



Connecting Good Faith with Technology, Kuaishou Officially Released its ESG Report 2022

2023.04.28

On April 27th, Kuaishou Technology officially released its 2022 Environmental, Social and Governance Report (hereinafter referred to as the "ESG Report"), showcasing the Company's performance in various areas such as green operations, social responsibility, platform governance, employee development and so forth.

According to the report, in 2022, Kuaishou continued to carry out a number of energy conservation and greenhouse gas emission reduction efforts to achieve its five environmental goals, including the use of clean energy, energy savings, water conservation, waste reduction and greenhouse gas reduction. Along with its "Live+" and "Short Video+" business models, Kuaishou fully integrated all aspects of production into people's daily lives and continued to demonstrate the platform's value in areas such as rural revitalization, support for the underprivileged and public welfare.

Recently, Morgan Stanley Capital International ("MSCI"), an internationally recognized indexing agency, upgraded Kuaishou's ESG rating to BBB due to its improvement across the board in all five categories, namely corporate governance, corporate behavior, carbon emissions, privacy and data security, and human capital development, which is the leading level among its Chinese Internet peers. This is also the first time that Kuaishou has received a BBB rating since it was included in the MSCI ESG ratings.

Continuing to demonstrate value in multiple areas such as rural revitalization, support for the underprivileged, and public welfare

As an influential and inclusive digital community, along with its "Live+" and "Short Video+" business models, Kuaishou has fully integrated all aspects of production into people's daily lives, giving rise to new scenarios and new models of consumption upgrade, industrial innovation, knowledge development and career advancement. Meanwhile, adhering to the mission of "connecting good faith with technology and realizing the shared value of the platform," Kuaishou has continued to demonstrate its platform value in the areas of rural revitalization, support for the underprivileged and public welfare.

Until July 2022, Kuaishou has discovered and supported more than 100 "Happy Village Leaders" across 27 provinces and municipalities, driving the revitalization of 16 local industries and impacting industrial development that covers nearly 10 million people. In the next three years, Kuaishou will seek out and support more than 1,000 rural entrepreneurs as well as deliver rural talent training on short videos and live streaming to more than 1 million people. Kuaishou will also continue to incubate rural talents, help revitalize industries and promote the "Beautiful Countryside Construction" sustainable development by leveraging the power of its technology and platform advantages.

In terms of driving employment in society, Kuaishou leveraged its recruitment relationships centered on trust and streamed live broadcasts through its "Kwai Hire" business, an employment platform built for both enterprises and job seekers. In 2022, the "Kwai Hire" business has live-streamed more than 5 million sessions, and Kuaishou has cooperated with more than 240,000 enterprises, providing a new solution to effectively solve the "labor shortage" and "employment difficulties" issues.

According to the report, in 2022, Kuaishou's donation to public welfare projects amounted to 22.7 million, and the total time devoted to public welfare projects exceeded 16,300 hours. Through public welfare campaigns such as listening to the voices of the elderly and helping women and children in mountainous areas, Kuaishou continued to convey corporate social responsibility.

In September 2022, Kuaishou launched the "Wish List of the Silver-haired" program during China Charity Day, in which Kuaishou and professional organizations provided personalized assistance to the silver-haired users. Through online activities and live streaming for helping the elderly, more people could participate in public welfare actions caring for the elderly, promoting a social atmosphere that supports the elderly. In addition, the "Female Power • Rural Revitalization and Assistance Project," officially launched in March 2022, helps rural women with their employment and entrepreneurship through live streaming e-commerce training, study visits and entrepreneurship funding support, supporting the revitalization of rural industries. Till today, the program has benefited nearly 400 rural women, covering more than 1,000 rural women in Shanxi province as a whole.

Adhering to the concept of environmental protection and green operations

Against the backdrop of carbon peak and carbon neutrality targets, the green and low-carbon performance of enterprises attracts a significant amount of attention. In the ESG report, Kuaishou stated that the Company is committed to protecting the ecological environment and practicing a green and sustainable business philosophy. In 2022, Kuaishou continued to pursue a number of energy conservation and greenhouse gas emission reduction efforts to achieve its environmental goals in five major areas, including clean energy use, energy conservation, water conservation, waste reduction and greenhouse gas emission reduction.

