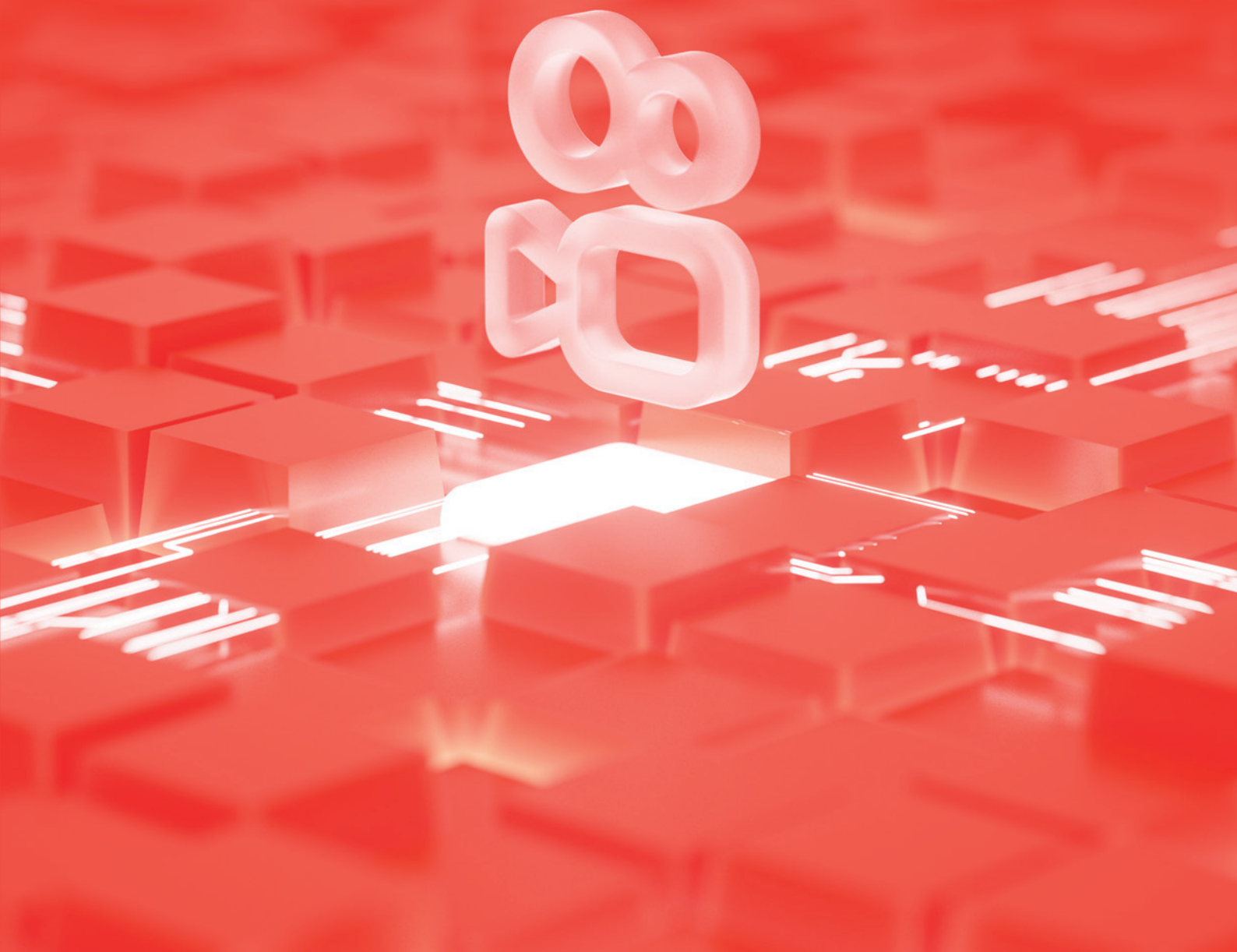
KUAISHOU

Kuaishou Technology

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

Stock Code: 01024 (HKD Counter) 81024 (RMB Counter)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2023



ABOUT THE REPORT

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

Reporting Period

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

Reporting Boundary

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

Sources of Data

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

Basis of Preparation

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

- Principle of materiality: Through materiality assessment, we identify and evaluate the ESG issues that are important to our business and internal and external stakeholders. The Report mainly contains disclosures that align with the results of the materiality assessment. Please refer to the sub-section headed "Materiality Analysis" in the Report for further details regarding the process of materiality assessment.

- Principle of quantitative: We have disclosed the quantitative KPIs and set up quantitative performance targets where appropriate. The quantification standards, methodologies, assumptions and/or calculation tools for KPIs and source of conversion factors used in the Report are explained in the corresponding sub-sections (where applicable).

- Principle of balance: The Report aims to provide a balanced presentation of the Group's ESG efforts in various aspects, including environment, employees, product responsibility and community.

- Principle of consistency: The preparation of the Report is consistent with that of the previous years. Changes in report preparation that may have a meaningful impact on the Report's comparability with reports from previous years are explained in the corresponding sub-sections.

Environmental, Social and Governance Report

STATEMENT FROM THE BOARD

The Board is committed to establishing a comprehensive ESG management system, strengthening ESG governance, and continuously promoting its sustainable growth. As the highest decision-making body for the Group's ESG initiatives, the Board oversees the implementation of ESG-related matters through regular coordination of ESG related works, identification of key ESG risks and opportunities, and enhancement of its ESG capabilities. Under the authorization of the Board, an ESG Working Group has been set up under the Corporate Governance Committee. This Working Group is responsible for coordinating and communicating with individuals responsible for ESG matters across various business departments to ensure the effective implementation of ESG-related initiatives.

The Board endeavors to integrate ESG responsibility principles with its business strategies, so as to refine its ESG governance system. In addition, in pursuit of the Company's sustainable development, it strives to maintain transparent, open, timely and effective communication with all stakeholders, identify and evaluate important ESG issues, and discuss and review such issues during the meetings of the Corporate Governance Committee. Based on the broader macro-environment and Kuaishou's growth strategy, the Corporate Governance Committee discusses and considers the Company's ESG risks and opportunities and provides an annual summation of important ESG management matters and projects. Kuaishou has established environmental objectives for its various business operations, and the Board is responsible for continuous supervision and regular review of the progress of such objectives. In 2023, we participated in the CDP questionnaire for the first time, as part of our ongoing efforts to meet the expectations and concerns of our stakeholders.

The Report detailed the progress and achievements of Kuaishou's ESG management in 2023, which complied with all applicable "comply or explain" provisions as set out in Part C of the *ESG Reporting Guide*. In accordance with the terms of reference of the Corporate Governance Committee, the Board authorized the Corporate Governance Committee as the specialized committee to supervise ESG management. The Corporate Governance Committee reviewed and approved the Report on March 20, 2024. Looking ahead, Kuaishou is committed to further advancing our ESG initiatives, enhancing the regulation and standardization of our information disclosure, and facilitating the sustainable development of the Company.

ESG KEY PERFORMANCE

Green Operation

In 2023, Kuaishou's self-built data center was certified by UPTIME M&O (Management and Operations). Certain leased data centers received the Level III Enterprise for Work Safety Standardization Certificate and were certified by UPTIME M&O and China Quality Certification Center (CQC).

In 2023, Kuaishou's Ulanqab data center used approximately **30,398** MWh of renewable energy.

In 2023, **2,997** electronic devices were repurchased by employees through "Used Electronic Device Repurchase" program.

Privacy Protection and Data Security

In 2023, the information security management system certifications including ISO 27001 information security management system, ISO 27701 privacy information management system and ISO 27017 cloud service information security management system that we already obtained, covered **100%** of our business lines.

In 2023, Kuaishou organized a number of data security and privacy protection trainings to all employees (including new employees, as well as dispatched labor and interns). The number of participants was **20,000+**. In respect of trainings for departments, the number of participants was **3,000+**. In respect of trainings for partners, including contractors and suppliers, the number of participants accumulated to **500+**.

Intellectual Property Rights Protection

As of December 31, 2023, Kuaishou filed **11,651** patent applications domestically and abroad and has been granted **4,517** patents. We have obtained **9,808** domestic and foreign registered trademarks and **6,240** copyright registrations.

Environmental, Social and Governance Report

Platform Responsibilities

In 2023, Kuaishou led and participated in **133** international, national, industry and group standards setting in the fields of personal information protection, data security, anti-phone scam, protection of minors, and artificial intelligence, etc., with **31** standards that Kuaishou participated being published.

In 2023, we garnered feedback from **290,000+** users, achieving an **85%** annual comprehensive satisfaction rate across all channels and a **94%** satisfaction rate with human customer service by phone.

Employees' Development

In 2023, Kuaishou appointed **1** female independent non-executive Director, contributing to improved Board diversity.

As of December 31, 2023, Kuaishou had full-time employees from **14** countries and **35** ethnic groups, and nearly **7.9%** were from China's ethnic minority groups. Female employees accounted for **44.3%** of all employees.

As of December 31, 2023, approximately **30%** to **40%** of Kuaishou's employees were entitled to equity incentives.

As of December 31, 2023, the annual comprehensive average value of eNPS (Employee Net Promoter Score) at each critical milestone of the employee journey grew by **4.1%** compared to 2022, and the highest annual single value (onboarding handling) grew by **7.9%**.

Kuaishou Middle School offers a wide range of themed courses including technology research and development, product operations, management skills, general skills, essential courses for new talents, engagement encyclopedia, and other topics, available to **100%** employees. As of December 31, 2023, there were a total of **4,816** courses on Kuaishou Middle School.

As of December 31, 2023, more than **4,166** employees nationwide have received their "First Aiders" certificates through training. The activity included **91** first-aid training sessions covering **14** cities.

Business Ethics

In 2023, a total of **27,212** new employees participated in online training, achieving a training coverage of **100%**. The Company's Directors received an annual anti-corruption training.

In 2023, we signed the *Integrity Commitment Letter* with **4,928** suppliers.

Supply Chain Management

As of December 31, 2023, there were **6,141** suppliers from around the world on Kuaishou's supplier list, including **5,990** suppliers from China (including Hong Kong SAR, Macau SAR and Taiwan) and **151** overseas suppliers.

Social Responsibility

In 2023, Kuaishou donated approximately RMB**27.3 million** through our public welfare projects, and dedicated **35,566** hours to public welfare projects.

ESG GOVERNANCE

In order to further strengthen our ESG governance system, Kuaishou has established a three-tier ESG governance structure, comprising the "governance level", "management level", and "execution level". This structure is designed to continuously enhance the ESG performance of the Company.

Governance level	The Board is the highest governing body for ESG management. The Corporate Governance Committee, authorized by the Board, serves as the highest decision-making body responsible for overseeing the Company's ESG management. It regularly reviews the outlooks, strategies, policies and practices regarding ESG matters as well as the achievement of ESG goals, and reports to the Board on the progress and results of the ESG-related issues.
Management level	The ESG Working Group, as the management body for ESG matters under the Corporate Governance Committee, is responsible for coordinating the implementation of ESG practices in various departments, reviewing the achievement of ESG goals, and providing resources and support to ensure the effective development of ESG tasks.
Execution level	The constituent departments of the ESG Working Group are responsible for cooperating with the ESG Working Group to execute ESG tasks, regularly report the outcomes to the ESG Working Group, and propose work plans and goals for the next stage.

Kuaishou's ESG Governance Structure

To further integrate the ESG concept into the Company's management, Kuaishou has continually enhanced its incentive mechanisms by linking ESG efforts with the rewards of employees in relevant departments. This effectively promotes the integration of ESG into every operational aspect of the Company.

To promote the ESG awareness and performance of employees, the Company has been strengthening its capacity for ESG initiatives. In 2023, we conducted specialized training on the disclosure framework and content of the Task Force on Climate-related Financial Disclosures (TCFD) under the ESG Working Group. This provided the Working Group with a systematic understanding of ways to identify potential climate-related risks, establish appropriate climate mitigation and management actions, and address risks better while seizing opportunities.

To enhance the Board diversity and provide varied perspectives and values for the Company's strategies, we assess the diversity of the Board and its committees annually. This evaluation covers factors including gender, age, culture, educational background, and industry experience. Our current Directors bring extensive experience in various fields such as internet, finance, treasury and academic, contributing to a well-rounded professional structure that benefits the Company's overall ESG governance. In strict compliance with the Listing Rules and the Articles of Association, we have established independent director positions to maintain a necessary balance for the effective functioning of the Board. This ensures that the Board's leadership remains independent from management. As of the end of the Reporting Period, the Board consisted of 2 executive Directors, 4 non-executive Directors, and 3 independent non-executive Directors. In September 2023, Kuaishou appointed a female professor with a doctoral degree as an independent non-executive Director, introducing diverse perspectives and viewpoints to the decision-making of the Board. For further information about the Company's corporate governance and risk management in 2023, please refer to the section headed "Corporate Governance Report" of this annual report.

COMMUNICATION WITH STAKEHOLDERS

Kuaishou respects the demands of stakeholders and continues to improve the mechanisms for stakeholder participation based on the principles of integrity, interaction, equality and transparency. We regularly engage in communication and exchanges with stakeholders. Efforts have also been made to actively expand communication channels and maintain close contact with major stakeholders such as users, employees, Shareholders and investors, suppliers/partners, government and regulatory bodies, media and non-governmental organizations and communities. A wide variety of communication channels have also been established. As part of our efforts to build long-term and close relationships with stakeholders, Kuaishou has incorporated their opinions into shaping a sustainable development blueprint for the Company, aimed at formulating comprehensive and feasible development strategies. The table below identifies our major stakeholders along with their expectations and requirements, as well as channels of communication and response:

Stakeholders	Expectations and Requirements	Communication and Responses
Users	• Good user experience with products • A healthy Internet environment • Continuous improvement of product and service quality • Emphasis on customer communication and feedback • Commitment to the protection of minors	• Developing new technology and improving products to meet user needs • Fostering a healthy community ecosystem • Protecting user privacy • Carrying out theme-based activities to communicate with users • Continuously optimize features and technologies for the protection of minors
Employees	• Comprehensive protection of rights and interests • Compensation, welfare and employee care • Providing training with objective and fair career development opportunities • Corporate culture embracing diversity • Creating good working environment • Employee communication	• Establishing an employee protection system • Providing professional development training and coaching for employees • Carrying out employee-care activities • Improving the working environment • Providing employee feedback channels
Shareholders and investors	• Compliant operations • Timely, accurate and transparent corporate information disclosure • Stable operations and reasonable return on investment	• Announcing financial results and other business information in an open, transparent and timely manner • Holding Shareholders' general meetings and investor meetings regularly to communicate with Shareholders and investors • Giving prompt reply to the enquiries of Shareholders and investors
Suppliers/partners	• Long-term and in-depth cooperation • Timely access to information • Mutual support and growth	• Promoting compliant and valuable cooperation • Carrying out regular supplier surveys and interviews to strengthen communication and exchange

Stakeholders	Expectations and Requirements	Communication and Responses
Government and regulatory bodies	• Compliance with laws and regulations • Paying taxes in accordance with law • Helping the government improve social issues (underprivileged groups etc.)	• Boosting the local economy, promoting rural economic development and supporting rural revitalization • Assisting the operations of government social media accounts to spread positive impact • Collaborating on projects to help government bodies fix social issues • Resolutely opposing money laundering, corruption, monopolistic practices and unfair competition
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
Society	• Rural revitalization • Inclusive digital technology • Contributions to social public welfare	• Implementing rural revitalization initiatives and primary-level governance empowerment initiatives to support local economic development • Launching social responsibility projects such as child and teen protection, care for the elderly, employment assistance for the disabled, support for veterans, emergency rescue, post-disaster reconstruction and donations • Carrying out education and science learning programs, intangible cultural heritage promotion, environmental protection, support for industries and other charitable activities

In 2023, Kuaishou actively responded to the demands of various stakeholders and disclosed the latest ESG developments of the Company through the above communication channels. To meet the diversified and transparent needs of stakeholders for Kuaishou's ESG information, we revamped the ESG section on our official website to more directly present Kuaishou's sustainable development philosophy, ESG ratings, ESG highlight initiatives and policy documents. In addition, we conducted our first comprehensive ESG assessment for suppliers and collected feedback to better understand their ESG performance along with their expectations and opinions of the Company. Furthermore, for the first time, we responded to the climate change questionnaire under the Carbon Disclosure Project (CDP), actively addressing the concerns of global investors and customers about climate change and demonstrating our climate management achievements. Besides, as an effort to communicate with Shareholders and investors about ESG-related matters, the CFO shared our ESG highlights and engaged in in-depth discussions with them at the Company's first "Investor Day" event. The investor relations team also maintained regular communications with investors on issues such as "supply chain management", "greenhouse gas emissions" and "ESG governance and board participation".

