

(A company controlled through weighted voting rights and  
incorporated in the Cayman Islands with limited liability)

Stock code : 1024

# **ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2022**



# Environmental, Social and Governance Report

## ABOUT THE REPORT

This is the third environmental, social and governance (“**ESG**”) report (the “**Report**”) published by the Company to communicate with stakeholders on the Group’s ESG philosophy, initiatives and performance, and to respond to stakeholders’ requirements.

### Reporting Period

Unless otherwise specified, the Report covers the Group’s performance on ESG matters during the Reporting Period.

### Reporting Boundary

Unless otherwise specified, the Report covers all subsidiaries and Consolidated Affiliated Entities within the Group.

### Sources of Data

Unless otherwise specified, the information disclosed in the Report is derived from the Group’s internal official documents and filing reports, internal statistics and relevant official, publicly available information and records.

### Basis of Preparation

The Report has been prepared with reference to the *ESG Reporting Guide* and in accordance with “materiality”, “quantitative”, “balance” and “consistency” principles set out in the *ESG Reporting Guide*.

- Principle of materiality: Based on materiality assessment, we identify and evaluate the ESG issues that are important to our business and internal and external stakeholders. The Report mainly contains the disclosure in response to the results of materiality assessment. Please refer to the sub-section headed “Materiality Analysis” in the Report for further details regarding the process of the materiality assessment.
- Principle of quantitative: We have disclosed the quantitative KPIs and set up quantitative performance targets where appropriate. The quantification standards, methodologies, assumptions and/or calculation tools for KPIs and source of conversion factors used in the Report have been explained in the corresponding sub-sections (where applicable).
- Principle of balance: The Report aims to provide a balanced presentation of the Group’s ESG effort in various aspects, including environment, employees, product responsibility and community.
- Principle of consistency: The preparation of the ESG Report is consistent with those of the previous years. Changes that may affect a meaningful comparison with the reports of the previous years have been explained in the corresponding sub-sections.



# Environmental, Social and Governance Report

## STATEMENT FROM THE BOARD

The Board is committed to establishing a comprehensive ESG management system, strengthening ESG governance, and continuously promoting the sustainable growth of Kuaishou. With the support of the Corporate Governance Committee, the Board oversees ESG matters and participates in the formulation of the ESG strategies of the Company. An ESG working group has been set up under the Corporate Governance Committee to coordinate and facilitate various functional departments to formulate ESG projects and to ensure the resource allocation and implementation of ESG.

We are mindful of the expectations and needs of all stakeholders. We closely communicate with them through regular internal and external activities to help us identify and evaluate the important ESG issues and discuss and review the issues during the meetings of the Corporate Governance Committee. Based on the external macro-environment and Kuaishou's growth strategy, the Corporate Governance Committee discusses and identifies the Company's risks and opportunities in environmental, social, and governance and provides an annual summation of important ESG management matters and projects. In 2021, we set environmental targets related to business operations, and the Board has been responsible for regular monitoring and reviewing of the achievement of the targets since then. Apart from this continuous efforts, in 2022, we strengthened our data security and privacy protection, and have obtained ISO 27001 Information Security Management System, ISO 27701 Privacy Information Management System, ISO 27017 Cloud Service Information Security Management System and other international information security management system certifications. In addition, we set up diversity plans to promote gender diversity among employees and the management, and to create an equal, diverse and inclusive workplace environment.

The Report details the progress and achievements of Kuaishou's ESG management in 2022. According to the terms of reference of the Corporate Governance Committee, the Board authorized the Corporate Governance Committee as the specialized committee to supervise ESG management. The Corporate Governance Committee reviewed and approved the Report on March 28, 2023.



# Environmental, Social and Governance Report

## ESG KEY PERFORMANCE

### Green Operation



In 2022, **71%** of the data centers leased by Kuaishou have obtained ISO 22301 business continuity management system certifications, and **47.6%** of the data centers have obtained ISO 14001 environmental management system certifications.

In 2022, Kuaishou continued to carry out a number of energy-saving and emission-reduction measures to promote the achievement of environmental goals in five areas, including clean energy use, energy conservation, water conservation, waste reduction and greenhouse gas emission reduction.

In 2022, **5,131** electronic devices were repurchased by employees of Kuaishou through the "Used Electronic Device Repurchase" program.

### Privacy Protection and Data Security



In 2022, Kuaishou obtained information security management system certifications including ISO 27001 information security management system, ISO 27701 privacy information management system and ISO 27017 cloud service information security management system, covering **100%** of our business lines.

In 2022, Kuaishou organized a number of data security and privacy protection trainings to all employees (including new employees, as well as dispatched labor and interns). The number of participants was **7,100+**. In respect of trainings for departments, the number of participants was **2,800+**. In respect of trainings for partners, including contractors and suppliers, the number of participants accumulated to **500+**.

### Intellectual Property Rights Protection

As of December 31, 2022, Kuaishou had applied for **9,930** patents domestically and abroad and so far has been granted **3,264** patents. It has obtained **8,814** domestic and foreign registered trademarks and **4,346** copyright registrations.



# Environmental, Social and Governance Report

## Platform Responsibilities

In 2022, Kuaishou blocked **174,000** risky merchants in **25,160,000** blockages. Our archive of banned and inferior commodities blocked more than **1.18 million** items.

In 2022, the annual complaints response rate of Kuaishou reached **100%**.

In 2022, Kuaishou conducted telephone follow-ups with more than **250,000** users, and the annual overall satisfaction rate of all channels was **83%**, the satisfaction rate of the call center manual service channel was **93%**.

## Employees' Development



As of December 31, 2022, Kuaishou had recruited full-time employees from **24** countries and **32** ethnic groups, and nearly **8%** were from China's ethnic minority groups. Female employees accounted for **43.8%** of all employees. Kuaishou had **214** foreign employees and employees from Hong Kong SAR, Macao SAR and Taiwan regions of China.

Kuaishou's social insurance coverage rate for full-time employees was **100%**.

**30.9%** of Kuaishou's managers were women. In 2022, the percentage of female employees promoted to managers was **36.3%**.

The annual comprehensive average value of eNPS<sup>1</sup> (Employee Net Promoter Score) in each critical time node of the employee life cycle grew by **6%** compared to 2021, and the highest annual value of residence permit application handling grew by **8%**.

In 2022, the total investment in employee training amounted to RMB **11,710,000** and the total number of participants (online and offline) was **214,701**.

In 2022, **3,183** "First Aiders" of Kuaishou in China have participated and received their first aid certificates. The activity included **81** first-aid training sessions covering **12** cities.

<sup>1</sup> eNPS, namely Employee Net Promoter Score, is used to help employers measure the satisfaction and loyalty of its employees.



# Environmental, Social and Governance Report

## Business Ethics



In 2022, Kuaishou conducted anti-corruption related training for all its employees and directors (including dispatched labor and interns), which had **17,325** participants, and arranged a program for visiting its partners and suppliers during this year to check their integrity.

A total of **3,380** suppliers have signed the Integrity Commitment Letter.

## Supply Chain Management



As of December 31, 2022, Kuaishou had included **4,915** suppliers from all over the world on its list of suppliers, including **4,785** suppliers from China (including Hong Kong SAR, Macau SAR and Taiwan regions of China) and **130** overseas suppliers.

## Social Responsibility



In 2022, Kuaishou donated RMB **22.70 million** through our public welfare projects, and spent **16,319** hours on public welfare projects.



# Environmental, Social and Governance Report

## ESG GOVERNANCE

In order to better strengthen its ESG governance, the Company has established a three-tier ESG governance structure of “governance level, management level, execution level” to continuously strengthen the sustainable development of its governance.

Governance level:	The Board is the highest decision-making body for ESG management and bears ultimate responsibility for ESG-related matters. With the authorization of the Board, the Corporate Governance Committee is responsible for the Company's ESG management and decision-making, regularly reviewing outlook, strategies, policies and practices regarding ESG matters and the achievement of ESG goals, and reporting to the Board on ESG matters.
Management level:	The ESG working group, as the management department for ESG matters under the Corporate Governance Committee, is responsible for coordinating and guiding the implementation of ESG practices in various departments, reviewing the achievement of ESG goals, and providing resource guarantee and strong support for the smooth development of ESG tasks.
Execution level:	The constituent departments of the ESG working group are responsible for cooperating with the ESG working group to carry out the implementation of ESG tasks, regularly reporting the results to the ESG working group, and proposing work plans and goals for the next stage.

### ESG Governance Structure



For further information about the Company's corporate governance practices in 2022, please refer to the section headed “Corporate Governance Report” of this annual report.



# Environmental, Social and Governance Report

## COMMUNICATION WITH STAKEHOLDERS

Kuaishou attentively listens and responds to the requirements of its stakeholders. Based on our actual business and operation features, we have identified our users, employees, shareholders and investors, suppliers/partners, government and regulatory bodies, media and non-governmental organizations (“NGOs”) and society as the major stakeholders of Kuaishou. A wide variety of communication mechanism has been established to ensure timely communication and feedback with our stakeholders.

The table below identifies our major stakeholders along with their expectations and requirements, as well as communication and responses.

Stakeholders	Expectations and Requirements	Communication and Responses
Users	<ul style="list-style-type: none"> <li>• Good experience of using products for users</li> <li>• A healthy Internet environment</li> <li>• Continuous improvement of product and service quality</li> <li>• Emphasis on user communication and feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Developing new technology and improving products to meet user needs</li> <li>• Fostering a healthy community ecosystem</li> <li>• Protecting user privacy</li> <li>• Carrying out theme-based activities to interact with users</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Comprehensive protection of rights and interests</li> <li>• Compensation, welfare and employee care</li> <li>• Training and career development opportunities</li> <li>• Company culture embracing diversity</li> <li>• Creating good working environment</li> <li>• Employee communication</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing an employee protection system</li> <li>• Providing professional development training and coaching for employees</li> <li>• Carrying out employee-care activities</li> <li>• Improving the working environment</li> <li>• Providing employee feedback channels</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>• Stable operations and reasonable return on investment</li> <li>• Timely, accurate and transparent corporate information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Announcing operating results and other business information in a fair, transparent and timely manner</li> <li>• Holding Shareholders’ general meetings and investor meetings regularly to communicate with Shareholders and investors</li> </ul>
Suppliers/partners	<ul style="list-style-type: none"> <li>• Long-term and in-depth cooperation</li> <li>• Timely access to information</li> <li>• Mutual support and growth</li> </ul>	<ul style="list-style-type: none"> <li>• Compliant and valuable cooperation</li> <li>• Carrying out regular supplier surveys and interviews to strengthen communication and exchange</li> </ul>



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Stakeholders	Expectations and Requirements	Communication and Responses
Government and regulatory bodies	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Paying taxes in accordance with law</li> <li>• Helping the government improve social issues (underprivileged groups etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Boosting the local economy, promoting rural economic development and helping rural revitalization</li> <li>• Assisting the operations of government social media accounts to spread positive impact</li> <li>• Collaborating on projects to help government bodies fix social issues</li> </ul>
Media and NGOs	<ul style="list-style-type: none"> <li>• Open and transparent information</li> <li>• Active cooperation</li> <li>• Innovative forms of charity activities</li> <li>• Facilitating charity promotions</li> </ul>	<ul style="list-style-type: none"> <li>• Active involvement in media communication</li> <li>• Cooperation in promoting charity projects</li> <li>• Establishing strategic partnerships with multiple charity organizations</li> <li>• Leveraging Internet technology to enable new modes of charity</li> <li>• Increasing media exposure for charity initiatives</li> </ul>
Society	<ul style="list-style-type: none"> <li>• Rural revitalization</li> <li>• Inclusive digital technology</li> <li>• Contributions to social public welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Implementing rural revitalization initiatives and primary-level governance empowerment initiatives to support local economic development</li> <li>• Launching social responsibility projects such as child and teenager protection, care for the elderly, disability assistance, support for veterans, emergency rescue, post-disaster reconstruction and donations</li> <li>• Carrying out education and science learning programs, intangible cultural heritage promotion, environmental protection, assistance to industries and other charitable activities</li> </ul>



# Environmental, Social and Governance Report

## MATERIALITY ANALYSIS

In 2022, through continuous communication with major stakeholders and combined with the Company's operating characteristics, we have referred to the *ESG Reporting Guide* and conducted materiality assessment based on industry best practices, ESG issues highlighted by the capital market and demands of various stakeholders, as a reference for our actions and reports.

### Materiality identification process

Identify	<ul style="list-style-type: none"> <li>Identify issues highly related to Kuaishou based on the <i>ESG Reporting Guide</i> of the HKEX, relevant provisions of the Listing Rules, industry benchmarking, and media monitoring.</li> </ul>
Sort	<ul style="list-style-type: none"> <li>Conduct materiality surveys with various stakeholders through emails and official social media accounts to collect ESG management suggestions. Directors and senior executives of the Company determine the materiality of each of the issues towards the Company's strategies and development. Meanwhile, other stakeholders determine the materiality of the issues at their own discretion.</li> </ul>
Verify	<ul style="list-style-type: none"> <li>Collect suggestions and opinions from the Board, Corporate Governance Committee, ESG Working Group together with the departments which formed the ESG Working Group, and employees.</li> </ul>
Confirm	<ul style="list-style-type: none"> <li>Identify material issues in each area and prepare an ESG report.</li> </ul>

We will discuss the content of each topic in the Report, and the analysis results of material issues are shown in the table below.

### Result of important issues identification

High Importance	Medium Importance	Importance
Information security and privacy protection	Corporate ESG management	Supply chain management
Product and service safety assurance	Lawful employment	Diversity and equal opportunities
Information compliance and content rating	Employee training and development	Charity engagement
Employee rights and benefits	Win-win cooperation with partners	Promoting environmental practices in the industry
Anti-corruption	Response to climate change	Occupational health and safety
Risk management	E-commerce management	Enhancing resource allocation efficiency
Customer complaint management and user experience enhancement	Board diversity	Emissions and waste management
Intellectual property rights protection	Empowering rural revitalization	
Antitrust		
Compliance in operations		



# Environmental, Social and Governance Report

## 1. ENVIRONMENT

Kuaishou is committed to protecting the ecological environment, practicing the business philosophy of green and sustainable development, and reducing the impact of its own operations on the environment. By identifying the climate risks and opportunities faced by the Company, it has reduced the potential impact of climate risks, and continuously improved its climate resilience.

### 1.1 Addressing Climate Change

In the context of global warming, the risks and impacts of climate change are becoming more and more significant, which is a major challenge for humanity. Based on the framework and recommendations proposed by the Task Force on Climate-related Financial Disclosure (TCFD), Kuaishou proactively identified and analyzed the physical risks and transitional risks associated with climate change that affect the Company, in order to deal with the impact of climate change on the Company's operations.

- **Governance**

The Board of Kuaishou is responsible for formulating sustainable development strategies and regularly reviewing the implementation of goals, including climate change issues. The Board authorizes the Corporate Governance Committee to provide overall supervision of the ESG management, and regularly report to the Board on the implementation of major climate risks and counter measures. Under the guidance of the Corporate Governance Committee, the ESG working group is responsible for the identification and assessment of daily climate risks and promoting work related to climate change issues.

- **Strategies**

We recognize that climate change will bring potential physical risks and transitional risks to our business operations, and at the same time explore new development opportunities. Kuaishou's physical risks mainly arise from acute and chronic risks caused by climate change. We believe that extreme precipitation and rising average temperature will have a certain impact on Kuaishou's business. For example, extreme precipitation will affect the normal operation of infrastructure facilities and the normal commuting capabilities of employees. Transition risks mainly stem from policy and regulatory risks, technical risks and reputational risks brought by the transition to a low-carbon economy. For example, relevant national policies have put forward high standards of PUE<sup>2</sup> and energy-saving requirements for the data center industry, causing Kuaishou's data centers to face more pressure to transition to low-carbon technologies. On the other hand, climate change also brings us opportunities, including promoting the improvement of energy resources utilization, developing green and low-carbon technologies, and reducing and optimizing business operating costs. At the same time, by reducing climate impacts and adapting to market and policy requirements, Kuaishou will continue to active its own business and explore its development potential.

<sup>2</sup> PUE, namely Power Usage Effectiveness, is an index to evaluate the energy efficiency of the data center. PUE is the ratio of all energy consumed by the data center to the energy consumed by IT load, that is,  $PUE = \frac{\text{total energy consumption of the data center}}{\text{energy consumption of IT equipment}}$ . The total energy consumption of the data center includes energy consumption of IT equipment and energy consumption of refrigeration, power distribution and other systems. The PUE value is greater than 1, and the closer the value is to 1, the less energy is consumed by non-IT equipment, and the better the energy efficiency level.



# Environmental, Social and Governance Report

## • Risk management

We have integrated climate risk into the Company's corporate risk management. In 2022, the Board and the Corporate Governance Committee assessed the climate risks affecting Kuaishou's business, including acute physical risks, chronic physical risks, policy and regulatory risks, technological risks and reputational risks and formulated corresponding adaptive mitigation measures and proposals.

