Kuaishou Technology

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

Stock Code: 1024

2020

Environmental, Social and Governance Report

Contents

About the Report 01

About Us 03

Overview of ESG Performance

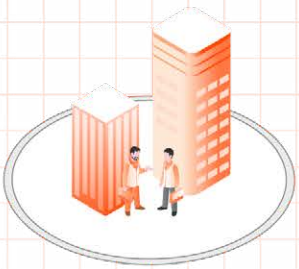
Corporate Governance and ESG Management 05

Working with Partners to Build a Healthy Ecosystem 05

Optimizing Services to Enhance User Experience 06

Protecting Beautiful Home for Harmony and Win-Win 07

Creating a Better Future with Technology 08



Corporate Governance and ESG Management 01

ESG Governance Framework 11

Risk Management 11

Business Ethics 12

Stakeholders Engagement 14

Management of Material ESG Issues 15

Working with Partners to Build a Healthy Ecosystem 02

Community Ecosystem Governance 19

Comprehensive E-commerce Management 23

Sustainable Supply Chain 26

Protection of Intellectual Property Rights 27

Optimizing Services to Enhance User Experience 03

Improving User Experience 31

Data Security and Privacy Protection 33

Protecting Beautiful Home for Harmony and Win-Win 04

Growing Together with Employees 41

Low-carbon and Green Operation 51

Creating a Better Future with Technology 05

Promoting Social Care 57

Paving the Path Toward Prosperity 63

Unique Beauty in Rural Areas 66

Index 69

About the Report

This is the first environmental, social and governance ("**ESG**") report (the "**Report**") published by Kuaishou Technology (stock code: 1024) (the "**Company**") together with its subsidiaries and consolidated affiliated entities (the "**Group**" or "**Kuaishou**" or "**we**") to communicate with stakeholders on the Group's ESG philosophy, initiatives and performance, and to respond to stakeholders' needs.

Reporting Period

Unless otherwise specified, the Report covers the Group's performance on ESG matters from January 1, 2020 to December 31, 2020 (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 Appendix 27 Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**HKEX**") (the "**Listing Rules**").

Reporting Principles

Materiality: For the purpose of preparing the Report, the Company conducted a materiality assessment process to determine the scope of disclosure and the degree of detail to which information is to be disclosed for each topic. The results of the materiality assessment for 2020 are presented in the section "Management of Material ESG Issues".

Quantitative: The Report discloses quantitative environmental and social data to present the Group's performance on key ESG indicators.

Balance: The Report discloses both achievements and areas where further improvements are needed in an objective way to provide an unbiased picture of the Group's ESG performance.

Consistency: This is the first ESG report of the Company. Unless otherwise specified, the data disclosed herein were for 2020, and we will use consistent statistical methods to prepare future versions based on actual management conditions and disclose comparative data over consecutive years wherever possible, to provide readers with a better understanding of the trends of our performance on relevant indicators. Unless otherwise specified, the data disclosed in the Report are compiled in accordance with the uniform information collection process and working mechanism established by the Company to ensure that the data are comparable from year to year.

Monetary Unit

Unless otherwise specified, the unit for all monetary amounts in the Report is in Renminbi.

Access to the Report

The English and Chinese versions of the Report are available on the website of the HKEX (https://www.hkexnews.hk) and the Company's IR website (https://ir.kuaishou.com). If readers have any queries or comments on the Report, please contact us at ir@kuaishou.com/kuaishou@tpg-ir.com. The Report is available in both Chinese and English for readers' reference. In case of discrepancies, please refer to the Chinese version.

About Us

Kuaishou is a leading content community and social platform with its mission to be the most customer-obsessed company in the world. Kuaishou has relentlessly been focusing on serving its customers and creating value for them through the continual innovation and optimization of its products and services. At Kuaishou, any user can chronicle and share their life experiences through short videos and live streams and showcase their talents. Working closely with content creators and businesses together, Kuaishou provides product and service offerings that address various user needs that arise naturally, including entertainment, online marketing services, e-commerce, online games, online knowledge-sharing, and more. Kuaishou was successfully listed on the Main Board of HKEX on February 5, 2021.

Legend: Users denoted in yellow bubbles | Business denoted in orange bubbles | Multifaceted network effects

The Kuaishou Ecosystem

The following diagram shows the overview of Kuaishou App* performance for the year ended December 31, 2020

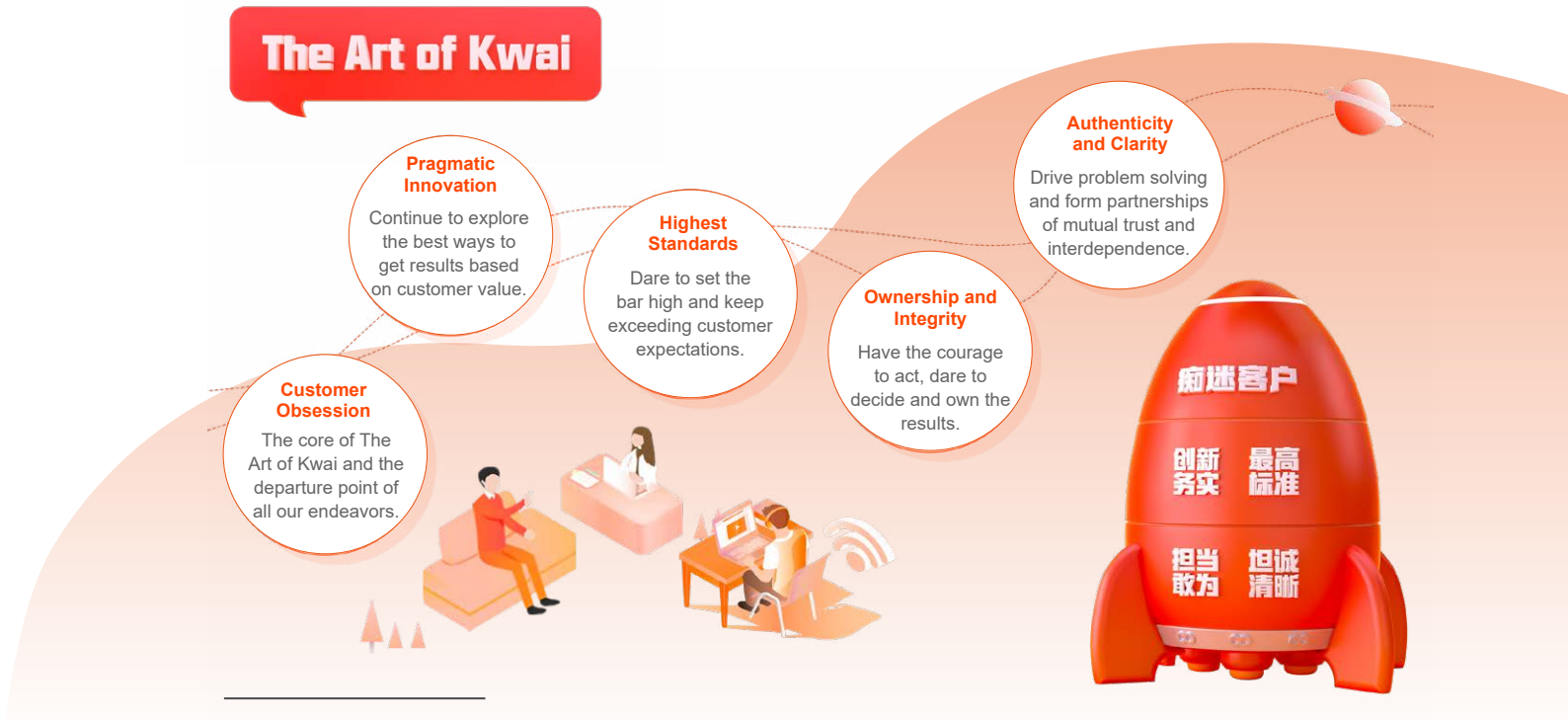
264.6 million
Daily Active Users (DAUs)**

481.1 million
Monthly Active Users (MAUs)***

87.3 minutes
Average daily time spent per DAU

More than **25** %
of average MAUs were content creators****

In 2020, Kuaishou improved its organizational culture based on reflection on and insights gained from its rapid business and workforce expansion. In December 2020, Kuaishou released its corporate values summed up as the "The Art of Kwai", with five core values: Customer Obsession, Pragmatic Innovation, Highest Standards, Ownership and Integrity, and Authenticity and Clarity. Going forward, these core values will continuously serve as the foundation of the corporate culture of the Group: guiding us as we continue to forge ahead in creating value for our users and customers with deep and diverse content offerings, effective service solutions and AI-powered technologies. We will be better positioned to help people discover their needs, use their talents to improve their lives and find their unique brand of happiness.



Notes:

* Kuaishou App includes Kuaishou Flagship, Kuaishou Express and Kuaishou Concept mobile apps.

** Daily Active Users (DAUs) refers to daily active users, which are calculated as the number of unique user accounts, excluding spam accounts, that access an app at least once during the day.

*** Monthly Active Users (MAUs) refers to monthly active users, which are calculated as the number of unique user accounts, excluding spam accounts, that access an app at least once during the calendar month.

**** Content creators are calculated as the average number of unique user accounts per month that upload short videos plus the average number of unique user accounts per month that stream content.

Overview of ESG Performance

Corporate Governance and ESG Management

We are committed to solidifying the foundation of our corporate governance to pursue sustainable business growth.

The Board of Directors of the Company (the "**Board**") has authorized the Corporate Governance Committee as the committee to oversee the Company's ESG management. The Corporate Governance Committee is responsible for determining the material ESG issues of the Company, reviewing the Company's outlook, strategy, framework, principle and policy regarding ESG issues, reviewing and monitoring ESG practices at the Company, overseeing the attainment of the Company's ESG targets, and reporting to the Board on ESG matters.

Kuaishou joined the Trust and Integrity Enterprise Alliance in 2019.

In 2020, Kuaishou conducted **421** integrity and compliance training sessions, including offline training covering **5,960** people and online training covering **11,990** people.

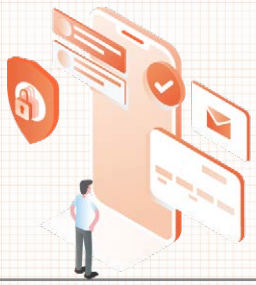
In 2020, Kuaishou substantiated **27** integrity-related cases, recovering approximately RMB **2.8** million of losses.

In 2020, Kuaishou arranged for a total of **713** suppliers to sign the Integrity Commitment Letter.

Working with Partners to Build a Healthy Ecosystem

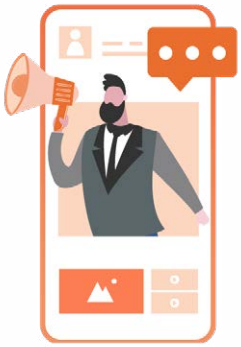
Kuaishou was awarded the "2018-2020 Chinese Internet Industry Award of Outstanding Self-Regulation and Philanthropy".

We are committed to building a healthy ecosystem with short videos and live streams as its core, and working with partners to create value for our users.



As of December 31, 2020, Kuaishou's supplier list included a total of **1,802** suppliers worldwide.

In 2020, Kuaishou continued to improve the governance of e-commerce platform. The Group launched a special campaign against false advertising in live streams by distributing questionnaires during live streaming, which covered a total of **650,000** live stream sessions and received **8** million responses.



In 2020, Kuaishou produced safety education contents tailored to different scenarios and different groups of users, with the official Kuaishou Administrator account having cumulatively produced a total of **200** safety education videos and graphic contents, which have an accumulative viewership of **220** million.

In 2020, Kuaishou conducted random inspections of merchants and their products from time to time, and conducted multiple special spot inspections in cooperation with third-party organizations, covered **100%** of the first-level product categories .

In 2020, Kuaishou developed an E-commerce knowledge base to help merchants to get familiar with Kuaishou's E-commerce system quickly. In total, we have completed more than **200** live online courses with over **5** million attendees.

Optimizing Services to Enhance User Experience

We focus on providing our users with great user experience and service experience, applying the highest security standards to protect user information and personal privacy, which makes us to be a truly trustable platform to our users.

In 2020, the Company's various user communication channels processed an average of over **100,000** service requests per day with an overall manual service satisfaction rate of more than **85%**. In particular, the satisfaction rate of the call center manual service channel exceeded **95%**, while the execution precision rate of all customer service channels was **95%**, all exceeding industry standards[1].

In 2020, Kuaishou introduced a series of initiatives to protect minors, setting up a Minor Care Hotline which covers, minor care education, warning for unaccompanied minors on camera, warning for mistaken spending by minors exceeding the threshold, and approval of refund for mistaken spending by minors. In this way, we tried our best to care for this unprivileged group.

In 2020, Kuaishou provided a secure and stable network environment for users, ensuring a round-the-clock access, with its network stability reaching **99.99%**.

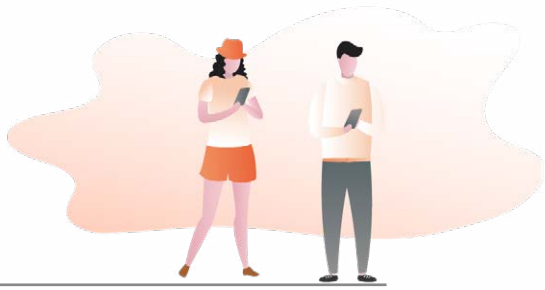
In 2020, Kuaishou passed the National Information Security Protection Certification (Level 3) and was awarded the "Cyber Data Security Compliance Assessment 2020: Excellent Case" award by the China Academy of Information and Communications Technology (CAICT).

[1] According to COPC Customer Experience (CX) Standard for customer service providers(CSPs) Rel.6.0a, published by Customer Operations Performance Center.

Protecting Beautiful Home for Harmony and Win-Win

We are committed to continuously expanding and improving Kuaishou's business value and enabling all employees to grow with the Group while practicing green and low-carbon operations with practical actions to contribute to China's "carbon dioxide emissions peaking and carbon neutrality" targets.

As of December 31, 2020, the Company had a total of **21,499** employees, with female employees accounting for about **40%**. All employees are covered by the national social security insurance scheme.



As of December 31, 2020, the Company had released a total of **513** courses on the Kuaishou Middle School online learning platform, offering learning resources to cover **100%** of employees. In 2020, the Company conducted more than **600** offline training sessions. In 2020, the average time of training received per employee of the Group through the online platform reached approximately **20** hours.

In 2020, Kuaishou conducted more than **20** surveys on employee service satisfaction that received more than **11,000** responses, with an overall satisfaction score of **9.52** (full score is 10).

In 2020, the average PUE[2] of Kuaishou's leased data centers from the third party in 2020 was **1.382**.

Kuaishou has been building its own data center in Ulan Qab. The project will adopt a number of advanced energy management measures and technical architecture. The annual average PUE of the data center is expected to be no higher than **1.2**. Compared with the industry average of data center PUE[3], the energy consumption of our data center is expected to be **25%** less than industry average of data center, and can save up to about **500** million Kwh of electricity per year.

[2] PUE is the abbreviation of Power Usage Effectiveness. It is an index to evaluate the energy efficiency of data center. It is the ratio of all the energy consumed by the data center to the energy consumed by the IT load. PUE = total energy consumption of data center/energy consumption of IT equipment, where total energy consumption of data center includes energy consumption of IT equipment and energy consumption of cooling and power distribution systems. The value is greater than 1. A value that is closer to 1 indicates less energy consumption of non-IT equipment and better energy efficiency of the data center.

[3] The average PUE of the industry is cited from the 2020 Uptime Institute Data Center Survey, https://uptimeinstitute.com/2020-data-centerindustry-survey-results.

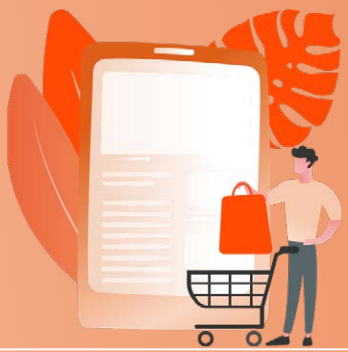
Creating a Better Future with Technology

We believe that the ultimate value of business is to contribute to the society. We have endeavored to make Kuaishou an empowering platform for people from different sectors of Chinese society across regions to increase income and improve the quality of life.

- The "Fumiao Poverty Alleviation Program" (福苗計劃) organized a total of **18** live streaming events for poverty alleviation in more than **50** counties and cities amid the pandemic, which cumulatively brought in more than RMB **448** million of sales.

- Kuaishou's poverty alleviation program,"Live Streaming as a New Consumption-Driven Model of Poverty Alleviation to Help Farmers", led by the activity of "Taste of Xinjiang", was shortlisted for the Top **50** Special Cases of Targeted Poverty Alleviation by Enterprises 2020 of the State Council Leading Group Office of Poverty Alleviation and Development.

- During the pandemic, Kuaishou, as a leading short video platform, not only initiated to donate RMB**100** million and **50,000** N95 masks, but also leveraged our advantages in powerful technology, large network traffic, and full platform to effectively promote the information about pandemic prevention and control in multi-level, multi-perspective and practical manner with the new model of "short video plus live streaming" and support production and work resumption.



- The Company donated more than **120,000** nutritious meals to the World Food Program (WFP) and diverted user traffic worth of RMB**10** million to the official account of the WFP at Kuaishou.

- The "Rural Revitalization Officer" project introduced more than **1,000** accounts at Kuaishou for grassroots cadres such as county mayors and village heads in **25** provinces across China, helping the first-line administrative officers learn how to use Kuaishou to explore a new path for grassroots governance modernization.

01 Corporate Governance and ESG Management

Kuaishou is committed to upholding high standards of corporate governance, complying with applicable laws and regulations and regulatory rules of the listing venue such as the *Company Law of the People's Republic of China* and the *Listing Rules*, adhering to scientifically sound and rule-based corporate governance principles, and continuously improving its corporate governance structure and measures.

- **ESG Governance Framework**
- **Business Ethics**
- **Management of Material ESG Issues**
- **Risk Management**
- **Stakeholders Engagement**

ESG Governance Framework

The Board assumes full responsibility for the Company's ESG strategy formulation and reporting. The Board has authorized the Corporate Governance Committee as the committee to oversee the Company's ESG management, which is responsible for determining the material ESG issues of the Company, reviewing the Company's outlook, strategy, framework, principles and policy regarding ESG issues, reviewing and monitoring ESG practices at the Company, overseeing the attainment of the Company's ESG targets, and reporting to the Board on ESG matters.

For further information about the Company's corporate governance practices in 2020, please refer to the section "Corporate Governance Report" of the Company's 2020 Annual Report.

Risk Management

The Board is responsible for establishing and maintaining effective risk management and internal control systems and reviewing their effectiveness. To ensure the effectiveness of the risk management and internal control systems, Kuaishou aligned the practical needs of the Company to adopt the "Three Lines of Defense" model as an official organizational structure for risk management and internal control under the supervision and guidance of the Board.

The first line of defense

Mainly implemented by the business departments of the Company, which are responsible for the day-to-day operations, and they are responsible for designing and implementing control measures to address the risks.