MATERIALITY ANALYSIS

To gain an in-depth understanding of stakeholders and market trends and to identify the material issues for Kuaishou, we have referred to the *ESG Reporting Guide*, and assessed the ESG issues highlighted by the capital market. We conducted a materiality analysis based on the Company's operations and industry best practices. This serves as a reference for our ESG actions and reports.

1. Identification of material issues: we conduct reviews, summarizations and updates to identify issues of high relevance to Kuaishou based on the *ESG Reporting Guide*, along with relevant provisions of the Listing Rules, industry benchmarking, and media monitoring.

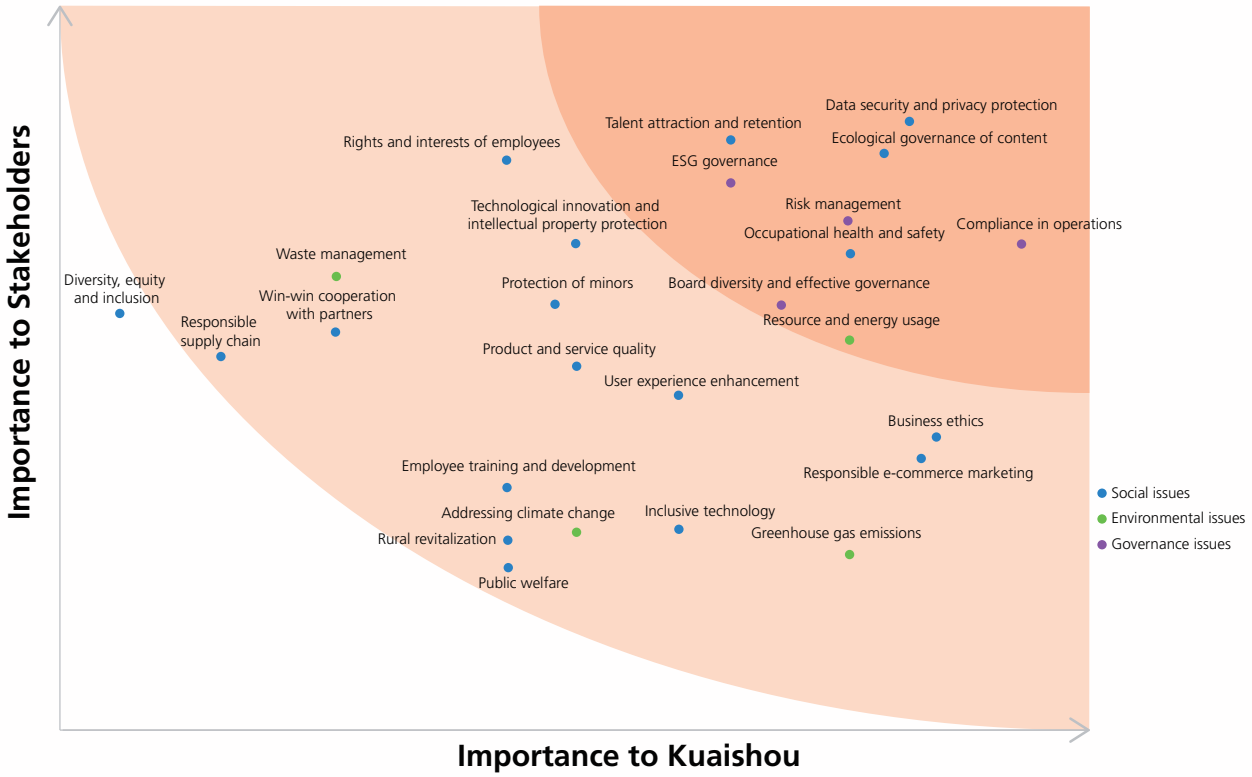
2. Engagement of stakeholders: we conduct materiality surveys with various stakeholders through email, official WeChat accounts, push notifications and questionnaires to collect suggestions regarding Kuaishou's ESG management. A total of 2,414 questionnaires were collected during the year. Directors and management of the Company determine the materiality of each issue towards the Company's strategic development. Meanwhile, other stakeholders determine the materiality of the issues at their own discretion.

3. Verification and adjustment of matrix: we adjust and verify the material issues as they pertain to the Board, the Corporate Governance Committee, the ESG Working Group and its constituent departments, and employees based on industry trends, industry benchmarking and issues highlighted by the capital market.

4. Confirmation: we finalize the material issues in each area and prepare the ESG report.

We will discuss the content of each issue in the Report, and the analysis results of material issues in 2023 are shown in the diagram below.

Matrix of Material ESG Issues of Kuaishou in 2023



1. ENVIRONMENT

Climate change has emerged as a major non-traditional security challenge to the sustainable development of humanity. Tackling climate change effectively has become a global priority. Kuaishou has actively heeded the national call to participate in the battle against climate change, and endeavored to reduce our carbon emissions throughout our business operations, accelerating the low-carbon transition of the Company.

1.1 Addressing Climate Change

Based on the framework and recommendations of *IFRS S2 Climate-related Disclosures* issued by International Sustainability Standards Board (ISSB), Kuaishou disclosed and analyzed the physical and transition risks of climate change that affect the Company's businesses, and proactively formulated targeted measures to respond to the climate change.

- ***Governance***

The Board of Kuaishou holds ultimate responsibility for climate change issues and has authorized the Corporate Governance Committee to provide overall supervision of ESG management, including the identification, assessment and management of climate risks. The Corporate Governance Committee is responsible for reporting to the Board on climate change issues on a regular basis. The ESG Working Group is responsible for identifying and assessing everyday climate-related risks and opportunities, as well as promoting initiatives related to climate change.

- ***Strategies***

Kuaishou attaches great importance to global climate change. By actively identifying and addressing climate-related risks and opportunities, and continuously adjusting our business development and resources allocation, we aim to promote the sustainable development for both ourselves and society. We have integrated climate-related risks into our risk management system, proactively identified and examined potential risks and development opportunities arising from various climate-related factors, and formulated targeted countermeasures tailored to our actual operations. Following our "three lines of defense" internal control and monitoring model, we regularly monitor climate-related risks to progressively improve our resilience in responding to climate change.

In terms of acute risks, extreme precipitation and rising average temperatures resulting from climate change may have potential impact on the business operations of Kuaishou. For example, floods caused by heavy rainfall will affect the normal operation of infrastructure facilities, the daily commuting of employees, and the functioning of the Company's offices, data centers and other facilities. Transition risks mainly include the policy and legal risks, market risks, reputation risks and technology risks associated with the transition to a low-carbon society. For example, failure to comply with the relevant national laws and regulations exposes Kuaishou to potential regulatory actions as well as risks and pressures from external stakeholder restrictions. Therefore, the Company must invest in hiring professionals to optimize the verification, management and disclosure of carbon emissions data, which will lead to a short-term increase in administrative costs. While climate change carries potential risks, it also brings development opportunities to Kuaishou. Improving energy efficiency and developing green and low-carbon technologies enable Kuaishou to reduce operating costs and optimize business operations. In addition, by mitigating climate impact, meeting regulatory and market demands, and continuously activating business innovation, we can respond positively to the changing trends of low-carbon transition and seek new breakthroughs.

- *Risk management*

In 2023, the Board and the Corporate Governance Committee continuously assessed the climate-related risks, including acute physical risks, chronic physical risks, policy and legal risks, technology risks and reputation risks and proposed viable counter measures with different time scales.

Risk Category		Risk Impact	Counter Measures
Acute Risk	Typhoon	Increased intensity and frequency of extreme weather events such as typhoons and extreme precipitation may affect the stability of operational facilities (e.g. office buildings and data centers), resulting in loss of assets, disruption to operation, maintenance problems of infrastructure facilities and etc., which may jeopardize the safety of employees.	• When choosing a site for our leased data center, we analyze the historical data of natural disasters in candidate areas, and prioritize areas with lower risk of natural disasters within the North China Plain. • We formulate emergency management and prevention and response plans for extreme natural disasters, incorporate disaster prevention drills into the operation and maintenance systems of our self-built data center and leased data centers, and conduct them on a regular basis. In 2023, there was no disruption to normal operation of Kuaishou's business despite significant rainfall in the North China Plain. • We extend our natural disaster emergency management system to lessors of our data centers, and share our emergency management measures with lessors for integration into their daily operation management.
	Extreme precipitation		

Risk Category		Risk Impact	Counter Measures
Chronic Risk	Rising average temperature	Climate change may cause prolonged high temperature and scarcity of water resources, which may increase the cost of water required for operation and adversely affect the normal operation of data centers. In addition, data centers face significant energy consumption pressures for heat dissipation and cooling, resulting in elevated carbon emissions.	• Self-built data center monitors environmental temperature in real time and adopt energy-saving control technology. This allows for the automatic shutdown of energy-intensive air-conditioning equipment, turning on only the airflow exchange units when appropriate. In this way, data center makes full use of nature for cooling in the Inner Mongolia region. Self-built data center provides heat dissipation and cooling efficiency that is significantly better than the industry average. We actively communicate with energy trading institutions about green energy consumption opportunities. • We select suitable refrigeration/cooling technologies according to local conditions. For example, medium-temperature chilled water systems are employed in North China to improve the water supply temperature of cooling water, thus reducing the energy consumption of mechanical refrigeration.

Risk Category		Risk Impact	Counter Measures
Policy and Legal Risk	Strengthening the responsibility of emission reporting	As regulators and capital market continuously tighten environmental disclosure standards, and the government gradually raises regulatory requirement of the accuracy of carbon emissions data, enterprises need to improve the comprehensiveness and accuracy of environmental disclosures. Failure to meet these evolving requirements exposes Kuaishou to regulatory compliance risks, which may exert a negative impact on the reputation and financial conditions of the Company.	• We conduct ongoing research on the latest updates and developments on climate change and carbon emissions from regulators and capital markets. • We promote meticulous energy management, and compile and regularly disclose various energy efficiency data. • By advocating a green office, maximizing the use of renewable energy such as wind and solar energy, and adopting low-energy equipment in data centers, we continue to promote various works on energy conservation, emission reduction and cost optimization. • We optimize the identification and management of climate-related risks in line with the requirements of mainstream rating agencies, and proactively respond to market questions and questionnaires. In 2023, Kuaishou responded to the CDP Climate Change Questionnaire for the first time.

Risk Category		Risk Impact	Counter Measures
Technology Risk	Cost of transition to low-emission technologies/ failure to successfully invest in new technologies	Under the dual carbon target initiative, the Chinese government has introduced a series of energy consumption and carbon emissions control policies and measures and has put forward a high standard of PUE and other energy-saving requirements for the data center of Kuaishou. Therefore, Kuaishou's data center industry faces higher pressure to transition to low-carbon technology. This may lead increased compliance and operating costs. Failure to invest in or develop new low-carbon technologies may result in potential financial losses.	• We encourage the adoption of low-carbon and energy-saving new technologies in leased data centers, and adopt such measures to our self-built data center upon the completion of technical validation. • We set up the Carbon Neutrality Special Committee and participate in the Open Technology Alliance to work with industry leaders and share technologies related to data center energy conservation and carbon reduction with the members, in an effort to promote the low-carbon transition of the industry. • In order to avoid financial losses due to unnecessary technological R&D failures, we need to examine the viability of new technology investments and their compatibility with Kuaishou's business. New technologies must be proven compatible and have passed technical experiments, factory-level testing and pilot scale application before entering large-scale application, so as to ensure the justification of investment and adaptability of these technologies to Kuaishou's business needs.

Risk Category		Risk Impact	Counter Measures
Reputation Risk	Increased concerns or negative feedback from stakeholders	Kuaishou's data centers are subject to the impact of extreme weather events, such as extreme precipitation and typhoons, and chronic climate change, such as rising average temperature. This may result in concerns and negative feedback from stakeholders (e.g. investors) regarding the stability of Kuaishou's business. Under the national dual carbon target initiative, low-carbon technologies are booming. High energy consumption in data centers may raise stakeholder (e.g. the government and investors) concerns regarding Kuaishou's operational efficiency and commitment to compliance.	• We increase the proportion of new energy utilization in line with the energy goal of "realizing 100% clean energy use in self-built data center by 2030". • In 2023, according to the requirements of regulatory authorities, the Company transferred carbon emissions data and energy consumption data of its self-built data center online to the government platform, so as to improve the transparency of the disclosure of carbon emissions data and energy consumption data. • Investors of our leased data centers are encouraged to increase their investment in energy-saving and emission reduction, and improve the operating efficiency of data centers leased by Kuaishou to meet compliance requirements. • We formulate extreme natural disaster emergency management plans, natural disasters prevention plans (manual) and a summary of contingency measures for emergencies to minimize the impact of climate change on Kuaishou's operations, reducing the concerns and negative feedback of Kuaishou's stakeholders.

To equip self-built data center and leased data centers with stronger capabilities to address climate-related risks, Kuaishou has formulated a series of emergency management measures, including the *Kuaishou IDC[1] Infrastructure Energy Consumption Management* System, the *Catalog of Emergency Measures for Typical Emergencies,* the *Emergency Plan for Environmental Emergencies* and the *Data Center Typhoon and Rainstorm Emergency Plan*. We have also improved the emergency notification mechanism for extreme weather events of various types. We have formulated emergency plans for extreme weather events, including conducting emergency drills for rainstorms and typhoons, decentralizing the deployment of data centers, and backing up important systems and business data in different locations, so as to minimize the impact of extreme weather events on Kuaishou's business and employees. In addition, the Company incorporates disaster prevention drills into the annual drill and training plan for data centers to maintain prepared against potential emergencies under extreme weather conditions and to ensure the safety of Kuaishou's business and employees. In 2023, 71.4% of the data centers leased by Kuaishou obtained the ISO 22301 business continuity management system certification.

- ***Indicators and Goals***

Through climate risk management, Kuaishou fully recognizes the impact of climate risks and opportunities on its operations. We have formulated internal documents such as the *Boiler Room Management System* and the *Substation Safety Management System* to standardize the quantity and usage method of natural gas, sulfur hexafluoride and other gases. In addition, we have set goals for clean energy use, energy conservation, water conservation, waste reduction and greenhouse gas emission reduction. We monitor and disclose our energy resource consumption and carbon emissions on an ongoing basis. Kuaishou will continue to promote low-carbon development to better fulfill social responsibility and build public trust.

Progress of Environmental Targets

Category	Overall Goal	Implementation Measures
Clean energy use	• By 2030, self-built data center will achieve 100% renewable energy usage.	Data centers: • Low-energy, clean data centers to be constructed. • Construction of renewable energy projects to be considered. • The use of clean energy through green power trading, direct supply of distributed renewable energy and green certificate purchases to be actively increased. In 2023, our self-built data center park entered into the power market in Inner Mongolia, and obtained approximately 30,398 MWh of electricity generated from renewable sources through new energy bidding transactions organized by power platforms. Green electricity consumption accounted for approximately 9.3% of the annual electricity consumption in the Ulanqab data center.

[1] IDC refers to Internet Data Center.

Category	Overall Goal	Implementation Measures
Energy conservation	• To maximize the energy efficiency of self-built data center and achieve an energy saving performance outpacing the national energy consumption target of the 14th Five-Year Plan, as well as the requirements for power usage effectiveness (PUE) of data centers stipulated by local branches of National Development and Reform Commission.	Office premises: • Centralized work areas to be established to facilitate energy management and efficiently replace the low-efficiency equipment. • The monitoring of energy usage to be optimized. A national energy consumption dashboard has been set up, and a comparative analysis of quarterly and annual data has been established to correct deviations in a timely manner. Data centers: • Use of clean energy to be increased. • High-efficiency equipment to be adopted and high energy consumption equipment to be eliminated. • Intelligent and energy-saving operation management systems to be established in data centers. • Self-built data center to be located in areas with favorable climatic conditions. • Waste heat to be utilized for park heating and equipment insulation. • The application of liquid-cooled server technology to be vigorously promoted in self-built data center.