Our identified climate change risks and corresponding measures are as follows:

### Physical risks

Risk Category		Risk Impact	Control Measures
Acute Risk	Typhoon	Extreme weather such as typhoons and extreme precipitation will affect the normal operation of infrastructure facilities and employees commuting. Kuaishou may be involved in breach of contract, compensation, and legal liability due to business interruption and other problems.	<ul style="list-style-type: none"> <li>When selecting a site for our data center site, we fully study the historical data of local natural disasters, and give priority to weather-friendly areas within the North China Plain.</li> <li>We extend the natural disaster emergency management system to lessors of our data centers.</li> <li>We extend the emergency management measures to construction units and integrate them into their daily operation management.</li> <li>We incorporate disaster prevention drills into our data center operation and maintenance system and conduct them on a regular basis.</li> </ul>
	Extreme Precipitation		
Chronic Risk	Rising of average temperature	Increasing temperature could cause a potentially adverse impact on the daily operation and maintenance of the Kuaishou data center, including impacting the lifespan of the facilities and equipment within the data center. The energy consumption pressure for heat dissipation and cooling of the data center is high, resulting in higher carbon emissions. Simultaneously, it also increases the consumption of water resources.	<ul style="list-style-type: none"> <li>We continuously improve the energy efficiency of leased data centers, specify energy efficiency requirements in contracts and regularly monitor the energy efficiency of data centers.</li> <li>When deciding the location for the Company's self-built data centers, a priority is given to areas that can efficiently use natural source cooling technology and areas which are rich in renewable energy (such as wind power and other renewable energy).</li> <li>We actively communicate with energy trading institutions about green energy consumption opportunities.</li> <li>We select suitable refrigeration/cooling technologies according to local conditions. For example, medium-temperature chilled water systems are selected in North China to improve the water supply temperature of cooling water and reduce the energy consumption of mechanical refrigeration.</li> </ul>



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## Transitional Risks

Risk Category		Risk Impact	Control Measures
Policy and Regulatory Risk	Strengthening the responsibility of emission reporting	International and domestic regulatory agencies, capital market index ratings all have continuously upgraded requirements for disclosing environment-related information. To implement carbon trading, carbon tax, and environmental tax, the government must raise the accuracy requirement of carbon emissions data reporting. Kuaishou needs to improve the overall comprehensiveness and accuracy of environmental data disclosure. If the environmental reporting requirements are not met, the Company will face compliance risks from regulatory authorities.	<ul style="list-style-type: none"> <li>• We actively conduct research on policy control risks, enhance communication with stakeholders, and actively respond to the demands of the stakeholders.</li> <li>• We continue to promote the meticulous management of energy and establish the management and control system for energy statistical analysis, so as to mitigate the compliance risk of information disclosure.</li> <li>• We continue to promote energy conservation and emission reduction: regarding administrative office works, Kuaishou advocates for a green office. In terms of data centers, we will adopt the latest technologies to maximize the application of natural cooling sources, wind energy, solar energy, and low-energy equipment to reduce the total carbon emissions.</li> </ul>
Technology Risk	Cost of transition to low emission technologies/ failure to successfully invest in new technologies	In view of global warming and environmental protection, China has introduced new energy consumption and carbon emission control policies and measures and has put forward a high standard of PUE and energy-saving requirements for the data center industry. This led to Kuaishou's data centers facing pressure to transition to low carbon technology. This may lead to an increase in compliance and operating costs. Failing to invest in or develop new low-carbon technologies could increase Kuaishou's risk of financial loss.	<ul style="list-style-type: none"> <li>• We examine the justification of new technology investment and the compatibility with the Kuaishou's business. The latest technologies need to be proven compatible, and which have passed technical experiments, the factory level tests and have been applied on a small scale before entering the large-scale application stage, so as to avoid the financial losses caused by unnecessary technological R&amp;D failures.</li> <li>• We encourage our partners to adopt low-carbon and energy-saving new technologies in leased data centers, and actively adopt such measures to our self-built data centers.</li> </ul>



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Risk Category		Risk Impact	Control Measures
Reputational Risk	Increased concerns or negative feedback from stakeholders	<ul style="list-style-type: none"> <li>Extreme climate events, such as extreme precipitation and typhoons, and chronic climate change, such as rising average temperature, may affect the safe and continuous operation of the Kuaishou data centers. This may cause concerns and negative feedback from stakeholders regarding the stability of Kuaishou's business.</li> <li>Energy-saving and emission reduction in data centers have become a major concern of regulatory and investment institutions under the dual carbon target initiative. High energy consumption in data centers may trigger concerns among stakeholders (including the government and investors) regarding Kuaishou's operational efficiency and commitment to compliance obligations.</li> </ul>	<ul style="list-style-type: none"> <li>According to the requirements of regulatory authorities, we improve the accuracy and comprehensiveness of the disclosure of carbon emission data and energy consumption data, and reduce the concerns and negative feedback of Kuaishou's stakeholders.</li> <li>We formulate the energy goal of "realizing 100% clean energy use in self-built data centers by 2030" to strengthen the confidence of Kuaishou's stakeholders.</li> <li>We formulate emergency management plans for extreme natural disasters, natural disasters prevention plans (manual), and a summary of contingency measures for emergencies to minimize the impact of climate change on Kuaishou's operations, reducing the concerns and negative feedback of Kuaishou's stakeholders.</li> <li>Investors of our leased data centers are encouraged to increase their investment in energy-saving and emission-reduction technologies, and improve the operating efficiency of data centers leased by Kuaishou to meet compliance requirements.</li> </ul>

Kuaishou attaches great importance to the climate change risk response capabilities of its self-built data centers and leased data centers and formulated emergency plans, including *Kuaishou Data Center Guidelines for Natural Disasters Prevention*, *Catalog of Emergency Measures for Typical Emergencies*, *Emergency Plan for Environmental Emergencies* and *Data Center Typhoon and Rainstorm Emergency Plan*. It also continues to improve the emergency notification mechanism for various types of extreme weather. The Company's emergency plans for typhoons and rainstorms, include emergency exercises, decentralizing deployment of data centers, and backups of important systems and business data in different places, to minimize the impact of climate change on Kuaishou's business and employees. In addition, the Company incorporates disaster prevention drills into its annual drills and training plan for data centers to enhance the emergency awareness and ability of operating personnel. In 2022, 71% of the data centers leased by Kuaishou have obtained ISO 22301 business continuity management system certifications.



# Environmental, Social and Governance Report

## Indicators and goals

We have set goals for clean energy use, energy conservation, water conservation, waste reduction and greenhouse gas emission reduction, and we monitor and disclose the energy resource usage and carbon emission performance of the Company every year.

Category	Overall goal	Implementation measures
Clean energy use	By 2030, self-built data centers will achieve 100% clean energy usage.	<p>Data centers:</p> <ul style="list-style-type: none"> <li>• Low-energy, clean data centers to be constructed;</li> <li>• Investment in renewable energy projects;</li> <li>• Renewable energy and green certification to be acquired;</li> <li>• Distributed photovoltaic and wind power to be adopted as auxiliary power supply in self-built data center parks;</li> <li>• Solar water heating system design to be used in self-built data center parks to supply hot water.</li> </ul>
Energy conservation	By the end of 2026, the per capita power consumption of office premises in Beijing will be reduced by 8%, compared to 2021.	<p>Office premises:</p> <ul style="list-style-type: none"> <li>• Centralized work areas to be established to facilitate energy management and efficiently replace the low-efficiency equipment;</li> <li>• The use time of the existing workplace lighting to be optimized in the Beijing area; landscape and corridor lighting to be adjusted in a timely manner according to seasonal changes; and balcony light switches to be replaced with sensor-controlled switches;</li> <li>• The operation mode and running time of air conditioners to be optimized, and air conditioners to be switched off on floors when office personnel left the work areas;</li> <li>• The monitoring of energy usage to be optimized. A national energy consumption dashboard has been set up, and a comparative analysis of quarterly and annual data has been established to correct deviations in a timely manner.</li> </ul>



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Category	Overall goal	Implementation measures
		<p>Data centers:</p> <ul style="list-style-type: none"> <li>• The use of clean energy to be increased in data centers;</li> <li>• High-efficiency equipment to be used in data centers and high-energy consumption equipment to be eliminated;</li> <li>• Intelligent and energy-saving operation management systems to be established in data centers;</li> <li>• Self-built data centers to be located in areas with favorable climatic conditions;</li> <li>• The application of liquid-cooled server technology to be vigorously promoted in self-built data centers;</li> <li>• Waste heat from data center was utilized for park heating and equipment insulation.</li> </ul>
Water conservation	<p>By the end of 2026, the per capita water consumption of office premises in Beijing will be reduced by 8%, compared to 2021.</p> <p>Self-built data center parks will recycle 100% of rainwater and air-conditioning condensate.</p>	<p>Office premises:</p> <ul style="list-style-type: none"> <li>• The water saving system to be improved;</li> <li>• The monitoring of the use of water resources to be optimized. A national energy consumption dashboard has been set up, and a comparative analysis of quarterly and annual data has been established to correct deviations in a timely manner;</li> <li>• Water-saving facilities to be improved, and water-saving faucets to be installed in certain workplaces.</li> </ul> <p>Data centers:</p> <ul style="list-style-type: none"> <li>• Rainwater to be recycled;</li> <li>• Water saving activities to be organized;</li> <li>• Water-saving equipment to be used;</li> <li>• Changes in water consumption to be regularly monitored and water resource gauges to be digitized;</li> <li>• Water resources to be managed and reviewed;</li> <li>• Reclaimed water to be used in cooling systems of data centers;</li> <li>• Recycling of air conditioning condensate to be applied in self-built data centers;</li> <li>• Waterless solutions may be used in air conditioners in self-built data centers.</li> </ul>



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Category	Overall goal	Implementation measures
Waste reduction	<p>Green procurement will be implemented and green procurement standards will be incorporated into supplier management;</p> <p>100% of waste lead-acid batteries in the self-built data centers will be harmlessly treated by qualified suppliers; waste hard drives will be 100% harmlessly disposed of after destruction;</p> <p>Garbage classification will be implemented in all office premises in Beijing;</p> <p>All electronic waste will be disposed of in a harmless manner.</p>	<ul style="list-style-type: none"> <li>• All waste to be harmlessly treated by vendors for closed-loop treatment;</li> <li>• Waste electronic equipment to be recycled (Electronic Equipment Buyback Program);</li> <li>• Garbage classification to be carried out continuously;</li> <li>• Recycled/renewable materials to be used;</li> <li>• Awareness of avoiding food waste to be promoted.</li> </ul>
Greenhouse gas emission reduction	<p>We will actively respond to the national carbon peak and carbon neutrality goals and practice green operations.</p>	<p>Office premises:</p> <ul style="list-style-type: none"> <li>• Green office to be implemented.</li> </ul> <p>Data centers:</p> <ul style="list-style-type: none"> <li>• Carbon emission to be verified;</li> <li>• Digital tools for carbon emission reduction to be used;</li> <li>• Green, low-carbon, energy-saving and environmental-friendly data centers to be established;</li> <li>• Waste heat recovery technology to be vigorously promoted in self-built data centers;</li> <li>• A greenhouse gas emission management plan to be formulated for self-built data centers;</li> <li>• A carbon emission monitoring platform to be established for self-built data centers.</li> </ul>



# Environmental, Social and Governance Report

## 1.2 Green Operation

The goal of green operation is to reduce the energy consumption of daily activities and project operations of the Company and achieve low-carbon energy conservation at the source in order to protect the environment. At the same time, lowering energy consumption is beneficial to the reduction of project costs. In 2022, Kuaishou promoted green operations in its energy management, waste management and water resources management, with the aim of minimizing its impact on the environment.

### 1.2.1 Energy management

Kuaishou strictly adheres to the laws and regulations, such as the *Environmental Protection Law of The People's Republic of China* and the *Energy Conservation Law of The People's Republic of China*, and formulated the *Kuaishou Energy Management Guidelines and Goals* while continuing to improve the Group's energy management and operation mode by adopting the PDCA<sup>3</sup> method.

- *Energy management in office premises*

Kuaishou conducts online meticulous energy and resources management to enhance environmental management efficiency. We launched an energy metering and analysis control system and analyzed the domestic workplace air conditioning system, electrical system, water supply, and drainage system's energy and resource consumption data to optimize the efficiency of energy and water resources utilization. Meanwhile, in the event of an abnormal data fluctuation, we will trace the source and make corresponding improvements in time.

We promote energy conservation and emission reduction at the source, and require electric lights, air conditioners, and other electrical equipment be turned off on time. Employees are encouraged to reduce travel by remote working and using video conferences. We also regularly assess our energy consumption and carry out energy-saving renovation projects.

<sup>3</sup> PDCA namely "Plan-Do-Check-Act".



## Environmental, Social and Governance Report

### **Case: Kuaishou initiated energy-saving and emission reduction projects when the cooling system was in operation**

In 2022, Kuaishou launched special “Energy Saving and Consumption Reduction” programs at its headquarters’ industry park and workplaces in Dongsheng when the cooling system was in operation, mainly including the specified and standardized use of lighting devices and the precise control of delayed cooling. Particular measures are as follows:

- Operating mode and time of cooling and heating equipment were adjusted according to the real-time outdoor weather conditions;
- General inspections were carried out three times every night, and lighting facilities in areas where no employee was working overtime were duly turned off;
- Dynamic energy-saving management of lighting and electrical equipment was implemented during holidays;
- On and off time of landscape and corridor lighting was adjusted according to weather conditions.

Through the energy-saving measures above, the electricity bills of Kuaishou’s headquarters and workplaces in Dongsheng when the cooling system was in operation decreased by 7.39% and 7%, respectively, compared with the same period in the previous year.

### **Case: Implementation plan of energy management and control at office**

In 2022, Kuaishou formulated energy conservation and emission reduction measures related to the daily use of water, electricity and air conditioning at the workplace. The measures included:

- Water usage: adjusting the valves at pantries and washrooms to control the water flow in order to avoid excessive wastage while still meeting daily use needs; turning off the water supply during holidays to prevent unnecessary wastage caused by leaks and unattended running water.
- Scheduled lighting: lights in the office area are scheduled to remain on from 07:00 to 21:30 only. Lights in vacant office areas and unoccupied conference rooms shall be turned off. Inspections were conducted every two hours from 22:00 to ensure all lights in the office area are turned off when unoccupied. Lights and heating in restaurants are turned off after every meal.
- Air conditioning and air circulation system: daily weather conditions to determine when air conditioners are in use. Adjustment to the air conditioning settings requires pre-approval every week in order to maximize the benefits of cost optimization.
- Energy recovery ventilation: opening windows for natural ventilation shall be priority at office areas with energy recovery ventilation systems. The energy recovery ventilation system will be turned on during special weather condition such as haze and dust storm.
- VRV system: VRV is an auxiliary cooling and heating system and shall only be used under special circumstances such as a failure of the air conditioning, and when the air conditioning system is turned off during weekends and holidays.
- Air curtains: air curtains shall only be turned on when the ambient temperature is below 5°C when necessary.



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Attaching great importance to green, environmental protection and sustainable features of its buildings, Kuaishou strives to seek green building certification from external parties. The leased office building of Kuaishou in Bohua, Shanghai obtained LEED (Leadership in Energy and Environmental Design) Platinum Certification and WELL Healthy Building Platinum Certification.



**LEED Platinum Certification was obtained**



**WELL Platinum Certification (V2 Pilot) was obtained**

In 2022, Kuaishou remained committed to reaching its target of reducing energy consumption per employee in the office premises in Beijing by the end of 2026, by 8% compared to 2021.

- *Energy management in data centers*

Kuaishou strictly adhered to the policies including the *Guiding Opinions regarding Accelerating the Construction of a Coordination and Innovation System for the Nationwide Integrated Big Data Center*, the *Three Years Action plan (2021- 2023) of the New Data Center* and the *Implementation Plan for Meeting the Requirements of 'Carbon Peaking and Carbon Neutrality' Targets and Promoting Green and High Quality Development of Data Centers, 5G and Other New Infrastructure*. These policies actively improved the construction of green data center. As of 2022, the proportion of data centers leased by Kuaishou which obtained ISO 9001 quality system certification was up to 90%. Meanwhile, 47.6% of the data centers have obtained ISO 14001 environmental management system certification.

Kuaishou actively practices the concept of green development and adopts various green energy saving and emission reduction technologies in data center design. One of Kuaishou's leased data centers was designated by the Ministry of Industry and Information Technology of the People's Republic of China as a "Green Data Center."



# Environmental, Social and Governance Report

## Green energy-saving and emission reduction technologies and solutions for Kuaishou data centers

Green Technology/Scheme	Energy-saving Effect
Advanced Refrigeration Technology	<ul style="list-style-type: none"> <li>Installation of advanced refrigeration technologies recommended by the region according to local conditions. For example, the medium temperature of a chilled water system shall be selected to reduce the energy used in mechanical refrigeration in North China by increasing the water supply temperature of chilled water. Higher chilled water temperature can significantly prolong the operation time of natural cooling and reduce the overall energy consumption level. When the chilled water temperature increases by 1°C, energy efficiency can be increased by 2% to 3%;</li> <li>Adopt water conservation operation mode with indirect evaporative cooling equipment. A lower local ambient temperature is used to dissipate heat in data centers, which dramatically reduces the energy consumption of air conditioning systems. The indirect evaporation cooling system has also reduced water consumption by 60% compared with the same technical scheme in the industry and is expected to save 1.2 million tonnes of water annually.</li> </ul>
Increase the Inlet Air Temperature	<ul style="list-style-type: none"> <li>Data centers leased by Kuaishou increased the inlet air temperature of the server from 23±2°C to 24±2°C. The increase in the inlet air temperature in the data centers can prolong the operation time of the natural cooling system. For every 1°C increase, the natural cooling time in North China can be increased by 200 hours;</li> <li>Increasing the air temperature of the ventilation systems can also increase the overall capacity of the refrigeration system, resulting in the improvement of energy efficiency. It is expected that the energy consumption of the refrigeration system will be reduced by no less than 4%.</li> </ul>
Uninterruptible Power Supply Scheme (UPS)	Compared with the traditional UPS <sup>4</sup> solution, the high voltage direct current (HVDC) solution has higher power supply efficiency. It is expected to increase the power supply efficiency by 3% to 5%.
Smart Lighting Scheme	Adopt an inductive lighting scheme. When the access door is opened or the detector detects personnel entry, the lights will be turned on automatically and turned off automatically after the personnel leave.

<sup>4</sup> UPS, Uninterruptible Power Supply, is an electrical apparatus that includes energy storage devices and rectifiers and inverters as its main components. It provides constant voltage and frequency power supply to monitoring systems, automated instruments, remote communication systems and other equipment in substations.