The second line of defense

Mainly implemented by, among others, the internal control team, finance department, legal department, systems operation department, efficiency engineering department and other departments with similar functions. This line of defense is responsible for formulating policies related to the management of operations, finance, compliance and litigation, information security and internal controls of the Company, and for planning and establishing an integrated risk control system. For ensuring effective implementation of such systems, this line of defense also assists and supervises the first line of defense in the establishment and improvement of risk management and internal control systems.

The third line of defense

Mainly implemented by the internal audit and forensic teams, which hold a high degree of independence. The internal audit team provides an evaluation on the effectiveness of the Company's risk management and internal control systems, and monitors management's continuous improvement over these areas. The forensic team is responsible for receiving whistle-blowing reports and investigating alleged fraudulent incidents.

Business Ethics

Business ethics has always been a priority at Kuaishou. Kuaishou not only strictly complies with the requirements of laws and regulations on anti-corruption and anti-bribery in China and other regions where it operates or in its potential markets, including the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *U.S. Foreign Corrupt Practices Act*, the *Bribery Act 2010 of UK*, but has also formulated a series of internal documents including the *Employee Handbook* and the *Kuaishou Employee Code of Conduct: Checklist of Red Lines*, which served as the basis for the Company to promote good business ethics.

We have formulated internal documents including the *Contract Management System*, the *Bidding Management System* and the *Supplier Management Measures* and adhere to the principles of equality, voluntariness, fairness and good faith in all aspects including supplier selection, contract signing and contract performance to safeguard mutual interests. Besides, we would require our external partners to sign integrity commitment letters. We would send advocacy letters to external partners to promote holiday compliance during traditional festivals and our agents would receive integrity training provided by us.

To avoid internal conflicts of interest, we distribute conflict of interest questionnaires to employees in accordance with the *Kuaishou Interim Rules on Avoidance of Conflict of Interest.* In addition, we regularly remind employees of the Company's whistle-blower channels through emails and Kim (internal workplace messaging software at Kuaishou).

In 2020, Kuaishou continued to strengthen its anti-corruption work in order to establish a comprehensive integrity system and foster an integrity corporate culture.

We have set up a special department responsible for investigation and handling the cases of fraud, fraud risk prevention and governance, and promotion of integrity culture. At the same time, we have implemented a declaration mechanism for gifts received by employees from external parties, and a well-established disciplinary procedure against those found in violations, including the circulation of a notice of penalty across the Company.

We have set up a team of integrity and compliance trainers to provide routine compliance training that covers all employees, special training that covers key business areas, and integrity management training that covers management members. In addition, we organize a month-long integrity culture campaign annually which combines online and offline activities through various channels to strengthen the awareness of integrity red-line and integrity management responsibility, as well as integrity and public welfare awareness.

We have implemented a series of specific governance actions, including declaration of false expenses claims, company-wide conflict of interest survey and declaration of interest, company policies that require the awareness of all employees, and specific topics such as electronic signature, to strengthen employee awareness and compliance with relevant policies.

Training for new employees on the harms of fraud and the Company's anti-fraud policy and integrity and compliance system

Training for fraud risk scenarios specific to individual business units

Sharing common internal and external fraud cases, fraud attribution and advice on integrity and compliance management

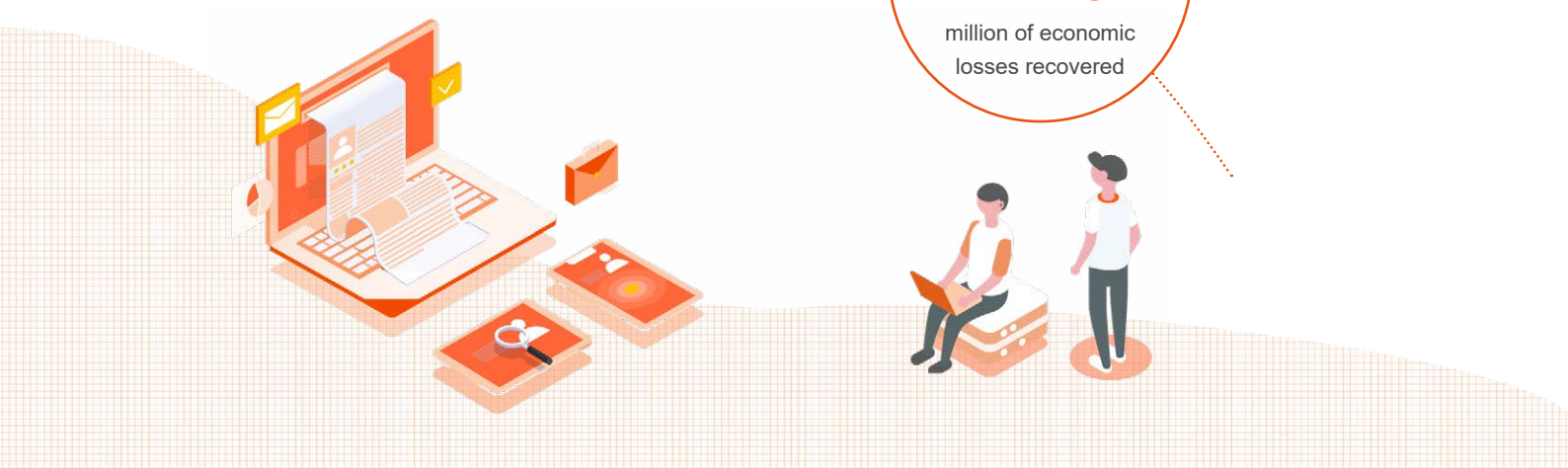
Training on specific subjects, e.g., conflict of interest risk management and common fraud cases

Integrity and compliance training system

To strengthen business ethics and whistle-blowing management, Kuaishou has formulated its *Integrity and Whistle-blowing Management Standards*, which sets forth a comprehensive internal and external whistle-blowing complaint and handling mechanism. We have established an official whistle-blowing channel for employees and external suppliers, agents and customers, etc. The Company's Integrity and Compliance Department is responsible for investigating whistle-blowing allegations and handling the relevant cases and persons collaborating with other departments according to the findings of investigation in a timely manner. In 2020, Kuaishou substantiated 27 integrity-related cases, recovering approximately RMB2.8 million of economic losses.

27
integrity-related cases substantiated in 2020

RMB **2.8**
million of economic losses recovered



Stakeholders Engagement

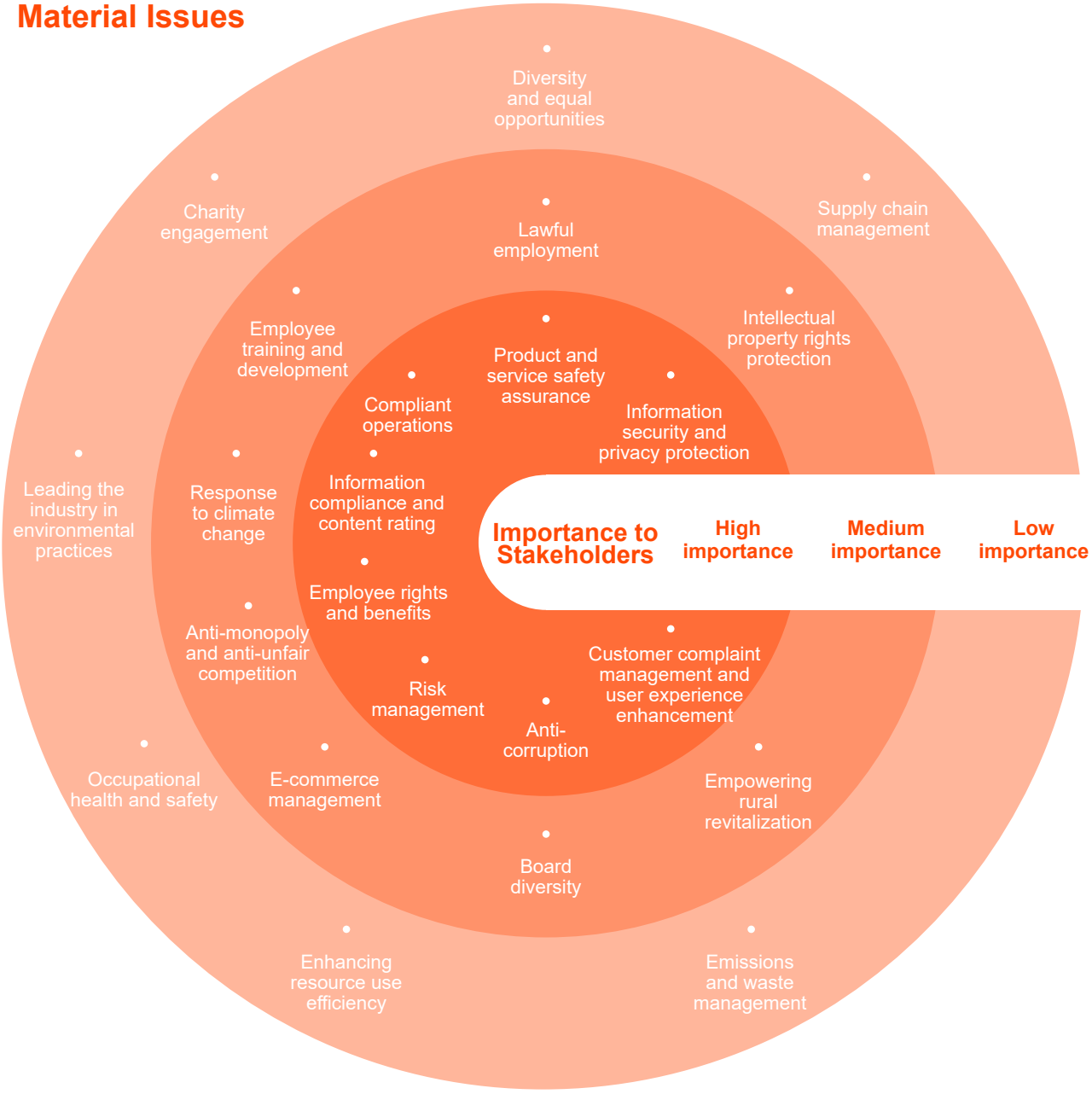
Kuaishou attaches great importance to communication with all stakeholders. We have been proactive in expanding communication channels, listening to the views and feedback of relevant parties, and incorporating the expectations and requirements of stakeholders into the planning of development, operational adjustments and other aspects of our business, so as to benefit more people while achieving our own sustainable development.

Stakeholders	Expectations and Requirements	Communication and Responses
Users	• Providing good experience of using products for users • A healthy Internet environment • Continuous improvement of product and service quality • Emphasis on user communication and feedback	• Developing new technology and improving products to serve customer needs • Fostering a healthy community ecosystem • Protecting user privacy • Carrying out theme-based activities to interact with users
Employees	• Comprehensive protection of rights and interests • Compensation, welfare and employee care • Training and career development opportunities • Company culture diversity • Good working environment • Employee communication	• Establishing an employee protection system • Providing development training and coaching for employees • Carrying out employee care activities • Improving the working environment • Providing employee feedback channels
Shareholders and investors	• Stable operations and reasonable return on investment • Timely, accurate and transparent corporate information disclosure	• Announcing operating results and other business information in a fair, transparent and timely manner • Holding investor meetings regularly • Proactive communication with shareholders and investors
Suppliers/partners	• Compliance with business ethics and contractual obligations • Timely communication and willingness to listen • Mutual support and growth	• Fulfilling contracts in accordance with law • Providing training and resource support for partners • Ongoing communication with partners
Government and regulatory bodies	• Compliance with laws and regulations • Paying taxes in accordance with law • Helping the government to improve social issues (unprivileged groups, poor groups, etc.)	• Boosting the local economy, promoting rural economic development and helping in rural revitalization • Helping governmental social media operations to spread positive impact • Collaborating on projects to help governments improve social issues
Media and NGOs	• Open and transparent information • Active cooperation • Innovative forms of charity activities • Facilitating charity promotions	• Active involvement in media communication • Cooperation in promoting charity projects • Establishing strategic partnerships with multiple charity organizations • Leveraging Internet technology to enable new modes of charity • Increasing media exposure for charity initiatives
Environment	• Addressing climate change risks • Enhancing resource use efficiency • Emissions and waste management	• Improving energy use efficiency • Improving resource recycling • Establishing green data centers • Green office
Society	• Rural revitalization and poverty alleviation • Inclusive digital technology	• Carrying out diverse rural poverty alleviation activities on themes such as education, culture and tourism, and intangible cultural heritage • Carrying out international poverty alleviation and inclusive nutrition activities • Implementing primary-level governance empowerment initiatives

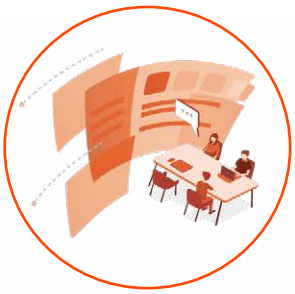
Management of Material ESG Issues

In order to reflect the importance attached by stakeholders to and their expectations and requirements for the Company's sustainable development and examine the progress of relevant internal efforts, Kuaishou in 2020, in line with the *Environmental, Social and Governance Reporting Guide* of the HKEX and the consultation papers on relevant provisions of the Listing Rules and based on the Company's business activities with reference to the ESG issues highlighted by domestic and overseas counterparts and the capital market, identified a total of 23 material ESG issues from the perspectives of corporate governance, customers, employees, industry and the environment, which will serve as an important reference for Kuaishou's future management decisions, goal setting and information disclosure.

Material Issues



Scope



Social issues

- Information security and privacy protection
- Product and service safety assurance
- Information compliance and content rating
- Employee rights and benefits
- Anti-corruption
- Customer complaint management and user experience enhancement
- Intellectual property rights protection
- Lawful employment
- Employee training and development
- Anti-monopoly and anti-unfair competition
- E-commerce management
- Empowering rural revitalization
- Supply chain management
- Diversity and equal opportunities
- Charity engagement
- Occupational health and safety

Environmental issues

- Response to climate change
- Leading the industry in environmental practices
- Enhancing resource use efficiency
- Emissions and waste management

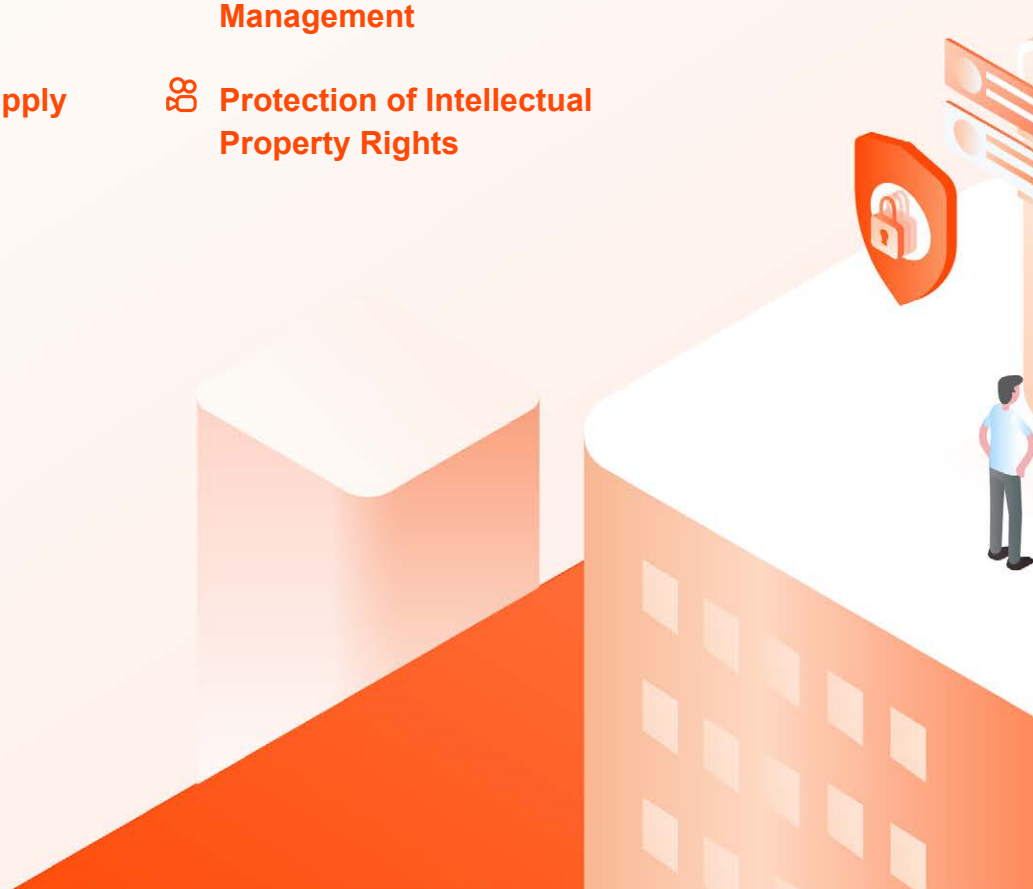
Governance issues

- Compliant operations
- Risk management
- Board diversity

02 Working with Partners to Build a Healthy Ecosystem

As a widely popular short video community with a massive user base, Kuaishou attaches great importance to platform ecosystem governance and is committed to continuously improving its ability to review content while providing users with a healthy and wholesome community environment. Kuaishou has made unrelenting efforts to improve e-commerce management, fulfill its platform responsibilities, protect the creative works of others (as well as its own intellectual property rights), provide users with compliant, high-quality products and services, and build a sustainable supply chain. We are committed to joining hands with partners, such as suppliers, merchants, and other players in the industry, to build a healthy and wholesome ecosystem environment that will serve everyone at all levels.

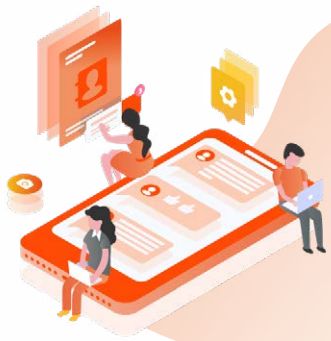
- **Community Ecosystem Governance**
- **Comprehensive E-commerce Management**
- **Sustainable Supply Chain**
- **Protection of Intellectual Property Rights**



Community Ecosystem Governance

Kuaishou has been committed to proactively fulfilling its platform responsibility by continuously improving its content rating and review process, as well as by providing high-quality content for users, injecting positive energy into society and fostering a healthy and orderly platform ecosystem.

We are committed to continuously enhancing the quality, relevance and diversity of content to meet the evolving interests and needs of our users and to encourage the creation of such content. An ever-expanding user base is the cornerstone of the Kuaishou platform, and users are the source of its unlimited creativity.



In 2020, more than

25 %

of average MAUs on Kuaishou App were content creators.

We have explored new content formats in order to both stimulate the community's creativity and tailor community ecosystem governance to different content types. This will help us to better spread high-quality content.