Category	Overall Goal	Implementation Measures
Water conservation	• To minimize the water consumption of new data centers. Our in-house water conservation target exceeds the national water conservation target under the 14th Five-Year Plan. • New data center park will recycle 100% of rainwater and air-conditioning condensate.	Office premises: • An improved water saving system to be established. • Water usage monitoring system to be optimized. A display platform of nationwide energy consumption has been set up, and a comparative analysis of quarterly and annual data has been implemented to correct deviations in a timely manner. • Water-saving facilities to be improved, and water-saving faucets to be installed in certain premises. Data centers: • Rainwater to be harvested and recycled. • Water saving activities to be organized. • Water-saving equipment to be used. • Water resource management to be digitalized and changes in water consumption to be systematically monitored on a regular basis. • Water resources to be managed and reviewed. • Reclaimed water to be used in cooling systems of data centers. • Recycling of air conditioning condensate to be applied in self-built data center. • Waterless solutions can be used in air conditioners in self-built data center. • Dual control technology of water and electricity to be applied in self-built data center.

Category	Overall Goal	Implementation Measures
Waste reduction	• Green procurement will be implemented and green procurement standards will be incorporated into supplier management. • 100% of waste lead-acid batteries in self-built data center will be harmlessly treated by qualified vendors; waste hard drives will be 100% harmlessly disposed of after erasing. • Garbage classification will be implemented in all office premises in Beijing. • All electronic waste will be disposed of in a harmless manner.	• All waste to be harmlessly treated by vendors for closed-loop treatment. • Waste electronic equipment to be recycled (Electronic Equipment Buyback Program). • Garbage classification to be carried out continuously. • Recycled/renewable materials to be used. • Awareness of avoiding food waste to be promoted.
Greenhouse gas emission reduction	• We will actively respond to the national goals of peaking carbon emissions and achieving carbon neutrality and practice green operations.	Office premises: • Carbon emissions to be verified. • Green office to be implemented. Data centers: • Carbon emissions to be verified. • Digital tools for carbon emissions reduction to be used. • Green, low-carbon, energy-saving and environmental-friendly data center to be established. • Waste heat recovery technology to be vigorously promoted in self-built data center. • A greenhouse gas emission management plan to be formulated for self-built data center. • A carbon emissions monitoring platform to be established for self-built data center.

As a pioneer emphasizing climate change and green development, Kuaishou not only takes actions against climate change, but also fully leverages its advantages as a content community and social platform to share excellent cases of climate change response, and call on all sectors of the society to jointly explore economic and business models to address climate change. In doing so, Kuaishou consciously fulfill its responsibilities as a corporate citizen of the Earth, and contribute to global sustainable development.

Case: "100 Low Carbon Opinions" short video campaign

On July 12, 2023, Kuaishou, the Publicity and Education Center of the Ministry of Ecology and Environment (MEE) and the Beijing Office of Energy Foundation China launched "100 Low Carbon Opinions" short video campaign (a series of promotional activities on the theme of "Low Carbon China Tour") at the main event of "National Low Carbon Day". Since the launch of the campaign, more than 4,400 short videos have been published, and more than 97 million views have been recorded. These short videos conveyed the concept of low-carbon lifestyle to all sectors of society and demonstrated the best practices of green and low-carbon living. The campaign not only raised people's awareness of low-carbon development, but also contributed to the green transformation of the economy and society.

Poster of "100 Low Carbon Opinions" in 2023

1.2 Green Operation

Kuaishou strives to promote green operation to reduce the energy consumption in daily activities and project operations. The Company aims to achieve low-carbon energy conservation, cost reduction and efficiency enhancement at the source by integrating resource conservation and environmental awareness into our operation management and construction. Kuaishou has adopted a series of measures in energy management, waste management, water resources management and ecological protection to minimize our impact on the environment.

1.2.1 Energy Management

Kuaishou strictly adheres to laws and regulations, such as the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*. In order to strictly regulate the use of energy, Kuaishou has formulated *the Kuaishou Energy Management Strategies* and other internal documents while continuing to improve the Group's energy management and operation mode by adopting the PDCA[2] method.

[2] PDCA refers to "Plan - Do - Check - Act".

- *Energy management in office premises*

  Kuaishou improves energy and resource efficiency in office operations through online system management. We have implemented an energy metering and analysis control system and a unified energy metering reporting system to analyze the data of the air conditioning system, electrical system, water supply and drainage system within domestic workplaces, and take timely measures to respond to abnormal data fluctuations, so as to detect, locate and address points of high energy consumption.

  In order to promote green operations, we have taken a number of energy saving measures to reduce consumption in our own operations. This includes adjusting the operating mode and duration of cooling and heating equipment, conducting inspections to turn off lighting facilities in unoccupied areas during overtime, implementing dynamic energy-saving management during holidays, adjusting the activation schedule of landscape lighting, and encouraging staff to work online. In 2023, the Beijing office premises of Kuaishou underwent relocation. As office space utilization continues to improve, we aim to implement more diversified energy saving and consumption reduction actions.

  Kuaishou is concerned about the energy efficiency of office buildings and prioritizes the use of green buildings. Upholding the basic principles of safety, green, low-carbon and sustainability, we pursue a green building strategy and apply sustainable energy systems in office areas, including daylight conditioning systems and high-efficiency energy-saving lightings, so as to effectively enhance the energy efficiency of the office space. Our leased office building in Bohua, Shanghai obtained LEED (Leadership in Energy and Environmental Design) Platinum Certification. In addition, Kuaishou is actively pursuing LEED certification for our headquarters office building (Central Mobile Intelligence District in Beijing) to create a healthy, energy efficient and environmentally friendly workplace for employees.

  In 2023, Kuaishou undertook various initiatives to achieve the energy goal of reducing electricity consumption per employee in Beijing offices by 8% by the end of 2026 compared with 2021.

- *Energy management in data centers*

  Kuaishou adhered to the policies including the *Guiding Opinions regarding Accelerating the Construction of a Coordination and Innovation System for the Nationwide Integrated Big Data Center*, the *Three Years Action Plan (2021–2023) of New Data Centers,* the *Action Plan of High-Quality Development of Computing Infrastructure,* the *Implementation Plan for Demonstration Projects Featuring Green, Low-Carbon Technologies,* the *Overall Layout Plan for the Construction of Digital China,* the *Implementation Opinions on Deepening the Implementation of "East-To-West Computing Resource Transfer" Project and Accelerating the Construction of the Nationwide Integrated* Computing *Network,* the *Work Plan of the Inner Mongolia Autonomous Region for the Pioneer Piloting Program on the Change from Dual-control of Energy Consumption to Dual-control of* Carbon *Emission,* the *Main Tasks of the Pioneer Piloting Program for the Change from Dual-control of Energy Consumption to Dual-control of Carbon Emissions of Inner Mongolia Autonomous Region for 2024*, internally revised the *Kuaishou IDC Infrastructure Energy Consumption Management System* and formulated relevant internal requirements for residual heat recycling in data centers to ensure that data centers can better utilize resources in a comprehensive manner in their daily operation and help realize the goal of green data centers. We have taken a multitude of measures in the operation of our data centers to flexibly reduce non-essential energy consumption, advocate resource recycling, and actively prepare for the construction of distributed photovoltaic projects. In 2023, Kuaishou's self-built data center was certified by UPTIME M&O (Management and Operations). Certain leased data centers received the Level III Enterprise for Work Safety Standardization Certificate and were certified by UPTIME M&O and China Quality Certification Center (CQC).

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

Green Technology/Scheme	Energy-saving Effect
Advanced Refrigeration Technology	• Kuaishou independently developed waterless integrated fluorine pump air conditioner. Through the high-capacity fluorine pump natural cooling technology and precise control logic, the annual average PUE has reduced by 33% compared with the traditional air conditioner, and it is expected to save 50,000 MWh of electricity and 1.2 million tonnes of water in Ulanqab data center park annually. • Kuaishou's self-developed plate liquid cooling system improves heat transfer efficiency by shortening the heat transfer path and removing the chiller section. The system can save more than 50% energy throughout the year, and is expected to save more than 100,000 MWh of electricity annually for the Ulanqab data center park. • Kuaishou's self-developed dual-control technology of water and electricity can control the time and amount of water consumption according to different seasons, loads and water storage conditions. • Leased data centers have improved cooling tower heat transfer performance and ventilation efficiency through cooling tower packing cleaning and the use of reverse osmosis finished water, resulting in an average annual PUE reduction of approximately 0.0014.
Dual Control Technology for Water and Electricity	• Kuaishou's Ulanqab data center uses water-saving high-efficiency indirect evaporative cooling air conditioners and waterless fluorine pump air conditioners, and combines them with precise control technology and fine-tuned operation and management at a later stage to realize that the data center's WUE[3] reaches 0.42, and the lowest PUE reaches 1.196, which is much lower than the industry's average level, and it has set an industry example for the water and power saving operation of data centers in water-scarce or waterless area.
Heat Recovery System Innovation	• The new residual heat recovery technology innovatively developed by Kuaishou, by recovering the residual heat of the distributed air-conditioning system, reduces the original refrigeration air-conditioner power consumption while reducing the consumption of gas resources. The park is estimated to save 600,000 cubic meters of gas and 200 MWh of electricity per year.

[3] WUE refers to Water Use Efficiency. WUE = Annual consumption of water resources in the data centers/Annual power consumption of IT equipment in the data centers.

Green Technology/Scheme	Energy-saving Effect
Innovative solutions for power supply	• Kuaishou applies innovative power supply solutions, and has piloted a 10,000-volt Medium Voltage Direct Supply (MVDC) power system, developed module hibernation technology in certain HVDC[4] equipment, and piloted UPS[5] Super ECO4[6] mode in the laboratory. – The new generation of DC power supply solution for data centers, being the 10,000-volt MVDC power supply system, flattens and simplifies the power supply architecture, significantly lessens investment and site requirements, and improves system efficiency by 1.5% over the original HVDC architecture. – Kuaishou has enabled module hibernation technology on various HVDC equipment, which can intelligently hibernate a portion of the modules according to the actual load conditions, and is expected to save 170,000 kWh of electricity per year for a single park. – Kuaishou has piloted the UPS Super ECO mode in its laboratories to achieve ultra-high efficiency operation through real-time dynamic compensation of the bypass hosts and inverters. While guaranteeing system safety and stability, the comprehensive efficiency has improved by 2% compared to the original operation mode.

Kuaishou is committed to continuously improving resource efficiency and energy recycling through innovative research and development. In 2023, Kuaishou obtained 5 technology patents in data center technology innovation: Air Conditioner System Control Methods, Devices, Electronic Devices, and Storage Media, An Upward-facing Hose Liquid-Cooled Air-Conditioner Architecture Solution, Server Liquid Cooling Operation and Maintenance Vehicle and Server Liquid Cooling System, Liquid-Cooling Integrated Dry Cooling Solution and Water Tank and Indirect Evaporative Cooling Air Conditioner. We have also received a number of awards for the data center's water and electricity dual-control high-efficiency energy-saving application technology, and the data center's water and electricity saving green solution based on waterless areas.

The Ulanqab data center has adopted a series of advanced technologies and R&D achievements, including the new generation of indirect evaporative cooling technology and HVDC technology to maximize natural cooling sources and low power consumption devices. An expected reduction in energy consumption of this data center is approximately 20% or more. In 2023, the Ulanqab data center used approximately 30,398 MWh of renewable energy.

While promoting the green and low-carbon development of self-built data center, Kuaishou focuses on and supports the sustainable development of leased data centers. In 2023, a leased data center of Kuaishou completed a 100.65-kilowatt distributed photovoltaic power generation project, with an estimated generation capacity of 881.694 MWh per year. The electricity generated will be used entirely for office purposes, so as to increase the use of renewable energy in the data center. In addition, two phases of server rooms in a leased data center have achieved 100% green power. In terms of green building, a leased server room of Kuaishou has obtained LEED Platinum Certification.

4 HVDC refers to High Voltage Direct Current.

5 UPS refers to Uninterruptable Power Supply.

6 ECO refers to Economy Mode. The operating efficiency of the equipment will be optimized and the energy consumption will be minimized, thus achieving the effect of energy saving and emission reduction.

Self-built data center of Kuaishou obtained awards in 2023:

- 2023 Data Center Technology Achievement Award First Prize
- 2023 IDC Industry Annual Green Solutions Awards

One of the leased data centers of Kuaishou obtained awards in 2023:

- Top 10 Data Center Third-Party Service Providers in terms of Influence of China Academy of Information and Communications Technology
- Excellent Cases of Green Energy Saving Application in Data Center of China Association of Communication Enterprises

Case: Kuaishou's self-built data center has vigorously promoted the application of the in-house developed waterless fluorine pump air conditioning technology

In response to the national carbon neutral policy and to reduce the PUE and WUE indicators of the data center, Kuaishou independently developed waterless fluorine pump air conditioning technology.

The technology uses high-capacity fluorine pump natural cooling technology and precise control logic to realize waterless operation of air conditioners, reducing WUE to 0 and PUE by 33%. Currently, the technology has been applied in Kuaishou's self-built data center in Ulanqab, which is expected to save 1.2 million tonnes of water per year, 50,000 MWh of electricity per year, and reduce carbon emissions by approximately 50,000 tonnes. In addition, the technology has cultivated the equipment supply chain and ensured the perfection of the product ecology.

1.2.2. Waste Management

Kuaishou strictly follows the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Wastes,* the *Discharge Standard of Pollutants for Municipal Wastewater* Treatment and other national standards and policies related to the discharge and waste disposal. We have formulated internal documents such as the *Kuaishou Domestic Waste Management Regulations*, and actively implemented various measures in order to reduce the production and emission of waste.

Kuaishou sets up classified waste collection bins in all of its workplaces nationwide, actively advocating and implementing waste classification. The Company has arranged special personnel responsible for waste sorting, ensuring that waste is properly classified and managed, and improving management and recycling efficiency. For hazardous waste, Kuaishou engages a qualified third-party recycler for proper handling in order to reduce the impact on the environment.

Major types of Kuaishou waste

Non-hazardous waste	• Domestic waste, kitchen waste, office waste
Hazardous waste	• Toner cartridges for printers, used batteries

Kuaishou has always adhered to the green concept of green office and sustainable development, fully regulating the closed-loop management of internal resources, recycling and reusing part of solid waste comprehensively, and realizing the collection and recycle of emission disposal.

Recycling of waste in office premises	• Since November 2020, Kuaishou launched a "Used Electronic Device Repurchase" program within the Company, allowing its employees to purchase its laptops, system units, computers, monitors, tablets, and other devices that have been used for a certain number of years. In 2023, 2,997 electronic devices were repurchased by employees through this program.
Recycling of waste in data centers	• In 2023, the *Management Mechanism of Disposal of IT Equipment and Components in Data Centers* was issued by the Department of Infrastructure to regulate and ensure the closed-loop management of resources in the data centers; • IDC obsolete assets that met scrapping standards were sold to qualified third-party recycler to reuse resources.

In addition, Kuaishou has used FSC[7] certified paper for printing its annual report. This helps to support forest sustainability and reduce deforestation.

1.2.3. Water Resources Management

In strict compliance with the *Water Law of the People's Republic of China* and other applicable laws and regulations, Kuaishou has formulated internal management measures such as the *Kuaishou Energy Saving and Consumption Reduction Management Policy* and the *Reclaimed Water Usage Management Policy*. These measures aim to strengthen water-saving management throughout water access and consumption and promote water reuse, thus reducing water consumption and improving water efficiency on an ongoing basis.

7 FSC refers to Forest Stewardship Council. It is an international non-governmental organization that promotes sustainable forest management worldwide.