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Based on the research and development of cutting-edge technologies for data centers, Kuaishou has applied the new generation of indirect evaporative cooling technology and HVDC technology in the Ulanqab data center to maximize natural cooling sources and low power consumption devices. The average annual PUE of the data center is expected to be not higher than 1.2. Compared with the data center industry (Uptime<sup>5</sup> announced that the average industry value in 2022 was 1.55), energy consumption is expected to be reduced by 25%, resulting in the annual power conservation reaching about 500 million kWh.

In addition, Kuaishou aims to help develop “new infrastructure” and actively develop new technologies to enhance energy efficiency. It has obtained three patents: “A Data Center’s Air Conditioning Control System and Air Conditioning Control Method”, “An Indirect Evaporation Cooling Unit Water Supply System and Water Supply Method”, “A Type of Cover Plate and Server Heat Radiator”. We will continue to work with other industry participants to promote the development of green data-center related technologies.

In 2022, Kuaishou set up a reward and punishment mechanism for providers to encourage energy conservation and emission reduction. Kuaishou and providers of the Ulanqab data center entered into the *PUE Reward and Punishment Agreement for Kuaishou L3 Data Center Project* which sets out specific requirements for the target PUE value, measurement and calculation, reward and punishment based on PUE value, and detailed implementation plans, in an effort to urge suppliers to improve the awareness and practice of energy conservation and emission reduction in terms of operation. The IDC department of Kuaishou developed the *Kuaishou IDC Infrastructure Energy Consumption Management System* in 2022, which applies to various data center operation partners. This system provides the partners with practical energy-saving operation and maintenance methods, refine daily on-site operation and maintenance management, and promote energy efficiency of operation and maintenance.

### 1.2.2 Waste management

Kuaishou strictly follows the *Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant* and other relevant laws and regulations related to the discharge and waste disposal standards of local operation sites. We have issued our internal policies such as the *Kuaishou Project Waste Sorting Management Plan* and *Promotion Plan for Workplace Waste Sorting at Beijing Offices*, and promoted the orderly management of waste.

Harmless waste from the Group includes domestic waste, kitchen waste, and waste generated in workplaces. We set up classified waste collection bins in Beijing, Shanghai, and other offices to implement waste classification. We have improved the efficiency of waste classification management by putting up posters containing waste classification information, training employees in waste classification knowledge, and arranging special personnel to sort waste.

Hazardous waste used by the Group, mainly toner cartridges for printers and used batteries, are collected separately and handed over to a qualified third-party recycler for proper recycling.

<sup>5</sup> Founded in 1993, Uptime Institute has been committed to the exploration and research of data center infrastructure for 30 years. It is a globally recognized data center standards institute and third-party certification institute.



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Since November 2020, Kuaishou launched a “Used Electronic Device Repurchase” program within the Company. The Company offers its employees the opportunity to purchase its laptops, system units, computers, monitors, tablets, and other devices that have been used for a certain number of years. The program extends the service life of the devices and reduces the impact of regular scrapping of electronic devices. In 2022, 5,131 electronic devices were repurchased by employees through this program. Among which, the first-ever internal sales event of used computers in 2022 was well received by employees, with more than 800 computers used for over three years sold at a single event.

In addition Kuaishou has replaced traditional printing paper with FSC certified printing paper used in the printing of its annual report, to help protect the forests and the environment. During the reporting period, Kuaishou promoted the use of Docs documents (an internal document system) for paperless office, which reduced unnecessary paper usage and protected more than approximately 4,000 trees.

### Case: Kuaishou participated in the resources recycling campaign in Haidian District, Beijing in 2022

Kuaishou encourages its employees to regularly sort and recycle reusable bulky items and hazardous waste. In 2022, in response to the resources recycling campaign in Haidian District, Beijing, Kuaishou transported waste that met certain requirements to the garbage transfer station for processing on every Monday, Wednesday and Friday in an effort to effectively reuse resources and carry out harmless treatment of waste.

**低值可回收物**  
未污染的、适宜回收的、可资源化利用的生活垃圾。

**大件垃圾**  
体积较大、整体性强、需要拆分再处理的生活垃圾。

**有害垃圾**  
含有毒物质、需要特殊安全处理的生活垃圾。

低值可回收物	大件垃圾	有害垃圾
废木头、废木板	床垫、褥子	荧光灯管
废玻璃	棕垫、椰棕垫	含汞温度计
各类玻璃瓶	乳胶垫、乳胶枕	油漆、涂料
废旧织物	沙发类	过期药品
旧衣服	桌椅柜等家具	杀虫剂、消毒液
废泡沫	箱包、鞋子	纽扣电池

**回收标准**  
干净、干燥、无残液，废旧织物无污染，废旧泡沫不要残留胶带。

**回收价格**

可回收物	回收价格	
废旧泡沫	1元/公斤	
废木头、木板	0.15元/公斤	
废玻璃、玻璃瓶	0.15元/公斤	
废纺织、衣服、大布	无价	
大件垃圾	床垫、桌椅、柜子、沙发等	无价
有害垃圾	过期药品、杀虫剂、水银温度计等	无价

关注“海淀E回收”公众号    按需选择回收服务    回收员确认订单    回收金额实时到账

垃圾分类 Waste Sorting    北京市海淀区物资回收公司 Beijing Haidian Materials Recycling Company    微信扫一扫 享受便捷回收服务

Handling process of the resources recycling campaign in Haidian District, Beijing



# Environmental, Social and Governance Report

## 1.2.3 Water resources management

With its water source coming from municipal tap water, Kuaishou has no problem in obtaining water source. We have formulated internal management measures such as the *Energy Saving and Consumption Reduction Management Policy* to continuously improve the efficiency of water resources utilization and avoid wasting of water resources. In 2022, we upgraded our water supply equipment to reduce water consumption for daily activities. The main water saving measures carried out were as follows:

- Adjust the sensitivity of the automatic induction water sensors, and turn off the water supply when no one is around;
- Adjust the water pressure of taps in hand-washing basins, equalize the water pressure between high and low floors, and reduce water consumption on low floors;
- Hand washing devices are equipped with special foaming device that reduces water consumption and enhance the handwashing effect;
- Check the water consumption regularly;
- Strengthen inspections and increase maintenance inspections to detect and avoid leaks.

Kuaishou stepped up the water resources management practices at its data centers. Compared with the traditional refrigeration system of chilled water, the Ulanqab data center can save about 4.7 million tonnes of water annually; thus, the WUE<sup>6</sup> is expected to be 0.83.

### Case: Water saving renovation project for headquarters washrooms of Kuaishou

In 2022, Kuaishou installed faucet aerators in the headquarters washrooms, replacing direct flow faucets, to save tap water consumption. We found that the aerator faucet reduces water flow by 500 ml every 30 seconds, which has helped us to achieve our water-saving goal.



**The amount of water flowing from an aerator faucet compared to a traditional faucet after 30 seconds**

<sup>6</sup> WUE, namely Water Usage Efficiency. WUE = the annual consumption of water resources in the data center/the annual power consumption of IT equipment in the data center.



# Environmental, Social and Governance Report

Environmental performance table<sup>7</sup>

Indicator	2022
<b>Total greenhouse gas emissions (Scopes 1 and 2) (ten thousand tonnes)</b>	<b>88.84</b>
Emissions (Scope 1)(ten thousand tonnes) <sup>8</sup>	1.02
Emissions (Scope 2)(ten thousand tonnes) <sup>9</sup>	87.82
Per capita greenhouse gas emissions (tonne/person)	32.42
<b>Comprehensive energy consumption (MWh)<sup>10</sup></b>	<b>1,580,499.59</b>
Direct energy consumption (MWh)	38,563.60
Including: Natural gas (m <sup>3</sup> )	176,400
Diesel (tonne) <sup>11</sup>	3,105.58
Direct energy consumption intensity (MWh/person)	1.41
Indirect energy consumption (MWh)	1,541,935.99
Including: Purchased electricity (MWh)	1,534,956.48
Purchased heat (GJ)	25,140.13
Indirect energy consumption intensity (MWh/person)	56.27

<sup>7</sup> The environmental data caliber includes the administrative office buildings of the Group's headquarters and subsidiaries, 17 leased data centers in North China and 3 leased data centers in South China. Data on packaging material is not applicable to the Group.

<sup>8</sup> Greenhouse gas emissions (Scope 1) come from diesel and natural gas consumption. The emission factors of natural gas and diesel refers to the 2019 revision of the IPCC 2006 Guidelines for National Greenhouse Gas Inventories.

<sup>9</sup> Greenhouse gas emissions (Scope 2) come from the consumption of purchased electricity and purchased heat. The emission factor of purchased electricity refers to the national average emission factor of the power grid in the *Enterprise Greenhouse Gas Emissions Accounting Method and Reporting Guidelines for Power Generation Facilities (2022 Revision)* published by the Ministry of Ecology and Environment of the People's Republic of China, and the emission factor of purchased heat refers to the *Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines for Enterprises in Other Industries* published by the National Development and Reform Commission on July 6, 2015.

<sup>10</sup> The comprehensive energy consumption is calculated according to the conversion of various energy into standard coal in GBT 2589-2020 *General Rules for Calculation of Comprehensive Energy Consumption*.

<sup>11</sup> Diesel consumption increased compared with last year was due to the temporary use of diesel generator resulting from regional power outages and power grid upgrades. Diesel consumption remained at a similar level in 2021 if excluding the above mentioned non-recurring factors.



## Environmental, Social and Governance Report

Indicator	2022
<b>Fresh water consumption (ten thousand tonnes)<sup>12</sup></b>	<b>164.87</b>
Per capita fresh water consumption (tonne/person)	60.17
<b>Wastewater discharge (ten thousand tonnes)</b>	<b>61.24</b>
Per capita wastewater discharge (tonne/person)	22.35
<b>Hazardous waste (tonne)<sup>13</sup></b>	<b>143.61</b>
Per capita hazardous waste discharge (kg/person)	5.24
<b>Non-hazardous waste (tonne)<sup>14</sup></b>	<b>0.30</b>
Per capita non-hazardous waste discharge (kg/person)	107.80
<b>PUE value of data centers</b>	<b>1.35</b>

<sup>12</sup> The water source used by the Company is municipal tap water within the statistical range. In terms of water resource utilization, the Company did not have difficulties in obtaining water source in 2022.

<sup>13</sup> Hazardous wastes include waste batteries, waste modulator tubes, toner cartridges and ink cartridges. The emission of hazardous waste was increased compared with last year because massive old batteries reached their scrapping phrase and were replaced.

<sup>14</sup> Non-hazardous wastes include domestic waste, kitchen waste and office waste.



# Environmental, Social and Governance Report

## 2. SOCIETY

As a member of society, Kuaishou always pays close attention to the needs of its users, employees, suppliers, communities and other stakeholders, and strives to offer better products and services to our users and help our employees develop their career and realize their value. We have adopted probity and integrity in our corporate governance. Together with our suppliers, we undertake our social responsibilities and contribute to the betterment of society.

### 2.1 Platform Responsibilities

Kuaishou attaches great importance to platform governance by closely safeguarding user privacy and platform data security. We have actively carried out technological and business innovation by leveraging technologies and digitalization, and used our own technical resource advantages to empower the industry. In order to provide users with a high-quality service experience, we have continuously strengthened our management of online content and improved our user service system and communication mechanism.

#### 2.1.1 Data Security Guardian

Kuaishou attaches great importance to and protects the data security of our customers, business partners and itself, and strictly abides by laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Provisions on the Administration of Mobile Internet Applications Information Services* and the *Provisions on the Technical Measures for Protection of the Security of the Internet*. We had formulated the *Kuaishou Information Security Management Regulations*<sup>15</sup>, *Regulations on the Administration of Information Security Organization of Kuaishou*<sup>16</sup>, the *Kuaishou Employee Information Security Code*<sup>17</sup> and other rules (Please see "*Kuaishou Privacy Protection Platform*<sup>18</sup>" for details of these and other policies.). In 2022, Kuaishou revised a total of 14 data security-related system documents. Kuaishou always implements the latest technology and specifications to ensure data security.

Kuaishou has established an Information Security Committee to be responsible for the Group's information security management and risk management, laying a solid foundation for network security. The Kuaishou Information Security Committee includes a decision-making layer and an execution layer. The execution layer is composed of personnel from relevant departments.

Kuaishou has built a comprehensive security management process and emergency response plan, and has formulated rules and regulations such as the *Kuaishou Vulnerability Handling Specification*<sup>19</sup>, the *Kuaishou Security Incident Emergency Response Specification*<sup>20</sup> and the *Security Incident Classification and Grading Specification*. These rules and regulations will allow us to respond quickly after receiving report of an emergency, by convening relevant personnel to formulate an emergency plan, review and summarize actions taken after the incident is properly handled, and to prepare a *Security Incident Emergency Response Report* to continuously optimize and improve Kuaishou's emergency response capabilities. We have also established a public opinion detection mechanism to ensure the correct perception of the public, and balance the transparency and public interest.

<sup>15</sup> <https://privacy.kuaishou.com/is-law-privacy/api/open/base/attachment/preview?fileId=4>

<sup>16</sup> <https://privacy.kuaishou.com/is-law-privacy/api/open/base/attachment/preview?fileId=2>

<sup>17</sup> <https://privacy.kuaishou.com/is-law-privacy/api/open/base/attachment/preview?fileId=3>

<sup>18</sup> <https://privacy.kuaishou.com/>

<sup>19</sup> <https://privacy.kuaishou.com/is-law-privacy/api/open/base/attachment/preview?fileId=15>

<sup>20</sup> <https://privacy.kuaishou.com/is-law-privacy/api/open/base/attachment/preview?fileId=10>



## Environmental, Social and Governance Report

Kuaishou regularly conducts internal and external security inspections and third-party certification audits and assessments related to data security. In order to ensure the safe operation of the internal information system, Kuaishou requires information system operation and maintenance inspection and a security inspection performed by the information security center at least once every quarter. In order to protect the data security of the Company and users, Kuaishou regularly conducts privacy and data security inspections of external suppliers and partners. The Company requires suppliers/partners with access to users' (sensitive) personal information to sign data confidentiality agreements and compliance commitment letters. When introducing any new supplier, we will conduct security assessments and assessments of personal information protection capabilities, including data security protection capabilities, account and authority management capabilities, personal information protection, network security, host security construction of such supplier, safety certifications obtained and audits conducted by such supplier. Kuaishou will require it to provide a statement on the legality of the data source, promise to protect user data security and sign the *Data Compliance Undertaking Letter*, and Kuaishou regularly audits system suppliers involving (sensitive) personal information. If any inadequacy is identified, we will require it to complete rectification within a specified period. In addition, Kuaishou actively carries out information security audit/certification, and conducts an external independent audit related to data security once a year. In 2022, Kuaishou obtained information security management system certifications including ISO 27001 information security management system, ISO 27701 privacy information management system and ISO 27017 cloud service information security management system, covering 100%<sup>21</sup> of our business lines.

In 2022, we continued to improve our data security management capabilities through system assessments and employee training. Kuaishou actively carried out network security level protection filing and evaluation to enhance the security of information systems. During the year, 10 system evaluations were completed, represented four more evaluations compared with 2021. For data security training, Kuaishou has established a comprehensive information security and privacy protection training mechanism, and provides information security trainings to all employees (including new employees, as well as dispatched labor and interns), data security-related employees, business partners (including contractors and suppliers). The trainings cover data security, user personal information protection and coding security, and Kuaishou conducts information security assessments for all of its employees. In addition, we encourage and support data security-related employees to obtain certification in professional fields including CISP<sup>22</sup>, CISSP<sup>23</sup> and the "Industrial and Information Technology Professional Competency Certificate" issued by the Education and Examination Center of the Ministry of Industry and Information Technology.

<sup>21</sup> Refers to the ratio of Kuaishou's business lines with information security related qualifications as a percentage of all business lines.

<sup>22</sup> CISP refers to Certified Information Security Professional.

<sup>23</sup> CISSP refers to Certification for Information System Security Professional.



## Environmental, Social and Governance Report

### Data security trainings of Kuaishou in 2022

Participants	Content	Number of Participants
All employees (including new employees, as well as dispatched labor and interns)	<p>Introducing the Company's user personal information protection measures, data classification and grading management system, data security incident ratings and corresponding handling measures, so that employees are familiar with the Company's data classification and grading and other protection measures, and improve their data security sensitivity and response capabilities</p> <p>New employees are required to participate in information security awareness training and examinations after joining the Company</p>	In 2022, the number of participants was 7,100+, and the cumulative number of participants has reached 60,000+
The Company's legal, R&D, product development, marketing, content rating, data platform, main platform departments and others	Offline information security awareness training	In 2022, the number of participants was 2,800+
Partners (including contractors and suppliers)	Training on personal information protection and App privacy compliance	In 2022, the number of participants was 500+

As a leading content community and social platform, Kuaishou always maintains an open, educational and progressive attitude when communicating with others. In 2022, we organized external salons to build a communication bridge with industry peers and carried out security technology sharing activities. In 2022, Kuaishou launched five salon activities on themes of vulnerability detection, data security and privacy protection, along with building security defense capabilities, enterprise security and security standardization. In addition, Kuaishou attaches great importance to and actively participates in the standardization. In 2022, Kuaishou participated in data security standardization and issued GB/T 42015–2022 *Information Security Technology — Online Payment Service Data Security Requirements* and GB/T 42016–2022 *Information Security Technology — Network Audio and Video Service Data Security Requirements* and various other national, industry and organization standards.