For example, in terms of clean energy use, Kuaishou will maximize the application of free cooling as well as wind energy, solar energy, and energy-efficient equipment. Kuaishou chose to construct its self-built data center in Ulanqab, a relatively more energy-efficient location, with various innovative technologies to reduce energy consumption as well as the consumption of water for air conditioning. Kuaishou established an intelligent and energy-saving operation management system for the data center, taking multiple measures to reduce its total carbon emissions. The self-built data center is expected to achieve 100% clean energy usage by 2030.

Green and low-carbon concepts are also deeply rooted in the working lives of Kuaishou's employees. As a result of its paperless office program, Kuaishou's employees protected more than 4,000 trees in 2022. Furthermore, Kuaishou has launched an internal "Used Electronic Device Repurchase Program," in which employees can choose to repurchase laptops, system units, monitors and other devices to diminish the environmental impact of end-of-life electronic devices. In addition, through a series of energy and water conservation initiatives, Kuaishou is expected to reduce per capita electricity and water consumption in its Beijing office premises by 8% by the end of 2026, compared with 2021.

Empowering industries with its technological resources and advantages

Kuaishou always pays great attention to platform governance, rigorously protecting user privacy and platform data security. Kuaishou actively carries

out technology and business innovation through intelligent and digital means and uses its own technology resources and advantages to empower the industry.

With the release of Youth Mode 4.0, Kuaishou has further upgraded its youth guardianship tools and optimized selected content tags. For example, minor users can "follow" accounts of interest, and only content suitable for minors will be displayed on the account homepages, while the "recommendations" page presents sports, talent, music, travel, and other content in a categorized manner with tags. In order to better protect the legal rights and interests of minors, the "Youth Protection Agreement" was added to the Youth Mode, which describes in detail the legal requirements for minors to use the platform, including measures to protect minors' personal information security, guidelines to protect minors' healthy use, and the vision of joint protection shared by the platform, guardians and minor users.

In the process of building the Reliable Purchase ecosystem on the platform, Kuaishou has rolled out over 20 consumer rights and interest protection services with the stated mission of "reliable quality and worry-free after-sales services" to provide more comprehensive protection for consumers. In 2022, the cumulative number of users subsidized for returned goods exceeded 190 million. Under the guidance of the platform's trust mechanism, merchants have offered more protection of customers' rights. The number of e-commerce orders and consumers with Reliable Purchase and other protection grew by 460% and 32%, respectively, when compared with 2021. Kuaishou e-commerce provided online courses to help more than 1 million small and medium-sized merchants, supporting their rapid growth on the platform. In addition, Kuaishou continued to empower the growth of merchant businesses through product tools, traffic incentives, policy support and other initiatives.

In September 2022, DNV, a professional risk management service provider, issued Kuaishou with the internationally recognized certifications ISO/IEC27001 and ISO/IEC27701. This signifies that Kuaishou's core businesses, such as live streaming and e-commerce, are equipped with global-leading information security and privacy protection capabilities, which can effectively protect the use of information and the rights of consumer and merchant users on the platform. Throughout 2022, Kuaishou revised a total of 14 documents related to data security and continuously implemented the latest technology and specifications to ensure data security.

In terms of intellectual property protection, Kuaishou released an industry-first white paper on innovation and intellectual property in the short video field. By the end of 2022, Kuaishou had applied for 9,930 domestic and foreign patents, of which 3,264 have been granted, covering video recommendation systems, infrastructure, audio and video processing, multimedia comprehension, computer vision and graphics, and many other aspects. Through high-quality patent layout and standard patent operation, Kuaishou continued to protect the platform's innovation achievements, winning industry honors such as the "well-known trademark," the "China Patent Excellence Award," and the "Top Ten Copyright Owner." In October 2022, Kuaishou officially launched its intellectual property protection platform, providing a smoother and more convenient channel to protect rights and create a healthy intellectual property ecosystem.

It is worth mentioning that Kuaishou has always regarded employees as critical to driving its long-term development. Kuaishou pays attention to employees' physical and mental health, promoting the mutual development of the Company and its employees. According to the report, Kuaishou has established "Kuai Star," a campus recruitment program dedicated to algorithmic and engineering tech talents, in order to uncover top-tier tech talent. In addition, Kuaishou has provided multiple employee training programs, and "Kuaishou Middle School" has a total of 2157 courses online, with training resources reaching 100% of its employees.

Looking ahead, Kuaishou will continue to establish a comprehensive ESG management system, to improve ESG governance and promote the sustainable development of the Company as well as society.