In order to minimize water waste and the impact of our activities on water resources, and to ensure the security of rivers and groundwater at project sites, our data center in Ulanqab developed the *Water Resources Certification Report* as required by the government during this year and obtained approval on water consumption. We have met government regulations on the use of water resources and have endeavored to protect the quality and quantity of water available to residents in local communities and watersheds from being affected as much as possible.

In 2023, we actively explored water saving methods and continued to improve water saving system at office premises. Through the establishment of national water consumption dashboard as well as replacing and upgrading outdated water supply equipment, we analyzed and reported usage of water resources timely to avoid waste of water resources. The water saving measures carried out by Kuaishou were as follows:

Office Premises	Data Center
• Adjust the sensitivity of the automatic induction taps, and ensure that water supply is turned off when no one is around. • Adjust the water pressure of taps in hand-washing basins, equalize the water pressure between high and low floors, and reduce water consumption on low floors. • Install special foaming device to enhance handwashing effectiveness while reducing water consumption. • Monitor and review water consumption regularly to ensure effective water management. • Strengthen inspections and increase maintenance checks to detect and prevent leaks.	• Install 3 sets of integrated production sewage treatment equipment. • Establish a water recycling system to systematically treat and recycle domestic sewage for secondary reuse. • Reuse reclaimed water: irrigate the green belts within data center or conduct secondary reverse osmosis treatment for cooling water systems.

In 2023, the Kuaishou's Ulanqab data center saved about 5.8 million tonnes of water in total and decreased WUE to an industry-leading 0.42. Another leased data center of Kuaishou implemented a water reuse overhaul project, introducing ultrafiltration system settings and reverse osmosis system settings to increase the utilization rate of reclaimed water to 56%–68%, respectively. In the future, we will continue to explore and practice more efficient water saving technologies and methods, contributing to the efficient utilization and conservation of water resources.

1.2.4. Noise Management

In compliance with the *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution* and other applicable laws and regulations, Kuaishou attaches great importance to the impact of data center operation on the surrounding ecological environment. We proactively adopt various effective environmental protection measures to ensure that the noise from the operation of data center does not exceed the limit set by the government. In 2023, we implemented an insulation and noise reduction renovation project for leased data centers. By installing noise-reducing and insulation walls as well as using advanced sound-absorbing materials and sealing materials, we minimized the interference of noise generated from equipment operation with the surrounding environment and residents and reduced the transmission of noise.

Environmental performance table

Indicator	Unit	2023
Total greenhouse gas emissions (Scopes 1 and 2)	**ten thousand tCO_2e**	**105.53**
Emissions (Scope 1)	ten thousand tCO_2e	0.84
Emissions (Scope 2)	ten thousand tCO_2e	104.69
Per capita greenhouse gas emissions	tCO_2e/person	36.03
Comprehensive energy consumption	**MWh**	**1,867,899.69**
Direct energy consumption	MWh	31,871.99
Including: Natural gas	m^3	326,969.00
Diesel	tonne	2,415.62
Direct energy consumption intensity	MWh/person	1.09
Indirect energy consumption	MWh	1,836,027.70
Including: Purchased electricity	MWh	1,834,939.16
Purchased heat	GJ	3,920.90
Indirect energy consumption intensity	MWh/person	62.69
Fresh water consumption	**ten thousand tonnes**	**233.48**
Per capita fresh water consumption	tonne/person	79.72
Waste water discharge	**ten thousand tonnes**	**80.16**
Per capita waste water discharge	tonne/person	27.37
Hazardous waste	**tonne**	**121.25**
Per capita hazardous waste	kg/person	4.14
Non-hazardous waste	**ten thousand tonnes**	**0.59**
Per capita non-hazardous waste	kg/person	202.64

2. SOCIETY

As a responsible corporate citizen, Kuaishou expects to create greater value for customers, employees and communities. We fulfill our customers' expectations through delivering quality services and technological innovation, empower the development of employees and better serve communities to jointly build a sustainable and prosperous society.

2.1. Platform Responsibilities

Kuaishou has always been committed to providing users with stable and efficient products and services, and fully fulfilling its platform responsibilities. In our operational activities, we strictly protect user privacy, safeguard information security, and leverage our advantages in technical resource to empower the industry standardized ecosystem. With our sincere service attitude and a well-established service system, we have built a bridge of mutual trust with our users. We are committed to creating a better and safer online space for our users, and providing a more personalized and comprehensive service experience.

2.1.1. Information Security Guardian

The stability and efficiency of Kuaishou's platform operation are closely tied to the Company's steadfast commitment and dedication to protecting the information security and privacy of our customers and partners. We strictly abide by the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Provisions on the Administration of Mobile Internet Applications Information Services* and other applicable laws and regulations in the jurisdictions where we operate. We have formulated the *Kuaishou Information Security Management Regulations*, the *Kuaishou Employee Information Security Code* and other internal rules, to coordinate and regulate all business lines and the behavior of our subsidiaries. In 2023, we further improved our systems by introducing a total of 13 updated system documents and 14 new system documents. These documents clarify algorithmic data security standards, standardize the data management of data partners, and establish data deletion and destruction processes. This enables the Company to create a robust line of defense in our information security systems, encompassing the standard formulation, process improvement and control review.

Kuaishou's core management oversees the effectiveness of our information security system. We have established an Information Security Management Committee chaired by the Board member(s). The Committee is responsible for developing strategies and reviewing and approving information security policies, thus ensuring sound information security practices throughout the Group. At the operation level, we have established a working group comprising designated office and relevant business departments to assess and mitigate information security risks in the course of our operations. Throughout 2023, we have already had information security management system certifications including ISO 27001 information security management system, ISO 27701 privacy information management system and ISO 27017 cloud service information security management system, covering 100% of our business lines. Since 2021, Kuaishou Advertising and Content Alliance SDK[8] has obtained SDK security certification, providing developers with a safer and more reliable software development kit.

[8] SDK refers to Software Development Kit.

In order to prevent and control information security risks from the source, Kuaishou has taken a series of preventive measures. Internally, we combine internal auditing and third-party auditing to safeguard our information security. Kuaishou requires that information system operation and maintenance inspections and information security inspections be conducted at least once every quarter, and external independent third-party audits related to data security at least once every year. In June 2023, Kuaishou entrusted the China Academy of Information and Communications Technology to perform data security risk assessment, comprehensively analyzing Kuaishou's overall data security risks and the security of important data and core data processing activities. Externally, Kuaishou requires our suppliers and partners with access to users' (sensitive) personal information to sign the *Data Confidentiality Agreement* and the *Data Compliance Undertaking Letter*. We also conduct a comprehensive assessment on third-party information protection capabilities before granting any cooperation approval. In addition, we continued to conduct privacy and data security audits of external third parties during the year to ensure their compliance with relevant requirements. Rectification suggestions have been provided in a timely manner for the third-party information security risks identified. We also supervised and urged third-party enterprises to carry out rectification and enhancement to ensure the effectiveness of data security management.

Kuaishou continues to strengthen its network security protection technology and infrastructure to better address external network security risks. In terms of enhancing the security of information systems, we have strengthened network security management and continued to carry out filing and evaluation for network security levels. During the year, 19 system evaluations were completed, representing 9 more evaluations compared with 2022, further enhancing our network security protection capabilities. In terms of security incident response, Kuaishou has optimized the *Kuaishou Security Incident Emergency Response Specifications* with reference to the *Kuaishou Vulnerability Handling Specifications*, differentiating work content based on different levels of security incidents. We have also increased emergency drills for various scenarios, including data abuse, data tampering and illegal use of data.

In order to strengthen information security management from the source, Kuaishou actively carries out network information security and data privacy management training to improve employees' awareness of information security and privacy protection. We have established a comprehensive information security and privacy protection training mechanism, covering all employees (including dispatched labor and interns) and business partners (including contractors and suppliers). For employees and business partners, Kuaishou conducts trainings on data security, user personal information protection and coding security, and regularly conducts information security assessments for all employees. In September 2023, we organized an annual security awareness examination to assess the security awareness of all employees to further consolidate their information security awareness. In addition, we encourage and support employees involved in data security matters to pursue professional certifications, including CISP[9], CISSP[10] and the *"Industrial and Information Technology Professional Competency Certificate"* issued by the Education and Examination Center of the Ministry of Industry and Information Technology.

9 CISP refers to Certified Information Security Professional.
10 CISSP refers to Certification for Information System Security Professional.

Kuaishou's data security trainings in 2023

Participants	Content	Number of Participants
All employees (including new employees, as well as dispatched labor and interns)	Including the Company's user personal information protection measures, data classification and grading management system, data security incident ratings and corresponding handling measures. New employees are required to participate in information security awareness training and examinations after onboarding.	In 2023, the number of participants was 20,000+, and the cumulative number of participants has reached 90,000+.
The Company's general support and management, main platform technology, operation R&D, compliance, finance departments and others	Online and offline information security awareness training. Training on coding security and testing safety are conducted for the R&D department.	In 2023, the number of participants was 3,000+.
Partners (including contractors and suppliers)	Training on personal information protection and mobile application privacy compliance.	In 2023, the number of participants was 500+.

Kuaishou always adheres to the concept of "open, educational and progressive" in our communication and collaboration with others. In 2023, we continued to organize salon activities to enhance communication and exchanges with business competitors and share security technology and practical experience.

Case: Kuaishou organized a series of security salon activities

In 2023, Kuaishou successfully organized 3 security salons on core industry issues: mobile application personal information protection, enterprise security defense construction, and standard compliance practice. Such security salon activities were held in a combination of online and offline forms, bringing together experts and partners in the industry to discuss the latest trends and solutions in the field of data security and personal information protection. Through extensive exchanges and cooperation, we have not only improved our own data security and personal information protection capabilities, but also forged closer ties with industry partners, jointly promoting the healthy development of the industry.

Security salon

2.1.2. User Privacy Protection

Kuaishou adheres to the legal boundaries and upholds the fundamental values associated with user data protection. We strictly abide by the *Personal Information Protection Law of the People's Republic of China,* the *Data Security Law of the People's Republic of China*, the *General Data Protection Regulation* of the European Union, the *California Consumer Privacy Act* of the United States, the *California Privacy Rights Act* of the United States, the *General Data Protection Act* of Brazil and other applicable domestic and foreign laws and regulations. During the year, we further improved the *Kuaishou Privacy Policy*[11], the *Kuaishou Privacy Protection Evaluation Guide*, and other internal management standards and policies (See "Kuaishou privacy protection platform"[12] for details of other policies). Our privacy protection measures have been strictly implemented by the Information Security Committee, Privacy Protection Working Group and business departments to ensure the stable business development and comprehensive protection of user privacy. In the event of a privacy breach, we will immediately act on the *Kuaishou Information Security Incident Emergency Response Specifications*, arranging for a designated officer to follow up and conduct investigations, so that risk reduction measures can be taken in a timely manner. A further review will be conducted after the conclusion of such incidents, with a view to tackling the root cause. In 2023, Kuaishou reported no incidents in relation to user privacy breaches.

In the process of collecting and using customer data, Kuaishou pledges to uphold the "principle of consistency of rights and responsibilities, minimum necessity, security assurance, and informed consent". We process only the essential types and amounts of personal information necessary to fulfill the purpose authorized by the user, only collect personal data from third parties to the extent permitted by law, and delete such personal information in time once the purpose is achieved. In the event of information leakage, users will be promptly notified to ensure the utmost respect and protection of users' personal information. Furthermore, Kuaishou assures that we will not rent, sell, or disclose the personal information of our customers to third parties except to the extent that such information is necessary to facilitate a transaction or service. In 2023, Kuaishou enhanced control over personal information collection to fully cover sensitive information such as application lists, location, phone permissions, phone address book, clipboard, contact book, photo album (storage), identity information and facial recognition. This approach ensures strict compliance with regulatory requirements when collecting and using user information, safeguarding the security and privacy of user information. At the same time, Kuaishou has formulated independent privacy policies for all products, providing full disclosure of person information collection and usage purposes to users. We also specify the rights of users to manage their personal information, including the rights to access, correct, delete, withdraw consent, cancel, separate consent and proxy rights etc. All of Kuaishou's privacy policies apply equally to third parties that collaborate with or share data with Kuaishou.

11 Please refer to https://www.kuaishou.com/about/policy?tab=privacy for further details of *Kuaishou Privacy Policy*.

12 Please visit Kuaishou privacy protection platform at https://privacy.kuaishou.com/.

Case: Governance and reporting on cross-border E-commerce

In March 2023, Kuaishou initiated the cross-border data reporting project for "Overseas Shopping Business" in compliance with applicable laws and regulations such as the *Outbound Data Transfer Security Assessment Measures* and in active response to the requirements of the Cyberspace Administration of China on outbound data transfer. Prior to this, Kuaishou had taken various steps to protect the personal information rights and interests of merchants and users. Overseas merchants are required to sign the *Contract for Cross-border Transfer of Personal Information* before entry. Before users place orders to purchase goods, we separately authorize and issue the *Letter of Consent for Cross-border Transfer of Personal Information*, to ensure the effective protection of personal information of merchants and users during the cross-border data transfer process. In November 2023, this project successfully passed the outbound data review of the office of the Cyberspace Affairs Commission of both Sichuan Province and Central.

To ensure the effective operation of our personal information protection management system, Kuaishou conducted regular internal audits and inspections and actively sought external audits or assurance to ensure compliance and reliability. In addition to the ongoing privacy compliance review of distributed apps, Kuaishou also conducted audits on personal information protection during the year. With respect to external assurance, in November 2023, Kuaishou's real-name authentication scenario passed the Personal Information Protection Impact Assessment Assurance jointly conducted by the Data Security Committee of the China Cybersecurity Industry Alliance (CCIA) and the Data Security Community (DSC), and received a two-star rating. In June 2023, the NFC[13]-enhanced identity authentication system developed by Kuaishou was awarded the "Excellent Application of Trust Technology" by the China Academy of Information and Communications Technology.

Certificate of Excellent Application of Trust Technology for Kuaishou's enhanced identity authentication system

Leveraging our practical experience and extensive exploration in respect of data security and personal information protection, Kuaishou led and participated in the formulation of a total of 22 data security standards in 2023. This includes participation in the release of the national standard GB/T 35274–2023 *Information Security Technology — Requirements for Big Data Service Security Capability* and the organizational standard T/CCIA 002–2023 *Social Responsibility Guidelines for Data Security and Personal Information Protection*. We also contributed to the development of 7 national standards related to data classification, data watermarking, etc. and an industry standard for risk assessment specification of telecommunication data security for the China Communications Standards Association (CCSA). We played a leading role in the formulation of organizational standards for data security and data labeling within the Telecommunications Terminal Industry Association (TAF). Furthermore, Kuaishou led or participated in the formulation of a total of 41 standards in the field of personal information protection. This includes 2 national standards, i.e. GB/T 42884–2023 *Information Security Technology —*

[13] NFC refers to Near Field Communication.

Mobile Internet Application (App) Guidelines for Lifecycle Security Management and GB/T 43435–2023 *Information Security Technology — Mobile Internet Application (App) Security Requirements for Software Development Kits (SDK)*, as well as 9 other standards such as T/TAF 180–2023 *Personal Information Protection Specifications for Mini Programs*. Additionally, the T/TAF 123–2022 *Software Development Kits (SDK) Personal Information Processing Specifications*, co-written by Kuaishou, received the second prize for 2023 Outstanding Projects by TAF.

Standards formulated with Kuaishou as a leading contributor or participant

Case: Keynote speech on "Challenges and Practices in Personal Information Protection for Mobile Applications"

On November 29, 2023, Kuaishou delivered a keynote speech titled "Challenges and Practices in Personal Information Protection for Mobile Applications" at a seminar jointly held by the China Communications Standards Association and the Key Laboratory for Innovation and Governance of Mobile Applications under the Ministry of Industry and Information Technology. At the seminar, Kuaishou not only shared its experience in information security compliance with industry peers, but also discussed best practices in personal information protection with fellow enterprises, thus continuously facilitating the optimization and innovation of personal information protection technologies.