## Environmental, Social and Governance Report

### Case: Kuaishou organized a security salon titled “Guardians — Building of Security Defense Capabilities”



Poster of “Guardians — Building of Security Defense Capabilities”

On July 2, 2022, Kuaishou organized an online salon with the theme of “Guardians — Building of Security Defense Capabilities”, and invited external security engineers and solution managers to discuss frameworks and implementation plans in zero trust infrastructure construction and defense capacity building with Kuaishou’s office security director. The salon had more than 2,800 participants, including more than 2,400 viewers who watched the live broadcast online.

### 2.1.2 User Privacy Protection

Kuaishou’s domestic business strictly abides by national laws and regulations, such as *Data Security Law of the People’s Republic of China* and *Personal Information Protection Law of the People’s Republic of China*, while overseas business strictly abides by local laws and regulations, such as EU GDPR<sup>24</sup>, Brazil LGPD<sup>25</sup>, US CCPA<sup>26</sup> and US CPRA<sup>27</sup>. Kuaishou has established a comprehensive user privacy protection system, and internally formulated management regulations, such as the *Kuaishou Privacy Protection Specification*<sup>28</sup> and the *Kuaishou Privacy Protection Evaluation Guide*, and established a privacy protection organizational structure composed of the Information Security Committee, Privacy Protection Working Group and business departments, so as to continuously strengthen its privacy protection governance.

<sup>24</sup> General Data Protection Regulation is a data privacy protection act promoted by the European Union.

<sup>25</sup> The General Law for the Protection of Privacy (LGPD), the main regulation for personal data protection in Brazil, has entered into force since September 18, 2020.

<sup>26</sup> The California Consumer Privacy Act (CCPA) is the first comprehensive privacy law in the United States. It was signed into law at the end of June, 2018 to provide California consumers with a variety of privacy rights.

<sup>27</sup> The *California Privacy Rights Act* (CPRA) introduces new principles involving data minimization and data retention.

<sup>28</sup> <https://privacy.kuaishou.com/is-law-privacy/api/open/base/attachment/preview?fileId=5>



## Environmental, Social and Governance Report

Kuaishou abides by the “principle of consistency of rights and responsibilities, minimum necessity, safety assurance, and informed consent”, and only processes the minimum type and amount of personal information required to meet the purpose of the personal information subject’s authorization and consent, and deletes such personal information in time after the purpose is achieved. If the user does not agree to the authorization, we will not collect his/her personal information. We have implemented adequate management measures and technical means to protect the confidentiality, completeness and availability of personal information. In order to better protect users’ personal information, we have formulated independent privacy policies for all products under Kuaishou. We highly respect users’ independent rights and interests, fully informing them of the collection and purposes of user information, and clearly stipulate that users have the right to manage their personal information, including viewing rights, correction rights, deletion rights, withdrawal of consent rights, cancellation rights, separate consent rights, proxy exercise rights, etc. In 2022, Kuaishou deepened the implementation of the *Personal Information Protection Law of the People’s Republic of China*, and provided users with privacy summaries, personal information collection lists and third-party data cooperation lists in its products, such as Kuaishou App, Kuaishou Express App, Kmovie and Yitian Camera. While providing products and services efficiently, the personal privacy of users has been effectively protected from infringement. Please refer to “Kuaishou Privacy Protection Platform<sup>29</sup>” for details of the product privacy policy.

In 2022, Kuaishou conducted a privacy compliance review of distributed Apps, completed the privacy compliance review of all existing distributed Apps, and completed the full review and compliance testing of newly added Apps. In addition, we have carried out a number of special tasks on personal information security management to strictly protect personal privacy data from being leaked. In the second half of 2022, Kuaishou was connected to the “National APP Certification and Signature Service System” developed by the China Academy of Information and Communications Technology. Through the certification and signature labels with tamper-proof and identifiable features of the system, the signed App can be verified and clearly marked. This enables users to download and install authentic Apps with assurance.

### **Case: Kuaishou launched a special project on personal information security management of e-commerce platform companies involved in postal express delivery**

In 2022, Kuaishou responded to the special action on personal information security governance of postal express delivery companies on major e-commerce platforms carried out by the State Post Bureau, and strengthened the governance of information security.

During the year, we promoted a series of e-commerce ecological data security governance work, such as internet software vendor (ISV) application security rectification, data perception and early warning capability improvement and black market deterrence. Different tools were deployed and targeted management and control strategies were adopted under different scenarios, such as back office of merchants, ISV customer service, after-sales, upstream and downstream cooperation of offline delivery, courier company inquiries and contacts. Kuaishou has continued to simultaneously promote the penetration rate of electronic bills and the advancement of ordering tools in e-commerce stakeholders to ensure the security of platforms, merchants and user data.

According to the principle of data minimization, Kuaishou has encrypted and desensitized information, such as name, mobile phone number and delivery address, to partners only for the purpose of completing transactions/services upon obtaining user authorization, so as to avoid service providers and relevant parties obtain real user information during the cooperation period, while providing ISVs with data security encryption solutions to enhance their data security protection. Kuaishou promises never to sell users’ personal information to any third parties.

<sup>29</sup> <https://privacy.kuaishou.com/regulation>



## Environmental, Social and Governance Report

### Case: Kuaishou launched a special project on the management of highly sensitive personal information

In 2022, Kuaishou focused on carrying out a special project of highly sensitive personal information governance, and established a closed-loop control mechanism, including identification, protection, detection and response for major basic platforms and core business systems:

- Data identification: clearly establishing classification and grading standards, setting up a classification and grading platform, and automatically classifying and marking sensitive data, such as mobile phone numbers and ID card numbers;
- Data protection: implementing authority control and data encryption storage. We control permissions based on the RBAC<sup>30</sup> model and the principle of minimal authorization. The use of permissions is required to be authorized, and the permissions are regularly audited and withdrawn. In addition, when we store highly sensitive personal information, we use a secure encryption security algorithm for data encrypted storage;
- Detection and response: establishing a log-based abnormal behavior detection and traceability mechanism for major applications and platforms, quickly discovering abnormal use of personal data, and conducting audit operations to ensure abnormal alarms are set off in a timely manner.

In terms of cooperation with external third parties, Kuaishou stipulates that third parties are only allowed to process users' personal data in specified scenarios upon obtaining user authorization, and all data transmissions shall be encrypted. Kuaishou only shares the personal information of users with others in six scenarios. For details, please refer to *Kuaishou Privacy Protection Policy*<sup>31</sup>. In 2022, we carried out third-party SDK<sup>32</sup> evaluation and governance work, fulfilled the obligation of prudentially selecting and evaluating embedded SDKs, and completed the compliance evaluation of the SDK's handling of users' personal information before any third-party SDK is embedded. The evaluation included but not limited to: whether the collection and use of personal information was legitimate; whether there was any known malicious code; whether there was any known security vulnerability; whether it had the ability to protect personal information. We clearly inform users of the types of SDK being embedded, and the purposes and means of the processing for the data being collected.

In addition, Kuaishou attaches great importance to and actively participates in standardization of personal information protection. In 2022, Kuaishou participated in and issued GB/T 41391–2022 *Information Security Technology — Mobile Internet Application (App) Basic Requirements for Personal Information Collection*, YD/T 4184–2022 *Mobile Internet Application (App) User Rights and Interests Protection Evaluation Specifications*, T/TAF 109–2022 *Mobile Application Distribution Platform — APP Developer Credit Evaluation System* and various other national, industry and organizational standards.

<sup>30</sup> RBAC refers to Role-Based Access Control.

<sup>31</sup> <https://privacy.kuaishou.com/policy>

<sup>32</sup> SDK refers to Software Development Kit.



# Environmental, Social and Governance Report

## 2.1.3 Protection of Intellectual Property Rights

Kuaishou strictly abides by the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Management Measures for Internet Domain Name* and other laws and regulations. It also formulated and implemented the *Guidelines for Overseas Patent Work*, the *Handbook for Standard Patent Work*, the *Regulation on Patent Quality Standard*, the *Management Measures for Open-Source Compliance*, the *Handling Process of Patent Complaint*, the *Guidelines for Patent Work*, the *Guidelines for Trademark Protection Work*, the *Guidelines for Copyright Registration Work*, and the *Specifications for Domain Name Application and Filing* and other institutional documents to strengthen the protection of patents, trademarks, copyrights and other intellectual property rights. The Group fully respects the intellectual property rights owners, encourages and supports fair competition, and does its best to protect the legitimate rights and interests of others and itself from infringement. In 2022, we formulated *Kuaishou Export Compliance Control System*, progressively established and improved our own export control compliance system and prevented the emergence of export control risk events.

As of December 31, 2022, Kuaishou had applied for 9,930 patents domestically and abroad and so far has been granted 3,264 patents. It has obtained 8,814 domestic and foreign registered trademarks and 4,346 copyright registrations. In April 2022, Kuaishou released the *Kuaishou Innovation and Intellectual Property White Paper*, as the first intellectual property white paper on the live streaming and short video industry in China, which fully demonstrated Kuaishou's latest achievements and progress in technological innovation, intellectual property protection and other fields.

In 2022, Kuaishou as a trademark was recognized as a "well-known trademark" by the competent authority in trademark rights cases. Its legal value has a wider and higher level of legal protection than ordinary trademarks, which will curb malicious trademark registration, infringement and other illegal acts, and safeguard the legitimate rights and interests of trademark owners. Recognition of "Kuaishou" as a "well-known trademark" not only reflects the phased achievements of the Company's brand building over the past decade, but also provides an important guarantee for further exerting the brand value of its trademark and empowering business development in the future.

During the year, Kuaishou won the *23rd China Patent Excellence Award* for three of its patents related to audio-visual fingerprint extraction, human body key point detection and video generation methods.



Three of Kuaishou's patents won the China Patent Excellence Award



## Environmental, Social and Governance Report

### Case: Kuaishou was awarded the title of “Top Ten Copyright Owners” by China Copyright Protection Center



Kuaishou was awarded the title of “2021 Top Ten Copyright Owners”

On April 23, 2022, the conference titled “Reading for Knowledge Dissemination and Copyright Promotion for Innovation” was hosted by the China Copyright Protection Center. The press conference for the Top Ten Copyright Owners of 2021 was held during the first National Reading Conference. The “2021 Top Ten Copyright Owners” were announced in the conference. Beijing Dajia Internet Information Technology Co., Ltd. won the award for the first time.

“Top Ten Copyright Owners” is one of the highest honors issued by the China Copyright Protection Center. This award is recognition of Kuaishou’s efforts to protect its original copyrights, support mechanisms for original content creators and copyright ecological governance. It also encourages Kuaishou to increase its investment in copyright protection. The increasing awareness and ability of copyright protection will contribute more to the creation of high-quality copyrights and the building of a culturally powerful country.

Kuaishou protects the brand and its own intellectual property rights by launching an intellectual property protection platform, establishing anti-counterfeiting alliance, carrying out brand rights protection and combating intellectual property crimes. To improve the experience of rights holders or brand parties in complaining and defending their rights, and build a good ecosystem for the Kuaishou platform, we officially launched the “Intellectual Property Protection Platform” in October 2022, supporting certification of various rights, such as patent rights, trademark rights, and copyrights, handling complaints about e-commerce products and verifying identities of domestic holders of the rights. We continue to closely integrate brand owners, law enforcement agencies, and platforms through the anti-counterfeiting alliance. On top of the original active prevention and control, we also use the passive prevention and control methods through the intellectual property protection platform, a platform which allows public to file reports. We actively expand the channels for rights protection and fight against piracy in the society.



Kuaishou Intellectual Property Protection Platform

In 2022, we assisted brand owners and merchants to carry out brand rights protection. By cooperating with 77 brands, we identified 155 brand authorization qualifications; identified 95 products suspected of infringement, and cracked down on 30 intellectual property infringement crimes offline. The value involved in these cases exceeded RMB47.25 million.



## Environmental, Social and Governance Report

### Case: Kuaishou's trademark and brand public welfare live broadcast helped the business development of merchants



Live broadcast of “Small Trademarks, Great Ways”

On April 21, 2022, Kuaishou organized a trademark and brand public welfare live broadcast with the theme “Small Trademarks, Great Ways”. With the goal of enhancing users’ awareness of trademark protection, and intellectual property rights protection, activities included guest interviews and live sharing with experienced people. A total of 1.26 million viewers watched the live broadcast, and users said it effectively raised their ability to protect their trademark and brand.

### Case: Kuaishou actively participated in the China Industrial Internet Alliance to help achieve “carbon neutrality”



Announcement of the Carbon Neutrality Special Committee and the Open Technology Alliance

On August 23, 2022, the Carbon Neutrality Open Patent Technology and Application Forum was held at the China Industrial Internet (Jiangmen) Summit. Kuaishou and 10 other companies jointly announced the formation of the Carbon Neutrality Special Committee and the Open Technology Alliance.

The companies of the Carbon Neutrality Special Committee pledged adherence to the core concept of open sharing, disclosed their patented technologies related to energy conservation and carbon reduction and opened them to other members. The companies shared, free of charge, 189 patented technologies. Among them, eight patent-related technologies released by Kuaishou had been applied in various technical fields, used in data centers, cloud computing, electrical, short video, terminal control to realize peak savings and efficient utilization of resources, and improve resource utilization efficiency.



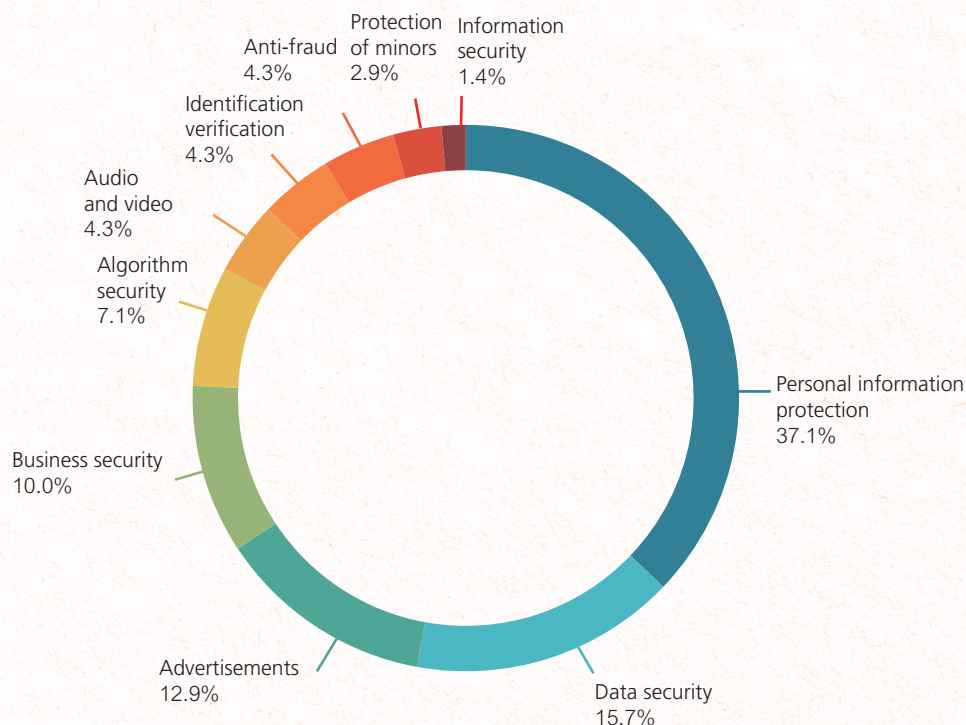
# Environmental, Social and Governance Report

## 2.1.4 Standardization

Kuaishou attaches great importance to standardization and has actively participated in standardization activities. It has contributed best practices to the industry while meeting regulatory compliance requirements. Kuaishou has participated in standardization activities organized by the International Telecommunication Union (ITU-T), National Information Security Standardization Technical Committee (SAC/TC260), National Information Technology Standardization Committee (SAC/TC28), China Communications Standardization Association (CCSA), National Radio, Film and Television Standardization Technology Committee (SAC/TC239), Telecommunications Terminal Industry Association (TAF), Internet Society of China (ISC), China Advertising Association (CAA) and more than 20 standardization organizations, contributing to the healthy development of Internet services, protection of consumer rights and promotion of the industrial technology innovation.

As of December 31, 2022, Kuaishou led and participated in the formulation of more than 70 international, national, industry and organization standards in fields of data security, personal information protection, network security, audio and video. 36 of the standards had been released. In 2022, Kuaishou continued to participate in the advanced technology pre-research of international video standards. The innovative technology independently developed by Kuaishou had been adopted by the ISO/ITU Joint Video Exploration Team (JVET), the Digital Audio and Video Codec Technology Standard Working Group (AVS), the Open Media Alliance (AOM) and other international standard organizations.

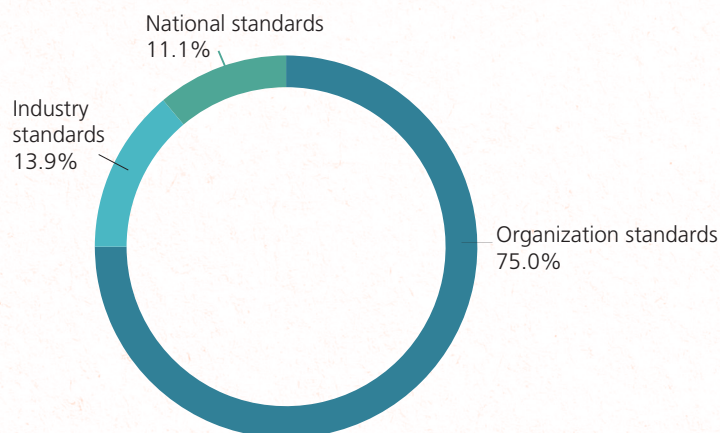
**Kuaishou led and participated in the formulation of standards in various fields**





## Environmental, Social and Governance Report

Standards formulated and released by Kuaishou



Kuaishou has established an enterprise standard system to strengthen the development of standards and management of its own business lines. By unifying its own standards with national, industry and organization standards, Kuaishou has standardized the structure, interface, process or safety requirements of its internal products. It has shared its technology and business practices with others, laying a cornerstone for international, national, industry and organization standards.

