurance process and recall procedures.	NA. The Group's operations do not involve the production of physical products.
		B 6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.1 Product Responsibility

Subject Areas	Aspects	Contents of Disclosure	Section in this Report
	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.	5.3 Anti-Corruption
		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.	5.3 Anti-Corruption
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5.3 Anti-Corruption
		B7.3 Description of anti-corruption training provided to directors and staff.	5.3 Anti-Corruption
	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.	7. Giving Back to the Society
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7. Giving Back to the Society
		B8.2 Resources contributed (e.g. money or time) to the focus area.	7. Giving Back to the Society

赤子城

newborntown