Keynote speech on "Challenges and Practices in Personal Information Protection for Mobile Applications"

2.1.3. Protection of Intellectual Property Rights

Kuaishou is committed to protecting intellectual property rights and has an effective system in place to prevent any infringement of intellectual property rights. We strictly abide by the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, *the Management Measures for Internet Domain Name* and other applicable laws and regulations. We have also formulated and implemented the *Handbook for Standard Patent Work*, the *Regulations on Patent Quality Standard*, the *Guidelines for Patent Work*, the *Guidelines for Trademark Protection Work*, the *Guidelines for Copyright Registration Work* and a set of internal rules for managing patents, trademarks, copyrights and other intellectual property rights.

During the year, we focused on strengthening the whole process construction of intellectual property rights management. On the premise of ensuring the business security of the Company, we harnessed technology and product innovation as the driving force behind the development of whole process intellectual property rights management. This framework covers confirmation, application, protection (risk management), management (internal) and service (business), thus establishing an intellectual property rights working mechanism with high quality of right confirmation, good protection effect, effective cost control and high collaborative efficiency. In November 2023, Kuaishou was recognized as a "State Intellectual Property Demonstration Organization" by the State Intellectual Property Office for the first time.

As of December 31, 2023, Kuaishou filed 11,651 patent applications domestically and abroad and has been granted 4,517 patents. We have obtained 9,808 domestic and foreign registered trademarks and 6,240 copyright registrations. In 2023, Kuaishou achieved notable recognition in terms of intellectual property awards. Three of our patents, including "image label determination method, device and terminal", were honored with the "China Patent Excellence Award" by the State Intellectual Property Office. Kuaishou as a trademark was awarded the "AAA China Famous Trademark Brand Evaluation Certification" by the China Trademark Association. 2 of our trademarks were successfully included in the "Guangdong Province Key Trademark Protection List" and Kuaishou as a trademark earned the recognition as a "well-known trademark" once again from the Beijing Intellectual Property Court. In addition, the KWAI trademark global dispute response protection project was shortlisted as a typical protection funding case by the competent authorities.

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国家知识产权局局长
2023 年 7 月
国家知识产权局
NATIONAL INTELLECTUAL PROPERTY ADMINISTRATION, PRC
中国专利优秀奖
名 称 图像标签确定方法、装置及终端
专 利 号 ZL201810260522.3
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2023 年 7 月
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NATIONAL INTELLECTUAL PROPERTY ADMINISTRATION, PRC
中国专利优秀奖
名 称 视频编码方法、装置、电子设备和存储介质
专 利 号 ZL201910600178.2
发 明 人 周 超
专利权人 北京达佳互联信息技术有限公司 北京溪流湖科技有限公司
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3 of Kuaishou's patents won the "China Patent Excellence Award"

Kuaishou as a trademark received the "AAA China Famous Trademark Brand Evaluation Certification"

Kuaishou named as "National Intellectual Property Demonstration Enterprise"

Kuaishou encourages all employees to actively engage in invention and creation, and strives to create a positive innovation ecosystem. In 2023, we revised and updated the *Patent Reward and Remuneration System* to standardize the process and methods for issuing patent rewards, incentivizing employees to contribute to the development of patents. Besides, we regularly hold innovation competitions, innovation exchanges and other activities to promote a culture of innovation in Kuaishou.

Case: Kuaishou Large Model Application Innovation Competition

In 2023, Kuaishou launched the "Kuaishou Large Model Application Innovation Competition" for all employees. The competition centered on Kuaishou AI large model technology and business, exploring the potential of large model technology in our businesses, as well as new opportunities for partnerships. The competition ran for one month, attracting a total of 93 teams from 10 departments and 331 participants. After intense competition, 12 teams stood out and advanced to the finals. The teams' projects covered data analysis, intelligent assistant, digital human, live-streaming, games, etc. Nearly 50% of the projects were well developed for sustainable deployment. The competition was not only an innovative endeavor, but also represented Kuaishou's firm confidence in and active exploration of future development.

Kuaishou Large Model Application Innovation Competition

Kuaishou regularly organizes training on intellectual property management system and knowledge to improve employee awareness and skills of intellectual property management. In 2023, a total of 8 intellectual property management training sessions were held, with a total of more than 300 participants.

Case: Magnetic academy intellectual property training

In 2023, we provided comprehensive and professional intellectual property trainings to employees, tailored to the characteristics of our business lines and the intellectual property focus of various roles. This effectively strengthened their awareness of intellectual property protection and risk prevention.

Intellectual property trainings for employees

To further improve the experience of rights holders or brand parties in lodging complaints and defending their rights, Kuaishou makes unremitting efforts to build a healthy e-commerce ecosystem. The Company continues to improve our online intellectual property protection platform and expedites the handling of trademark, copyright, patent and other intellectual property infringement complaints. In 2023, the processing time of the online intellectual property protection platform was reduced from 7 working days to 3 to 5 working days. In addition, as part of our efforts to combat online counterfeit goods, we have also collaborated with 9 well-known brands to conduct physical authentication, decisively cracking down intellectual property rights infringement and sales of counterfeit goods. As of December 31, 2023, the Kuaishou intellectual property protection platform saw the addition of more than 8,000 rights certifications. Kuaishou has actively handled complaints and rights of 6,507 rights holders have been successfully defended.

2.1.4 Standardization

Kuaishou places high importance on standardization, continuously strengthening cooperation and communication with all parties and actively participating in industry standardization activities. Kuaishou has participated in standardization activities organized by the International Telecommunication Union (ITU-T), National Information Security Standardization Technical Committee (SAC/TC260), National Information Technology Standardization Committee (SAC/TC28), China Communications Standardization Association (CCSA), National Radio, Film and Television Standardization Technology Committee (SAC/TC239), Telecommunications Terminal Industry Association (TAF), Internet Society of China (ISC), China Cybersecurity Industry Alliance (CCIA), China Advertising Association (CAA) and more than 20 standardization organizations. In 2023, Kuaishou joined the Institute of Electrical and Electronics Engineers (IEEE SA) as a new member, participating in its international standard-setting in the areas of personal information protection, data security and artificial intelligence. The industry widely acknowledges Kuaishou's achievements and influence in building an enterprise standardization system, evidenced by the Outstanding Contribution Award the Company received from the China Cybersecurity Industry Alliance (CCIA).

IEEE SA
CERTIFICATE OF ENTITY MEMBERSHIP
Presented to
Beijing Kuaishou Technology Co., Ltd.
In recognition of Beijing Kuaishou Technology's involvement in the IEEE Standards Association Entity Program
1 September 2023 – 1 September 2024
Konstantinos Karachalios
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Yu Yuan
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Certificate of Kuaishou's involvement in the IEEE

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2023 年3月

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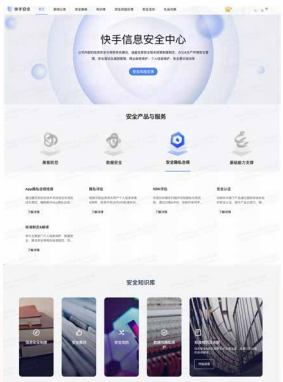
有效期：2023年05月05日至2023年12月31日
2023年05月05日

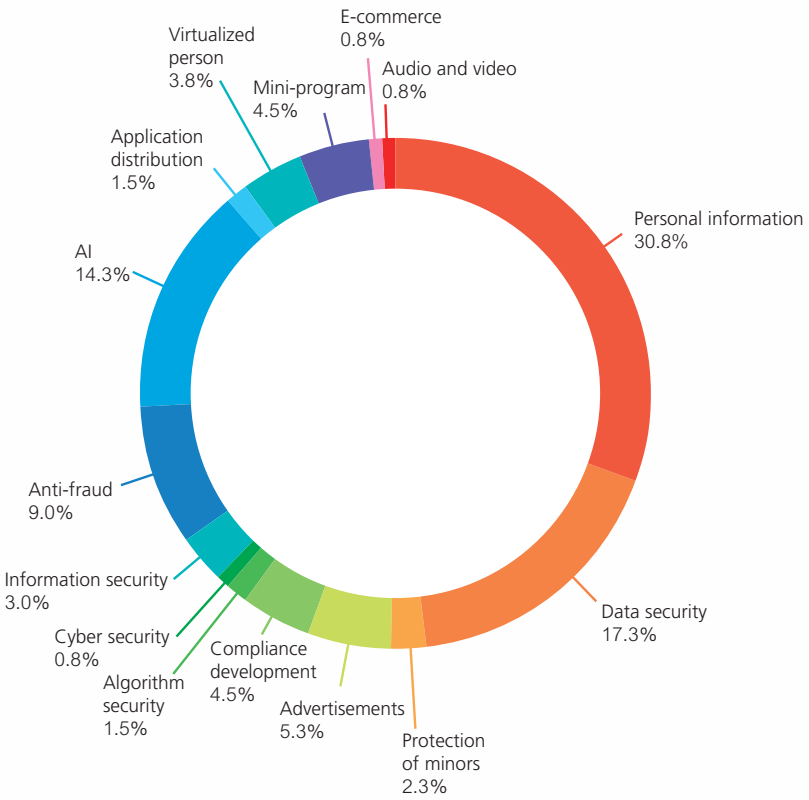
Certificate of Member of the National Information Security Standardization Technical Committee

In an ongoing effort to improve our standardization initiatives, Kuaishou promotes employee understanding and knowledge of the latest policy documents and standardization practices. In 2023, the Kuaishou Information Security Center information management platform introduced a new standardization module, which provides employees with a centralized and convenient window to easily access comprehensive information related to Kuaishou's standardization efforts. It helps them to gain an in-depth understanding in key contents of standardization formulation and standardization specifications. In addition, it improves employee awareness and practice of standardization through the interpretation of policy documents and standard requirements.

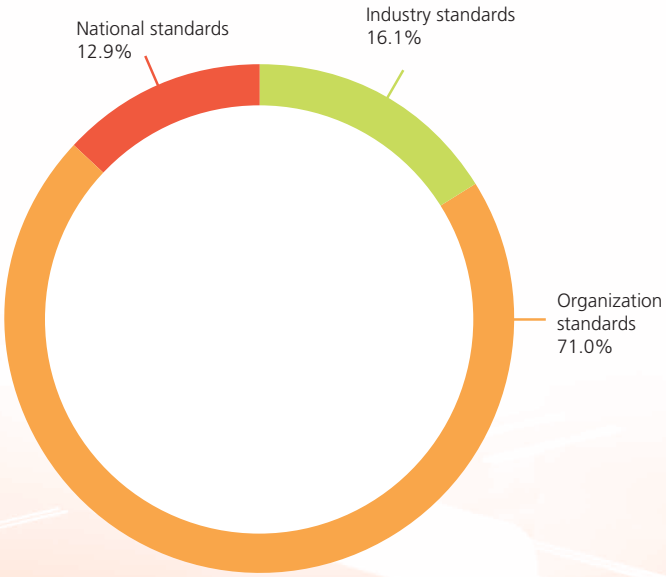


Information Security Center information management platform of Kuaishou

Kuaishou actively participates in standardization activities. In 2023, Kuaishou led and participated in 133 international, national, industry and organization standards setting in the fields of personal information protection, data security, anti-phone scam, protection of minors, and artificial intelligence, etc. Kuaishou has participated in and published 31 standards.



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



Standards formulated and published by Kuaishou

Kuaishou attaches great importance to fostering awareness of standardization among employees and exchanging with external parties on standardization practices. We have organized themed salons and sharing activities to disseminate and promote standardization knowledge, in order to continuously raise the standardization awareness of all employees, and strengthen its internal and external influence.

Case: Salon event on "Practicing Compliance Standards and Protecting Digital Security"

On November 10, 2023, Kuaishou successfully held the salon event titled "Practicing Compliance Standards and Protecting Digital Security". The event focused on how to build a systematic and standardized compliance standard system to enhance enterprises' digital security protection capability and standardized management capability. The event attracted active participation from universities, enterprises and business partners, with 135 on-site participants and 2,730 online participants. Through sharing practical experiences and discussing challenges and opportunities, Kuaishou and all parties within and outside the industry achieved mutual growth and progress, contributing to the standardization development in the digital security field.

Salon Poster titled "Practicing Compliance Standards and Protecting Digital Security"

2.1.5. Platform Ecological Governance

Kuaishou is committed to building a healthy and sustainable ecosystem at our platform. We ensure the health and safety of the platform environment through strict e-commerce compliance management and product content governance. Meanwhile, we implement a responsible marketing strategy to ensure the authenticity and reliability of advertising content and deliver a safe and comfortable user experience for users.

- *E-commerce Compliance Management*

  In addition to fully complying with all applicable laws and regulations, including the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *E-Commerce Law of the People's Republic of China* and the *Product Quality Law of the People's Republic of China*, Kuaishou has improved the service agreements, including the *Kwai Shop Merchant Service Agreement* and the *Kwai Shop User Service Agreement*, in 2023, in order to continuously improve e-commerce compliance management and ensure the efficiency and compliance of the overall e-commerce process management.

Whole-process management of Kuaishou's e-commerce and optimization initiatives in 2023

E-commerce set up	• Merchant development: Formulate the *Kuaishou Merchant Development Rules for E-commerce Stores* and provide refined, customized management based on the types of shops and businesses. • Qualification assessment: Formulate the *Kuaishou Qualification Requirements for Enterprise E-Commerce Stores*, to facilitate the automated review process by incorporating multidimensional criteria such as subject, industry, brand, and product qualifications.	• Free-Deposit Store Launch Policy: This policy assists small- and medium-sized merchants in rapidly setting up their businesses and commence operations in a cost-effective manner. Targeting specified store types and categories, it enables these merchants to open stores without an initial deposit. In 2023, 30% of new merchants benefited from this policy and set their stores up within one hour, without paying a deposit for trial operation. • Improved Onboarding Efficiency: The time taken for merchants to set up a store has been notably reduced from an average of 8 days to consistently under 2 days. This streamlined process has significantly expedited store openings, enhancing the overall onboarding experience for merchants. • Online merchant invitation: Develop product tools for online invitation to improve the onboarding efficiency of invited merchants. In 2023, the online merchant invitation function efficiently onboarded approximately 15,000 merchants.

High-risk management	• High-risk industries: For high-risk industries such as healthcare and agricultural goods, we only invite enterprises on the white list of *Category Invitation/Clearance SOP*. • High-risk merchants: Independently review the products and operations of high-risk merchants. • High-risk products: Classify products into high-risk and low-risk categories. Products are assessed by both algorithm and human reviewers prior to their listing. This helps to identify and categorize high-risk products more accurately.	• Brand authorization verification: Verify brand authorization qualifications to reduce the risk of counterfeiting and protect the rights and interests of consumers. In 2023, we conducted over 65,000 key verifications on over 10,000 brand authorization qualifications. • Special governance on "three products and one device": Conduct special governance on medicines, healthcare products, cosmetics and medical devices. In 2023, by conducting the access verification on tens of millions of commodities classified as "three products and one device", Kuaishou accessed the authoritative qualification database to verify the qualification of cosmetics, and established an OTC drug standard database to ensure the authenticity and effectiveness of the commodities' qualification; use models and algorithms to identify and dispose of non-compliant commodities, and optimize search strategies to prevent the information of risky commodities from reaching customers.
Merchant exit	• General exit. • Merchant interception: To avoid unqualified merchants from re-entering our platform under a different name, we have established an unqualified merchants interception mechanism.	• Dismissal of willful non-performing merchants.

While ensuring compliant e-commerce operations, Kuaishou further provides targeted support and consulting services to help merchants improve store operations and maintain good customer relationships on our e-commerce platform.

Kuaishou merchants' empowerment initiatives

Assist merchants in double score "diagnosis"

- Since May 2023, Kuaishou has gradually launched problem diagnosis suggestions and improvement strategies for stores' service score and reputation score, aiming to help merchants and key opinion leaders ("**Merchant and KOLs**") deeply understand their own operations and improvement strategies. Since its launch, this set of tools has been used for over 500,000 times by merchants.

Exclusive services for Merchants and KOLs

- In April 2023, Kuaishou established an exclusive one-on-one service team for high-quality Merchants and KOLs, which regularly provides business analysis reports to Merchants and KOLs to help them quickly identify operational problems and provide individualized improvement suggestions. This year, we have provided exclusive one-on-one services to more than 1,000 Merchants and KOLs, and helped more than 150 Merchants and KOLs successfully improve their business ratings from "lagging behind/good" to "excellent". In addition, Kuaishou has given great support for the growth of small-and medium-sized Merchants and KOLs, and established a service project for small-and medium-sized Merchants and KOLs. During the Reporting Period, the cumulative number of customers served by small-and medium-sized Merchants and KOLs exceeded 2.7 million, and nearly 9 million problems were solved.