Kuaishou has built a standardized platform to facilitate its employees to promptly inquire, learn and exchange standardized information. The platform hosts sub-modules, such as key standardization projects, standardization organizing meetings, standard interpretations and standardization results, so that Kuaishou's employees can easily, intuitively and timely understand the progress of its internal and industry standardization. The platform releases interpretations of important standards to internal employees as needed, covering many hot and key areas, such as personal information protection, data security, AI algorithm security, anti-telecom network fraud and protection of minors. Through systemically streamlining and refining key points, Kuaishou helps its employees understand standard content faster and more accurately.

Kuaishou attaches great importance to cultivating employees' awareness of standardization and external standardization communication, and insists on disseminating and implementing standardization knowledge in a variety of diversified forms. In order to enhance employees' awareness of standardization and strengthen the influence of Kuaishou's standards, on November 26, 2022, Kuaishou held an online and offline salon event titled "Helping Business, Standards First" to discuss how to help business compliance and healthy and efficient development through standardization. The event attracted nearly 4,000 viewers.



# Environmental, Social and Governance Report

## 2.1.5 Platform Ecological Governance

In order to continuously standardize the operation and management of e-commerce, Kuaishou has strengthened the construction of a compliance system in accordance with relevant laws and regulations, strictly controlled the access, review and exit of e-commerce merchants, and protected the rights and interests of merchants, consumers and minors through responsible marketing and customer service training, creating a healthy platform ecology.

- *E-commerce Compliance Management*

In addition to full compliance with all applicable laws and regulations, including the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *E-Commerce Law of the People's Republic of China* and the *Product Quality Law of the People's Republic of China*, Kuaishou has continuously improved the rules and regulations on management of products and merchants, including the *Kwai Shop Management Rules (General Provisions)* and the *Kwai Shop Products Promotion Management Rules*. In 2022, Kuaishou added new systems, such as the *Management Rules for Restricted Commodities in Kwai Shop* and *Detailed Rules for Access to the Jewelry, Cultural and Play Industry/Restricted Commodities* to strengthen e-commerce compliance management.

### Whole process management of e-commerce



#### E-commerce entry

- Business invitation: Formulate the *Kuaishou Business Invitation Rules for Enterprise E-Commerce Stores* and provide refined and different management based on the types of shops and businesses.
- Qualification review: Formulate *Kuaishou Qualification Requirements for Enterprise E-Commerce Stores*, to support the automatic review of multidimensional rules such as subject qualification, industrial qualification, brand qualification, commodity qualification and others.

#### E-commerce risk management

- High-risk industries: For high-risk industries such as health care and agricultural goods, we only invite enterprises on the white list of *category invitation/clearance SOP*.
- High-risk merchants: Independently review the products and operations of merchants with high exposure (with no less than 5 million users).
- High-risk products: Classify commodities into high-risk and low-risk categories. A presales review is carried out using machine and manual review. We also enhance category accuracy and prevent high-risk commodities being detected as low-risk.

#### Merchant exit

- General exit.
- Merchant interception: To avoid unqualified merchants from re-entering our platform under a different name, we have established a unqualified merchants interception mechanism.



## Environmental, Social and Governance Report

Kuaishou has continued to optimize its management process, risk management, merchant exit and other compliance work to ensure the high-quality experience of merchants and consumers. In June 2022, we formulated the *Rules for the Assessment Period of Kuaishou New Merchants' Operation Capability*, established an operation and management mechanism for new e-commerce merchants, and implemented an inspection period for new e-commerce merchants. Non-conforming merchants are effectively screened out through a comprehensive evaluation, that includes stratification and risk prediction for new merchants. We have monitored the business of over 2 million new merchants, reducing the proportion of orders from non-conforming merchants by more than 10%.

In 2022, we implemented full-process management of Kuaishou merchants in terms of e-commerce entry, risk management and merchant blacklist, strictly controlling the qualifications and risk exposure of merchants, and took targeted measures based on differences in qualifications and risks. An interception mechanism has been implemented for unqualified merchants, to ensure healthy ecosystem and compliance with Kuaishou's rules and regulations. Kuaishou blocked 174,000 risky merchants throughout the year in 25,160,000 blockages. Our archive of banned and inferior commodities blocked more than 1.18 million items throughout the year.

- *Responsible E-commerce Marketing*

Kuaishou always adheres to responsible marketing and strictly manages the sales practices of e-commerce merchants, to create a positive business ecosystem. We published documents containing relevant manuals on the Kuaishou Merchant Forum, including *Expressions Prohibited under the New Advertising Law*, *Video Interpretation of False Advertising Cases*, and *Combating the Promotion of Counterfeit Goods* to standardize the description and promotion of texts, images, live streaming and other means used in the process of product sales.

In 2022, Kuaishou completed three revisions of the *Implementation Rules for Publishing False Promotional Information (Merchants)*, formulated nine industry marketing specifications for Kuaishou e-commerce live streaming (including short video promotion), and revised or added 31 product quality sampling rules to effectively protect the interests of consumers. We formed a whole-process prevention and control system covering pre-sales, sales, and after-sales, and strengthened the review of merchants to avoid consumers being misled.



# Environmental, Social and Governance Report

## Whole-process management of Kuaishou's responsible marketing

### Pre-sales

- Strictly review the business qualifications, industrial qualifications as well as brand qualifications of the merchant before allowing for entry;
- Establish a risk control strategy using image and text recognition technologies to identify and intercept non-compliant merchants and commodities;
- Cooperate with service providers to introduce high-quality supply chains.

### Sales

- Apply quality indicators for marketing activities and distribution depots, and guide merchants to optimize the quality of commodities and services and improve their quality standards;
- Establish strategic models to identify inferior, counterfeit goods and illegal goods;
- Monitor the complaint data of live streaming content to obtain feedback from users;
- Cooperate with quality inspection authorities and arrange mystery shoppers to carry out random spot checks on products.

### After-sales

- Establish monitoring indicators and report analysis to spot abnormal quality goods;
- Punish merchants who sell illegal commodities and report to quality inspection authorities;
- Cooperate with brand owners and public security organizations to crack down on non-compliant merchants.

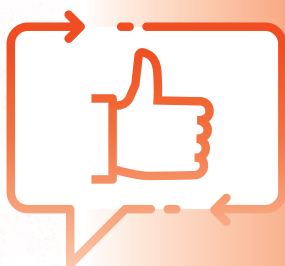
Kuaishou is committed to creating a good e-commerce brand ecology. We have cooperated with more than 200 brands to build a counterfeit identification archive. Combined with platform algorithm capabilities, we intercepted more than 200,000 counterfeit goods, and dealt with more than 23,000 merchants involved in counterfeit goods. In June 2022, Kuaishou cooperated with a brand group to carry out an offline crackdown on counterfeit of its merchandise and products made by other brands. We also identified gangs involved in illegal live broadcast-sales and upstream production of counterfeit goods. The value involved amounted to more than RMB11 million.



# Environmental, Social and Governance Report

Kuaishou actively carries out positive and responsible marketing, listens to users' needs, and actively solves problems. By launching the "Reliable Purchase" service brand and the Happy Village Leaders Program and strengthening trainings related to responsible marketing, we have continued to empower the growth of small- and medium-sized merchants.

## Responsible marketing measures of Kuaishou



### Listening to user opinions and identifying pain points

- Kuaishou e-commerce places great emphasis on user needs, pays close attention to their pain points, and receives hundreds of millions of interactive feedback every day from various channels including comments, messages, and evaluations. With a complete dynamic coverage of feedback related to orders, Kuaishou e-commerce aims to achieve 100% coverage of user opinions in all e-commerce scenarios in the future

### Actively providing assistance and taking the initiative to serve

- Identifying product-related problems reported by users in merchant customer service or platform customer service channels, and providing quick refunds or compensation proposals
- Through comprehensive analysis of feedback, comments and messages, the platform can learn about users' unpleasant experience and call them to troubleshoot and solve possible problems. The satisfaction rate of affected users with proactive calls reached 92%

### Continuous rights protection

- In 2022, the number of orders under the Reliable Purchase program of Kuaishou e-commerce increased by 460% as compared with 2021, meanwhile, number of buyers grew by 32%. According to a survey, nearly 70% of merchants who know about Reliable Purchase program believe it may have had a positive impact on their business
- The gross profit margin (GPM) of Reliable Purchase merchants in free public domain traffic was 20% higher than those who are not
- The coverage rate of rights for damaged and refunded goods reached 90%
- Refunds due to allergies to beauty makeup and personal care products realized nearly full coverage, and refunds for spoiled fruit also realized nearly full coverage

### Allocating resources to help reliable live streamers

- The marketing exposure of reliable live streamers or merchants offered by the platform has exceeded 650 million views
- Highly-experience merchants acquired 17% more e-commerce free public domain traffic
- The "Top 100 Reliable Live Streamers" campaign was launched to increase the exposure of outstanding reliable live streamers

### Happy Village Leaders Program

- Over the next three years, hundreds of millions of marketing exposure will be invested to discover and support more than 1,000 rural entrepreneurs, in 160 key counties supported by the state, and to carry out short video and live broadcast rural talent training for more than one million people



## Environmental, Social and Governance Report

### Case: Kuaishou organized empowerment trainings for small- and medium-sized merchants

In order to facilitate the rapid growth of small-and medium-sized merchants, Kuaishou has built a self-service learning system for merchants with GMV<sup>33</sup> of less than RMB500,000, to help them plan their growth path. After the launch of the training course for small-and medium-sized merchants, more than 1 million merchants participated, and the user satisfaction rate reached 90%. A series of short videos titled “Kuaishou Merchant Education” were broadcast on the platform and have had more than three billion views, allowing more merchants to have clear growth goals on the platform.

In 2022, Kuaishou continued to expand its training, offering one on-line and 10 in-person training courses on merchant development. As of November 2022, nearly 50,000 new merchants successfully passed the course. The overall satisfaction of the training courses was 95%, and the net promoter score was 83%.



Merchant training courses



In-person merchant training

<sup>33</sup> GMV refers to Gross Merchandise Volume, typically includes sales, cancelled order amounts, rejected order amounts and returned order amounts.



# Environmental, Social and Governance Report

## 2.1.6 Quality Customer Services

Kuaishou emphasizes improving service quality by continuously upgrading and innovating customer service systems and communication channels, improving users' service experience, paying attention to and caring for the growth of minors, to create a clear and positive network environment.

- *User Service System*

Kuaishou constantly upgrades service standards based on users' needs and feedback. In 2022, we formulated internal rules and regulations, such as the *Management Specification for Training and the Rules for Training Evaluation*, and revised 261 customer service-related systems, including *New User Incoming Consultation Process of User Service Center — Hotline Access*, in order to optimize customer service. In 2022, Kuaishou received approximately 80,000 complaints, and achieved a 100% response rate.

We continue to strengthen the construction of our customer service system and improve the service quality of the platform. In order to meet the increasing demands of users and improve the satisfaction of end users, Kuaishou has optimized and upgraded the user experience department. The user service center was adjusted to a vertical business model which includes the main platform, e-commerce, security, commercialization and games, enabling us to respond to users' needs in a more efficient manner. In August 2022, Kuaishou launched the *Technical Requirements for E-Commerce Smart Customer Service*, which stipulates the technical requirements for smart customer service in terms of system architecture, configuration requirements, knowledge base, service process and technical indicators, to promote the continuous improvement of users' and merchants' experience. In December 2022, the standard was approved by the Internet Society of China and upgraded to an organization standard, allowing related companies to reference Kuaishou's experience.

In order to improve employees' customer service capabilities, Kuaishou has continued to carry out customer service training activities covering new employees, existing employees and managers, aiming to help employees master professional service skills and practical capabilities so they can better answer customer questions, and improve users' experience.



## Environmental, Social and Governance Report

Kuaishou's user service training system

Category	Trainees	Training frequency	Average training duration	Training content
New employee orientation	New employees	10 times per month	Two weeks in-person training	General courses on customer service, such as customer service awareness, courteous language, complaint handling skills. The courses are designed to help trainees master basic service skills and provide users with a better service experience. Simulation drills are used to strengthen trainees' knowledge, making them more proficient in dealing with various problems and better at answering users' questions.
Business improvement training	Existing employees	10–20 times per month	0.5 hours per day on average	Training is primarily focused on delivering updated content of each business line, expanding the knowledge of related personnel. Once the function of a live streaming product in the App is upgraded, relevant training shall be provided to all live streaming business line employees, before a new function is launched. After training, on-site examination of the training content will be conducted for trainees to ensure they have mastered the knowledge of the updated function and are able to answer questions from users about the new function.
Management promotion training	Employees with high potential  Junior management	10–15 times per year	Eight hours per month on average	Provide internal and external training, and external purchased courses for management to learn the advanced management experience and data analysis experience of the current customer service industry, to continuously improve their practical and professional abilities and user experience.



## Environmental, Social and Governance Report

Kuaishou has continued to strengthen customer service capabilities, enriched user communication channels and improved feedback mechanisms. Through a self-service APP, 400 toll-free hotlines, SMS, sampling, random telephone follow-up, data entry and analysis, we listen to customers in different channels or forms. During telephone follow-ups, if users report potential merchant problems, such as misleading prices or third-party platform fraud, we work with the e-commerce platform to identify and prohibit violating merchants and similar merchants. In 2022, Kuaishou conducted telephone follow-ups with more than 250,000 users, and the annual overall satisfaction rate of all channels was 83%, the satisfaction rate of the call center manual service channel was 93%.

### 2.1.7 Content Governance

Kuaishou attaches great importance to the maintenance and orderly operation of the short video and live streaming ecosystem, and strives to protect users' legitimate rights and interests and ensure the sound operation of a harmonious community. Strictly abiding by relevant laws and regulations such as the *Measures on the Administration of Internet Information Services*, the *Provisions on the Administration of Internet Live-Streaming Services*, the *Provisions on the Ecological Governance of Network Information content*, the *Detailed Implementation Rules for Online Short Video Content Review Standards*, and the *Provisions on Managing Release of Information about Dangerous Items on the Internet*, Kuaishou has formulated internal policies such as the *Kuaishou Community Management Code*, the *Kuaishou Technology System of Security Assurance Roles on Duty*, and the *Kuaishou Technology Accountability and Penalty System*, to clarify the responsibilities and workflows of content review personnel. The Company continued to improve its content and risk management review mechanisms and conducted risk reviews on content creation, understanding of content, and risk identification of short video and live streams through a double-review mechanism. We also aimed to reduce content risks and strengthen the governance of the short-video and live-stream ecosystem.

Kuaishou actively protects the health of its community and constantly updates the complaint mechanism for content violations. We made efforts to effectively reduce content violations by combining online and offline complaint channels and reviewing content through our "complaint center". We offered the Complaint Entry function for all forms of content scenarios such as video, live stream, account, comments, and group chat. We set up online channels such as customer service, email feedback, and community reporting to maintain a smooth complaint mechanism. We also encourage users to report violating content through monthly reward activities, and annual reports on whistleblowing to build a healthy community together with users. Kuaishou has set up a "complaint center" with both functions of handling whistleblowing and guiding users. The center is responsible for recording and reviewing the complaint content, informing users of the handling results while publicizing the platform's rules.

In order to better guarantee user experience and continue to provide users with high-quality contents, we provide our employees with diversified and comprehensive training courses related to content review through various channels. Customized trainings have been organized for employees in different positions, such as audit staff, inspectors and management personnel, and we have continuously improved the risk awareness of our employees, as well as the ability to identify and judge platform content. In 2022, more than 6,600 employees participated in trainings for content review, and a total of 28,034 training sessions were organized.



# Environmental, Social and Governance Report

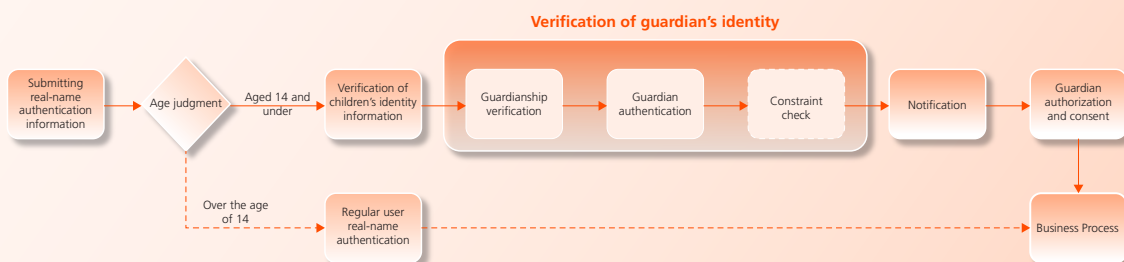
## 2.1.8 Protection of Minors

Kuaishou always pays attention to and protects the healthy growth of minors, and strictly abides by the *Law of the People's Republic of China on the Protection of Minors*, striving to create a clean cyberspace for teenagers. We attach great importance to the protection of minors' personal information, and only use, share, transfer or disclose relevant information when laws and regulations permit, parents or guardians expressly agree, or when necessary to protect minors. If any personal information of minors is collected without the consent of their verified parents or guardians, the information is deleted as soon as possible. Kuaishou has set up a Minors Care Hotline. The program covers pre-warning, vetting and post-refund from live streaming hosts, and handles refund requests for purchases made in error by minors and people with limited capacity.

### Case: Kuaishou took the lead in launching “notifying guardians of children’s real-name authentication” function

The protection of minors is the focus of all parties in society. Kuaishou is committed to giving full play to its advantages in technology and content, establishing and continuously improving the protection system for minors in an all-round way.

Kuaishou is the pioneer in the industry to develop and launch the function of “notifying guardians of children’s real-name authentication”, which was upgraded to a fully intelligent model in 2022, fully realizing real-time monitoring and instant reminder functions. In the process of real-name authentication of underage users, a guardian authorization link has been added, which has been useful for the domestic short video industry.