Governance of the Short Video and Live Streaming Content Ecosystem

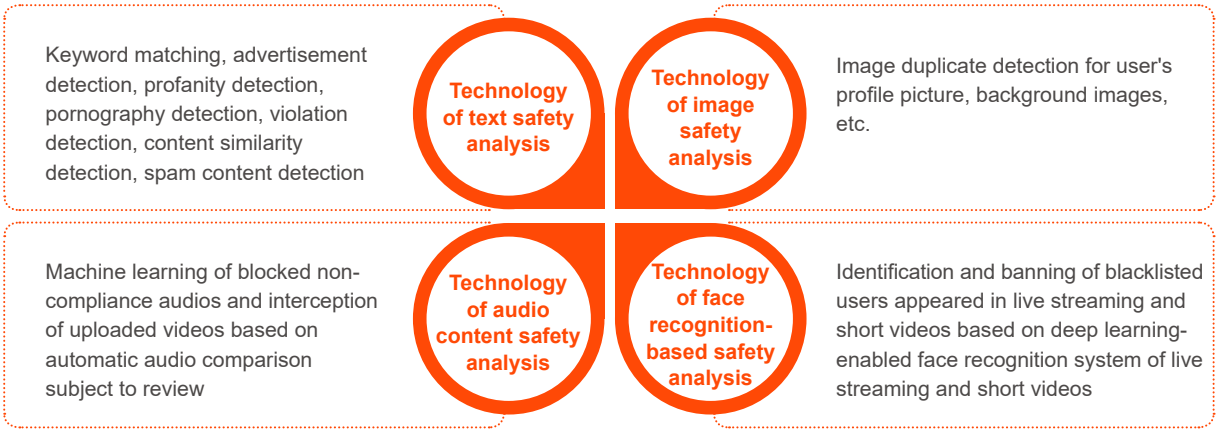
Policies and Management Mechanisms

In order to ensure the healthy development of its short video and live streaming platform, build a harmonious, rule-based and healthy network environment, maintain the order of the Kuaishou community and better protect the legitimate rights and interests of users, and in strict accordance with applicable laws and regulations including 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 Contents*, 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*, which has detailed provisions on relevant subjects including content management, content review mechanisms, mechanisms for monitoring major public relations events, emergency response, and security post management. These all have clearly defined responsibilities and workflows as well as additional criteria, such as content safety, advertising safety and technical safety, and punitive measures for violations. In this way, we are able to fulfill our safety management obligations.

Kuaishou has established a content rating management system with a review team commensurate with the scale of workload put in place. This system employs a combination of multiple interception technologies and 7×24 manual review to enforce strict platform content management. In addition, we have established a fairly comprehensive set of review rules which initiates actions against non-compliant content, such as blocking or account removal, depending on the severity of violation.

For interception technologies, we employ a combination of technological means that include duplicate detection, pornographic and obscene content detection, and watchlist user detection, which analyze the safety of videos uploaded by users.

Technologies of content safety analysis



For manual review, Kuaishou ensures content safety through a four-level review mechanism comprising video review, recall review, perception review, and trending content review that is put in place for videos uploaded by users that have potential safety risks to ensure content safety and effectively reach appropriate users. We have also developed a risk control strategy model that implements real-time assessment and review of live video and audio streams. For users in violation of live streaming rules, we will take punitive actions such as warning, live streaming cut-off, live streaming suspension for a definite number of days, and permanent live streaming suspension, depending on the degree of severity of violation. Furthermore, we impose penalties on user accounts whose live streaming function is permanently suspended, in order to ensure the healthy and stable development of the live streaming platform.

Content safety awareness campaign for users

Kuaishou maintains a full-featured safety awareness program to raise users' content safety awareness.

Kuaishou conducts a range of anti-fraud education and online safety activities to increase users' vigilance against fraud. We not only publish anti-fraud videos and images on our official account but also work with professional anti-fraud forces such as certified institutional accounts representing relevant government organs and other institutions like public security and legal authorities. In cooperation with these bodies, we hold live streaming on anti-fraud, thereby informing users of typical fraud patterns, analyzing fraud methods and providing the means of strengthening fraud prevention and governance. In addition, we also have other measures in place such as search prompt, warning, private message notification, and regular announcement of punishments on violations to further prevent and forestall fraud and protect users from fraud through education. As of December 31, 2020, the official Kuaishou Administrator account had published 200 safety education videos and graphic contents and organized more than 40 live streaming on safety education, with the videos receiving 220 million views.

During the Reporting Period, Kuaishou invited a number of streamers and speakers to serve as safety awareness officers of the Kuaishou community and to disseminate special educational content on various safety subjects such as protection of minors, dangerous driving governance, and wildlife protection. For search queries that indicate safety risks (such as those on wildlife, smoking, and negative emotions dealing), we provide related prompts and guidance for users. In 2020, such prompts were activated more than 30 million times.

As of December 31, 2020

the official Kuaishou Administrator account had published **200** safety education videos and images

organized more than **40** live streaming on safety education

with the videos receiving **220** million views

Platform Helpline for Mental Health

REC

Kuaishou has special reminders about dealing with negative emotions on its platform, providing assistance for users with depression or other mental health issues.

Kuaishou won the "2018-2020 Chinese Internet Industry Award of Outstanding Self-Regulation and Philanthropy"

REC

Feedback mechanism for content violations

In 2020, Kuaishou optimized its content violation notification formats, the notification of reasons for violations and the feedback mechanism. After a violation is determined, we will inform the user of the violation through private messages from the official account of the Kuaishou Administrator and pop-up change to alert on live streaming, among other methods. On the violation details page, we help users understand the reasons for violations with text and video contents in a comprehensive and clear manner so that they will regulate their own behavior. Moreover, to make it easier for users to check violation details, Kuaishou has launched the "Violation Inquiry" tool, which allows users to check recent violation records and details of violations. If a user has objection to the punishment imposed for a violation, they can submit a complaint on the violation notification page and the platform will double check the violation to ensure a good user experience.

Private message notification of violation

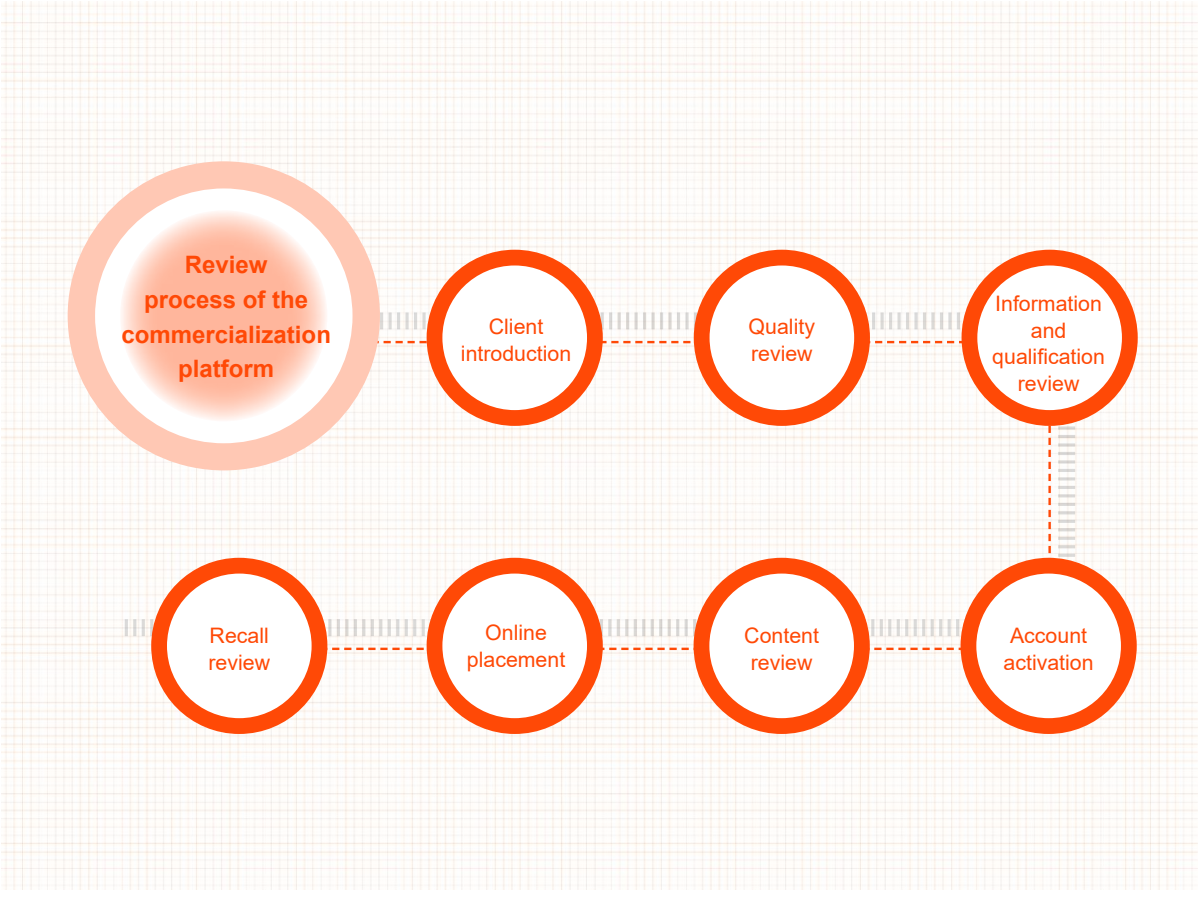
Pop-up change to alert on live streaming

Governance of the Commercialization Platform Ecosystem

Kuaishou is committed to protecting the rights and interests of customers. In promoting commercial content, it complies with the existing PRC laws, regulations, and relevant policies, such as the *Advertising Law of the People's Republic of China*, the *Food Safety Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Electronic Commerce Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. In addition, we have formulated the *Kuaishou Commercial Marketing Content Management Policy*, which clearly provides for the scope of businesses and business activities that are prohibited for marketing and lays out how violations are to be handled. We will keep updating the policy in accordance with changes in regulatory governance requirements and user feedback.

With our foothold in fostering commercial cooperation with our business partners, we have put in place and improved the commercial content review process based on the community safety rules, covering four major areas: content quality review, information and qualification review, content review, and recall review. We review customers' qualification information (such as business license and practice qualification in their own industries) through manual review and query on third-party data platforms. We review customers' product quality through a combination of manual review and machine review to ensure compliant customer development and advertising. In addition, Kuaishou has a mechanism that monitors placed ads based on different strategies on an ongoing basis and takes down those found in violation by way of manual secondary safety and compliance management.

Kuaishou regularly organizes pre-post training, special training, sensitivity empowerment training, monthly training and other training for reviewers, quality control staff and on-duty officers to enhance risk identification and assessment, so as to ensure platform security and review accuracy.



Comprehensive E-commerce Management

Kuaishou attaches great importance to E-commerce management and has put in place comprehensive measures that include strict merchant selection, merchant training, and responsible marketing. This ensures the quality of commercial goods and services offered on the platform and protects the rights and interests of customers. At the same time, Kuaishou upholds the concept of "Inclusive E-Commerce" and actively fulfills its social responsibility.

E-commerce Compliance Management

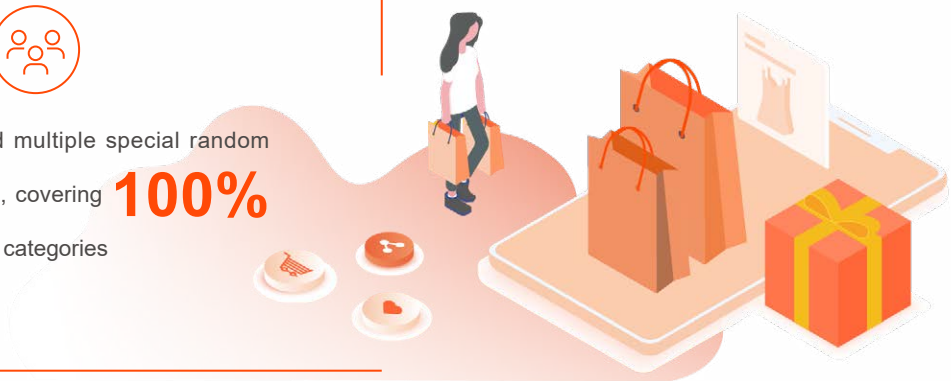
Besides full compliance with all applicable laws and regulations, including the *Consumer Rights and Interests Protection Law of the People's Republic of China*, the *E-Commerce Law of the People's Republic of China*, and the *Product Quality Law of the People's Republic of China*, Kuaishou has been continuously improving the rules and regulations on management of products and merchants, including the *Kuaishou Shop Management Rules (General Provisions)* and the *Kuaishou Shop Products Promotion Management Rules*, to foster a sound and compliant E-commerce environment that covers all product categories.

To ensure product quality and protect users' rights and interests, Kuaishou has put in place a strict merchant qualification review system that checks all qualification information provided by merchants against regulatory databases, evaluating them based on truthfulness, validity, and compliance. Only merchants that meet all criteria will be accepted. On top of legal compliance, we subject merchants to real-name verification and, for selected food categories, require relevant professional qualifications on the part of review personnel, thereby further improving merchant and product quality management.

Kuaishou urges merchants to carry out product quality control and conducts random testing of various categories of goods from time to time. We purchase some of the products sold on the platform and send them to professional quality inspection agencies for testing to ensure compliance with national and industry standards. In addition, Kuaishou, in cooperation with third-party platforms, launched multiple special random inspections in 2020, which covered 100% of first-level product categories.

We put focus on the management of merchant services and have formulated policies including the *Kuaishou Shop Merchant and Customer Service Management Rules*, the *Kuaishou Shop Shipping Management Rules*, and the *Kuaishou Shop After-sales Service Management Rules*, which cover the pre-sales, sales, and after-sales processes of merchants and ensure a good E-commerce experience on the Kuaishou platform. We evaluate merchants based on objective merchant service quality data as well as customer reviews, in a framework that covers the entire order fulfillment process and provides consumers with important reference information for purchase decisions.

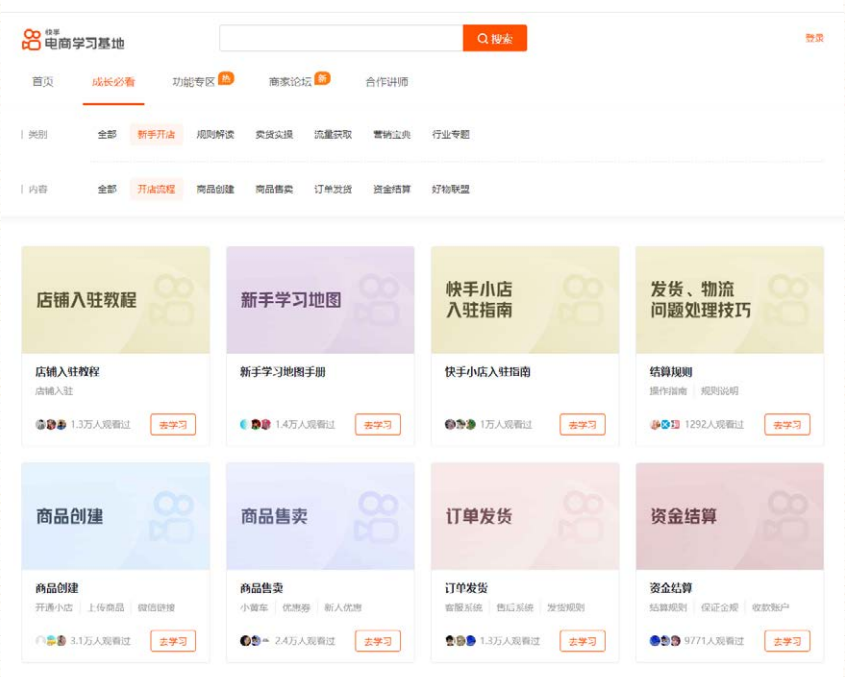
Kuaishou launched multiple special random inspections in 2020, covering **100%** of first-level product categories



E-Commerce Training for Merchants

Kuaishou provides E-commerce training for merchants via the online "E-Commerce University". The E-Commerce University offers courses that cover all subjects ranging from platform registration and merchant qualification acquisition, to exercises in shipping arrangements, order processing, and after-sales services. This training helps merchants get familiar with all E-commerce procedures.

Kuaishou has also built an E-commerce learning knowledge database, providing a series of courses for merchants of different types and in different growth stages to help them quickly get started with the Kuaishou E-commerce knowledge system. We combine internal lecturers and external training institutions to offer diversified courses that cover the entire E-commerce process including pre-sales, sales and after-sales. Since the inception of the training program, Kuaishou has delivered more than 200 live streaming courses, with over 5 million attendees.



Kuaishou E-Commerce University

Since the inception of the training program, Kuaishou has completed more than **200** live online courses

The total number of attendees has exceeded **5** million

Responsible Marketing

In compliance with national laws and regulations, Kuaishou actively carries out responsible marketing activities. It has published relevant rules on the Kuaishou Merchant Forum, including the *Expressions Prohibited under the New Advertising Law*, the *Video Interpretation of False Advertising Cases*, and the *Combating the Promotion of Counterfeit Goods*. These clearly prohibit false description or misleading statements, as well as ungrounded information (whether expressed or implied) regarding the quality, purpose and effect of products being promoted through live streaming, texts, images, or other means in the process of product promotion so as to mislead consumers. Kuaishou has zero-tolerance for false advertising practices and non-compliant merchants and will immediately impose appropriate penalties on non-compliant merchants once found.

Kuaishou is committed to continuously improving its review mechanism and require all products offered on its platform to have passed the review mechanism. We adopt a decentralized approach to product review by combining machine and manual methods, which covers each product page and includes detection of live streaming content, and involve users in content and product review management. Product pages that are revised by merchants are subject to secondary review. Live streaming promoting products are monitored by technological means in real time and those found in violation will be subject to punishments such as live streaming session shutdown or live streaming function suspension, or off the shelf from "Little Yellow Bike". For merchants guilty of frequent violations, the platform will, based on its violation points system, impose progressively severe punishments up to permanent suspension and prohibit violators from continuing to sell their products on the Kuaishou platform.

Special governance campaign against false live streaming advertising

● REC

In December 2020, Kuaishou launched the "Pinocchio" campaign to address false advertising of live streaming, inviting audience members to vote on the behavior of the products promoted by the live streaming so as to delegate the power of the platform to consumers and to involve them in the content governance of the platform. The special campaign covered 650,000 live streaming sessions and received 8 million responses from users.

Kuaishou is committed to improving the overall management of the live streaming and short video marketing industry in order to optimize the online business environment. At the Seminar on Live Streaming Marketing Governance on August 27, 2020, Kuaishou introduced its main models and measures of E-commerce marketing governance, which promoted the healthy development of live streaming marketing and promoted the compliance of online marketing campaigns.

On October 1, 2020, under the guidance of the Beijing Municipal Administration for Market Regulation, Kuaishou and its domestic counterparts jointly adopted the *Self-Discipline Pact of Live streaming and Short Video Marketing Platforms*, which aims to promote the healthy development of the live streaming and short video marketing industry, while guiding online marketing activities to be more regulated, and protecting the legitimate rights and interests of merchants and consumers. Kuaishou proactively performs its duties as the platform operator and has established comprehensive consumer rights and violation procedures to effectively address a number of E-commerce related issues. These include issues such as sales of prohibited and restricted items, products received not as described, false advertising, private dealing, ambiguity of responsibility, and ineffective enforcement of consumer rights.