Complaint Center for Merchants and KOLs

- In September 2023, Kuaishou established a complaint center for merchants and KOLs to help them mitigate the adverse effects of abnormal consumer behaviors, such as black-market activities and malicious comments, on their business. Since the launch of the first phase of the center, it has successfully protected merchant orders valued at millions of RMB. It is expected to safeguard orders worth nearly RMB10 million throughout the year.

- *Governance on Product Content*

  Kuaishou continues its efforts to create a safe and responsible cyberspace. In 2023, strictly abiding by applicable laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Measures on the Administration of Internet Information Services*, the *Administrative Measures for the Graded Protection of Information Security*, the *Detailed Implementation Rules for Online Short Video Content Review Standards*, and the *Provisions on the Administration of Internet Live-Streaming Services*, Kuaishou has formulated and implemented internal policies such as the *Kuaishou Community Management Code*, the *Kuaishou Technology Accountability and Penalty System*, and the *Kuaishou Business Review Emergency Plan*, to improve our content management review mechanisms. We continue to strengthen the risk review and governance of platform content and have employed multiple measures to ensure the compliance and accuracy of content across our platform.

Kuaishou's measures for product content governance

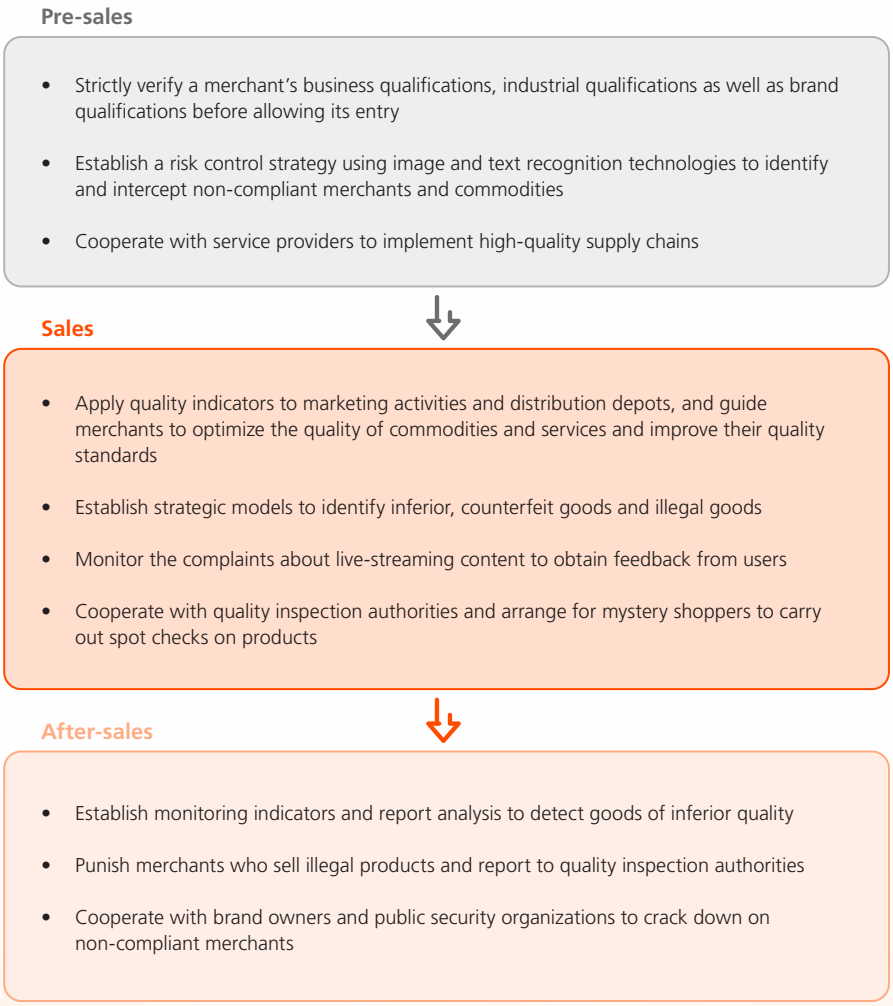
Protecting the privacy of information sources	• Kuaishou attaches great importance to protecting the privacy and personal information of users. During users' daily use of products and/or services, Kuaishou employs effective technological measures and other security measures to protect users' personal information. • We have added a "One-Click against Cyberbullying" function on the user end, allowing users to quickly choose whether to receive private messages and comments from strangers. • We provide options such as "Private Account", "Personal Message/ Comment Permissions" and "Keyword Blocking", allowing users to customize the scope of information they receive. • In private messaging scenarios, we have added "Posting Alerts" and "Risk Warnings" for both parties involved, deterring the sender from inappropriate behavior and reminding the receiver to take protective actions such as reporting. Additionally, we have established a quick reporting and evidence collection feature where users can report suspected cyberbullying behavior. The platform will promptly handle cyberbullying content and users responsible for cyberbullying.
Respecting cultural diversity	• Kuaishou values and encourages cultural diversity, and is committed to encouraging diversity of platform content during the content review in the *Kuaishou Community Review Code*.
Protecting intellectual property rights	• In the *Kuaishou Software License and Service Agreement*, Kuaishou requires that any text, images, audio and video, live streaming, links, or other content uploaded by the users while using Kuaishou's application and services does not infringe on the intellectual property rights, right of reputation, right of name, privacy rights, or other legal rights and interests of any third-party.
Content review and interception mechanisms	• Kuaishou has established relevant mechanisms for proactive review and interception of illegal content posted by users, ensuring the compliance of platform content through secondary review. • Kuaishou consistently refines our malicious information database and improves algorithmic recognition models to enhance the platform's ability to identify and intercept malicious information and illegal websites. In 2023, we successfully intercepted a total of 2.8 billion instances of various malicious information and protected users from accessing fraudulent websites and apps 800 million times.

Kuaishou continues to provide our employees with content review training in the process of improving content governance. In 2023, customized trainings were organized for employees in different positions, such as review staff, inspectors, and management personnel to improve the internal risk awareness of the Company and employees' ability to evaluate platform content. During the year, more than 5,600 employees participated in content review training, and a total of 26,786 training sessions were organized.

- *Responsible E-commerce Marketing*

Kuaishou consistently adheres to responsible e-commerce marketing strategies, rigorously manages sales activities in e-commerce operations, and strives to create a positive commercial ecosystem. In addition to fully complying with applicable laws and regulations, including the *E-Commerce Law of the People's Republic of China*, the *Advertisement Law of the People's Republic of China*, Kuaishou made 236 revisions or additions to various platform rules, including the *Management Rules for Kwai Shop Store Services Score*, the *Management Rules of Violation for Kwai Shop Merchants/KOLs*, and the *Management Rules for Kwai Shop KOLs' Deposit* in the Kuaishou e-commerce rule center in 2023. A whole-process management scheme covering pre-sales, sales, and after-sales has been formulated to monitor deceptive advertising, improper marketing and other irregular merchant behavior during the marketing process, thereby strictly controlling e-commerce marketing risks.

Whole-process management of Kuaishou's responsible e-commerce marketing



To enhance merchants' understanding of the platform's e-commerce rules and safeguard the compliance of e-commerce marketing as well as the legitimate rights and interests of consumers, we consistently solicited feedback from merchants and users regarding platform rules in 2023. The feedback received was carefully assessed for feasibility, and viable improvement suggestions were incorporated into the platform rules. Through continuous optimization of platform rules and education efforts, we observed a 20% increase in merchants' understanding of the rules. The rate of customer inquiries regarding rule violations also decreased by nearly 30% compared to the time before the optimizations were implemented.

In 2023, we implemented a series of targeted initiatives to ensure responsible marketing of our platform products:

Targeted initiatives for responsible marketing in 2023

Late delivery compensation guarantee	• The implementation of the "Late delivery compensation" policy has not only assisted merchants in improving their fulfillment capabilities but also effectively safeguarded consumer rights. During the year, this policy benefited 19 million users. It improved delivery times effectively, reducing the average delivery time by 30%. As a result, consumers' satisfaction with delivery performance increased by 10%.
Refund benefit guarantee	• Upgrading the "series of Refund benefit" simplifies the process for consumers to enforce their rights and creates a more effective enforcement chain. • Based on the sales calendar for the seasonal products, we have introduced seasonal category products to protect rights and interests of consumers. For example, the "Safe Crabs" policy covers more than 2,800 live crab products.
Special governance on e-commerce live-streaming content	• Conducting special governance on e-commerce live-streaming content to address false advertising and improper marketing by merchants, thereby enhancing the health of e-commerce-live streaming.
Counterfeit goods governance	• Significantly expanding the brand feature recognition database, with the number of brands increasing by 36% compared to 2022. • We have improved our platform rules to intercept counterfeit goods and crack down on counterfeit merchants vigorously.

2.1.6. Customer Service

Kuaishou remains committed to providing an excellent product and service experience for our global customers. We proactively seek customer feedback and attentively consider the needs of minors and other vulnerable customer groups, striving to improve customer experience and customer satisfaction.

- *Customer Service System*

  Kuaishou continuously improves its service standards. In 2023, we revised a total of 83 service-related systems, such as the *User Service Center Outbound Calling Procedure*, the *Service Transfer SOP of User Service Center Customer* and the *Outbound Calling Procedure for Inbound Disconnected Calling of User Service Center*, with the aim of clarifying the procedures and improving the quality of user service. In addition, Kuaishou also focuses on improving the professionalism of user service staff. In order to better support the daily work of our business teams, we vertically split and integrated the training, process and knowledge management teams into the delivery team according to the main site, e-commerce, commercialization, security and game business lines, so as to better understand the needs of each business line. This restructuring aims to continuously optimize the service process, and address user issues more efficiently. In order to better respond to customers' needs and expectations and to ensure the effective implementation of customers' opinions, we merged community operation and survey and telephone follow-up into the user connection center, which not only provides strong support to various business departments in user operation, activity operation, and information dissemination and collection, but also offers research inputs to various departments. These initiatives enable our departments to understand and identify the opportunities and shortcomings in the process of business development, thus providing targeted guidance and suggestions.

  To promptly address customer inquiries, Kuaishou established various user communication channels. During the year, Kuaishou further expanded government and social channels based on user habits and ensured that users' opinions were effectively delivered through a variety of convenient online and offline communication windows. In 2023, Kuaishou further improved service transparency. We expanded complaint channels for users, allowing us to collect and accept a wider range of user feedbacks, while remain an annual response rate of 100%. In addition, we upgraded the internal sharing mechanism for user feedback and continued to open the "original voice platform" to ensure that users' voices are transmitted to every employee of the Company more quickly and effectively. During the year, the user connection center provided 405 pieces of feedback to various departments, of which 356 were reviewed and implemented.

  In order to collect customers' opinions and suggestions more effectively and continuously and improve customer service level, Kuaishou conducts customer satisfaction survey every year and carefully reviews the results in order to give timely feedback to customers. In 2023, we garnered feedback from 290,000 users, achieving an 85% comprehensive satisfaction rate across all channels and a 94% satisfaction rate with human customer service by phone. In addition to assessing our current service levels and analyzing the factors contributing to the assessment results, we reorganized the mechanism of problem feedback and follow-up sessions, and shortened the response time from 72 hours to 24 hours in 2023.

  To continuously enhance professionalism and knowledge reserves of the customer service team, Kuaishou continuously launches various training activities for newly hired employees, existing employees and management.

Kuaishou's user service training system

Category	Trainees	Training Frequency	Average Training Duration	Training Content
New employee orientation	New employees	15 times per month	11.5 days in-person training	The overall optimization of training content includes business related knowledge in addition to customer service awareness, courteous language, complaint handling skills and other general courses. Based on the staffing needs, job responsibilities, and basic skills requirements of each business, we conduct orientation training on business knowledge for new employees and extend the duration of hands-on simulation learning. By optimizing our training content, we aim to help new employees learn and understand business knowledge quickly and enhance their ability to address user issues with high quality.
Business improvement training	Existing employees	10–20 times per month	0.5 hours per day on average	We train employees to update their knowledge training, focusing on new developments related to our business lines, systems, and processes. In order to cope with the emerging trends and issues of consumption during the Double 11 Shopping Festival period, we launched special training to help employees quickly grasp new knowledge of the consumption business. After the training, we conducted on-site tests for participating employees to ensure that they could promptly answer the Double 11 Shopping-related questions.
Management promotion training	Employees with high potential	15 times per year	8 hours per month on average	Through external training, job rotation and internal training, employees learn advanced knowledge and experience of the current customer service industry. This aims to bridge the management differences among regions and teams, improve the overall quality of customer service employees, and meet the actual business of customer service and the future development of the talent reserve needs.

- *Minor Protection*

  Kuaishou is concerned about the rights and interests of minors and commits to safeguarding their healthy development. Kuaishou strictly complies with applicable laws and regulations such as the *Law of the People's Republic of China on the Protection of Minors* and continuously strengthens management measures, striving to create a clean online space for them.

  Kuaishou focuses on the protection of minors' privacy and has built a dual protection mechanism on the platform. At the manual service level, we have employed privacy protection specialists responsible for monitoring and implementing the privacy protection policy. At the technical level, we have introduced a privacy protection mode for minors and set up 7 major privacy protection switches, including restricting the function of private messages for minors, restricting strangers from following minors, hiding the geographical locations of minors, disabling "find contact" and "contact recommendation" functions for minors, disabling minors' usage status display and disabling the function of "circle of acquaintances" for minors, so as to provide a safe online environment for minors.

  In addition, Kuaishou has taken a series of initiatives to prevent minors from becoming addicted, including displaying a pop-up window on opening the App to remind guardians to set the Adolescent Mode for their minors, restricting users from doing livestreaming, browsing local pages, tipping, recharging and withdrawing money, requiring a separate password when enabling or disabling the Adolescent Mode, sending a mandatory quit notification to minors after 40 minutes of daily use, as well as disabling use from 10:00 p.m. to 6:00 a.m. to ensure adequate rest for minors.

  In 2023, Kuaishou upgraded the Adolescent Mode to version 5.0. Through constantly improving content review rules, an increasingly rich pool of youth content, updated algorithmic recommendation strategy, and dedicated customer service support, we have set up a more robust protection system for minors to ensure that they are exposed to positive and beneficial content and are guided by the right values when using the Kuaishou platform.

Highlights of the upgraded Adolescent Mode Version 5.0

Improvement of content review	The rules for manual content review have been comprehensively improved in the Adolescent Mode. The initial set of over 100 rules has been expanded to encompass more than 120 rules, ensuring a more rigorous and detailed assessment of user-generated content.
Enrichment of youth content pool	By analyzing data such as the top list of video types favored by minors and the popular videos favored by minors on the platform, Kuaishou has improved the content pool of the Adolescent Mode, increasing the number of subcategories from more than 40 to more than 50, and selecting quality content that combines education with entertainment across various fields, such as education, science popularization, musical instruments, sports, etc. In addition, a video collection recommendation feature has been added to optimize the content experience in the Adolescent Mode.
Upgrade of algorithmic recommendation strategy	Kuaishou has implemented the recommendation strategy by age group, utilizing an "interest-based recommendation + multiple prioritized selections + time dimension" mechanism, combining the video quality, view-through rate, number of likes, etc., to improve the content recommendation logic and match the visual presentation form more suitable for minors, and strive to enhance the viewing experience of minors with both entertaining and practical content and more personalized and time-sensitive recommendations.
Customer service support	A dedicated 200-member professional customer service team is available round the clock to help resolve any usage issues that minors may have.

Raising awareness of online safety among minors is an important part of protecting minors online. In accordance with the "Kuaishou Minor Protection Action Plan", we continue to launch and improve the "Kuaishou Minor Protection Month" special activity, which enhances minors' ability to protect themselves online through all-round, matrix-style publicity and promotion.