### Children’s real-name authentication process of Kuaishou

In 2022, Kuaishou and the China Communications Standards Association (CCSA) took the lead in formulating an industry standard, *Implementation Specifications for the Informed Consent of Children’s Personal Information Processing in Mobile Internet Applications*, to ensure minors' safe internet use and personal and property safety, and fulfills corporate social responsibilities.



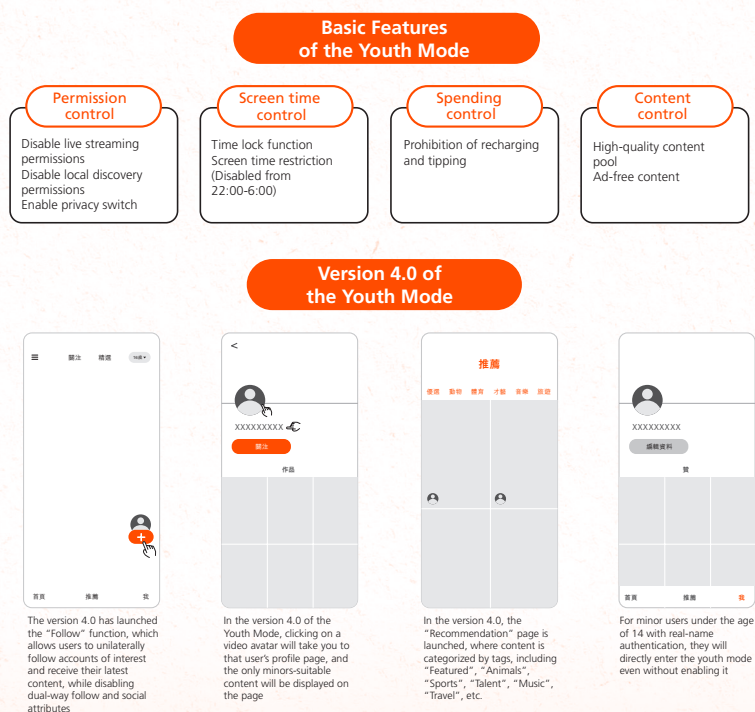
# Environmental, Social and Governance Report

## Case: Kuaishou was selected as an excellent case of the “Children Care Program” by China Academy of Information and Communications Technology in 2022

In June 2022, China Academy of Information and Communications Technology announced the results of the “Children Care Program”. The children personal information protection program of Kuaishou was praised by the expert team for its innovation and comprehensiveness, and the children real-name authentication process function was well received. The overall plan was selected as an excellent model to ensure children’s personal information protection in the “Children Care Program” in 2022.

Kuaishou has initially formed a relatively comprehensive minors personal information protection system, which features functions ranging from real-name authentication to privacy switch and from rule disclosure to content control. Kuaishou has continued to upgrade its youth model, and is committed to personal information protection, privacy protection and content management, to provide comprehensive, suitable and quality services and content ecology for minors. Kuaishou will continue to explore the construction of a protection system for minors. By organizing innovative and interesting activities, it will unite various social forces to carry out themed activities on the protection of minors, and build a unique community that is enriching, interesting, active and healthy.

We are working together with the entire industry to protect and care for the healthy growth of minors. With the release of the version 4.0 of the Kuaishou Youth Mode, we have further upgraded our protection tools and optimized our featured content tags. In order to better protect the legitimate rights and interests of minors, we have added the “Youth Protection Agreement” under the youth mode. The agreement describes in detail the legal knowledge and precautions that minors should be aware of when using the platform, which includes scopes such as personal information security measures for minors, guidelines for safeguarding the health of minors, and the joint protection vision among the platform, guardians and minors.





# Environmental, Social and Governance Report

## 2.2 Employees' Development

Kuaishou regards its employees as an important growth driver for long-term development and strictly adheres to the bottom line of compliant employment. Kuaishou is devoted to protecting the legal rights and interests of all employees and establishing comprehensive training and promotion mechanisms. The Company cares about employees' physical and mental health, which facilitates the mutual development of the Company and its employees.

### 2.2.1 Rights and Interests of Employees

Kuaishou complies with the principle of equal employment, actively promotes the development of diverse teams and pays attention to the fairness and rights of female employees at the workplace. We offer our employees excellent compensation and welfare packages, listen to their opinions and demands in a timely manner which creates a harmonious and healthy working environment for them.

- *Staff Employment, recruitment and diversity*

The Group strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other relevant laws and regulations in respect to staff recruitment and employment and in the course of our daily management. The Group has formulated the *Kuaishou Employees Manual*, *Kuaishou Recruitment Advertisement Specification*, the *Background Check Management System*, *Recruitment On-site Test Process Specification*, *Health Occupational Site Regulation System*, and other management systems, to establish a comprehensive management mechanism for our human resources system. We also strictly prohibit child labor and forced labor. In 2022, there was no violation of child labor and forced labor recruitment, and Kuaishou's social insurance coverage rate for full-time employees was 100%.



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Kuaishou adheres to the principles of fairness, openness and competition in recruitment. We actively expand the recruitment channels to attract high quality talent through campus recruitment, online recruitment, internal recommendations and other methods. Kuaishou pays special attention to the recruitment and attraction of technicians to identify the most talented technicians and cultivate Kuaishou's future technical leaders. We have developed a special technical talent project, "Kuai Star", for the recruitment of talented engineers who are gifted at writing and working with algorithms. In 2022, Kuaishou was awarded the titles of the "Most Attractive Employer in China", the "Year's Best Employer in China", "Outstanding Employer" and "Favorite Employer of University Students in China" by various human resources organizations.

Kuaishou strives to enhance gender diversity of staff and management to create a fair, diverse and inclusive workplace. Our objective is to improve fairness and create more opportunities for female employees. We empower our female employees through a variety means, including recruitment and hiring, training and promotion, and by providing physical and mental health, care and benefits, a safe workplace environment and communication channels. Our diversity practices are as follows:

- Recruitment and employment: Kuaishou adheres to the principles of fair and equal employment, strictly prohibits any form of discrimination and protects the rights of female candidates. In 2022, female staff accounted for 46.1% of the Group's new employees, representing an increase from 42.8% in 2021. As of December 31, 2022, Kuaishou had 11,150 full-time female employees, representing 43.8% of all employees. As of December 31, 2022, Kuaishou had 214 foreign employees and employees from Hong Kong SAR, Macao SAR and Taiwan regions of China, demonstrating the Company's employment diversity;
- Training and promotion: We provide diversified and equal training opportunities and promotion path for employees. Female employees are encouraged to participate in career development and professional skills training to help them pursue more career advancement. Over 35.4% of Kuaishou's lecturers are women. During promotion evaluations, gender is not a consideration. 30.9% of Kuaishou's managers are women. In 2022, the percentage of female employees promoted to managers was 36.3%;
- Physical health: The Company provides professional fitness resources and free mental health consultations for employees to help female employees take better care of their physical and mental health while focusing on career development;
- Cares and benefits: The Company cares for all aspects of its female employees. We provide healthy and safe baby care rooms for female employees to ease their worries. We offer additional maternity allowances beyond the statutory standards, and supplementary medical benefits during pregnancy. Annual physical checkups are provided to female employees. The Company also gives gifts to all female employees on International Women's Day;



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- Workplace environment and communication channels: the Company encourages the development of an equal, inclusive and healthy workplace environment regardless of gender, age or race. The Company cares about the feelings of all female employees in the workplace with an aim to create a positive and warm workplace environment for women. The Company has established diversified communication channels to listen to the opinions of female employees and create a diverse and inclusive working environment to facilitate the career development of female employees.

As of December 31, 2022, Kuaishou had recruited full-time employees from 24 countries and 32 ethnic groups, and nearly 8% were from China's ethnic minority groups. In addition, our content review center in Xiangxi, Hunan Province employed 459 people of ethnic minority backgrounds. The center had provided employment opportunities for local ethnic minorities and helped boost local economic development while promoting employee diversification.

### Compensation and Benefits

Kuaishou is committed to providing fair and competitive wages and welfare system, while enhancing and developing its team of high-quality talent. We have formulated system documents of the *Kuaishou Employee Handbook*, *Vocational Holiday Management System*, *Kuaishou Rent Subsidy Management Policy* and other policies to effectively protect the legal rights and interests of our employees and provide attractive supplementary welfare for them. In addition, Kuaishou has established an equity incentive system. Equity incentives are divided into induction grants and additional on-the-job grants, to motivate the enthusiasm of employees. As of December 31, 2022, 30% to 40% of employees were entitled to equity incentives.

#### Kuaishou's employee compensation system and incentive mechanism

Kuaishou Talent Development Concept	
Employee compensation system	Employee incentive mechanism
We offer compensation based on reasonable market rates of pay, and conduct annual reviews. Outstanding employees will be granted an appropriate salary increase.	Short-term incentives: we mainly offer annual performance bonus, and provide various short-term cash incentives based on the results of diversified businesses.  Long-term incentives: employees in important positions and outstanding performance will be granted equity compensation as incentives and recognition.



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## Kuaishou's employee welfare system

<b>Kuaishou Insurance</b>	<p>Pay to provide fixed indemnity insurance, accident insurance and serious illness insurance for employees, supplementary medical insurance for employees and their children, and maternity reimbursement for female employees;</p> <p>Provide employees with a variety of personal insurance products covering themselves, spouses, children, parents and even pets. Employees can purchase these products at their own expense according to their own needs.</p>
<b>Kuaishou Health</b>	<p>Pay attention to and protect employees' physical and mental health, and provide employees with annual physical examinations, psychological assistance, health cabin, health monthly journals, health lectures, etc.</p> <p>Care for the families of employees by providing annual physical examinations for employees' parents, family leave for employees to care for parents in need, maternity allowances and paternity leave for employees with newborn children and annual childcare leaves.</p>
<b>Kuaishou Life</b>	<p>Provide convenience to the basic necessities of employees, including cafeteria, rental subsidy, public rental housing ballot, corporate car-hailing services, commuting bus, parking-space ballot, fitness benefits, Kuaishou hair salon and laundry services, etc.</p>
<b>Kuaishou Partner</b>	<p>Host a variety of activities for employees, including company celebration and festival events, community activities, team building activities, holiday gifts, etc.</p>

- **Employee Communication**

Kuaishou pays attention to the reasonable needs of employees and attaches great importance to employee's feedback and opinions. We continue to expand communication channels with employees and effectively help employees solve practical problems through HR query and consultation platform, HR daily business contact, internal and external social platforms and other channels. We also encourage the management team to maintain effective communication with employees and collect reasonable suggestions through salons, department meetings, intranet discussion communities and other methods. If employees encounter unfair treatment and disputes, they can directly give feedback to the higher level departments and HR department. The Company will investigate the complaint and handle the case according to the *Kuaishou Employee Manual* and other provisions.

In addition, research on critical time nodes in the lifecycle of all employees is an important tool and measure for us to understand the true thoughts of employees. By analyzing the changes of survey data and addressing feedbacks from employees with close-loop solutions, the Company significantly enhanced the positive experience and happiness of employees. As of December 31, 2022, the annual comprehensive average value of eNPS (employee Net Promoter Score) in each critical time node of the employee life cycle grew by 6%, and the highest annual single value (residence permit application handling) grew by 8%.



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## Highlights of activities for Kuaishou's employees in 2022

### Kuaishou's Glory of the King Game (快手王者杯KKL)

From July to August, 2022, the "Kuaishou's Glory of the King Game" (快手王者杯KKL) with the theme of "Dare to Fight for the Championship" kicked off. Kuaishou encouraged its employees to form teams with business departments as units, which had significantly improved the sense of cooperation and collective honor among employees. After 235 intense competitions among 245 employee teams, the team from KSIB won the championship.



The Final in Chengdu

### Kuaishou's Community Concert

To enrich the spare time of employees and achieve work-life balance, Kuaishou offers various performance stages for employees. In September 2022, Kuaishou organized a community concert and all singers performing at the concert were Kuaishou's employees.



Band performing at the concert

### Kuaishou Programmers' Day

In October 2022, Kuaishou organized the annual event of Kuaishou Programmers' Day. With a theme of "Eliminating Bias", the Programmers' Day of 2022 aimed to eliminate the stereotypes about programmers and establish good team relationships and communication atmosphere among employees.



Kuaishou Programmers' Day



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## 2.2.2 Employee training and development

Kuaishou puts great efforts to help employees maximize their personal values in order to support the mutual growth of employees and the Company. Based on the *Career Development System of Kuaishou*, *Kuaishou Course Management System*, *Kuaishou Instructor Management System*, *Kuaishou Training Expense Usage Specification*, *Kuaishou Training Operation Management System*, *Kuaishou Assignment Training Management Rules* and other system documents, we reasonably plan the career development path of each employee and offer specified and diversified training programs to provide promotion opportunities for employees.

Based on the career development needs of employees, Kuaishou has built up an employee training system. Horizontally, it consists of training media including Kuai LEARNING (online learning platform), Kuai TEACH (instructor team, massive course database, relevant systems and SOP), Kuai MENTOR (tutor), etc. Vertically, it consists of training brands including Kuai LEAD (leadership), Kuai TECH (professional skills), Kuai TALK (openness), Kuai UP (general skills), Kuai START (new employees), etc. This system provides scientific, rich and systematic learning resources for employees to meet their learning and development demands at different levels.

### Kuaishou's Training

Training type	Training content
Leadership training	<ul style="list-style-type: none"><li>Establishing a multi-dimensional learning and development system which covers the overall leadership of the Company, leadership of business lines and individuals, the team leadership, long-term development and short-term problem solutions for leaders and the combination of online and in-person learning;</li><li>Formulating comprehensive development projects suitable for different levels including the chief technicians, front-line managers, directors and general managers, light projects for solving problems at critical management sections, diversified online learning camps, and mentoring programs tailored for business teams;</li><li>Over 100 learning activities were organized in 2022, covering thousands of participants. A substantial majority of the contents were tailored to the management of Kuaishou by the "Kuaishou Middle School" Team, which directly solved the practical management problems of Kuaishou.</li></ul>
Professional talent training	<ul style="list-style-type: none"><li>Discovering and cultivating young technical talents with high potential, and supporting their rapid growth through on-the-job practice, tutoring, course learning and other ways;</li><li>Improving the skills and expertise of technical talents in seven aspects; enhancing technical planning, decision making and other capabilities of technical managers by making use of suitable technology management scenarios; inviting industry and academic technical experts to hold discussions with our technical talents to broaden their technical visions;</li><li>Conducting relevant talent training projects for professional talents engaging in production and operation, games, design, analysis and other positions to support their development and growth.</li></ul>



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Training type	Training content
New employee training	<ul style="list-style-type: none"> <li>Establishing a four-tiered new employee training system that incorporates a variety of training formats, including operating classroom-style sharing, video shooting, live-streaming experience, group interaction, road shows, and close-up contact with "V"-level experts, to help new employees establish links with product technology and build a three-dimensional capability matrix of "occupation + skills + professionalism";</li> <li>Focusing on the needs of new employees at various levels from the Company's introduction to Kuaishou's specialty, from technical or product team process specifications to tools and measures, from specific domain skills to business knowledge, and from teamwork to independence, and establishing the "Newcomers' 101 Files" knowledge platform, and organizing training for recruits in various formats, including group training and a special training camp.</li> </ul>

### Case: Kuaishou launched a series of algorithm courses

Algorithms are the core of Kuaishou's business operation. Understanding the operating mechanism, boundaries and application of algorithms can improve the capabilities of employees and facilitate collaboration within the organization. Therefore, we have launched various algorithm courses for our employees, cadres and managers. Focusing on basic knowledge and common problems and solutions of algorithms in daily work, we organized 12 sessions of training courses in the form of lectures and workshops. Over 2,000 employees from technical, operation, sales and other positions participated in the training, and more than 300 algorithm cases were generated, which had greatly enhanced the working efficiency and collaboration efficiency.



Algorithm courses



## Environmental, Social and Governance Report

### Case: Product Innovation Hackathon

In 2022, Kuaishou organized the product innovation hackathon competition for all employees, allowing employees to have cross-term collaborations to inspire more creative, open and diverse ideas. The competition lasted for 30 days with 297 participants and 56 excellent teams. The candidates came from different positions including product, operation, R&D, algorithm, design, HR, data analysis and others. Ten teams entered the finals. The creative products covered Metaverse, short video, live broadcast, AI and other fields. In addition to an exclusive universe developed for ordinary users, there was also a friendly mode designed for the hearing impaired groups. 50% of the projects from the competition were commercialized and launched.



Product Innovation Hackathon

Kuaishou provides both online and offline training for employees, which largely facilitated the efficiency and convenience of training. As of December 31, 2022, the online platform “Kuaishou Middle School” had launched 2,517 courses covering technology research and development, product operations, management capability, general skills, essential courses for new talents, engaging encyclopedia, and other topics, all of which are accessible to all employees.

In addition to internal training, Kuaishou also frequently collaborates with external parties to build an industry-academic-research exchange platform, improves the professionalism of talent training, and encourages the construction and development of technological ecology. We have established link between external technology vertical communities, technology-related publishing houses, and technology media to build a technology exchange platform in the form of activities to promote the transition from “Know about Kuaishou Technology” to “Recognition of Kuaishou Technology”.