Inclusive E-Commerce

In 2020, Kuaishou made active efforts to support merchants and local economic recovery during the pandemic, among other measures, exempting commission charges and not imposing punishments for shipping delays for merchants based in Hubei. We together with China Central Television (CCTV) organized key opinion leaders on the platform and celebrities to hold E-commerce live streaming in order to promote merchant traffic on the platform. To lessen the burden on new merchants, for the period from February 9, 2020 to December 31, 2020, Kuaishou exempted technical service fees for the portion of cumulative order value that was within RMB100,000 for orders placed on Kuaishou shop or via designated third-party trading tools (after the exemption, merchants were only subject to a service fee payment of 1%), which benefited more than 160,000 merchants.

Sustainable Supply Chain

In accordance with the principles of "fairness, openness, and transparency", Kuaishou has formulated the internal rules and regulations, including the *Kuaishou Procurement Execution Management Rules*, the *Supplier Management Measures*, and the *Supplier Management System*, with detailed provisions for supplier lifecycle management procedures. These include supplier registration and selection, inspection and certification, daily management, and evaluation, all of which help ensure compliance of procurement. As of December 31, 2020, Kuaishou's worldwide supplier list included a total of 1,802 suppliers.

Number of Kuaishou's suppliers by region

China (including Hong Kong SAR, Macau SAR and Taiwan)	Overseas
1,784	18

In the face of global challenges such as climate change and carbon emissions, the Group is committed to responsible procurement. We have formulated our environmental risk management strategies for suppliers, requiring them to provide ISO14000 environmental management systems and other related certifications. We have integrated ESG risk concepts into supply chain management in order to reduce environmental risks of the supply chain.

At the supplier entry stage, we review the qualifications of suppliers according to the entry requirements of different categories, and require suppliers to provide ISO9001 quality management system, ISO14000 environmental management system, ISO18000 occupational health and safety management system, ISO22000 food safety management system, and other related certifications. We also screen out suppliers who fail to meet the qualification requirements or who are subject to significant legal and operational risks. For key categories such as food and beverage and furniture, we will conduct on-site visits to confirm that suppliers meet our requirements in terms of production capacity, management, and other indicators.

At the supplier assessment stage, suppliers are subject to performance assessment every six months, where suppliers are rated by the business departments and procurement officers of the centralized procurement center for their performance during the assessment period, with KPIs that include quality, delivery, service, cost, technology and service innovation capabilities, and business coordination. Suppliers that are rated as "outstanding" and "good" will be prioritized for future projects. Those that are rated as "fail" or that fail on specific indicators, will be subject to an interview by the Group, during which areas of improvement will be identified and a time limit for rectification will be provided. Those who are still rated as "fail" after rectification will be removed from the supplier list.

We actively promote a culture of clean procurement and require all suppliers to sign an *Integrity Commitment Letter*. For suppliers recommended by employees, both the recommended suppliers and the employees who recommend them shall comply with the *Kuaishou Interim Rules on Avoidance of Conflict of Interest*. The Group has also set up internal and external whistle-blowing channels for issues related to supplier integrity and will investigate and deal with violations in a timely manner.

Kuaishou has a strong commitment to responsible procurement as part of its corporate social responsibility. During the pandemic in 2020, in order to support the sales of agricultural products of farmers in poor mountainous areas, the Group tilted its procurement strategy towards the favor of suppliers sourcing from those areas, and gave priority to them for the Company's holiday gifts and employee benefits procurements.

In 2020, the Group organized an annual performance evaluation of **133** key suppliers, covering the market category, engineering category and gift category.

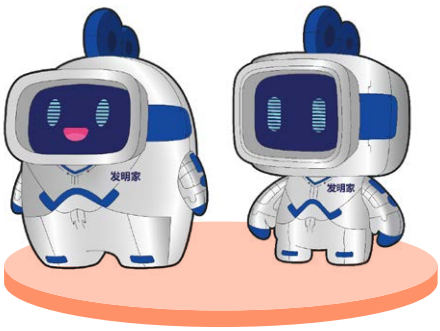
In 2020, the Group arranged for a total of **713** suppliers to sign *Integrity Commitment Letters*.

Protection of Intellectual Property Rights

Protection of intellectual property rights is important for the development of the Group's business and the protection of its interests. In strict compliance with applicable laws and regulations, including the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, Kuaishou has formulated internal policies in the four areas of patent, trademark, copyright and domain, including 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*, which establish a comprehensive internal intellectual property rights management system with clearly defined workflows for relevant matters such as intellectual property rights management, protection strategy, procedure management, and dispute settlement.

Kuaishou has established an intellectual property team to ensure effective implementation of intellectual property protection. In April 2020, Kuaishou officially launched its "Copyright Protection System" with the aim of collecting, sorting, integrating, and classifying the exclusive copyright content across its platforms and systems so that we can effectively manage and safeguard our own copyrights.

We actively cultivate a culture of intellectual property innovation, raise intellectual property awareness in our employees through training and effective motivation, and continually encourage a spirit of innovation. In 2020, Kuaishou held the inaugural "426 Intellectual Property Awareness Week Campaign" within the Group. This event raised awareness towards innovation and intellectual property among employees through articles, posters, videos, quiz games, and offline interactions. Additionally, the Group has promoted a culture of innovation in various ways, including the Patent Wall, a customized garage kit for inventors, and the "Legal Hi" class. We also formulated our *Patent Reward Policy* to encourage employees to innovate.



Customized garage kit for inventors

Kuaishou's Patent Wall

426 Intellectual Property Awareness Week Campaign

In line with the strategy of developing a patent system for its core businesses, which include short videos and live streaming, Kuaishou has made comprehensive patent deployments in core technologies such as front-end product functions, back-end artificial intelligence, and audio and video technologies. We have also earned multiple honorable titles in recognition of our strong performance in intellectual property rights. In December 2019, Kuaishou was awarded the title of "National Intellectual Property Advantage Enterprise" by the China National Intellectual Property Administration. In 2020, Kuaishou was awarded the title of "Beijing Intellectual Property Demonstration Unit" by the Beijing Intellectual Property Office, the "2020 Zhongguancun Leading and Key Enterprises of Intellectual Property Demonstration", and the "Third Prize of the Sixth Beijing Invention Patent Award."

Kuaishou was awarded the "National Intellectual Property Advantage Enterprise" title

As of December 31, 2020, Kuaishou

had applied for **5,050** patents

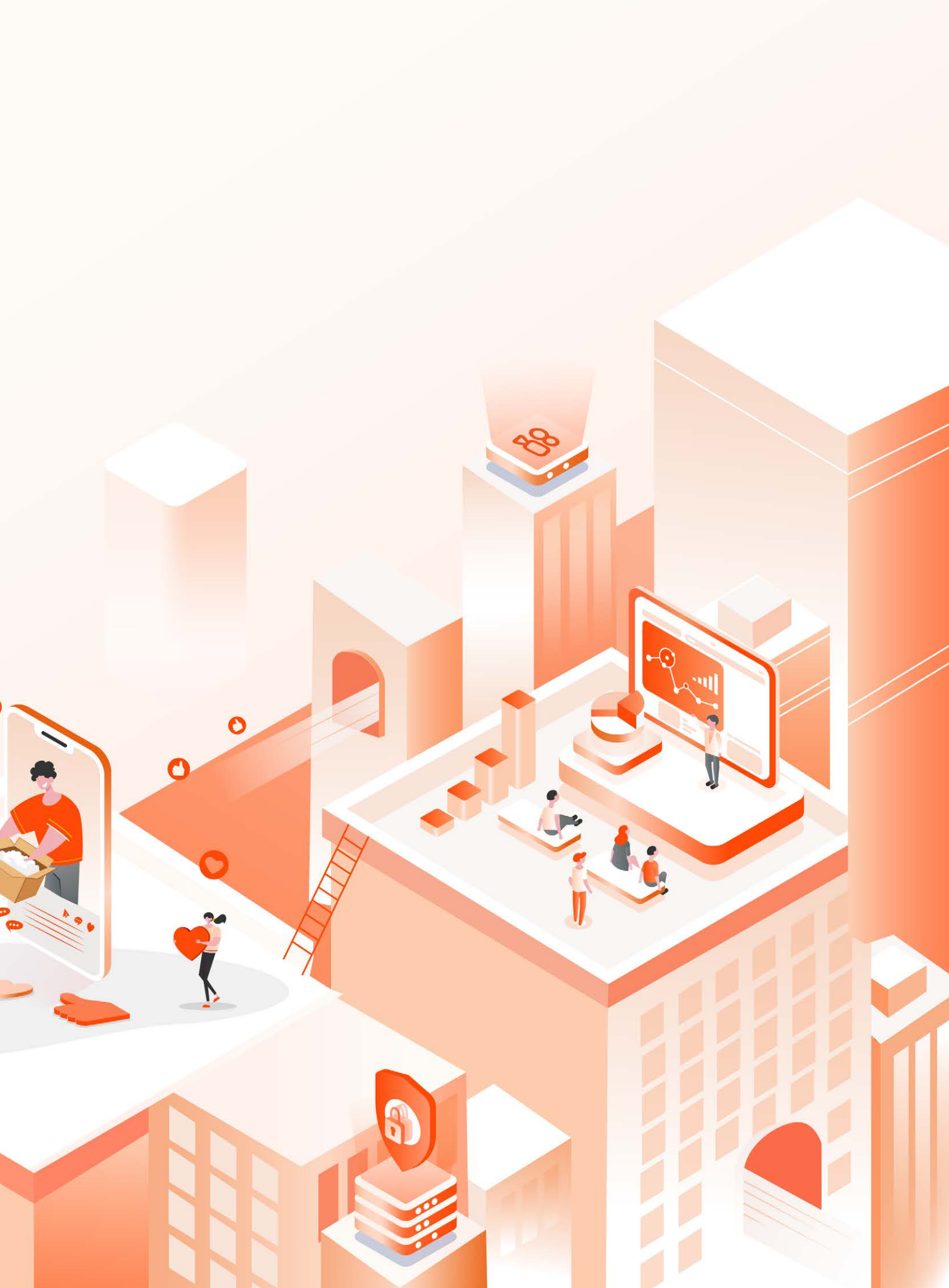
and was granted **1,174** patents

03 Optimizing Services to Enhance User Experience

Kuaishou is committed to creating a harmonious online community and healthy cultural platform for users. Adhering to positive guiding values, we leverage our platform advantages to promote optimism, protect user privacy, and comprehensively improve user experience.

Improving User Experience

Data Security and Privacy Protection



Improving User Experience

Management System

To provide users with a better community experience, Kuaishou emphasizes on improving service quality. We obtain users' feedbacks through surveys and service processes and have established a special user experience management system to optimize user service from all aspects.

Kuaishou User Service Center, with a customer service team of more than 3,000 people, provides users with 7×24 hours service. They collect and collate customers' inquiries and requests and precisely transfer them to competent units.

Kuaishou's organizational system for user experience

The User Research Team and Community Operation Team	Conduct research on specific groups from the perspective of users to improve user link efficiency.
The User Link Team	Collates, summarizes, and analyzes customer inquiries and requests to help the Company solve user problems, locate service opportunities, and promote the optimization and iteration of the Company and its business rules, mechanisms, and organizations.
The Manual Evaluation Team	Provides efficient and high-quality manual evaluation services. By simulating the perspective of users, they locate potential online problems and improve end user experience.

In addition, we have also developed a variety of product tools to enhance user feedback process. With the 400 toll-free hotline, self-service APP, instant interactive services, and feedback messages, we have obtained user feedback in a timely manner and have been improving the efficiency of user service. In 2020, the Company's various user communication channels processed an average of over 100,000 service requests per day with an overall manual service satisfaction rate of more than 85%. Among which, the satisfaction rate of the call center manual service channel even exceeded 95%, while the execution precision rate of all customer service channels was 95%, all exceeding industry standards[4].

[4] According to the *COPC CX Standard for CSPs Rel.6.0a*, an international standard for call centers.

Customer Service Team Training

To ensure the quality of user service, Kuaishou conducts on-boarding and in-position training for the manual service team on a regular basis. The Group provides the customer service team with training covers corporate culture, essential qualities and skills of customer service call center systems, business processes and policies, and product use and troubleshooting, to ensure that the team grasps essential customer service skills and reaches relevant requirements. In the in-position training, besides professional skill training, we also provide general and leadership training for the customer service team, so that the team members can gain relevant business knowledge in a timely manner against business changes. We also conduct weekly and monthly examinations and inspections on the skills for the customer service team. In 2020, we organized 98 on-boarding training sessions and 1,104 in-position training sessions for customer service teams across China.

We regularly carry out internal evaluations. We seek outstanding cases and exemplary individuals of that have concentrations on user experience in the customer service team and comprehensively shape and promote role models to advocate the practice of values such as "Customer Obsession." By December 31, 2020, Kuaishou shaped 48 role models.

In 2020, we organized

98 on-boarding training sessions

1,104 in-position training sessions for customer service teams across China

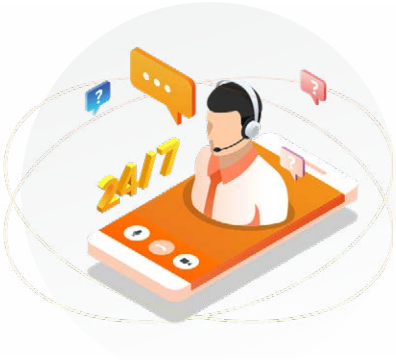
Kuaishou customer service staff cooperating with the police to retrieve a missing person

● REC

In November 2020, a 21-year-old girl with a slight intellectual disability in Qinzhou, Guangxi lost contact with her family for more than 10 days. The police found that the girl had a Kuaishou account and posted a video not long ago. Therefore, the police asked for assistance from Kuaishou. Our customer service staff worked with the police for dozens of days restlessly to provide any assistance they needed and investigate the general direction of the missing girl with technical means. With our assistance, the police finally found the missing person.

Kuaishou has been endeavoring for an industry-leading refund mechanism for mistaken spending by minors and actively discloses its relevant policies to users, media, and regulatory bodies, which closely follow changes in national policies. We have set up a Minor Care Hotline dedicated to refund requests for mistaken spending by minors or people with limited capacity on the platform. The program covers the full link from warning, approval, to recovery from live streaming hosts. In 2020, the Group established a minor care program hotline, which included minor care education, warning for unaccompanied minors on camera, warning for mistaken spending by minors exceeding the threshold, and approval of refund for mistaken spending by minors. In this way, we tried our best to care for this unprivileged group.

The Minor Care Hotline of Kuaishou



Minor Care Hotline

- Education on spending by minors
- Warning for unaccompanied minors on camera
- Warning for mistaken spending by minors exceeding the threshold
- Approval of refund for mistaken spending by minors

Data Security and Privacy Protection

Kuaishou is committed to improving cybersecurity and protecting user privacy. We take users' personal information protection as our key task and respecting users' rights and interests as our principle. We have established sound management structure and system, increased the publicity and education of safety awareness among employees and users, and proactively promoted the development of our industry safety capabilities.

Principles in the Protection of Users' Personal Information

Kuaishou upholds basic principles in the protection of users' personal information and abides by 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 the Protection of the Security of the Internet*. The Group has prepared the *Kuaishou Privacy Protection Regulations* and strives to protect users' personal information and privacy in accordance to the four principles of personal information protection. We fully respect the informed consent of users. All products of Kuaishou will explain to users how they collect, store, use, share, disclose, and protect users' personal information in respective privacy policies and user agreements. If a user has not given consent, collection of this user's personal information will be prohibited.

Four Principles of Personal Information Protection of Kuaishou

Clear responsibilities

The responsibilities of the Privacy Protection Working Group and business units are clearly set: the Privacy Protection Working Group advances the Group's overall work of personal information protection, and business units cooperate with the working group to carry out specific tasks.

Express authorization

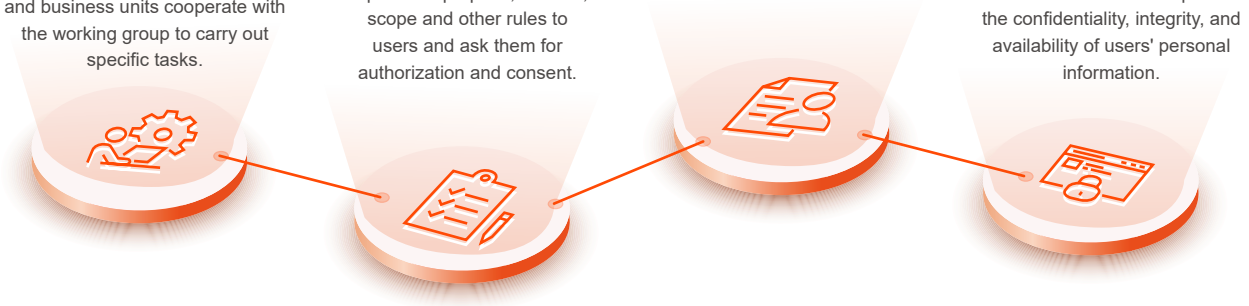
Before collecting users' personal information, we will explain the purpose, method, scope and other rules to users and ask them for authorization and consent.

Minimum amount and necessity

We only collect and process the minimum amount and types of personal information required by our business or to be shared with our partners.

Safety assurance

We adopt sound and reliable security management measures and technical means to protect the confidentiality, integrity, and availability of users' personal information.



Organizational Protection

Kuaishou has an organizational structure for security assurance, which consists of three levels, namely, the Security Committee Decision-making Body, the Security Committee Office, and relevant units, to consolidate the foundation for information security construction.

Organizational Structure of the Information Security Committee

Organizational Structure	Main Responsibilities
Security Committee Decision-making Body	The committee body, responsible for the decision making of major information security issues, is led by the Chief Technology Officer (CTO), with the Chief Financial Officer (CFO), Senior Vice President of Human Resources, Senior Vice President of Government Affairs, and Senior Vice President of Commercialization serving as the Vice Chairpersons. It studies and formulates the Group's information security policies, information security strategies, and overall information security plans according to the Group's internal and external information security situation. It provides human resources and financial resources for information security and supports the effective implementation of information security in the Group. It also leads the organization of major projects for information security risk management and special supervision.
Security Committee Office	The office is mainly responsible for preparing work plans for information security, coordinating relevant resources, and ensuring the implementation of information security measures. It also coordinates the emergency handling and emergency response of units for the Group's major information security risks.
Relevant units	Responsible for the information security management of corresponding units.

The Privacy Protection Working Group under the Kuaishou Information Security Committee works with the committee and business units to safeguard users' personal information. Under the core principle of protecting users' personal information, and respecting users' rights and interests, the working group promotes the development of the Group's protection of users' personal information. It studies the laws, regulations, and industry trends related to the protection of personal information, and transforms the requirements into reasonable and practical measures and products. It also boosts the advance reserve of personal information protection plans and technical capabilities and enhances personal information protection of Kuaishou.