Case: Special column of "Kuaishou Minor Protection Month" action

In 2023, Kuaishou meticulously planned and launched four major columns on online protection for minors, "Protecting minors", "Inside a Chinese juvenile court", "Minor protection online forum" and "Brochure on typical cases of minor protection", to provide minors with comprehensive and in-depth legal knowledge and safety education in a variety of forms and easy-to-understand contents. In addition, in the second season of the "Kuaishou Minor Protection Month", we once again invited prosecutors, juvenile court judges, judicial social workers and other minor protection professionals to a series of live streaming activities. By analyzing real cases, we provided viewers with an in-depth analysis of the difficulties and challenges faced by minors, and offered targeted advice to help minors grow up healthily.

Protecting minors

In conjunction with the Ninth Prosecution Office of the Supreme People's Procuratorate, the Information Office of the Supreme People's Procuratorate, and "Law Online" of CCTV, Kuaishou launched the "Protecting Minors" campaign, inviting experts and scholars of jurisprudence, procurators, and judicial social workers to work with journalists to share the story of real-life cases and to focus on protecting minors.

Inside a Chinese juvenile court

In conjunction with the Supreme People's Court, Kuaishou launched a special live streaming event of "Inside a Chinese Juvenile Court" to popularize legal knowledge related to the protection of minors among parents.

Minor protection online forum

In conjunction with the United Nations International Children's Emergency Fund, the Haidian District People's Procuratorate of Beijing Municipality, the Beijing Committee of the Communist Youth League, etc., Kuaishou launched the "The First Class in the New Term Online", "Online Forum on Family Education" and other special live streaming events, recording a total of more than 6 million viewers.

Brochure of typical cases of minor protection

In conjunction with the Haidian District Court of Beijing Municipality, Kuaishou produced the industry-first "judiciary + platform" Brochure on Typical Cases of Minor Protection, which helps parents understand the legal knowledge regarding minor protection in a more intuitive way.

Special column of "Kuaishou Minor Protection Month" action

Kuaishou is committed to becoming a community platform that combines education with entertainment, providing diverse and enriching learning resources and opportunities for minors to support their comprehensive development. Kuaishou actively cooperates with external experts, organizations and creators on the platform to map out a series of knowledge content that meets the learning and growth needs of minors, and helps them broaden their horizons, find their passion and enhance their knowledge levels.

Case: Special planning for accompanying minors in learning and growth

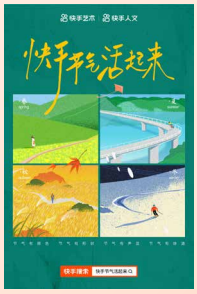
In 2023, Kuaishou focused on thematic activities to support minors in learning and growth, creating the series of "I have a book for you", "Celebrating the solar terms", "The world of flowers", and "A guide for the wandering earth" to stimulate minors' interest in learning and creativity. This aims to cultivate their comprehensive qualities and all-around development through engaging content and diverse forms.

I have a book for you

Around the "April 23 World Book Day", hundreds of leading educational content creators were invited to post videos recommending books and give away the recommended books, establishing a connection with minor via books.

Celebrating the solar terms

Authors focused on arts and humanities were invited to create contents that give a more vibrant, dynamic and more engaging interpretation of the 24 solar terms.



The world of flowers

Exclusive cooperation with nationwide botanical gardens and other official organizations to create the immersive live streaming of "World of Flowers", attracting users to enjoy the flowers online.

A guide for the wandering earth

The first youth science fiction short video animation, which fully met the consumer needs of the majority of science fiction fans.

Kuaishou firmly fulfills its social responsibility by actively participating in the formulation and implementation of standards for the protection of minors. During the year, Kuaishou led or participated in the formulation of a total of 4 such standards. Kuaishou collaborated closely with the China Academy of Information and Communications Technology in the formulation of the industry standard, *Technical Requirements for the Informed Consent of Children's Personal Information Processing in Mobile Internet Applications*. By sharing its proven real-name authentication solutions for minors with the industry, Kuaishou has provided strong support for addressing key issues such as minor identification and information protection. Additionally, Kuaishou actively participated in the development of a national standard for the *Safety Requirements For The Adolescent Mode Of Mobile Applications*. Kuaishou also collaborated with regulators to explore effective ways to improve the Adolescent Mode so as to safeguard the rights and interests of minors by promoting a healthy online space.

2.2. Employee Development

Kuaishou is committed to building a high-quality workforce that continuously drives the Company's development. We act in accordance with employment related laws and regulations to protect employees' legal rights and interests. We actively support our people in their growth by providing a healthy and enjoyable workplace, so as to promote synergies between the Company and our employees.

2.2.1. Rights and Interests of Employees

Kuaishou adheres to the principles of diversity and equality in our recruitment and employment practices. The Company has established a robust compensation and welfare system, providing employees with fair and competitive salaries and welfare. We pay attention to the physical and mental well-being of our employees, organize diverse activities to help them maintain work-life balance, thereby shaping a harmonious working environment.

- *Recruitment and diversity*

  Kuaishou strictly abides by the *Labor Law of the People's Republic of China,* the *Labor Contract Law of the People's Republic of China*, and other applicable laws and regulations, and has formulated the *Kuaishou Employees Handbook* and other policies. The Company continues to promote the iteration and upgrading of our recruitment system. In 2023, we formulated the *Interviewer Management Specification*, and updated policies such as the *Job Posting Specification,* the *Recruitment On-site Test Process Specification,* the *Employee Referral System,* the *"Running Water Program" Management System*, and the *Background Check Management System*, to establish a comprehensive management mechanism for our human resources system.

  As specified in the *Health Occupational Site Regulation System*, we resolutely oppose and reject any form of discrimination and harassment based on race, ethnic group, nationality, religion, place of origin, gender, age or health status, so as to ensure that employees enjoy equal opportunities in recruitment and promotion, thereby establishing a fair workplace. The Company abides by the *Provisions on Prohibition of Child Labor* and relevant conventions of the International Labor Organization, which expressly prohibit child labor and forced labor. In 2023, Kuaishou reported no violation of child labor and forced labor, and our social insurance coverage rate for full-time employees was 100%.

Kuaishou adheres to the principles of fairness, openness and competition in recruitment. Leveraging two talent recruitment initiatives, "Extensive Sourcing and Powerful Influence" and "Precise Selection and Strong Branding", we attract top talents from various industries, including the IT sector, through recruitment channels such as campus recruitment, online recruitment, employee referral and other methods. These continuously empower the Company's development. In 2023, Kuaishou gained recognition in various aspects such as employer image, organization of talent management, and campus branding, and was awarded with a number of recognitions by various human resources organizations.

Kuaishous's awards in human resources in 2023

Hosts/Organizers	Awards/Recognition
LinkedIn	Global Talent Magnet Employer
Zhaopin	China's Best Employer of the Year
Maimai	Worthy Employer of the Year
Niuke	NFuture's Best Campus Recruitment Employer of 2023
Intern Monk	Favorite Employer of 2023
Hedgehog	Hot List of Youth-friendly Employer
Mr. Offer	Best Employer of the Year in Campus Recruitment 2023
Global University Career Development (China) Conference	World's Most Popular Employer
Liepin	National Extraordinary Employer
HR Charity Alliance	Excellent Employer Brand in Greater China of 2023
Boss	Talent-favorite Employer
Lagou	National Top Employer of the Year
AUCA Alliance of Overseas Universities in China	Most Attractive Employer for International Students

Kuaishou's talent recruitment highlights

"Extensive Sourcing and Powerful Influence", to form a robust talent sourcing channel	• Campus recruitment: Strengthen the construction of the campus recruitment system to effectively enhance campus influence. • Online recruitment: Strengthen the construction of employer media matrix and third-party online channel to ensure smooth candidate application. • Employee referral: Strengthen the employee referral program to involve existing employees in attracting talents.
"Precise Selection and Strong Branding", to precisely attract high-caliber technical talents	• Continuously foster Kuaishou's technical influence through graduate student forums, university-enterprise collaboration, technical sharing, social practice opportunities, and other efforts to reach technical talents on campus. We have further developed the special technical talent project, "Kuai Star", to continuously identify top technical talents and cultivate Kuaishou's future technical leaders.

Kuaishou gives full consideration to diversity when building its team of talents. Our objective is to improve fairness and create more opportunities for female employees to promote workplace diversity. Our focus on female employees is also reflected through various initiatives including recruitment and employment, training and promotion, physical and mental health support, care and welfare, workplace safety, and communication channels. Kuaishou continues to enhance gender diversity at all levels of our workforce. In 2023, the Company appointed a female independent non-executive Director, contributing to improved Board diversity performance.

Kuaishou's diversity practices

Recruitment and employment	Kuaishou effectively protects the rights of female candidates to have equal opportunities in its recruitment and employment. In 2023, female staff accounted for 44.2% of Kuaishou's new hires. As of December 31, 2023, Kuaishou had 11,704 full-time female employees, representing 44.3% of all full-time employees.
Training and promotion	Kuaishou actively empowers its female employees, helping them continuously improve their professional skills and career advancement. In 2023, over 35.4% of Kuaishou's lecturers were women. Gender is not a consideration in promotion evaluations. In 2023, 30.9% of Kuaishou's managers were women, and the percentage of female employees promoted to managers was 34.3%.
Physical and mental health	Kuaishou provides professional fitness equipment and other resources and free mental health consultations for employees to help female employees take better care of their physical and mental health while focusing on career development.
Care and welfare	On top of the care and welfare for all employees, the Company takes full care of our female employees. For example, we provide nurseries for female employees for their convenience; offer additional maternity allowances beyond the statutory standards, and supplementary medical benefits during pregnancy; provide annual physical checkups; present gifts to all female employees on International Women's Day.
Workplace environment and communication channels	Kuaishou is committed to developing an equal, inclusive and healthy workplace that is inclusive of gender, age and race, striving to create a positive and warm workplace and an excellent workplace experience for women. We have established a multitude of communication channels to listen to the opinions of female employees and pay attention to their feelings in the workplace.

As of December 31, 2023, Kuaishou had full-time employees from 14 countries and 35 ethnic groups, and nearly 7.9% were from China's ethnic minority groups. Kuaishou's content review center in Xiangxi, Hunan Province employed 483 people of ethnic minority backgrounds. The center has effectively promoted workplace diversity while contributing to the local economy by providing employment opportunities.

- *Compensation and welfare*

Kuaishou is committed to providing fair, comprehensive and competitive remuneration and welfare system, while enhancing and developing a team of excellent talents. The Company has formulated system documents including the *Kuaishou Employees Handbook*, the *Vocational Holiday Management System*, the *Kuaishou Rent Subsidy Management Policy* and other policies to enrich our wage and welfare structure through supplementary welfare, while protecting employees' legal rights and interests. In 2023, Kuaishou adopted a new equity incentive plan and optimized the performance targets and clawback mechanism. As of December 31, 2023, approximately 30% to 40% of Kuaishou's employees were entitled to equity incentives.

Kuaishou's employee compensation system and incentive mechanism

Kuaishou Talent Development Concept	
Employee compensation system	We offer market-competitive compensation and welfare, and conduct annual reviews. Outstanding employees will be granted an appropriate salary increase.
Employee incentive mechanism	Short-term incentives: We offer the annual performance bonus, and provide various short-term cash incentives based on the operating results of each business; Long-term incentives: Employees in key positions and outstanding performers are granted equity as an incentive and recognition.

In 2023, Kuaishou updated our employee welfare system, focusing on protection mechanism, physical and mental health, life quality, and personal growth, which fully reflects our humanistic value.

Kuaishou's employee welfare system

Kuaishou Insurance	Provide fixed indemnity insurance, accident insurance and serious illness insurance for employees, supplementary medical insurance for employees and their children, and maternity reimbursement for female employees; Provide employees with a variety of personal insurance products covering themselves, spouses, children, and parents (including their spouses' parents). Employees can purchase these products at their own expense according to their own needs.
Kuaishou Health	Care for employees' overall physical and mental health, and provide employees with annual physical examinations, psychological support, health cabin, exclusive doctors, massage services, basic health checkups, health promotion activities, monthly health journals, health lectures, fitness rooms, etc.; Care for the families of employees by providing annual physical examinations, discussion of examination results, and online consultations with exclusive doctors for employees' parents (including their spouses' parents).
Kuaishou Life	Provide employees with the convenience and comfort they need, including food, transportation, housing, lifestyle, services and holidays: • Dining: Staff cafeteria, online food ordering, pantry and convenience store; • Housing: Housing allowance and public rental housing ballot; • Lifestyle: Corporate car-hailing services, commuting bus and parking-space ballot; • Services: Hair salon, baby care room and laundry services; • Holidays: Welfare annual leave, Spring Festival leave, statutory annual leave, childcare leave, family leave for employees to care for parents in need, marriage and compassionate leave, maternity leave and full-paid sick leave.
Kuaishou Growth	Provide learning and growth platforms for employees, which combines online and offline resources to meet their learning needs.

- *Employee Communication*

Kuaishou places high importance on understanding the genuine thoughts of its employees, continuously broadening channels to listen to their voices, and providing timely feedback on their opinions and demands. Kuaishou strictly respects employees' right to freedom of association and actively promotes the construction of the labor union. This creates a valuable platform for information feedback and promotes employee care and protection. In 2023, the labor union of the Group formulated the *Kuaishou Employee Opinion and Suggestion Collection Feedback System*, guiding employees to express their demands in a rational and effective manner. By gathering the diverse needs of employees, the labor union clarified its responsibility for safeguarding employee rights and interests, opened up new service paths, and made various services more accessible to employees. Throughout the year, over 10 system documents, including the *Kuaishou Employees Handbook*, were issued to provide institutional guarantees for maintaining employee rights and welfare. The labor union also worked closely with relevant departments such as the Human Resources Department to establish a four-party coordinated mechanism for employees at all levels, offering comprehensive, interactive and customized services to employees on an consistent basis.

In 2023, Kuaishou harnessed the convenience of online platforms by launching the "Kuaishou Micro-lesson" series on the Kuaishou app. This creates a dedicated space for employees to voice their opinions and showcase their talents, thus establishing an online hub that unites employees across the platform. Additionally, Kuaishou continues to expand communication channels with employees through HR query and consultation platforms, HR daily business contact, and internal and external social platforms. Employees can also communicate with the management through salons, department meetings, internal discussion communities, and other channels to provide feedback and suggestions. In the event of unfair treatment or disputes, employees can report such cases directly to higher-level departments and the HR department. The Company will investigate and handle the matters according to the *Kuaishou Employees Handbook* and other relevant provisions.

Kuaishou conducts surveys at critical milestones in the employee journey annually to gain an insight into employee satisfaction. By analyzing the changes in survey results, we strive to address issues raised by employees and achieve closed-loop solutions. As of December 31, 2023, the annual comprehensive average value of eNPS[14] at each critical milestone of the employee journey grew by 4.1% compared to 2022, and the highest annual single value (onboarding handling) grew by 7.9%.

Kuaishou actively creates platforms for employee services and organizes activities to enrich their life and work and foster cohesion. These include events such as the "Kuaishou Group Labor Union Membership Recruitment", "Joint Medical Consultation with Beijing Jishuitan Hospital", celebrations for company anniversaries and cultural and sports events.

14 eNPS refers to Employee Net Promoter Score.

Cases: Overview of Kuaishou employee activities in 2023

- Establishment of "Heartwarming Stations" and "Employees' Home"

  In 2023, Kuaishou labor union made significant efforts to promote the construction of "Employees' Home" and "Heartwarming Stations". To date, it has positioned and upgraded 20 Heartwarming Stations, and is in the process of establishing the "Employees' Home" under the "Kuai SHOW" series brand. Embracing the digital trend, Kuaishou labor union utilized corporate data and technological advantages to build an online service platform, creating a comprehensive service matrix that integrates online and offline interactions. Collaborating with the Kuaishou Culture Department, the labor union created the anniversary edition of "Little Kuai and Little Liu" plush toys. Employees could receive exclusive commemorative gifts on their work anniversary days. In 2023, a total of 25,745 anniversary-themed items were given out by the Kuaishou labor union.