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## Collaboration and Exchange Activities of Kuaishou

Name of activity	Contents of activity
"Know about Kuaishou Technology"	Focus on creating a Kuaishou technology salon brand project by sharing front-line practical experience, exploring industry development trends, and helping technical staff broaden their visions. In 2022, exchanges with the industry were held in three sessions which mainly shared the practical experiences of Kuaishou in security, covering more than 4,000 practitioners in the industry.
"Recognition of Kuaishou Technology"	<p>Kuaishou's technical team actively participated in industry conferences. In 2022, approximately 20 employees from the technical team participated in industry sharing and exchanges, covering the service-end, front-end, data, audio and video and other topics, bringing a broad range of technology experience and knowledge to technical practitioners.</p> <p>In 2022, Kuaishou and Geek Time jointly developed a series of audio and video courses, providing introductory guidelines for practitioners in the audio and video field, and helping more than 3,000 developers learn about industry best practices.</p>

### 2.2.3 Health and Safety of Employees

Occupational health and safety of employees is an important part of the daily operations of Kuaishou. We strictly abide by laws and regulations such as the *Work Safety Law of the People's Republic of China* and *Fire Control Law of the People's Republic of China*, and formulate a variety of occupational health and safety protection measures to safeguard the health and safety of all employees.

We pay attention to the physical and mental health of our employees while assisting them to pursue career development. We focus on details in order to minimize the occurrence of accidents and occupational illness related to the working environment. Ergonomic chairs and fitness centers, equipment, and courses are provided for employees within the office area. Kuaishou conducts joint safety inspections of the workplace nationwide to investigate and rectify all potential safety hazards and ensure that all employees work in a safe environment. Besides, we provide supplemental medical insurance and protection against major illness for all employees, provide regular physical checkups for employees, and provide green channels for medical treatment, comprehensive diagnosis, and treatment care tailored to employees with abnormal physical examination indicators.



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### Major measures for Kuaishou's care for severely ill employees

<b>Medical insurance guarantee</b>	Provide serious illness insurance, outpatient hospitalization reimbursement and serious illness hospitalization reimbursement. If the reimbursement limit is exceeded, the public insurance amount will be provided as appropriate to bear the reimbursement of excess treatment expenses.
<b>Medical resource coordination</b>	Based on the situation of seriously ill employees, health management resources would be contacted to provide registration, hospitalization and transfer resources coordination for employees.
<b>In-hospital visit and care</b>	The Company's representative buys flowers, fruits, supplements, etc. and visits employee at hospital to express team care.
<b>Advance payment of medical expenses</b>	For special employees with difficult family conditions, the Company pays medical expenses for employees in advance.

Kuaishou has attached high importance to enhancing safety awareness of all employees and strengthening the development of their safety and knowledge of first-aid. We conduct monthly health and safety seminars, publish monthly health magazines and organize regular first-aid skills training. Since the launch of the "First Aiders" activity in 2019, 3,183 employees of Kuaishou in China have received their first aid certificates. The activity included 81 first-aid training sessions covering 12 cities. Kuaishou has completed the "Recruitment of 1,000 First Aiders" (急救侠千人招募计划), and hired on-site service providers for all key positions. In 2022, the number of applicants, and qualified candidates in a single session, and their attendance rate, satisfaction rate and other indicators of the "First Aiders" activity reached record highs. 1,811 participants achieved an attendance rate of 82%. The overall anonymous satisfaction rate was 9.8 out of 10, and there was no rating below 8 points. "First Aider" badges have been awarded to 2,185 employees since its launch on August 5, 2022. Moreover, Kuaishou has established sound cooperation with the Red Cross Society of China, the Red Cross Society in each city where our offices are located and the first aid bases and other units to organize free special training sessions nationwide.



**Social First-Aid Capacity Building and Training organized jointly by Kuaishou and the Red Cross Society of China Beijing Branch**



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## Health and Safety Performance

Indicators	2022	2021	2020
Number of deaths due to work (person)	0	0	0
Rate of death due to work <sup>34</sup> (%)	0	0	0
Number of working days lost due to work-related injury <sup>35</sup> (days)	529	575	1,215

### Case: Kuaishou Health Cabin

With an aim to further enhance the health management system and provide health management services to employees of Kuaishou, we have set up a health cabin at Kuaishou's headquarters. With professional medical staff, the health cabin can provide health consultations, basic examinations, massage, medication guides, health promotion and emergency services.

Considering the common diseases of employees associated with the use of the Internet, the health cabin has organized various health activities. These include spinal examinations, bone density examinations, and eye-care services. Kuaishou Health Cabin organized physical check-ups for employees and generated health reports. Doctors are also arranged to provide professional consultation services at the workplaces. In addition, Kuaishou Health Cabin and other departments have joined to promote health knowledge by sending and distributing cards containing health tips through internal message system and cards. On the "1024 Programmers' Day", the health cabin set up a healthcare zone, which had attracted a number of employees to understand and participate in the event. The health cabin also provided health consultation and services for more than 500 employees. This activity has further promoted the health concept to more employees.



Kuaishou Health Cabin

<sup>34</sup> Rate of death due to work = (Total number of deaths due to work/total number of employees)\*100%.

<sup>35</sup> The data refers to work-related injuries and deaths verified by local authorities and with local human resources and social security bureaus' recognition.



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## EMPLOYMENT PERFORMANCE TABLE

### Employment

Indicators		Data of 2022
<b>Total Employee Headcount (person)<sup>36</sup></b>		<b>27,402</b>
Number of Employees by Employment Type	Full-time employees	25,445
	Other types of employees <sup>37</sup>	1,957
<b>Total Full-time Employee Headcount (person)</b>		<b>25,445</b>
Number of Full-time Employees by Gender	Male	14,295
	Female	11,150
Number of Full-time Employees by Age Group	Under age 30	16,274
	Age 30 to 50	9,160
	Above age 50	11
Number of Full-time Employees by Region	The Mainland of China	25,263
	Overseas and Hong Kong SAR, Macao SAR and Taiwan regions of China	182
Number of Full-time Employees by Management Level	Management	1,639
	Non-management	23,806
<b>Total Full-time Employee Turnover Rate (%)<sup>38</sup></b>		<b>31.8%</b>
Full-time Employee Turnover Rate by Gender	Male	34.9%
	Female	27.8%
Full-time Employee Turnover Rate by Geographic Region	The Mainland of China	31.4%
	Overseas and Hong Kong SAR, Macao SAR and Taiwan regions of China	94.0%
Full-time Employee Turnover Rate by Age Group	Under age 30	33.9%
	Age 30 to 50	28.1%
	Above age 50	63.6%

<sup>36</sup> Total employee headcount includes the headcounts of full-time employees of Kuaishou Technology and headcounts of employees who are directly managed by the Company, including part-time, dispatched labor and intern.

<sup>37</sup> Other types of employment include the headcounts of employees who are directly managed by the Company, including part-time, dispatched labor and intern.

<sup>38</sup> Employee turnover rate = the number of full-time employees who leave the Company in the reporting year/the total number of full-time employees at year end \* 100%. The number of employees leaving the Company includes full-time employees (due to voluntary resignations, dismissals or retirement), and does not include full-time employees leaving during their probation period.



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## Employee Training

Indicators		Data of 2022
Total Investment in Employee Training (in RMB ten thousands)		1,171
“Kuaishou Middle School” Training	Total time of online training (hours)	1,984,762.7
	Total number of online and offline participants (person-times)	214,701
	Number of courses offered online	2,517
Training hours per capita by employee category	Online training hours per management personnel (hours)	56.2
	Online training hours per non-management personnel (hours)	46.4
	Offline training hours per management personnel (hours)	5.2
	Offline training hours per non-management personnel (hours)	6.0
Percentage of trainees by employee category	Proportion of management employee online training (%)	76.0%
	Proportion of non-management employee online training (%)	83.6%
Training hours per capita by gender	Training hours per male employee (hours)	47.6
	Training hours per female employee (hours)	45.9
Percentage of trainees by gender	Proportion of male employee training (%)	82.1%
	Proportion of female employee training (%)	84.4%

## 2.3 Business Ethics

Kuaishou adheres to principles of business ethics in its daily operations. It conducts business activities with integrity and self-discipline, resists and investigates corruption, bribery, fraud and other acts that violate business ethics, and improves corporate governance.



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## 2.3.1 Anti-corruption

Kuaishou not only complies with the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *U.S. Foreign Corrupt Practices Act*, the *Bribery Act 2010 of UK* and other laws and regulation, but has also updated its internal rules of procedures, including the *Kuaishou Employee Handbook* and the *Kuaishou Employee Code of Conduct*. To further strengthen its anti-corruption mechanism. In 2022, Kuaishou issued the interpretation of the common terms of the *Kuaishou Interim Rules on Avoidance of Conflict of Interest*. In 2022, one employee of the Company was sentenced in court to 16 months imprisonment for accepting bribes. The Company terminated the employee's labor contract in accordance with the *Kuaishou Employee Code of Conduct*. The case was further reviewed to prevent similar cases from happening, and was found to have had no material impact on the business of the Company.

Kuaishou has established a business ethics governance system, in which the Kuaishou Ethics Committee is the highest decision-making body responsible for the strategies and planning of integrity and compliance management. Several departments have also been set up under this system to further enhance its integrity and management. We have formulated a corruption prevention and control mechanism covering various links to curb the occurrence of corruption from the source.

### Kuaishou's Business Ethics Management Structure

Ethics Committee					
(Chairman of Kuaishou's Board as the Chairman, Co-Founder of Kuaishou as the Supervisory Member)					
Compliance Department					
Integrated Business Center of Integrity	International Business Integrity Center	Commercialization Integrity Center	E-commerce Business Integrity Center	Cultural Promotion and Compliance Center	Gaming Business Integrity Center

In 2022, Kuaishou conducted anti-corruption related training for all its employees and directors (including dispatched labor and interns), which had 17,325 participants. In addition, Kuaishou arranged a program for visiting its partners and suppliers during this year to check their integrity, and to jointly build an open, transparent, fair, equal and clean network.



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## Training results of Kuaishou's internal compliance system in 2022

<b>General introduction of rules to new employees</b>	<ul style="list-style-type: none"> <li>In 2022, the total number of new employee participants in the online and offline training was 12,161. The training coverage of new employees was 100%</li> </ul>
<b>Special training for business departments</b>	<ul style="list-style-type: none"> <li>Conducted special training for the International Business Department, the Commercialization Department, E-Commerce Department, Entertainment Business Department, Data Analysis Department, Community Science Department, and other departments</li> <li>Conducted 131 special offline business training sessions, covering 4,913 participants</li> </ul>
<b>Integrity and compliance training for management</b>	<ul style="list-style-type: none"> <li>Covered an addition of 251 management personnel</li> <li>Optimized the <i>Essential Course on Integrity in Management</i> of the "Kuaishou Middle School", and integrated into the management courses — <i>Rules for Leadership</i> of the "Kuaishou Middle School", to enhance the awareness of the management of integrity</li> </ul>
<b>Special training for integrity and compliance</b>	<ul style="list-style-type: none"> <li>Attaching great importance to building an ecosystem of integrity, Kuaishou selected trustworthy and honest employees from the business department to participate in its integrity lecturer certification in 2022. At the end of 2022, 120 integrity lecturers were certified. They will promote the importance of integrity in the ordinary course of business, set an example and drive more employees to contribute to the Company's ecosystem of integrity</li> <li>In 2022, as part of its new-partner visit program, Kuaishou visited 134 partners to understand their views. The partners include the Company's agents, merchants, institutions, labor unions and service providers. Through listening to their opinions and reaching a consensus on integrity standards, Kuaishou was able to jointly create an ecosystem of integrity with its partners</li> <li>Special training for typical fraud cases</li> </ul>

We constantly strengthen the integrity governance of suppliers, actively carry out anti-corruption publicity and implementation work, and strictly guarantee the integrity and compliance of cooperative suppliers. We conduct anti-corruption publicity through emails and WeChat public accounts during holidays; conduct on-site visits to key suppliers; hold closed-door supplier meetings for specific categories of products. In 2022, we have signed the *Integrity Commitment Letter* with 3,380 suppliers, representing an increase of 87% from 1,804 in 2021. We emphasize a "zero tolerance" attitude towards corruption, encourage suppliers to monitor and report unfair and non-compliant incidences, and have set up communication channels for complaints and feedback.



**Closed-door supplier meetings**



## Environmental, Social and Governance Report

Kuaishou places high emphasis on monitoring the positive impact of supervision and whistle-blowing on safeguarding integrity. Our official website features an “Integrity and Whistle-blowing” interface, which displays *Integrity and Whistle-blowing Management Standards*<sup>39</sup> along with the reporting email address to encourage our employees, external partners (including but not limited to suppliers, agents and clients) and other third parties to report corruption, bribery and fraud. The Compliance Department reviews the whistle-blowing mechanism on an annual basis, and updates and optimizes the mechanism based on the guidance and supervision of the Ethics Committee and the Audit Committee.

Kuaishou has a well-established complaint and whistleblowers’ protection mechanism. As set out in the *Integrity and Whistle-blowing Management Standards*, cases can either be reported in-person or anonymously through the official reporting website<sup>40</sup> and the reporting email address (lianzheng@kuaishou.com). It is also undertaken that the whistleblower’s personal information and the reporting information are kept strictly confidential. Disclosure of whistleblowers and case information, and retaliation against whistleblowers, witnesses, and investigators by any means are strictly prohibited. Employees who disclose information of, or retaliate against, a whistleblower will be strictly dealt with in accordance with the *Kuaishou Employee Handbook*. Those who are in violation of laws will be transferred to the judiciary.

### 2.3.2 Anti-money laundering

To carry out anti-money laundering and compliance operations, Kuaishou strictly abides by the *Anti-Money Laundering Law of the People’s Republic of China* and other anti-money laundering laws and regulations, while cooperating with financial institutions and payment institutions to fulfill anti-money laundering obligations. Kuaishou keeps abreast of the latest regulatory requirements and industry best practices. We will report the money laundering activities to anti-money laundering administrative department or public security organs of the government once we identify them.

### 2.3.3 Antitrust

Kuaishou attaches great significance to its antitrust compliance. It strictly complies with the *Anti-Monopoly Law of the People’s Republic of China*, the *Antitrust Guidelines of the Antitrust Commission of the State Council on Platform Economy*, the *Interim Provisions on the Concentration Review of Business Operators*, and other laws and regulations. It also has internal policies in place to provide guidance on antitrust compliance in major business segments, including the *Kuaishou Competition Compliance Management System*, the *Kuaishou Antitrust Compliance Handbook* and the *Kuaishou Guidelines on Concentration Compliance for Business Operators*. It is the commitment of Kuaishou to pursue mutual benefits and win-win solutions, participate in competition fairly, maintain competition order, and achieve mutual growth.

<sup>39</sup> <https://s2-10971.kwimgs.com/kos/nlav10971/bpm-case-m/standard-v1.pdf>

<sup>40</sup> <https://jubao.kuaishou.com/#/?channel=KSPC>



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In active response to the *Antitrust Compliance Guidelines for Business Operators* issued by the Antitrust Commission of the State Council, apart from the above-mentioned systems and initiatives, a number of measures have been carried out in various aspects, such as staffing, designated projects and compliance awareness enhancement, to strengthen the antitrust compliance system of the Company. In respect of staffing, we have set up a dedicated antitrust compliance team, which is mainly responsible for identifying, analyzing and assessing possible antitrust compliance risks involved in business activities of the Company. This includes drafting, formulating and amending the antitrust compliance management system and relevant guidelines of the Company, and defining and optimizing its compliance management requirements and procedures; carrying out centralized business reporting; and conducting antitrust compliance training and promotions. In order to improve its antitrust compliance awareness and risk prevention capabilities, Kuaishou has organized antitrust knowledge and skill training programs, and studied and implemented new rules and regulations related to antitrust. Furthermore, Kuaishou has also strengthened its communications with regulatory agencies and interactions with industry peers. Led by the China Association for Standardization, Kuaishou and professional academic research institutions and peers in the field of antitrust participated in the joint drafting and formulation of the organizational standard, the *Fair Competition Compliance Management System for Operators*. This system aims to jointly advocate and promote the orderly innovation and healthy development of market and economic regulations, protect fair competition in the market, and create satisfactory market order and a healthy social ecosystem. Moreover, Kuaishou has actively provided feedback and suggestions during the consultation stage of various antitrust-related laws and regulations, and has given advice on antitrust compliance legislation.

## 2.4 Supply Chain Management

Kuaishou adheres to sustainable management of the supply chain and embeds ESG concepts into the management of suppliers. It encourages and increases green procurement, regularly evaluates ESG risks of its suppliers, strengthens their clean governance, and promotes a win-win and long-term development of the value chain.

### 2.4.1 Supplier Compliance Management

In 2022, Kuaishou formulated and implemented regulations, such as the *Kuaishou Supplier Management Rules*, *Kuaishou Supplier Certification Management Process* and *Kuaishou Supplier Selection Management Rules*. We have formed a supplier lifecycle management system, and promoted the construction of supplier ecology and fully guaranteed the compliance of business development and procurement through warehousing certification management, selection management, contract performance management, performance management, portfolio management and daily management. As of December 31, 2022, Kuaishou had included 4,915 suppliers from all over the world on its list of suppliers, including 4,785 suppliers from China (including Hong Kong SAR, Macau SAR and Taiwan) and 130 overseas suppliers.