Organizational Structure of Privacy Protection

	Information Security Committee	Privacy Protection Working Group	Business Units
Organization			
Main Responsibilities	The committee makes decisions for handling major information security risks and provides necessary resources for the Group's work on information security.	The group studies dynamics of regulation and the industry, grasps the Group's privacy protection compliance status, and makes privacy protection regulations. It carries out internal privacy protection education and training. It also assists business units in conducting privacy compliance assessments and supervises the implementation of closed-loop management of privacy security issues.	In product design, business units implement privacy security control measures in accordance with the Group's privacy protection requirements and cooperate with the Privacy Protection Working Group for relevant work. Before updates of product functions and the launch of a new business, they conduct self-assessments on privacy protection or apply for such assessments to audit and protect personal information on the platform and in the system. Their members also participate in training of privacy protection to increase the awareness of compliance.

During the Reporting Period, Kuaishou launched a special program called "Privacy Shield"(隐私盾) to promote the protection and governance of personal information. Under the program, the requirements of regulatory agencies for the protection of personal information and the heated topics of privacy protection in the industry are regularly circulated. The Group also has an evaluation process of privacy security development lifecycle (PSDL). In the stages of request assessment, launch, and updates of product functions, we conduct privacy and security assessments on the data flow and application scenarios of users' personal information and internal management measures to effectively protect users' personal information.

Security Management and Technical Support

The Group strictly observes the *Cybersecurity Law of the People's Republic of China*, the GB/T 35273-2020 *Information Security Technology-Personal Information Security Specification*, and the *Data Security Law of the People's Republics of China (Draft)*. According to the Information Security Management System[5] (ISMS) and the Group's current status and business scenarios, we have formulated the four-level Kuaishou information security policies consisting of over 70 important security systems and guidelines. These include the *Kuaishou Information Security Management Regulations*, the *Kuaishou Employee Information Security Code*, and the *Kuaishou Cybersecurity Management System*. In 2020, the Group further built and enhanced its data security management system. Besides system development, through data security technology improvement, the Group established relevant processes and tools to support the effective implementation of security management system and continuously improve the Group's data security capabilities. By December 31, 2020, Kuaishou obtained the certificate of Graded Protection of Information Security (Level 3) of China.

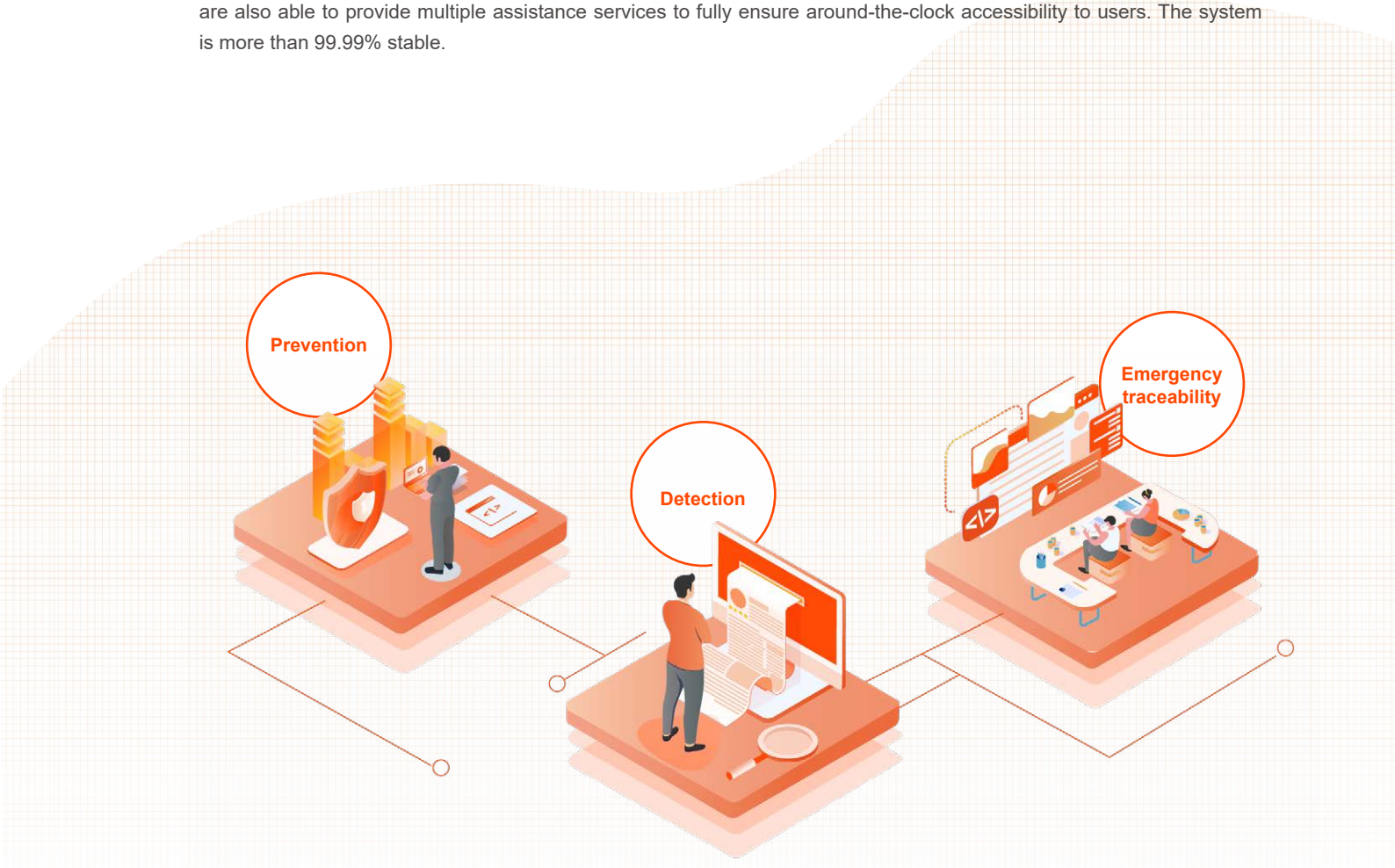
By December 31, 2020, Kuaishou obtained the certificate of **Graded Protection of Information Security (Level 3) of China**

[5] The Information Security Management System (ISMS) is a framework of policies, procedures, guidelines, and related resources for any types of organizations to establish, implement, operate, monitor, review, maintain, and improve information security. ISMS has become an international standard recognized by the International Organization for Standardization. The ISO/IEC27000 standards define the requirements of ISMS, laying the foundation for the certification of ISMS.

Kuaishou has strong security technical capabilities for cybersecurity, mobile security, and infrastructure, as well as an in-depth intrusion defense system covering prevention, detection, and emergency traceability. The Group has established sound network boundary access control and permission control management for internal personnel, and deploy a data breach prevention system. Furthermore, Kuaishou regularly organizes security attack and defense drills to improve its detection, defense, and response service capabilities for cyber-attacks.

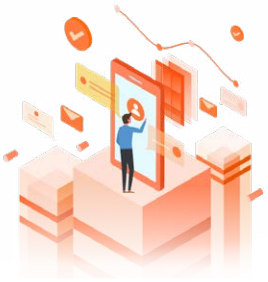
To enhance security capabilities of the Internet industry and mutually support the Group's governance of internal information security vulnerabilities, Kuaishou established the Kuaishou Security Response Center, which is open to external security experts. We invite security experts to conduct vulnerability detection on our products to ensure comprehensive security of users' personal information.

A response team has been set up in place in case of infrastructure failure, who will swiftly coordinate with all parties to address failures in the underlying network and infrastructure to minimize the impact of the failure. We implement an active-active[6] data center strategy in Beijing and Guangzhou to ensure overall business stability. In extreme cases, we are also able to provide multiple assistance services to fully ensure around-the-clock accessibility to users. The system is more than 99.99% stable.



[6] Active-active is a resource-saving computer disaster recovery solution. It is implemented in the way that both the active and backup data centers undertake user business at the same time. In this case, the two data centers serve as the backup for each other and perform real-time backups.

In addition, to improve the emergency response capabilities during emergency security incidents, we have put in place emergency response plans for different scenarios. Regular drills on situations with varying degrees of issues are conducted every week, every month and every quarter, to ensure the feasibility of the plans. The Kuaishou Information Security Committee has formulated the *Security Incident Handling Process* and the *Security Incident Emergency Response* to regulate handling mechanism of security incidents. According to the degree of data breach, system availability, and loss of money, security incidents are classified into general, major, serious, and extremely serious incidents. Security incident handling procedures, person-in-charge and emergency SLA[7] at all levels have been clarified to avoid the expansion and escalation of the incident.



Kuaishou signing the open commitment of "Personal Information Protection of APP"

● REC

On November 27, 2020, at the National Conference on the Regulation on APP Personal Information Protection organized by the Ministry of Industry and Information Technology, Kuaishou joined 10 peer companies to the public commitment to cooperate with the special crackdown action for APPs' infringement of users' rights and interests. At the conference, Mr. Su Hua, Kuaishou's CEO, made a public commitment to protect users' personal information and firmly support the requirements of the Ministry of Industry and Information Technology of the People's Republic of China on "guaranteeing national data security and strengthening personal information protection". We will actively perform corporate responsibility, continuously strengthen technical means, strictly implement the compliance review system, and actively practice industry self-discipline. We will also work with industry peers in the mobile Internet to promote the development of compliance in the mobile application ecosystem in order to build a healthy Internet ecological environment.

APP个人信息保护
公开承诺书

Data Lifecycle Management and Security Audit

For the security management and control of data lifecycle, the Group has formulated the *Data Security Management Regulations*. Under the principle of "whoever operates and manages takes the responsibility," we have established an assessment mechanism for data security and an assessment process for the protection of users' personal information. According to our strict requirements, operations such as data use, data transmission, and deletion must go through the corresponding approval and evaluation process. We require all new products and functions to undergo security evaluation and testing before launch. This covers personal information protection, data security, code security, and security vulnerabilities.

While cooperating with third parties, we conduct data compliance security research and evaluation on our partners. We also require them to sign a *Data Compliance Undertaking* to undertake properly use user personal information and prevention of leakage of personal information.

Kuaishou conducts data security audits using real-time or quasi-real-time system with automated policies, which issues warnings on abnormal behaviors. In this case, we will send the operating personnel for retrospective audits on the abnormal situation.

[7] Service Level Agreement (SLA) refers to an agreement or contract mutually recognized by both parties on the quality, standard, performance and other aspects of the service between the enterprise providing the service and the customer.

Security Awareness Training for Employees

The Group regularly organizes safety awareness training for employees to enhance their safety awareness. During the Reporting Period, we educated all employees about sensitive operation authorization, phishing emails, security requirements for confidential projects, unauthorized use of external cloud platforms, and information security broadcasts.

In addition, we have developed and launched many online courses for data security awareness and security development training at Kuaishou Middle School. We also invite external data security training experts to conduct customized data security and security skill training for professionals, based on the role of employees. By December 31, 2020, Kuaishou carried out more than 200 online and offline special training sessions, covering nearly 10,000 employees. In 2020, the Group launched the "Kuaishou Security Week" campaign for all employees. In this event, we arranged for employees to participate in activities such as the Data Classification and Grading Wall, the security awareness quiz, and a lecture on security attack methods, where they learned about security knowledge in a fun way.

The "Kuaishou Security Week" campaign

Security Ecosystem Building

Kuaishou plays an active role in the building of the information security ecosystem. As a member of many standards organizations and industry alliances, such as the China Information Security Standardization Technical Committee, the China Communications Standards Association, and the Telecommunication Terminal Industry Forum Association, the Group actively promotes the formulation of standards concerning information security in order to support the common progress of the industry.

In November 2020, Kuaishou was awarded the "Cyber Data Security Compliance Assessment 2020: Excellent Case" by the China Academy of Information and Communications Technology.

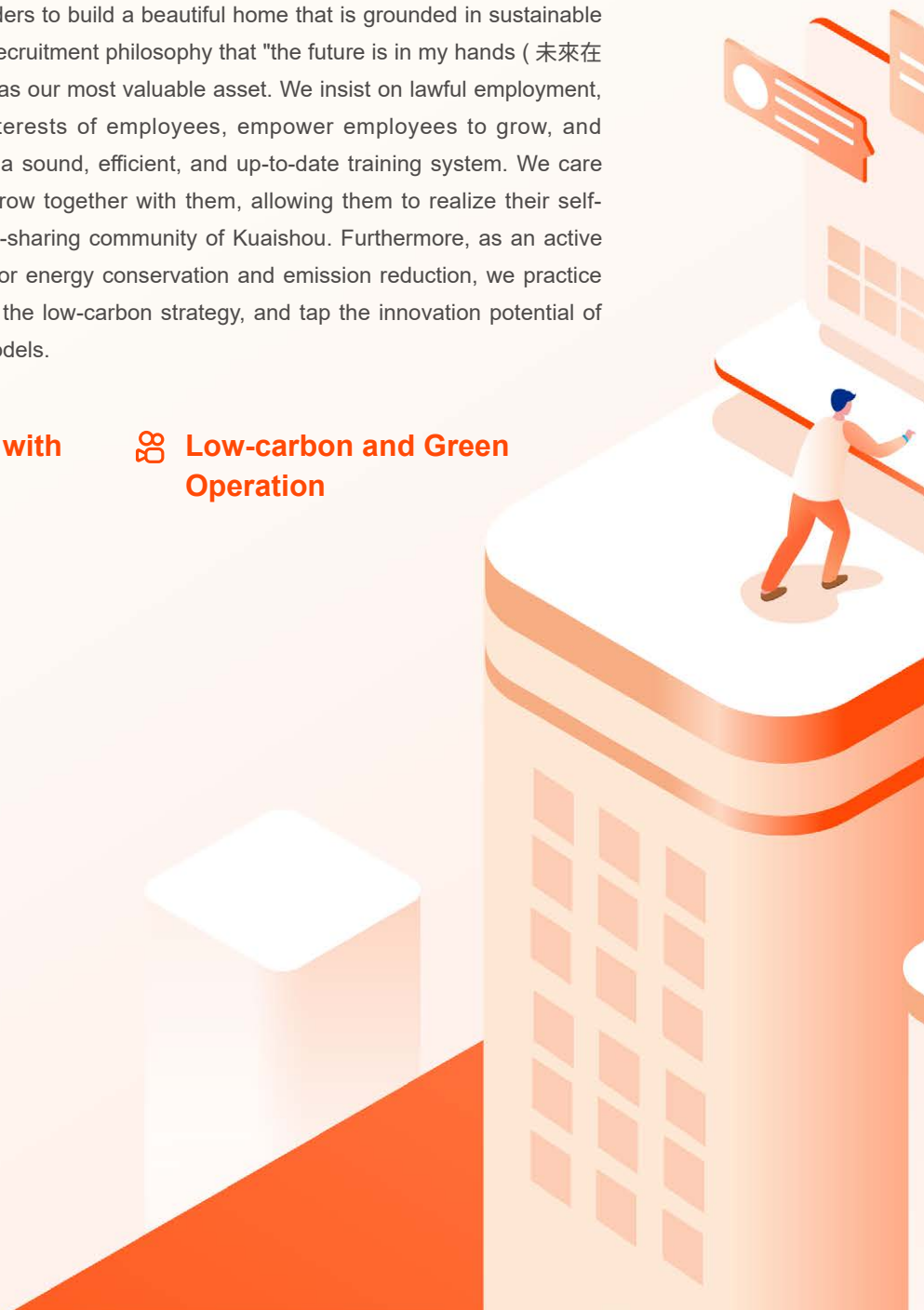
Awarded the "Cyber Data Security Compliance Assessment 2020"

04 Protecting Beautiful Home for Harmony and Win-Win

Kuaishou works with stakeholders to build a beautiful home that is grounded in sustainable development. We uphold the recruitment philosophy that "the future is in my hands (未來在手)" and treat our employees as our most valuable asset. We insist on lawful employment, we protect the rights and interests of employees, empower employees to grow, and prepare industry leaders with a sound, efficient, and up-to-date training system. We care about employees' lives and grow together with them, allowing them to realize their self-worth, and diversifying the life-sharing community of Kuaishou. Furthermore, as an active response to the national call for energy conservation and emission reduction, we practice green development, carry out the low-carbon strategy, and tap the innovation potential of technological and industrial models.

Growing Together with Employees

Low-carbon and Green Operation



Growing Together with Employees

Kuaishou regards every employee as a valuable asset of the Group. We insist on equal and diversified recruitment, we care for the growth of employees, and we respect and protect their rights, interests, and health. We firmly believe that a friendly, efficient, and sound environment will help employees realize their self-worth and boost the rapid development of the Kuaishou's life-sharing community.

Diversified Recruitment and Alluring Talents

Kuaishou strictly abides by the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China* and insists on employment in compliance with laws and regulations. We have introduced several management systems on this basis, including the *Kuaishou Recruitment Advertisement Specifications*, the *Background Check Management System*, the *"Running Water Program" Management System*, and the *Leave Management System*, to protect employees' rights and interests in accordance with the law. We strictly prohibit and reject any forms of child labor and forced labor and oppose to all forms of discrimination based on gender, ethnicity, age, belief, and region. We offer equal job opportunities to all employees and insist on diversified employment. By December 31, 2020, the total number of Kuaishou employees was 21,499. During the Reporting Period, there were no cases of child labor or forced labor at Kuaishou, and the employee social insurance coverage rate was 100%.

The Group adopts a variety of recruitment methods, including campus recruitment, online recruitment, internal recommendation, and recruitment through headhunting agencies or agents to improve the talent pool.

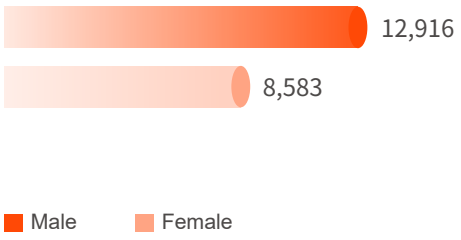
The Kuai Star recruitment program

The Kuai Star special technical talent program is a recruitment program of Kuaishou for the world's top student talents in technology. It aims to select outstanding undergraduate, master, and doctoral graduates, uncover high-caliber technical talents, and train technology leaders. In 2020, the Kuai Star recruited 43 advanced talents, including outstanding graduates in artificial intelligence and engineering development from Stanford University, Peking University, Tsinghua University, University of Chinese Academy of Sciences, and the University of Hong Kong.

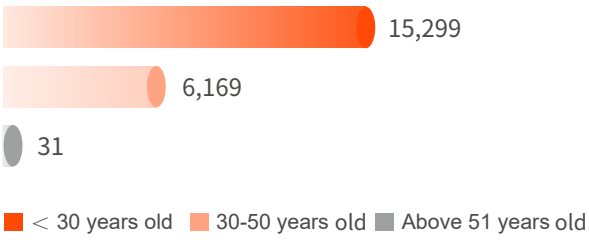
The Kuai Star recruitment program

Total number **21,499**

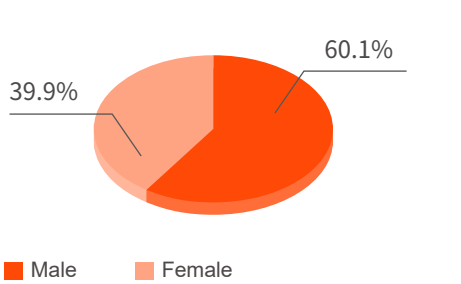
Employees divided by gender



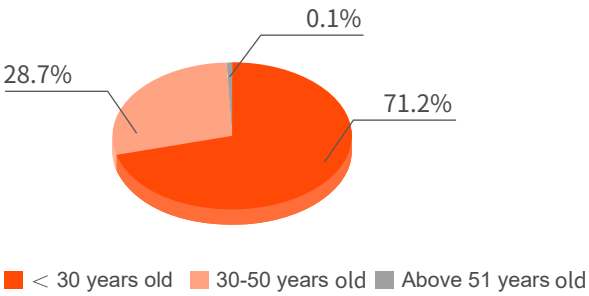
Employees divided by age



Percentage of employees by gender



Percentage of employees by age



Composition of Kuaishou Employees (By December 31, 2020)

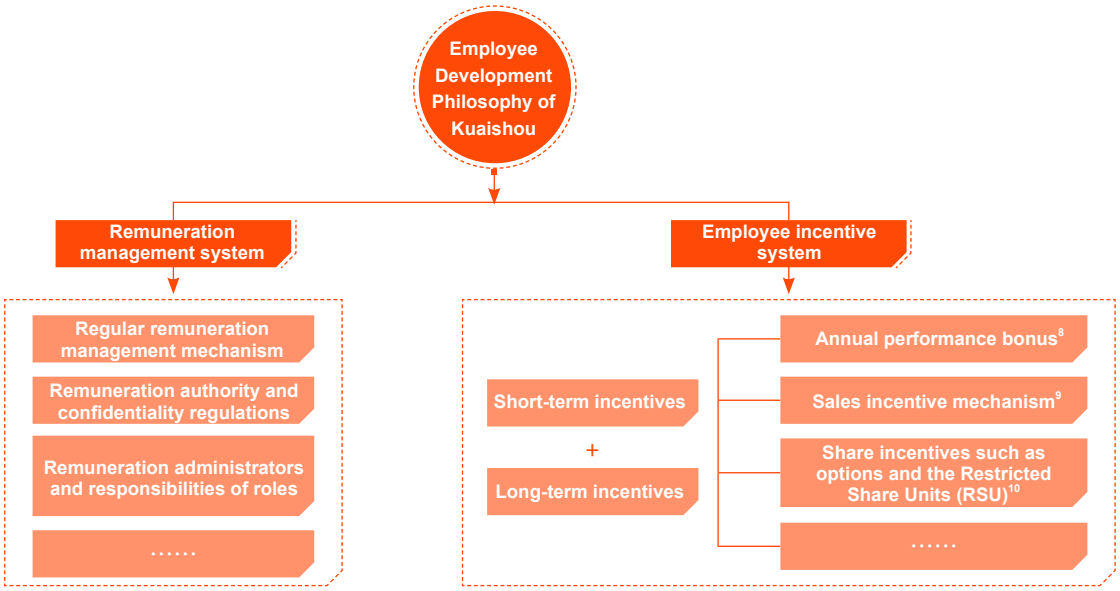
Kuaishou providing product and technical support for online job fairs

REC

In 2020, Kuaishou noticed that the COVID-19 was seriously affecting the completion plans of fresh graduates, especially students from universities in Hubei who had difficulty in meeting with companies offline to choose their preferred and suitable positions. Kuaishou joined hands with Tsinghua University, Wuhan University and Huazhong University of Science and Technology to launch online large-scale job fairs, and provided technical product for many companies to launch online job fairs and "Online Promotion" activities. We assisted in a number of online job fairs with a total of one million participants. Kuaishou also acted as a recruiter to attract young technical and management talents to join our company through online job fairs.

In April 2020, Kuaishou cooperated with the Haidian District Government, Beijing, to organize the recruitment event titled "Cloud Recruitment Against the Pandemic" to help hundreds of companies in Zhongguancun Science Park, including Kuaishou itself, in cloud recruitment. The live streaming had over 2.5 million views.

We provide a competitive mechanism of remuneration and employee benefits. We work closely with external professional organizations to understand the latest market pay level and update our internal remuneration standard accordingly to meet the needs of different types of employees, to better attract, retain, and motivate talents.



Remuneration system and incentive mechanism for employees of Kuaishou

On the basis of statutory benefits, we provide employees with comprehensive supplementary benefits. In 2020, we have introduced a "flexible benefits" mechanism to allow employees to flexibly choose supplementary benefits that are more suitable for them in accordance with their own needs, such as fitness benefits, group purchase personal insurance, family insurance protection upgrade plans, etc. The Group regularly invites external professionals such as insurance consultants, personal health consultants, maternal and child health experts, etc., to conduct knowledge dissemination, Q&A interaction and health care for employees. At the same time, during the pandemic, we provide employees with preferential policies such as reimbursement for commuting transportation expenses and subsidies for renting housing for interns during winter and summer vacations to facilitate their lives.

Employee Development and Training

In December 2020, the Group established an *Operation Management Committee* to be responsible for the Group's development planning, regular operation management, and organization and personnel adjustments. We have the *Introduction to the Career Development System of Kuaishou, Kuaishou Course Management System*, and *Kuaishou Instructor Management System*, and which clarify the growth, promotion, and career development path of employees. Under the Group's rank framework, we follow the overall principles of ability orientation and step-by-step promotion and set up two development orientations, namely, management and professional. The two orientations have corresponding development channels, which are supervised by relevant professional committees. This setting is designed to fully stimulate the potential and creativity of employees. In the direction of professional rank development, we have set up 29 professional development channels. In each of the channels, we set up different ranks in three dimensions: the integrated career performance, ability level and knowledge level. A career development platform "Zhiya"(职涯) has been set up to systematically manage talent promotion.

According to the *Kuaishou Training Operation Management System*, the Group has set up a comprehensive, diverse and content-rich employee training system. With Kuaishou Middle School being the core, the training delivers eight series of courses, covering all teams and employees at all levels and professional areas.

Horizontally, the Kuaishou Middle School is based on Kuai LEARNING (online learning platform), Kuai TEACH (the instructor team and the course bank) and Kuai MENTOR (the mentor system for fresh graduates). On such a basis, it has developed a vertical training system that consists of Kuai LEAD (leadership), Kuai TECH (professional skills), Kuai TALK (openness), Kuai UP (general skills), and Kuai START (new entrants). All the brands fully meet the needs of employees' career development and personal capacity building.

[8] For all employees; evaluating according to the performance evaluation standard.
[9] For employees at specific systems, such as the sales system.
[10] For employees of specific types, such as senior management and employees in key positions.

	Brand	Curriculum
Managers	Kuai LEAD (leadership)	Including leadership courses for senior/ middle/ junior/ probationary managers Certain projects: Linghang (Navigation) Project, Yuanhang (Voyage) Project, Qihang (Journey Start) Project, and Tanxing (Star Exploration) Project
All employees	Kuai TECH (professional skills) Kuai TALK (openness) Kuai UP (general skills)	Vocational skills training courses for different business lines and professional levels, cross-disciplinary sharing by "TED" masters for all employees, and training of cross-departmental business knowledge systems, general skills, and general tools necessary for work Certain projects: technology courses, Kuai TALK, business skill courses, and general skill courses
New entrants	Kuai START (new entrants)	Help new entrants with faster grasp of Kuaishou's culture and business and accelerate their landing Certain projects: training for experienced new entrants, training for campus recruitment, and unit-customized training for new entrants

Kuai LEARNING online learning platform | Kuai TEACH instructor team and course bank | Kuai MENTOR for fresh graduates

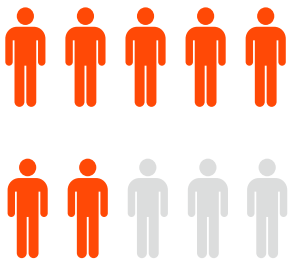
Overview of the Kuaishou Middle School training system

In 2020, affected by the COVID-19 pandemic, the Group innovated its training and used online and offline methods to match personnel training with its business growth. By December 31, 2020, we launched more than 600 offline training sessions and 513 courses on the Kuaishou Middle School online platform. These resources, including general skills, necessary knowledge for new entrants, technology research and development, product operations, management skills, and encyclopedic knowledge, covered 100% of employees. Throughout the year, the number of responses to the courses on Kuaishou Middle School reached about 200,000. The total viewing time of the online courses was 447,000 hours, about 9 times more than that in 2019. In 2020, the average training time per employee on the Kuaishou online platform was about 20 hours.

Employee Training of Kuaishou (By December 31, 2020)

Employee online training hours per employee in 2020

Employee online training percentage in 2020



About 70%

Kuai Mentor Hand-holding program(“手”護者計劃)

REC

To help fresh graduates quickly integrate into workplace after joining the Company, Kuaishou launched the Kuai Mentor Hand-holding program. Under the program, we provide these new entrants with a full range of mentoring during the 6-month probation period. The mentors are key employees from business units. Throughout the year, we organized more than 10 online and offline interactive sessions, including "Follow the Mentor," "Learn from the Mentor," "Talk to the Mentor," and "Mentor-Apprentice Space," effectively enhancing the exchanges between mentors and apprentices and promoting the efficiency of the program.

According to those feedbacks from new entrants, "the one-on-one mentor has been helpful even since the day I joined the Company. Together with my mentor, I planned my development goals and got regular feedback on my work. The Hand-holding program effectively helped me get the hang of the job more quickly and finally become a full-time employee more smoothly."

Customized in-position training of Kuaishou

● REC

Kuaishou cares about the professional development and growth of employees. We develop a team of internal instructors and encourage outstanding employees in all business lines to become internal instructors to share their knowledge and experience. In 2020, we had an instructor team of about 600 people, a year-on-year increase of 114%. In customized training programs, we improve the employee training system of each business line, enhance the leadership of management, and support the development of new entrants. We find suitable learning paths and training materials for all employees to accelerate their growth.

New entrants

We accelerate the growth of new entrants in all aspects and pay attention to the growth and confusion of fresh graduates. We carried out activities such as Workplace Sand Table, Kuaishou Classmates' Club, and Lectures by Gurus to improve the adaptability and satisfaction of new entrants in workplace.

Professional technical line

We aim to create an engineer culture. In 2020, we delivered more than 100 technical courses to help employees improve their technical caliber and the Group improve its core technical competitiveness.

Business lines of product, operation, and commercialization

We provide position-targeted customized training programs so that employees can follow and grow efficiently.

Management

For junior and middle managers, we provide special leadership training programs such as the Qihangxing (Sailing Star) Project, Qihang (Journey Start) Project, and management face-to-face communication to help managers master basic management knowledge, enhance management awareness, and deepen team cooperation. We also improve the leadership of management with regular and targeted talks.

Employees actively participating in training programs

Furthermore, we cooperate with external institutions to develop more professional personnel training. We worked with the professional management team of a consulting company to develop the Kuaishou Managers' Skill Upgrading 3+1 course, which provides necessary guidance for the Company's primary-level managers and which has become one of the highly acclaimed compulsory courses for managers at Kuaishou. We exchange with peers at home and abroad, sharing experience in technology, products, and operations, and jointly launch community technology campaigns with peers in China. We also carry out joint scientific research and personnel training projects with domestic and foreign universities and scientific research institutions to export and share knowledge and experience. In 2020, we engaged in more than 15 technical-themed exchange activities, whose live streaming attracted about 80,000 participants.

Tsinghua University-Kuaishou Institute of Future Media Data achieving the application of core technologies

● REC

Kuaishou and Tsinghua University jointly established the Institute of Future Media Data (FMD), which combines technology and culture and collaboratively empowers users. In 2020, the Institute of Future Media Data applied for 11 national invention patents and released 9 papers in top international academic conferences. Its cutting-edge technologies on media artificial intelligence, big data, image and video processing, and video content creation have been applied in the core industry chain of Kuaishou.

University-enterprise joint personnel training

REC

Kuaishou fully understands the importance of personnel training to the development of the industry. The Group works with Stanford University, Peking University, Tsinghua University, Wuhan University, and other well-known universities at home and abroad to carry out diversified joint training programs, providing a broader development space for outstanding talents in the industry. In 2020, there were more than 50 personnel training projects jointly launched by the Group and the universities. The projects covered four major scientific research areas, namely, infrastructure, system architecture and basic software, data intelligence and search recommendation, and multimedia and AI integration. By December 31, 2020, more than 100 projects among those that started in the previous three years were completed, whose technical outcomes have been applied in Kuaishou's core industry chains of content production, review, and distribution of short videos on the mobile Internet. These projects have also trained a number of top talents and scientists with international influence in computer and artificial intelligence. In 2020, Kuaishou deepened the cooperation with the Turing Program of Peking University, and was invited to the John Hopcroft Scholarship Award Ceremony of the first Peking University Turing Class. The Company awarded the scholarship to outstanding students to recognize and encourage their diversified development.

John Hopcroft Scholarship Award Ceremony of the first Peking University Turing Class

Occupational Health and Safety

The Group complies with the *Work Safety Law of the People's Republic of China*, the *Fire Control Law of the People's Republic of China*, and other laws and regulations regarding occupational health and safety and fire safety in the workplace. We provide employees with a variety of measures aimed at protecting their health and safety and improving their fitness.

We create a comfortable workplace for employees and provide ergonomic chairs and fitness facilities in the office area. Moreover, we encourage employees to keep an eye on their health and maintain a healthy habit of regular exercise. We regularly organize physical examinations for employees and provide a full range of medical care, including green channels for medical treatment and preferential policies for employees diagnosed with major illnesses. In the case of an employee of the Group is diagnosed with a major disease, we will do our best to coordinate medical resources and arrange a green channel for hospitalization of the employee. Furthermore, we will visit the employee at the hospital on a regular basis and ensure that he or she can rest and recuperate. We provide supplementary medical insurance and public insurance coverage for all employees, and assist employees in applying for insurance claims when they are diagnosed with a major disease.

In the face of the COVID-19 pandemic in 2020, Kuaishou paid more attention on protecting the health of employees, and strived to minimize the impact of the pandemic on their physical and mental health as well as on the Group's operations. During the pandemic, we adopted flexible working policies such as remote collaboration for the convenience of employees. We also tried our best to purchase and provide free masks and other anti-pandemic supplies, flexibly adjusted the dining arrangements of the cafeteria of Kuaishou, and organized psychological assistance personnel to provide employees with psychological support and guidance during the pandemic.

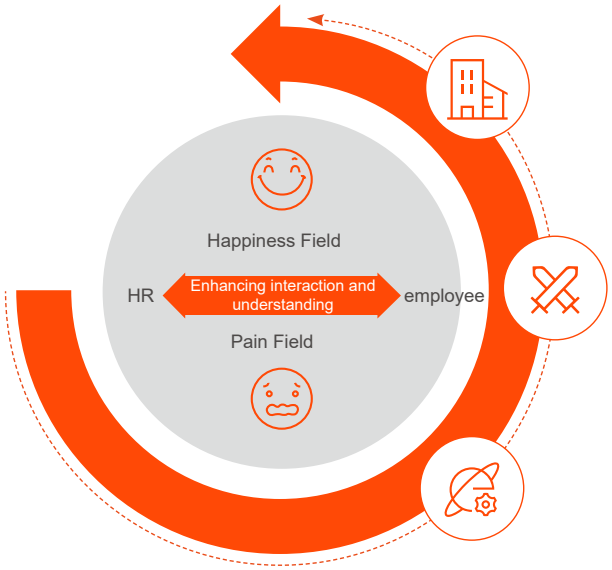
In 2020, there was no employee fatal accident due to work at Kuaishou.

Communication and Exchange

Kuaishou attaches great importance to communication and exchanges with employees. We actively build a communication bridge between employees and the Group according to the *Kuaishou Employee Handbook: Communication and Appeal Section*. We provide employees with better communication and exchange platform with the HR consultation and inquiry platform, regular business reach of HR, and internal and external social platforms to help employees solve practical problems.

We encourage employees to make reasonable and effective communication with management at all levels and raise targeted suggestions. The management of the Group learns about the needs of employees in a timely manner through face-to-face meeting, department meetings, and intranet communities. If employees encounter unfair treatment and disputes, they can complain, report, and give feedback directly to the superior department and the HR department.

Kuaishou's experience awareness revolution on the employee service side



Creating "fields"

Besides increasing capabilities, build fields that cover different HR levels and have the property of happiness or pain to narrow the gap between HR and users from the top and gradually influence the awareness

Increasing "capabilities"

Actively collect feedback instead of passive summarize complaints; study, understand, and get close to employees; reverse-feed business and "fields"

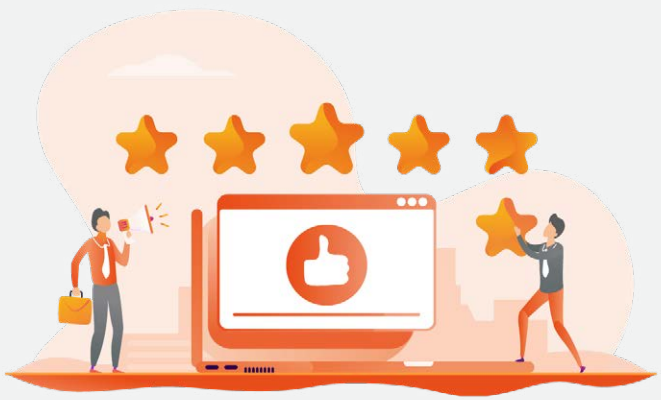
Controlling in "closed loops"

Control the progress of problem solving in a closed loop and verify the result by checking whether there are fewer or no more complaints

Kuaishou's care and feedback mechanism on the employee service side

In 2020, we organized the Company Anniversary and 1024 Programmers' Day to enhance the engagement of employees and let them feel the business features and corporate culture of Kuaishou.

Promotional video of Kuaishou 1024 Programmers' Day



In 2020

Kuaishou carried out and completed more than **20** internal surveys

with more than **11,000** employee participants, accumulatively

The overall satisfaction for Kuaishou's employee service function was scored **9.52** (full score is 10)

which fully reflected employees' recognition of Kuaishou

Low-carbon and Green Operation

Our main impacts on the environment and natural resources are the emissions and resource use that results from operations. We actively take measures to practice the concept of green development and low-carbon strategy and fulfill our commitment to low-carbon operations by implementing practical actions.

Response to Climate Change Risks

Against the backdrop of global warming, extreme weather and climate events such as blizzards, typhoons, and rainstorms are becoming more intense. They are also occurring more frequently and lasting longer. The ensuing chain reactions such as power supply interruption and urban waterlogging will cause major security risks and impacts on systems such as data centers. Kuaishou identifies climate change risks and carries out actions in response to these risks.

To cope with the impact of extreme weather and ensure the continuous operation of the Company's business, Kuaishou has formulated an forward-looking emergency operation procedure for extreme scenarios, specifically targeting extreme weather. Kuaishou has formulated documents concerning natural disasters such as the *Catalog of Emergency Measures for Typical Emergencies and the Emergency Plans for Fuel Leakage and Failure*. We have set up emergency plans for extreme weather (typhoons, rainstorms, earthquakes, floods, and frosts), fuel leakage, water leakage in the server room, fire emergency, and other extreme scenarios. We also carry out emergency drills, decentralized deployment of server rooms, and remote backup of important systems and business data. In the above-mentioned ways, we minimize the impact of climate change on Kuaishou's business.