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## Supplier lifecycle management system

<b>Supplier entry</b>	<ul style="list-style-type: none"> <li>• Kuaishou reviews the qualifications of suppliers according to different purchase categories, and requires relevant suppliers to have the ISO 9001 quality management system, ISO 14001 environmental management system, ISO 45001/OHSAS 18001 occupational health and safety management system, ISO 22000 food safety management system or other related certifications, to strictly evaluate the entry qualifications of suppliers;</li> <li>• For key categories such as food and beverage and furniture, we will conduct on-site visits to confirm that suppliers meet our supplier screening requirements in terms of production environment, safety protection measures, environmental protection, and other indicators.</li> </ul>
<b>Supplier assessment</b>	<ul style="list-style-type: none"> <li>• When shortlisting for evaluation, we have formulated procurement strategies to fairly and impartially select suppliers who meet the criteria to participate in the selection;</li> <li>• After a supplier completes the agreement, the supplier will be evaluated in all aspects based on the supplier performance management mechanism, to evaluate the suitability between the supplier and the Company. Incentives will be given to suppliers with excellent performance, while underperforming suppliers will be strategically managed.</li> </ul>
<b>Supplier ESG Risk Management</b>	<ul style="list-style-type: none"> <li>• We have gradually established a supplier ESG evaluation system, and clarified the basic requirements for suppliers in terms of environmental performance, occupational health and safety, business ethics and social responsibilities during the process of warehouse certification, in order to mitigate ESG-related risks to the supply chain.</li> </ul>
<b>Supplier exit</b>	<ul style="list-style-type: none"> <li>• We have strengthened the daily management of suppliers, and would eliminate or suspend suppliers that have acted dishonestly;</li> <li>• Unqualified suppliers will be gradually eliminated, to accelerate the optimization and upgrading of the supply chain.</li> </ul>



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## 2.4.2 Responsible Procurement and Green Procurement

Kuaishou actively adheres to its social responsibilities and insists on responsible procurement. In 2022, we considered suppliers and product procurement from remote areas during the procurement process, and gave priority to suppliers from these areas, and offered them with Kuaishou's holiday gifts and employee welfare-related procurement cooperation.

For the procurement of food and beverage services, workplace construction, furniture, flooring and other physical goods, we refined the supplier assessment system to include EHS<sup>41</sup> indicators, service quality management, delivery efficiency and cost indicators. To enhance construction safety, the environmental friendliness of the materials used, and the environmental health of the construction site, we specify assessment standards based on the frequency of safety accidents, IAQ (Indoor Air Quality) passing rates, and the number of safety rectification notices. From the perspective of quality management, we evaluate the quality of suppliers through an initial on-site visit, ongoing inspections, and governance assessment.

Kuaishou actively responds to the national call to reach "carbon neutrality" and is committed to green, low-carbon and high-quality development. Relying on years of experience and technology accumulation, we have continued to optimize the hardware infrastructure and increase the computing power per unit of energy consumption. We have continued to explore the application of advanced liquid cooling and power supply technologies, and cooperate with business partners to practice the concept of energy saving and sustainable development.

### Case: Kuaishou's chosen leased data center to vigorously promote the application of clean energy technology

Kuaishou attaches great importance to green procurement. In the procurement project of Kuaishou's leased data center, in response to the national policy of carbon neutrality among many potential suppliers, we selected a data center with photovoltaic power generation in Miyun as our business partner. We promote the use of clean energy technologies in leased data center and encourage suppliers to reduce carbon emissions. The planned photovoltaic capacity of the leased project park reaches 2,196.72 kW, which can supply 3 million kWh of green electricity every year and reduce carbon emissions by approximately 3,000 tonnes.



**Photovoltaic Power Generation Project in Miyun**

<sup>41</sup> EHS is the abbreviation of Environment, Health and Safety



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## 2.5 Social Responsibility

Focusing on the strategic goal of taking social responsibility as the core commitment, Kuaishou actively serves people and community development and conducts public welfare and volunteer activities in order to improve people's living standards, demonstrating the social value and responsibility of the Company.

### 2.5.1 Community Contribution

Kuaishou is devoted to carrying on the mission of "connecting good faith with technology and realizing shared value of the platform". Adhering to the principle of inclusive technology, we fully leverage the advantages of our products, technology, and community to actively assist rural revitalization, help the underprivileged, and protect the biological environment, initiating public welfare projects with Kuaishou characteristics.

#### Case: Female Power • Rural Revitalization and Assistance Project

In March 2022, Kuaishou Charity, together with China Women's Development Foundation and Shanxi Women's Federation, initiated "Female Power • Rural Revitalization and Assistance Project." Under the backgrounds of "Rural Revitalization" and "Common Prosperity", the project aims to incubate and train female e-commerce hosts in economically underdeveloped areas through live streaming e-commerce and live streaming sales. On the one hand, the project can expand the sales network of special agricultural by-products with local characteristics and support the development of local special industries. On the other hand, the project also assists rural women in starting their own businesses through the short video platform's promotion and distribution. Additionally, the cross-region communication between the helpers (female entrepreneurial mentor) and recipients (female representatives in rural areas) has promoted the exchange and integration of new women's thoughts in the urban and rural areas.

The "Female Power • Rural Revitalization and Assistance Project" has been actively implemented since its inception. In 2022, four e-commerce training sessions were conducted for women in Linfen, Yuncheng, Changzhi and Yangquan in Shanxi Province, benefiting nearly 400 women in rural areas. Based on expert evaluations and field research, the project has identified six areas for female entrepreneurship in the first phase. The training session in Datong aims to assist 100 women in local towns in acquiring professional e-commerce skills, such as live streaming and short video production. The Female Power project intends to extend its coverage to over 1,000 rural women throughout Shanxi Province.



The training course



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### Case: Kuaishou helped veterans to start high-quality employment

The Advocacy Center of the Ministry of Veterans Affairs and Kuaishou platform, jointly with various local departments of veteran affairs and other enterprises, organized the Spring Recruitment Campaign for Veterans — named the “Army Heroes Collection”. It is an innovative project to help veterans find high-quality employment.

Since April 11, 2022, online recruitment live broadcasts would start at 7:00 pm on every Monday. Previously, nine online recruitment sessions were held for Zhejiang, Henan, Guangdong, Anhui, Shanxi, Hainan, Hubei, Shandong and Guangxi. According to statistics, 8,846 positions were offered by 24 enterprises during the live broadcasts. The number of viewers has exceeded 4.1 million, and 3,538 veterans have submitted resumes. There were 10 online recruitment live broadcasts, offering 20,917 positions from 137 enterprises, helping over 15,000 veterans to find jobs, and attracting 28.55 million viewers.



Live broadcasts of online recruitment under the Spring Recruitment Campaign for Veterans



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### Case: Kuaishou and the Amity Foundation PADI Love Marine Special Fund jointly launched the "Save Coral Action"

In order to arouse people's awareness of coral conservation and protection of the marine environment, Kuaishou and the Amity Foundation PADI Love Marine Special Fund jointly launched the "Save Coral Action" on December 24, 2021, and built an innovative coral public welfare interactive platform, "Kuaishou Coral", to call upon users to plant corals online through short videos and multiple forms of live streaming, allowing everyone to participate in the coral protection action.

On February 15, 2022, under the theme of "Don't be Late for Love", Kuaishou Coral invited Dr. Yuyang Zhang, an expert from the Chinese Academy of Sciences, Gao Qingchen, a celebrity, and Chang Lin, the host, to conduct a live broadcast of coral planting, which attracted more than 10 million views. By the end of the campaign, there were 15,000 posts with 730 million views.

On March 20, 2022, Kuaishou organized an underwater live broadcast of "Coral Conservation Action". Li Xian, a young actor, dove to the seafloor near Hainan Island and planted coral to raise awareness of the protection of the marine environment. During the broadcast, coral expert, Peizheng Wang, answered questions online. The activity attracted more than 10 million viewers.



Public welfare activities under Coral Rescue Action



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### Case: Kuaishou Mode, an inclusive technology, was launched at the symposium of the United Nations for the discussion of digital transformation

From November 22 to November 24, 2022, the United Nations Department of Economic and Social Affairs (UN DESA) organized the symposium on “Effective Governance and Digital Transformation for Accelerating Implementation of the 2030 Agenda for Sustainable Development and Addressing Global Challenges” in Incheon, South Korean to explore how to address global challenges through digital transformation.

This is a major annual event of the UN DESA. Ban Ki-moon, the former Secretary-General of the United Nations, Li Junhua, the Under-Secretary-General, Donna Andrews, the person in charge of the World Bank, and the ministers, leaders and experts of the United Kingdom, Singapore, Malaysia, Poland, Portugal, Indonesia, the Philippines, the United Arab Emirates, India, Laos and other countries attended the symposium.

As the only Chinese enterprise being invited, Kuaishou presented a keynote speech on “Leveraging Digital Technology for Promoting Social Inclusion to Realize the SDGs” at the symposium. Striving to build an inclusive digital community, Kuaishou has conducted research to facilitate the development of digital villages, promote the integration of digital model and the real world, care for underprivileged groups and support cultural inheritance. Kuaishou continues to improve algorithm mechanism of data traffic, and strives to bridge the “attention gap” in the Internet age and enable everyone to express themselves and get attention, have better interaction with one another and capture the imagination of more people for greater sense of achievement and happiness. This also aligns closely with the concept of the UN to “Leave No One Behind”. The speech content of Kuaishou was included in the relevant report of the UN.



**As the only Chinese enterprise being invited, Kuaishou attended the symposium of the United Nations**



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## 2.5.2 Public Welfare and Volunteer Services

Kuaishou is committed to charity work as part of its social responsibility. We have initiated various public welfare and volunteer service activities, encouraging employees to offer their love and warmth. Through public welfare actions such as listening to voices of the elderly and bringing hope to children in rural areas, we actively seek to lift the spirit of civilization, harmony, friendship, and mutual help.

In 2022, Kuaishou donated RMB22.70 million through our public welfare projects, and spent 16,319 hours on public welfare projects.

### Case: Wish List of the Silver-haired

The “Wish List of the Silver-haired” is an innovative public welfare program of Kuaishou to express our care for the silver-haired. Along with donations and assistance, Kuaishou hopes to carry out a series of charitable activities with organizations that help the elderly, and provide them with personalized assistance by visiting them and listening to their real needs.

As of November 2022, Kuaishou Charity joined hands with users named “Mom is the Blessing”, “Kuaishou Administrator” and “Beijing Jishuitan” to conduct three live streaming activities focused on the “Wish List of the Silver-haired.” Topics included to fulfill the wishes of elderly users who had disabled dependents, safe Internet access for middle-aged and elderly users, and prevention osteoporosis. This campaign aims to create an atmosphere of caring for the elderly and enable more people to join charitable groups to protect the silver-haired.



Public Live Streaming of the “Wish List of the Silver-haired” series



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### Case: Kuaishou Charity visited the “Sun Village” in Yunnan and enabled a “different semester” to children in mountainous areas

Under the guidance of the Information Office of the Supreme People’s Procuratorate and the Education and Sports Bureau of Xichou county, Kuaishou Charity launched the “Kuaishou Charity’s Wish List” jointly with the Party Committee of Kuaishou, government units with accounts on Kuaishou, Kuaishou Middle School, Kuaishou IT and China Guanghua Science and Technology Foundation, and donated extracurricular books worth of RMB150,000, 15 sets of computers, 120 sets of desks and chairs, 1,000 pens, 200 sets of notebooks and one color printer to the Tanggu Minority Primary School in Xichou county, which significantly helped pupils and improved conditions for local education.

On September 15, 2022, led by the corporate social responsibility department, volunteers of Kuaishou participated in the donation ceremony of Tanggu Minority Primary School and visited the library of Tanggu Minority Primary School with viewers using Kuaishou’s live streaming platform. They experienced the benefits of extracurricular reading for rural children, and brought gifts and blessings to the children. The volunteers also visited the “Wish Library” and had an interactive reading class with the children to teach them how to prepare reading notes and cultivate the habit of reading.



Kuaishou’s volunteers at the donation ceremony of Tanggu Minority Primary School



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In 2022, Kuaishou focused on rural revitalization, child and youth protection, non-obstacle and elderly-friendly environment, caring for veterans, emergency response to disasters, intangible cultural heritage and environmental protection, winning 10 public welfare awards and gaining wide recognition from society.

### Honors and awards:



1. In January 2022, the live streaming event titled “Youth China on the Highway — Chinese People’s Case” to help farmers and jointly organized by Kuaishou, China Youth Newspaper and China Youth Network was selected as one of the “Top Ten Outstanding Public Welfare Cases of China New Media in 2021” by the New Media Professional Committee of All-China Journalists Association.
2. On January 28, 2022, Kuaishou received the “Friend of Hope” award by China Youth Development Foundation.
3. In May 2022, “Helping the 50 Elderly”, a public welfare action jointly launched by Kuaishou and Foshan City Radio Station won the “2021 Outstanding Public Welfare Project in Foshan” award, which was jointly granted by the Foshan Civilization Office and Foshan Civil Affairs Bureau.
4. On July 29, 2022, Beijing Radio and Television Administration and the BNU Internet Institute released the “2021 Social Responsibility Monitoring Report of Major Network Audio-Visual Enterprises”, and Kuaishou was granted the award of Enterprise with Excellence in Performing Social Responsibilities Among the Beijing Internet Audio-Visual Industry of 2021 (2021年度北京網絡視聽行業社會責任優秀企業獎).
5. On September 22, 2022, at the Cloud-network Security and Data Governance Forum of 2022 (19th) China Internet Conference in Beijing, Happy Village Leader project of Kuaishou Technology was named as Demonstration Project of Beautiful Digital Village in the Information and Communication Industry of Beijing in 2022.



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6. On November 9, 2022, the Center of Beijing Institute of Technology for Common Prosperity and Human Resource Development Research and the Organizing Committee of China Enterprise Charity Forum released the rankings of China's top 500 enterprises in philanthropy in 2022, and Kuaishou ranked 126th in the 2022 China's top 500 enterprises for philanthropy, 70th among 2022 China's top 500 enterprises in philanthropy in the service industry, 80th among 2022 China's top 500 private enterprises in philanthropy and 50th among 2022 China's private enterprises in philanthropy in the service industry.

7. On November 10, 2022, the Collection of Outstanding CSR Cases of Education Projects and the Sixth Session of China Education Award was officially released, and Kuaishou won the "CSR CHINA TOP100" award, the Happy Village Leader project of Kuaishou won the "Best CSR Project of the Year Award", and the "Kuaishou Charity•Care for Veterans" project won the "Best CSR Impact Award".



8. In November 2022, in recognition of the contributions made by Internet business units in promoting self-discipline, purifying the network environment, protecting the healthy growth of minors, fulfilling social responsibilities, devotion to social welfare, and promoting the healthy and harmonious development of China's Internet industry, the Review Committee of Self-discipline Contribution and Public Welfare Award of China's Internet Industry has nominated 81 units, including Kuaishou, for the "2021–2022 Self-discipline Contribution and Public Welfare Award of China's Internet Industry".

9. In November 2022, Kuaishou was named "Top 10 Annual Public Welfare Enterprises" at the "Action League 2020 Charity Ceremony" of Phoenix New Media.

10. In December 2022, Kuaishou won the "2022 Responsible Enterprise" at the 18th Forum on CSR in China hosted by *China News Weekly* of China News Agency.



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## APPENDIX: INDEX OF ESG INDICATORS OF THE HKEX

Index	Description	Related Sections
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
	General Disclosure	1.2 Green Operation
A1.1	The types of emissions and respective emissions data	1.2 Green Operation
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	1.1 Addressing Climate Change
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	1.2 Green Operation
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	1.2 Green Operation
A1.5	Description of emissions target(s) set and steps taken to achieve them	1.1 Addressing Climate Change
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	1.1 Addressing Climate Change 1.2 Green Operation
<b>Aspect A2: Use of Resources</b>		
	General Disclosure	1.2 Green Operation
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	1.2 Green Operation
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	1.2 Green Operation
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	1.1 Addressing Climate Change 1.2 Green Operation
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them	1.1 Addressing Climate Change 1.2 Green Operation
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable as the Company's e-commerce platform serves third-party businesses and has no self-operated goods and thus no packaging material used



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Index	Description	Related Sections
<b>Aspect A3: The Environment and Natural Resources</b>		
	General Disclosure	1.2 Green Operation
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	1.2 Green Operation
<b>Aspect A4: Climate Change</b>		
	General Disclosure	1.1 Addressing Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	1.1 Addressing Climate Change
<b>B. Social</b>		
<b>Aspect B1: Employment</b>		
	General Disclosure	2.2 Employees' Development
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region	2.2 Employees' Development
B1.2	Employee turnover rate by gender, age group and geographical region	2.2 Employees' Development
<b>Aspect B2: Health and Safety</b>		
	General Disclosure	2.2 Employees' Development
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	2.2 Employees' Development
B2.2	Lost days due to work injury	2.2 Employees' Development
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	2.2 Employees' Development
<b>Aspect B3: Development and Training</b>		
	General Disclosure	2.2 Employees' Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	2.2 Employees' Development
B3.2	The average training hours completed per employee by gender and employee category	2.2 Employees' Development
<b>Aspect B4: Labour Standards</b>		
	General Disclosure	2.2 Employees' Development
B4.1	Description of measures to review employment practices to avoid child and forced labour	2.2 Employees' Development
B4.2	Description of steps taken to eliminate such practices when discovered	2.2 Employees' Development



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Index	Description	Related Sections
<b>Aspect B5: Supply Chain Management</b>		
	General Disclosure	2.4 Supply Chain Management
B5.1	Number of suppliers by geographical region	2.4 Supply Chain 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	2.4 Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	2.4 Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	2.4 Supply Chain Management
<b>Aspect B6: Product Responsibility</b>		
	General Disclosure	2.1 Platform Responsibilities
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable as the Company's e-commerce platform serves third-party businesses and has no self-operated goods
B6.2	Number of products and service related complaints received and how they are dealt with	2.1 Platform Responsibilities
B6.3	Description of practices relating to observing and protecting intellectual property rights	2.1 Platform Responsibilities
B6.4	Description of quality assurance process and recall procedures	Not applicable as the Company's e-commerce platform serves third-party businesses and has no self-operated goods
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	2.1 Platform Responsibilities



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Index	Description	Related Sections
<b>Aspect B7: Anti-corruption</b>		
	General Disclosure	2.3 Business Ethics
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	2.3 Business Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	2.3 Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff	2.3 Business Ethics
<b>Aspect B8: Community Investment</b>		
	General Disclosure	2.5 Social Responsibility
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	2.5 Social Responsibility
B8.2	Resources contributed (e.g. money or time) to the focus area	2.5 Social Responsibility