Emissions and Waste Management

In terms of emissions and waste disposal, we strictly comply with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, and the *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant*, as well as the emission and waste treatment standards of the places of operation. We have developed the *Kuaishou Project Waste Sorting Management Plan* and the *Promotion Plan for Workplace Waste Sorting at Beijing Offices* to promote the orderly management of waste in regular operations.

Due to the business nature of Kuaishou, we cause no significant pollution or impact on the environment and natural resources. Kuaishou proactively takes measures to reduce the impact of its operations on the environment. The non-hazardous waste involved in Kuaishou mainly includes domestic waste, kitchen waste, and office waste generated in workplace. We have set up classified garbage bins in the office areas of Beijing and Shanghai for waste sorting management. In addition, we took a series of measures to improve the efficiency of waste sorting management, such as posting waste sorting information posters in public areas, training employees on waste sorting knowledge, and arranging specialized personnel to sort waste. In 2020, we organized 39 training sessions on waste sorting for our employees. The hazardous waste involved in the Group mainly includes waste batteries and toner cartridges used in printers. For hazardous waste generated in office areas, we collect it separately and hand it over to the qualified third-party recycler for recycling.

We promote energy conservation and emission reduction from the source. We advocate paperless office and encourage employees to work with online office and electronic documents. We advocate double-sided printing and the reuse of waste paper. We provide employees with heating devices for meals and encourage them to reduce the use of disposable items such as paper cups. We have also taken measures to improve the efficiency of waste sorting management. These include posting waste sorting posters in public areas, training employees on waste sorting knowledge, and appointing specialized personnel to sort waste. In 2020, we organized 39 training sessions on waste sorting for our employees.

Since November 2020, Kuaishou launched a used electronic device repurchase program within the Company. For the Company's laptops, hosts, all-in-one computers, monitors, tablet computers, and other devices that have been used for a certain number of years, employees can buy these assets. The program extends the service life of the devices and reduce the impact of regular scrapping of electronic devices on the environment. As of December 31, 2020, our employees purchased 224 used electronic devices under the program, and the cumulative reduction of related waste discharge was about 766.84 kg.

Data of Emissions and Waste in 2020

Total greenhouse gas emissions (ten thousand tons)

69.44

Per capita greenhouse gas emissions (ton/person)

32.30

Wastewater discharge (ten thousand tons)

56.22

Per capita wastewater discharge (ton/person)

26.15

Hazardous waste (ton)

1.07

Per capita hazardous waste (kg/person)

0.05

Non-hazardous waste (ten thousand tons)

1.33

Per capita non-hazardous waste (kg/person)

619.11

Note:
The environmental data covers office buildings of the Group's headquarters and subsidiaries, 18 leased data centers in North China, and 3 leased data centers in South China.

Improving Resource Utilization Efficiency

Kuaishou adheres to the concept of green measures and sustainability and actively integrates the green concept into every aspect of regular operation and management. We have energy conservation programs with implementation plans, and we systematically and scientifically manage and optimize our resource operation plans. We take measures such as the recycling of waste assets, energy conservation, and emission reduction in order to reduce resource waste and improve resource utilization efficiency.

To improve energy efficiency, we insist on the scientific management of the use of water, electricity, and other resources. We have formulated the *Kuaishou Energy Management Guidelines and Goals*. On the basis of the requirements of the ISO 50001 and GB/T 23331-2012 energy management systems, we use the PDCA (Plan–Do–Check–Act) method to continuously improve the Group's energy management and operation model. The Group's energy management team effectively plans and controls the process and activities of energy use, and locates problems through monitoring and measurement and then solves them in a timely manner. In this way, energy management has been integrated into our regular activities. We analyze energy and resource management opportunities in regards to air-conditioning, electrical, and water supply and drainage system in order to optimize the efficiency of energy and water use as much as possible. Furthermore, we actively explore opportunities for energy conservation. We advocate a "green office" concept and turn off lights and other electronic devices when not in use. We encourage the application of video conferencing to reduce travel, and use promotion campaigns to strengthen employees' awareness of energy and water conservation.

We take into consideration the environmental impact and resource consumption of the layout and operation of data centers. As of the date of the Report, Kuaishou does not have any self-owned data centers in operation. Therefore, we take into account the environmental impact and resource consumption of the layout and operation of the data centers that we leased from the third party. In 2020, the annual PUE of Kuaishou data centers is 1.382.

We have invested in the construction of the "Kaishou Ulanqab Big Data Center" project in Ulanqab City, Inner Mongolia Autonomous Region, and is currently constructing the first phase of the project. Through the research and development of the cutting-edge technology of the data center, we have applied a new generation of indirect evaporative cooling technology and high voltage direct current (HVDC) technologies on a large scale in the Ulanqab data center to maximize the use of natural cold sources, wind energy, solar energy, and low power consumption equipment. At the same time, the allowable inlet temperature of the server in the rented computer room is increased, and the operating time of the natural cooling system is extended, thereby reducing the power consumption of the cooling system as a whole, thereby bringing about an improvement in energy efficiency. Benefiting from the application of new energy-saving technologies, the Ulanqab data center is expected to have an average annual PUE of no more than 1.2. Compared with the average PUE[11] of the data center industry, it is expected that energy consumption will be reduced by about 25%, and annual power savings can reach about 500 million kWh.

Data of Energy and Resource Consumption in 2020*

Direct energy consumption

Direct energy consumption (MWh)

13,543.85

Include: Natural gas consumption (m^3)

273,431.40

Diesel consumption (ton)

892.32

[11]The average PUE of the industry is cited from the 2020 Uptime Institute Data Center Survey, https://uptimeinstitute.com/2020-data-centerindustry-survey-results.

Direct energy consumption intensity (MWh/person)

0.63

Indirect energy consumption

Indirect energy consumption (MWh)

721,117.23

Include:

Purchased electricity (MWh)

715,200.83

Purchased heat (GJ)

20,256.68

Indirect energy consumption intensity (MWh/person)

33.54

Comprehensive energy consumption

Comprehensive energy consumption (MWh)

734,661.07

Comprehensive energy consumption intensity (MWh/person)

34.17

Water consumption**

Fresh water consumption (Ten thousand tons)

205.27

Total water density (ton/person)

95.48

Notes:

* The environmental data covers office buildings of the Group's headquarters and subsidiaries, 18 leased data centers in North China, and 3 leased data centers in South China.

**The water used by the Group is municipal tap water supply within the statistical scope. In terms of the use of water, the Group encountered no problems in obtaining water sources in 2020.

*** The packaging material data is not applicable to the Group.

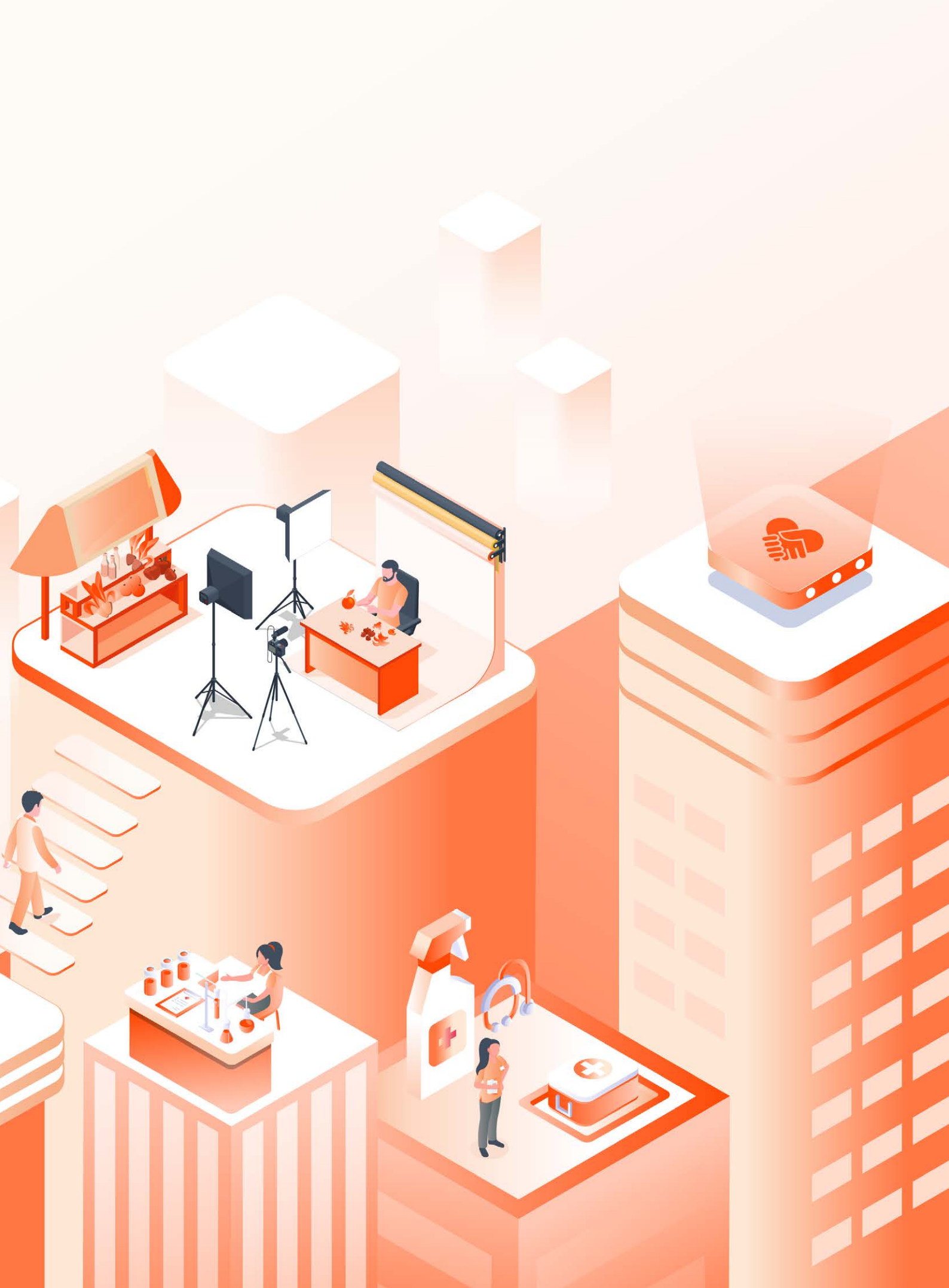
05 Creating a Better Future with Technology

The strong presence and influence of Kuaishou in rural areas equip it with a vast population base and potential for action in poverty alleviation and rural revitalization. Based on platform advantages, Kuaishou employs the technical means of "short video, live streaming and e-commerce" to carry out rural revitalization of talent, industry, and ecology in the aspects of people, materials, and scenery. These actions are designed to improve the general skills, life, and financial conditions of rural residents, reduce the vulnerability of rural areas, and promote the beauty of the countryside. Kuaishou upholds the principle of inclusive technology and aims at improving people's livelihood. These not only conform to China's strategic policy of poverty alleviation and rural revitalization, but also reflect Kuaishou's social responsibility as a responsible enterprise.

Promoting Social Care

Paving the Path Toward Prosperity

Unique Beauty in Rural Areas



Promoting Social Care

People are the main body of rural revitalization and a key factor in the results of rural construction. The large number of users not only gives Kuaishou the advantageous "popularity" to achieve goals of poverty alleviation and revitalization in rural areas but also motivates it to focus on people. Kuaishou puts people first and mitigates the adverse impact of the COVID-19 pandemic on rural residents' livelihoods. We promote poverty relief and improve nutrition to enhance the physical fitness of rural residents. We increase education and training to enhance the skills and abilities of rural residents. In this way, we comprehensively improve rural areas' tolerance to external shocks. It manifests Kuaishou's care for users and rural residents.

Poverty Alleviation and the Battle Against COVID-19

Since the outbreak of the COVID-19 pandemic in early 2020, as a leading company in the short video industry, Kuaishou responded immediately and initiated the donation of RMB100 million and 50,000 N95 masks. We leveraged our advantages in technology, popularity, and full coverage of platforms to accurately and effectively promote the information about pandemic prevention and control at multiple levels and from multiple perspectives with the new model of "short video plus live streaming" and support production and work resumption. At the same time, to cope with the challenges brought by the pandemic to poverty alleviation in rural areas, to mitigate the adverse impact of the pandemic on the sales of agricultural specialties nationwide, and to support the livelihood of rural residents, Kuaishou, under the guidance of the National Radio and Television Administration and other competent departments, leveraged the advantages of Internet technology and platforms and initiated activities to help the poor and fight the pandemic, support Hubei, and help rural residents.

100 County Mayors on Agro E-Commerce Live streaming

To help address the slow sale of agricultural products during the pandemic, Kuaishou launched a campaign of live streaming endorsement by county mayors nationwide in March 2020. We invited county mayors to launch the 100 County Mayors on Agro E-Commerce Live streaming campaign with live-streamers from the e-commerce unit of Kuaishou. By December 31, 2020, the campaign covered over 50 cities and counties across many provinces in China, including Hainan, Guangxi, Yunnan, Hunan, Henan, Shaanxi, Shandong, Hebei, Xinjiang, and Liaoning. In the nearly 200 live streaming shows for agricultural assistance, more than 50 mayors and county mayors appeared in the Kuaishou live streaming room for official events to sell local specialties. The accumulated sales of the campaign exceeded RMB360 million. It promoted the sales and vitalized the trade of agricultural products.

Leader of Lichuan City

"Due to the pandemic, agricultural products in some parts of Hubei have become unsalable. We hope that with the help of Kuaishou, we can help tea farmers gain economic return from the hard work of the year."

Leader of Enshi City

"The unsalable agricultural products had a tremendous negative impact on our famers' livelihood. To help them out of the predicament is the direct reason why I came to this live streaming."

Leader of Shiyan City

"The resumption of production and work in many industries in Shiyan is proceeding smoothly. ... Yunyang mushrooms are rich in nutrients and have a unique flavor."

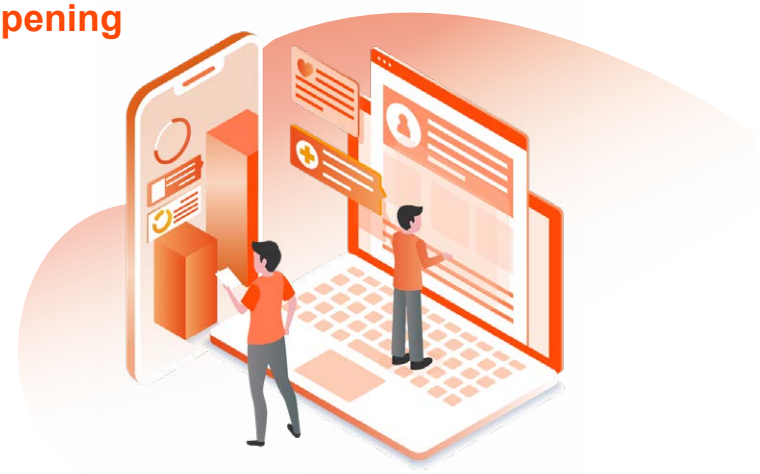
The 100 County Mayors on Agro E-Commerce Live streaming campaign was recognized by the public and the government.

On December 12, 2020, the campaign was awarded the Case of the Year at the 2020 People's Corporate Social Responsibility Summit Forum and the 15th People's Corporate Social Responsibility Award Ceremony.

On December 19, 2020, the campaign was awarded the Corporate Social Responsibility Pioneer of the Year in the 2020 EDGE Awards of TMT Post.

First live streaming of the 100 County Mayors on Agro E-Commerce Live streaming campaign

Quick Action to Assist Hubei in Reopening



To support the people's livelihood in Hubei after the pandemic, Kuaishou cooperated with China Central Television (CCTV) and other major media outlets to hold live streaming. We mobilized live-streamers to support merchants on Kuaishou and launched the Help Hubei Reopen campaign. We also launched the Kuai Resumption of Work program and several special support programs for Hubei merchants, including exemption of technical service fees, free certification, fast-tracked payments, celebrity guests, promotion support, and special official reception channels. With the above actions, we supported Hubei's economic development and worked with the people of Hubei to overcome the difficulties.

Kuaishou cooperating with CCTV to support Hubei in the Thanks for Your Orders for Hubei campaign

● REC

Hubei is an important agricultural production area in China. Under the impact of the COVID-19 pandemic, many high-quality agricultural and sideline products in Hubei were left unsold. In April 2020, CCTV News New Media launched a large-scale charity campaign, Thanks for Your Orders for Hubei. Kuaishou cooperated with CCTV News to hold two live-commerce events in the Kuaishou live streaming room to support the rapid restart of Hubei's economy.

During the campaign, the Thanks for Your Orders for Hubei charity action launched a 130-minute charity live streaming show on Kuaishou, with a total of 127 million viewers and 141 million likes. Together with the Thanks for Your Orders for Hubei live streaming initiated by Kuaishou celebrity live-streamers, a total of RMB61 million worth of Hubei agricultural and sideline products were sold on that night. 107 China media outlets simultaneously broadcasted the live-commerce show of CCTV News New Media on their Kuaishou accounts.

On the evening of April 27, 2020, CCTV anchors Zhu Xun and Li Zimeng formed a group called "CCTV Girls" and held a three-hour live streaming show on the CCTV News account on Kuaishou, during which they sold Hubei specialty products worth of about RMB 80.12 million. Many high-quality goods from Hubei, including 27,500 packs of Wuhan hot-dry noodles with sesame paste, 26,000 bottles of lactic beverages, 16,000 bags of simmered seaweeds, 15,000 pieces of duck necks, 12,000 pieces of crawfish, and 5,000 pieces of salted egg yolk biscuits, were sold out in seconds.

CCTV Girls supporting Hubei

International Poverty Relief and Nutrition Assistance

The United Nations (UN) World Food Programme (WFP) is the world's largest humanitarian aid agency, which is committed to fighting world hunger. To work for the poverty relief goal of the UN 2030 Agenda for Sustainable Development and improve the basic physical fitness of people in poverty-stricken areas, Kuaishou cooperated with the WFP in 2020. We assisted the WFP in opening a Kuaishou account and carried out a number of cooperation campaigns.

In the Kuaishou No. 1 Scholar large-scale live streaming quiz on the eve of the Spring Festival in 2020, we set up a special session for the WFP.

During the COVID-19 pandemic, Kuaishou and WFP jointly launched the Home-made Nutritional Meal, a short video creation and selection activity to collect nutritional recipes.

Kuaishou and WFP jointly launched the Missing Meals charity challenge to support school nutrition projects for children in poverty-stricken areas affected by the pandemic, and help school-age children who lost school meals due to the pandemic.

The Missing Meals and Home-made Nutritional Meals campaigns launched by Kuaishou

On October 13, 2020, Kuaishou and WFP launched an offline campaign titled "Building Happy Country Together." The two parties will work together to address the nutritional deficiencies among residents in poverty-stricken areas, including donating more than 120,000 nutritious meals to WFP and supporting WFP's pilot projects for improving the nutrition of preschool children in Hunan and Guangxi. Kuaishou also provided promotion assistance for a worth of about RMB10 million traffic diverted to official account of WFP on Kuaishou, as strong support for WFP to launch campaigns and initiate advocacy on the new media platform.

Kuaishou donating more than 120,000 nutritious meals to WFP

"As a leading short video and live streaming social platform, Kuaishou has strong user coverage in many regions of China, especially in underdeveloped rural areas. Its concept and goal of 'equal and inclusive' has a lot in common with our pursuit and exploration in China."

——UN WFP China Representative

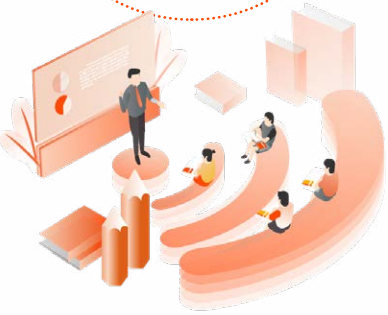
Education and Training

Rural revitalization must take the path of self-reliance and rely on locally-trained talents. Personnel training depends on education. To help rural talents improve their professional skills, Kuaishou provides rural talents with online education resources on the platform, including basic e-commerce knowledge, agricultural technology, knowledge of local agriculture, and life skills, etc. We have also initiated projects such as Rural Revitalization Officer and Happy Country Leader to empower the revitalization of rural talents.

Rural Revitalization Officer

The Rural Revitalization Officer program is an education assistance program for primary-level government officials, including mayors, county mayors, directors of e-commerce offices, town mayors, village chiefs, and deputies to the People's Congresses and members of the Chinese People's Political Consultative Conference at all levels. It aims to help primary-level and frontline government officials learn and use Kuaishou through offline training and online tutoring, so that they can explore new paths for primary-level governance modernization with live streaming and other methods. By December 31, 2020, the project introduced more than 1,000 county and village heads and other primary-level cadre accounts throughout the year, covering 25 provinces, municipalities directly under the Central Government and autonomous regions across China. A number of iconic Kuaishou accounts of officials have been created from scratches. Also in the year, we systematically launched government affairs, training, and collaboration events and publicity cooperation, helping the primary-level and frontline government officials to use short video plus live streaming as a "new farm tool" for rural revitalization and a "new tool" for primary-level governance.

By December 31, 2020, covering **25** provinces, municipalities directly under the Central Government and autonomous regions across China



Grassroots Creator Training Program

● REC

To better assist creators from the grassroots to quickly master online new media tools, Kuaishou launched the Grassroots Creator Training Program. In the program, we provided free online training for primary-level government officials and support such as promotion, operational guidance, and offline training for the outstanding users discovered in the training process.

Kuaishou worked with the Rural Industry Development Training Center of the Administration and Management Institute of Ministry of Agriculture and Rural Affairs, Social Participation in Poverty Alleviation and Development of China, and Southern Rural News to develop over 50 free short video courses on the introduction to government affairs, short video production, live streaming skills, account operation skills, and e-commerce of agricultural products. We have also set up a special course community and online chat groups for primary-level workers to learn the production and release of short video content online.

Grassroots Creator Training Program

Happy Country Leader

The Happy Country Leader Program is one of the core parts of the Kuaishou Happy Country Strategy. It is China's first Internet corporate social responsibility program focusing on rural entrepreneurs, which has developed into China's first rural entrepreneur growth incubator and rural industry accelerator. The program develops and enhances the leadership and business management capabilities of rural entrepreneurs with online and offline business and management education resources. It also promotes these leading entrepreneurs to drive the development of rural industries and adds local jobs by providing them with promotion resources and brand resources, thereby boosting the drive of poverty alleviation.

By December 31, 2020, the program discovered and assisted more than 100 rural entrepreneurs across China, developed 57 rural enterprises and cooperatives, created more than 1,200 local jobs, and helped cumulatively more than 10,000 poor households increase their income. In the year, the program carried out the third and fourth phases of the recruitment of leading entrepreneurs and recruited more than 70 new leading entrepreneurs. These leaders created a total output value of more than RMB50 million in the real estate industry, and the development of the industry benefited nearly 10 million people.

By December 31, 2020

The program discovered and assisted more than **100** rural entrepreneurs across China

Developed **57** rural enterprises and cooperatives

Created more than **1,200** local jobs

Helped cumulatively more than **10,000** poor households increase their income

Three sections for the development of the leading entrepreneurs

Rural entrepreneurial talent training and industry incubation

Intensive training | Field research guidance | Institutional visits | Online Kuaishou classroom

Extend the thoughts of industrial sustainable development of leaders, cultivate new rural talents, and incubate new rural industries

Kuaishou Happy Country Entrepreneurship College

Rural entrepreneurial talent exchange, display, sharing, and communication platform

Live speech | Kuaishou live streaming

Share the speaker's knowledge and experience, and inspire new ideas for rural revitalization

Kuaishou Happy Country

A community where rural revitalization talents help each other and grow together

The community members are composed of Kuaishou village leaders, based on common values, focusing on rural revitalization and sustainable development, and contributing to the revitalization of the village

Leader Mutual Aid Community

Paving the Path Toward Prosperity

Rural areas are rich in resources and have a variety of competitive agricultural products. However, as they are in the remote mountainous areas which lack smooth sales channels, it is difficult for consumers to see and enjoy them, which also blocks the path of rural development and prosperity. Kuaishou actively implemented the *Guiding Opinions on Promoting E-commerce-enabled Targeted Poverty Alleviation* and paved the way forward for agricultural products with e-commerce. With the media tools of short video and live streaming, we coordinate our advantages in platform, technology, and resources and fully empower high-quality specialty products in poverty-stricken areas to go beyond of mountainous areas and reach the broader masses. In this way, we enhance the self-driven development ability of rural industries and help rural areas embark on the road of self-reliance to get rid of poverty and become prosperous.

Fumiao Poverty Alleviation Program

The Fumiao Poverty Alleviation Program is a social e-commerce poverty alleviation program of Kuaishou, relying on its advantageous popularity and based on short video and live streaming technology. With social poverty alleviation e-commerce, we help the poor areas around China promote and sell special products and promote the development of relevant local industries, realizing sustainable poverty alleviation and rural revitalization.

Kuaishou Fumiao Program

Over **150**
Cooperative projects with governmental departments of poverty-stricken counties

Over **300**
Select specialty products from poverty-stricken areas

232
E-commerce celebrities participating in government poverty alleviation live streaming

18
Major poverty alleviation live streaming shows

Sales of poverty alleviation live streaming e-commerce Over RMB **448** million

51 million people helping Xinjiang fight poverty in the charity live streaming of Taste of Xinjiang

● REC

On June 10, 2020, Kuaishou joined hands with the Supply and Marketing Cooperative of Xinjiang Uygur Autonomous Region to host a charity live streaming show for poverty alleviation named "Taste of Xinjiang". To expand the influence of the event, Kuaishou specially set up a multi-link live streaming room at the event site, where 5 accounts carried out simultaneous live streaming, and 2 official accounts, Kuaishou Poverty Alleviation and Kuaishou Positive Energy, broadcasted. High-quality specialty agricultural products such as red dates and walnuts from poverty-stricken areas in southern Xinjiang appeared in the live streaming, endorsed by government officials at all levels of Xinjiang, local celebrity artists, and Kuaishou Internet celebrities. The live streaming room was also connected to Hami City, Huocheng County, and other regions, and introduced Huocheng lavender, Hami jujube, and other well-known agricultural specialty brands to Internet users nationwide. The Taste of Xinjiang charity live streaming show for poverty alleviation promoted and sold 65 special agricultural products in Xinjiang, covering 14 counties and cities including Yumin County, Hotan County, Yingjisha County, Qinghe County, Yutian County, and Hami City. The total number of viewers of the show reached 51 million, and the total sales amounted to about RMB19.49 million.

On December 24, 2020, Kuaishou's "Live streaming to Support Agriculture: Exploring New Models of Poverty Alleviation Through Consumption", which was led by the Taste of Xinjiang event, was shortlisted to the list of Top 50 Special Cases of Targeted Poverty Alleviation by Enterprises 2020 of the State Council Leading Group Office of Poverty Alleviation and Development.

The total number of viewers of the show reached

51 million

The total sales amounted to about

RMB **19.49** million

The Taste of Xinjiang charity live streaming show for poverty alleviation

"Live streaming e-commerce not only allows consumers to feel the charm of Xinjiang food in the live streaming room but also allows high-quality agricultural products to get rid of the embarrassing situation of low visibility due to remoteness, effectively connecting agricultural producers to consumers. It plays an important role in helping poverty alleviation and promoting rural economic and social development."

By the Director of the Supply and Marketing Cooperative of Xinjiang Uygur Autonomous Region

Cooperation Empowering "Short Video and Live Streaming Plus Poverty Alleviation"

Relying on the advantages of technology and platform communication, Kuaishou collaborates with government departments and media outlets to expand the influence of poverty alleviation projects and increase the visibility of poverty alleviation products. Based on the efficient and precise connection of personalized recommendations and intelligent distribution technology, we promote to potential purchasers, allowing a wider range of markets and consumers to participate in the "Short Video and Live Streaming Plus Poverty Alleviation."

The Poverty Alleviation Through Consumption for Hunan live streaming event

● REC

On September 22, 2020, under the guidance of Hunan Provincial Office of Poverty Alleviation and Development and Social Participation in Poverty Alleviation and Development of China (SPPADC), Kuaishou and SPPADC Hunan Management Center launched the Poverty Alleviation Through Consumption for Hunan live streaming event at the 3rd Chinese Farmers' Harvest Festival. The live streaming event focused on 51 poverty-stricken areas in Hunan Province and the certified Hunan products in the *National Catalog of Poverty Alleviation Products* and promoted the sales of nearly 100 poverty alleviation products under the categories of fresh vegetables and fruits, rice, flour, and oils, and non-staple food, in the form of "short video plus live streaming plus e-commerce". During the 5-hour poverty alleviation live streaming event, nearly 20 million Kuaishou netizens watched the show, gave 1.8 million likes, and placed nearly 15,000 orders.

The Poverty Alleviation Through Consumption for Hunan live streaming event

Unique Beauty in Rural Areas

Rural areas have unique cultural attributes and natural resources. A natural way of poverty alleviation and revitalization in rural areas is to develop new industries and businesses such as rural tourism and leisure agriculture based on local characteristics and according to local conditions, to show the beauty of rural areas to more people. This is also a new opportunity to promote the development of rural industries and the increase of local residents' income. Kuaishou empowers cultural tourism and poverty alleviation through intangible cultural heritage with technology and tries to help remote areas promote and shape local attractions and locally-featured culture in a more diverse, culturally-rich, and creative manner. In this way, we build poverty alleviation brands with social care and let poverty alleviation and the promotion of regional brands radiate to more people, promoting the fundamental transformation of rural tourism from a traditional service industry to a modern tourism industry.

Poverty Alleviation Through Cultural Tourism

Culture is the fundamental factor for the sustainable development of an industry, especially for the tourism industry with culture and nature as its basic elements. Fully recognizing the cultural attributes of rural tourism and the importance of shaping tourism with culture, Kuaishou uses different marketing methods to present the unique beauty of rural areas to the broad masses.

Kuaishou and Huichang of Jiangxi jointly producing a cultural tourism promotional video themed by rice noodles

● REC

At the beginning of 2020, Kuaishou collaborated with the People's Government of Huichang County, Jiangxi, to shoot a cultural tourism promotional video. This video titled "Fen (‘rice noodles' and ‘fans' in Chinese)" focuses on the new "left-behind" young people who received much attention in society today. "Fen" is a pun, which refers to both the local specialty Wufeng rice noodles in Huichang and the online "fans" (followers of social media accounts). It connects the specialty with "fans" from all over China, creating a unique connection that allows Kuaishou users to show their beautiful hometown to netizens all over the country.

The promotion of cultural tourism of Jiangxi's Huichang themed by "Fen"

Live streaming presenting the Miao ethnic culture in Pengshui

● REC

Pengshui Miao and Tujia Autonomous County is the only county in Chongqing that is dominated by Miao people. It is also the county with the largest population of Miao in China. In recent years, Pengshui Autonomous County has focused on the integrated development of "tourism plus" and promoted rural poverty alleviation and development with the tourism industry. On August 23, 2020, Kuaishou Poverty Alleviation, together with Happy Teahouse of Tencent Chess and Cards, People's Video, and Haidian Media, launched the Happy and Fun in Pengshui online live streaming event. In the event, we presented Pengshui Miao culture and the culture of intangible cultural heritage in the form of "popular artists plus regional culture plus live short video." At the same time, Kuaishou has made exquisite stickers featuring Miao headgears in the application, accompanied with the "Jiao Ayi" Miao song (also national intangible cultural heritage), allowing Internet users to experience the charming culture of Miao up close.

The Happy and Fun in Pengshui online live streaming event supporting local tourism

Poverty Alleviation with Intangible Cultural Heritage

Against the deepening integration of culture and tourism, Kuaishou injects steady momentum for the development of rural tourism with the innovative value that features the protection and inheritance of intangible cultural heritage and its seamless connection with modern business. Kuaishou recognizes the importance of intangible cultural heritage in supporting targeted poverty alleviation and leverages its platform advantages to help promote the protection and inheritance of outstanding Chinese traditional culture.

Making clay sculptures, videos, and fortune in village

● REC

The clay sculptures in Jun County, Henan have a history of one hundred years and have been included in the first batch of intangible cultural heritage of China. Zhu Fujun's grandmother came from Yangqi Village, known as the No. 1 village of clay sculptures. He himself has enjoyed making clay sculptures since he was a child. By coincidence, Zhu Fujun began to disseminate clay sculpture skills and intangible cultural heritage with short videos on Kuaishou. He also helped old craftsmen to sell clay sculptures on Kuaishou. In the past two years, Zhu Fujun sold a total of 100,000 clay sculptures (worth about RMB1.2 million) made by craftsmen from Yangqi Village. To mitigate the impact of the COVID-19 pandemic on the sales of clay sculptures, in June 2020, Zhu Fujun hosted live streaming supported by the promotion of Kuaishou Poverty Alleviation. In two live streaming shows, he helped more than 50 old craftsmen in the village sell thousands of clay sculptures.

The clay artworks of "Brother Clay"

During the Reporting Period, Kuaishou has received many recognitions from the Chinese government and the industry for poverty alleviation.

On September 27, 2020	At the release ceremony of the list of Brand Actions and Outstanding Leaders of Poverty Alleviation with Intangible Cultural Heritage, the Kuaishou Happy Country Leader Program was awarded the Brand Action of Poverty Alleviation with Intangible Cultural Heritage. The event was jointly directed by the Department of Intangible Cultural Heritage of the Ministry of Culture and Tourism of the People's Republic of China and the Department of Development Guidance of the State Council Leading Group Office of Poverty Alleviation and Development, hosted by China Cultural Media Group Co., Ltd., and undertaken by WODSY.com.
On November 12, 2020	At the Responsibility Golden Bull Award ceremony of China Social Responsibility 100 Forum, Kuaishou won the Targeted Poverty Alleviation Award.
On November 13, 2020	Kuaishou's case of "Short Video Plus Live Streaming Forging a New Model of Poverty Alleviation with Popularity" was shortlisted to the list of Top 50 Special Cases of Targeted Poverty Alleviation by Enterprises 2019 of the State Council Leading Group Office of Poverty Alleviation and Development.
On November 27, 2020	At the 2020 Tencent News "China Yi Company" Annual Forum on Responsibility, Kuaishou won the Outstanding Innovator for Poverty Alleviation for its poverty alleviation projects including the Happy Country Leader Program.
On December 25, 2020	At the 3rd China Report Conference for Excellent Poverty Alleviation Cases themed by "Decisive Victory and Continued Efforts", Kuaishou was selected as one of the 3rd China Excellent Cases. The conference was directed by the State Council Leading Group Office of Poverty Alleviation and Development and People's Daily, and jointly hosted by People's Daily Online and the *China Poverty Alleviation* journal.

Index

Subject Area	Indicators	HKEX Disclosure Requirement	Page
A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Comply or explain	P51
	Key Performance Indicator A1.1 The types of emissions and respective emissions data.	Comply or explain	P52
	Key Performance Indicator A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Comply or explain	P52
	Key Performance Indicator A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Comply or explain	P52
	Key Performance Indicator A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Comply or explain	P52
	Key Performance Indicator A1.5 Description of measures to mitigate emissions and results achieved.	Comply or explain	P51-52
	Key Performance Indicator A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Comply or explain	P51-52
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Comply or explain	P53
	Key Performance Indicator 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).	Comply or explain	P53-54
	Key Performance Indicator A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Comply or explain	P54
	Key Performance Indicator A2.3 Description of energy use efficiency initiatives and results achieved.	Comply or explain	P53
	Key Performance Indicator A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Comply or explain	P54
	Key Performance Indicator A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Comply or explain	Not applicable as the e-commerce platform of the Group serves third-party merchants and does not offer self-operated products and does not involve packaging materials.
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Comply or explain	P51
	Key Performance Indicator A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Comply or explain	P51-P52

Subject Area	Indicators	HKEX Disclosure Requirement	Page
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare.	Comply or explain	P41-43
	Key Performance Indicator B1.1 Total workforce by gender, employment type, age group and geographical region.	Recommended disclosure	P42
	Key Performance Indicator B1.2 Employee turnover rate by gender, age group and geographical region.	Recommended disclosure	/
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Comply or explain	P48
	Key Performance Indicator B2.1 Number and rate of work-related fatalities.	Recommended disclosure	P48
	Key Performance Indicator B2.2 Lost days due to work injury.	Recommended disclosure	/
	Key Performance Indicator B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Recommended disclosure	P48
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Comply or explain	P43-48
	Key Performance Indicator B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Recommended disclosure	/
	Key Performance Indicator B3.2 The average training hours completed per employee by gender and employee category.	Recommended disclosure	/
B4 Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Comply or explain	P41
	Key Performance Indicator B4.1 Description of measures to review employment practices to avoid child and forced labour.	Recommended disclosure	P41
	Key Performance Indicator B4.2 Description of steps taken to eliminate such practices when discovered.	Recommended disclosure	P41

Subject Area	Indicators	HKEX Disclosure Requirement	Page
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Comply or explain	P26
	Key Performance Indicator B5.1 Number of suppliers according to geographical region.	Recommended disclosure	P26
	Key Performance Indicator B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Recommended disclosure	P26
B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Comply or explain	P19、P22-25、P31-38
	Key Performance Indicator B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Recommended disclosure	Not applicable as the e-commerce platform of the Group serves third-party merchants and does not offer self-operated products.
	Key Performance Indicator B6.2 Number of products and service-related complaints received and how they are dealt with.	Recommended disclosure	P31-33
	Key Performance Indicator B6.3 Description of practices relating to observing and protecting intellectual property rights.	Recommended disclosure	P27-28
	Key Performance Indicator B6.4 Description of quality assurance process and recall procedures.	Recommended disclosure	P23
	Key Performance Indicator B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Recommended disclosure	P33-38
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Comply or explain	P12-13
	Key Performance Indicator 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.	Recommended disclosure	P13
	Key Performance Indicator B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Recommended disclosure	P12
B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Comply or explain	P57-68
	Key Performance Indicator B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Recommended disclosure	P57-68
	Key Performance Indicator B8.2 Resources contributed (e.g. money or time) to the focus area.	Recommended disclosure	P57-68

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