- "Follow the Light" Employee Wish Program

  Kuaishou organized charity sales to raise funds towards fulfilling the wishes of employees. In 2023, Kuaishou's various departments collaborated to launch 4 special activities and granted several individual wishes. As a result, 66 employees had their wishes fulfilled.

- Anniversary Amusement Park Celebration

  In June 2023, Kuaishou hosted its 12th-anniversary celebration with a themed amusement park event titled "Witnessing Growth". The event attracted enthusiastic participation from over 5,000 employees. 17 booths representing different business units showcased their growth journeys, engaging closely with employees and sharing their stories.

Kuaishou anniversary celebration: Amusement Park Event Site

- Watching Match Events

  In August 2023, the Kuaishou football team advanced to the Group A final of the 2023 China Internet Media Football Elite Tournament. Kuaishou labor union organized nearly 500 employees to attend the match at the Beijing Workers Stadium, cheering on the players. Ultimately, Kuaishou finished runner-up in Group A in the annual tournament, strengthening the employees' sense of belonging and cohesion.

2.2.2. Employee Training and Development

Kuaishou assists employees in continuously enhancing their personal value and achieving significant progress in their careers, contributing to the mutual growth of employees and the Company. Kuaishou has established a series of training management systems, including the *Career Development System of Kuaishou*, the *Kuaishou Course Management System*, the *Kuaishou Instructor Management System*, the *Kuaishou Training Expense Usage Specification*, the *Kuaishou Training Operation Management System*, and the *Kuaishou Assignment Training Management Rules*. These systems provide employees with systematic and targeted training plans to continuously improve their overall capabilities.

Kuaishou has established a comprehensive employee training system centered around employee development. Horizontally, it consists of training media including Kuai LEARNING (online learning platform), Kuai TEACH (instructor team, massive course database, relevant systems and SOP), Kuai MENTOR (coaching), etc. Vertically, it consists of training brands including Kuai LEAD (leadership), Kuai TECH (professional skills), Kuai TALK (openness), Kuai UP (general skills), Kuai START (new employees), etc. This system meets the learning and development needs of employees at different levels.

In 2023, Kuaishou upgraded its new employee training model by creating the "Kuaishou '3+1' Employees Recruited from Campus Training System", which involves collaboration across the company, professional channels, and various departments. This system focuses on the onboarding needs of new employees, from the introduction of the company's business status to the corporate attributes, from the technical and product team process specification to the methodological tools, from domain skills to business knowledge. A knowledge base for new employees was established, and various forms of training, including collective training and special training camps, were conducted to facilitate the rapid integration and continuous growth of employees recruited from campus.

Kuaishou's training system

Training Category	Content
Leadership training	• Establish a comprehensive hybrid learning and development system, develop programs tailored to corporate leadership, business line leadership, team leadership and individual leadership. Foster the long-term development and short-term problem-solving among leaders and the combination of online and in-person learning. • Formulate comprehensive development projects suitable for different functions, including chief technicians, front-line managers, directors and general managers, flexible projects for solving problems at critical management sections, diversified online learning camps, and mentoring programs tailored for business teams.

Training Category	Content
Professional talent training	• Identify and cultivate young technical talents with high potential, and support their rapid growth through on-the-job practice, tutoring, course learning and other ways. • Improve the skills and expertise of technical talents in seven technical areas; enhance technical planning, decision making and other capabilities of technical managers by making use of suitable technology management scenarios; invite industry and academic technical experts to hold discussions with technical talents to broaden their technical vision. • Conduct relevant talent training projects for professional talents engaging in production and operation, games, design, analysis and other positions to support their rapid growth.
New employee training	• Systematic and diversified training models are established to allow employees recruited from campus to closely engage with business operations and master professional skills: 1) At the company level, initiatives such as live streaming experiences, short video competitions, knowledge inheritance, user engagement activities and business challenges are organized to align with business objectives and enhance user interaction; 2) At the channel level, an overview is provided from the channel perspective to help new employees build a strong professional foundation, emphasizing practical experience and hands-on learning; 3) At the department level, emphasis is placed on long-term training and mentorship, ensuring that new employees can quickly adapt to their roles. • Institutional support: Insights and feedback from employees recruited from campus are collected to address growth issues and concerns, leading to the formulation of the *Campus-recruited Employees Growth Guidelines*. • Robust mentorship team: Efforts are made to inspire mentors and enhance their coaching abilities, ensuring they are qualified and well-equipped to guide new recruits effectively. An online system is utilized for automated coaching reminders and tracking coaching records. Detailed coaching operation manuals are provided to address common issues and pain points encountered by mentors.

Kuaishou has made extensive efforts to build a robust online and offline training system, establishing the "Kuaishou Middle School" online learning platform to continuously facilitate the efficiency and convenience of training. Kuaishou Middle School offers a wide range of themed courses on technology research and development, product operations, management skills, general skills, essential courses for new talents, engagement encyclopedia, and other topics, available to all employees. As of December 31, 2023, there were a total of 4,816 courses on Kuaishou Middle School.

In addition to internal training, Kuaishou also frequently collaborates with external parties to build an industry academic-research exchange platform, improves the professionalism of talent training. We collaborate with external technology vertical communities, relevant publishing houses, and internet media, and other channels to introduce experts from the internet industry and cross-industry domains to share insights and expertise. Through these efforts, we aim to enhance the professional capabilities and industry perspectives of our research and development personnel. In total, we have organized 26 sharing and learning events, engaging 30,000 participants.

While emphasizing the cultivation and enhancement of employees' comprehensive development qualities, Kuaishou adheres to a talent development philosophy centered on professional competence and achievements. We continuously improve our talent selection, evaluation, and training systems, conducting biannual performance assessments. Through mechanisms such as goal setting, process guidance, peer feedback and performance review appeals, we can ensure the objectivity and fairness of assessment results.

In 2023, Kuaishou revamped its job grading system, shifting from dual-track to single-track, providing employees with clear career development paths. The Company refined the number of job grades, offering greater growth incentives for early-career employees through a "fast-track" approach, while encouraging long-term thinking for higher-level employees, setting higher requirements for overall competence and performance. From the perspective of professional talent development, Kuaishou upgraded the channel committee management mechanism, promoting a more balanced distribution of committee composition. Through the new channel committees, job grade standards were updated. The channel committee mechanism introduced higher-level management to participate more frequently in the job grading review process to ensure fairness in talent identification and selection. The Company revised the promotion system for job grades, introducing mechanisms for expedited promotion of outstanding performance and encouraging exceptional performance beyond standard expectations. These adjustments aim to accelerate the growth of excellent employees and inspire their vitality.

Kuaishou also gradually improved its cadre management mechanism and implemented the Cadre Inventory Project in 2023. This further solidified the profile of managers while also clarifying the future substantial increase in the internal selection ratio of grassroots management cadres. This initiative strengthens the internal training system and enhances the depth of talent within the organization.

2.2.3. Health and Safety of Employees

Kuaishou places a high priority on the occupational health and safety of its employees. The Company strictly abides by laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Fire Control Law of the People's Republic of China* to safeguard the occupational health and safety of employees comprehensively. We spare no effort in creating a healthy workplace by providing ergonomic desks and chairs, fitness facilities, equipment and classes in our office facilities. Kuaishou also conducts joint safety inspections of workplaces nationwide to investigate and rectify all potential safety hazards to prevent any potential risks. Besides, we provide supplemental medical insurance and protection against major illness for all employees to enhance the health and safety protection system. We also provide regular physical checkups and assist employees in understanding their checkup reports for employees. Employees with abnormal physical examination findings are supported with green channels for diagnosis, treatment and care.

Major measures for Kuaishou's care for severely ill employees

Medical insurance guarantee	Provide critical illness insurance, outpatient hospitalization and reimbursement and serious illness hospitalization reimbursement. A corporate medical reimbursement fund is in place to cover out-of-pocket medical expenses in excess of insurance coverage.
Medical resource coordination	Contact health management resources to assist seriously ill employees with registration, hospitalization and transfer based on their conditions.
In-hospital visit and care	Arrange for a representative to send flowers, fruits, supplements, etc. and visit the employee in hospital to express team care.
Compassion Fund	Provide special assistance funds on humanitarian grounds beyond any legal obligations to address personal safety emergencies such as sudden illnesses, injuries or death during an employee's tenure, whether work-related or not.

Kuaishou continued to expand and improve the "Health Cabin" service system by setting up two new health cabins in 2023. These health cabins were staffed by four medical professionals to provide employees with daily health consultations, wellness massages and other services. This service was highly appreciated by our employees. The Company also offered exclusive online doctor services to all employees, and had achieved nationwide coverage of AED[15] devices in its workplaces. Paying close attention to employees' mental health, the Company implemented the "EAP[16] Employee Mental Health Assistance" program, and provided professional online and offline EAP counseling services to comprehensively safeguard employees' physical and mental well-being.

Kuaishou attaches great emphasis on enhancing employees' awareness and capabilities regarding health and safety. In 2023, the Company continued to run the "First Aiders" training program, and organized a total of 10 "Kuaishou First Aiders" events throughout the year. Over the 4 years of this program, more than 4,166 employees nationwide have received their first aid certificates through training across 14 cities, with a total of 91 training sessions offered. 1,000 employees who received the training are engaged to serve as First Aiders within the Company. Qualified service providers are employed on-site to ensure the safety of employees in key positions. First Aider badges have been awarded to more than 2,300 employees since its launch in 2022. Additionally, in 2023, the Company organized the "Fire Evacuation Drill in Beijing Area". Designed to improve employee skills in fire prevention, self-rescue and evacuation, this activity involved nearly 13,000 participants.

15 AED refers to Automated External Defibrillator.
16 EAP refers to Employee Assistance Program.

Case: "EAP Employee Psychological Assistance Program"

In 2023, the Company organized the "EAP Employee Psychological Assistance" program, and conducted a total of 18 offline psychology seminars, salons and live streaming courses throughout the year. We invited renowned experts including Huang Han, a resident guest from the TV show "*If You Are the One*", and Yang Hongmei, an international psychological consultant, to join Kuaishou. These events reached over 2,700 employees. Additionally, we provided 8 on-site psychological counseling sessions, accommodating 37 employees for one-on-one psychological counseling activities.

Kuaishou organizes "EAP Employee Psychological Assistance"

Case: "Care from Kuaishou, Promoting Health Together" large-scale free health consultation activity

In 2023, Kuaishou conducted the "Care from Kuaishou, Promoting Health Together", a large-scale free health consultation activity together with Beijing Jishuitan Hospital. Medical specialists from 7 departments attended Kuaishou to provide medical consultations, allowing employees to access high-quality health services without leaving the office site. This activity was featured in the *Workers' Daily*.

At the scene of the "Care from Kuaishou, Promoting Health Together" large-scale free health consultation activity

EMPLOYMENT PERFORMANCE TABLE

Employment

Indicators		2023
Total Employee Headcount (person)[17]		**29,288**
Number of Employees by Employment Type	Full-time employees	26,418
	Other types of employees[18]	2,870
Total Full-time Employee Headcount (person)		**26,418**
Number of Full-time Employees by Gender	Male (person)	14,714
	Female (person)	11,704
Number of Full-time Employees by Age Group	Under 30 (person)	17,251
	30 to 50 (person)	9,154
	Above 50 (person)	13
Number of Full-time Employees by Region	The Mainland of China (person)	26,279
	Overseas and Hong Kong SAR, Macao SAR and Taiwan regions of China (person)	139
Number of Full-time Employees by Management Level	Management	1,622
	Non-management	24,796
Total Full-time Employee Turnover Rate (%)[19]		**30.3%**
Employee Turnover Rate by Gender	Male (%)	33.6%
	Female (%)	26.3%
Employee Turnover Rate by Geographic Region	The Mainland of China (%)	29.9%
	Overseas and Hong Kong SAR, Macao SAR and Taiwan regions of China (%)	30.9%
Employee Turnover Rate by Age Group	Under 30 (%)	28.3%
	30 to 50 (%)	34.1%
	Above 50 (%)	46.2%

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

18 Other types of employees include the headcounts of employees who are directly managed by the Company, including part-time, dispatched labor and intern.

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

Employee Training

Indicators		2023
Total Investment in Employee Training (in RMB ten thousands)		**1,080**
"Kuaishou Middle School" Training	Total time of online training (hours)	1,881,909
	Total number of offline participants (person-times)	391,524
	Number of courses offered online	4,816
Training hours per capita by employee category	Online training hours per management personnel (hours)	54.8
	Online training hours per non-management personnel (hours)	41.3
	Offline training hours per management personnel (hours)	2.7
	Offline training hours per non-management personnel (hours)	6.4
Percentage of trainees by employee category	Proportion of management employee training (%)	96.7%
	Proportion of non-management employee training (%)	92.8%
Training hours per capita by gender	Training hours per male employee (hours)	45.2
	Training hours per female employee (hours)	38.2
Percentage of trainees by gender	Proportion of male employee training (%)	93.6%
	Proportion of female employee training (%)	92.3%

Health and Safety

Indicators	2023	2022	2021
Work-related fatalities (person)	0	0	0
Work-related fatality rate[20] (%)	0	0	0
Lost days due to work injury[21]	381	529	575

20 Work-related fatality rate = (work-related fatalities/total employee headcount)*100%.

21 The data is verified by the local official agency for work-related fatalities, as determined by the local Human Resources and Social Security Bureau. Every 8 hours is calculated as one workday.

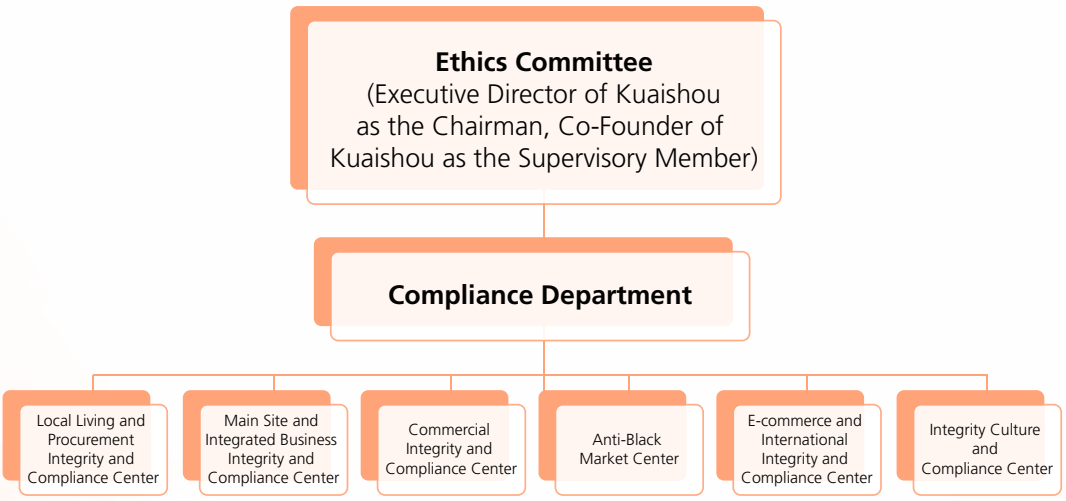
2.3 Business Ethics

Kuaishou always adheres to high standards of business ethics, placing a high emphasis on integrity and self-discipline. As a member institution of the Trust and Integrity Enterprise Alliance, we actively fulfill our duties and resist corruption, money laundering, monopoly and other unethical behavior, ensuring that we practice compliant operations.

2.3.1 Anti-corruption

Kuaishou strictly complies with the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *U.S. Foreign Corrupt Practices Act*, the *Bribery Act 2010* of UK and other applicable laws and regulations, and has formulated internal policies and systems, including the *Kuaishou Employees Handbook*, the *Kuaishou Employee Code of Conduct*, the *Kuaishou Interim Rules on Avoidance of Conflict of Interest* and the *Anti-Corruption Policy for Kuaishou International Business Department (Trial)*, to strengthen the anti-corruption system. In 2023, a former employee of Kuaishou was subject to a legal judgment for suspected bribery of a non-state functionary employee. The case had no material impact on the business of the Company.

Kuaishou has established a business ethics governance system, in which the Kuaishou Business Ethics Committee is the highest decision-making body responsible for the strategies and planning of integrity and compliance management. To ensure the independence of integrity work, the Company's Compliance Department operates with complete functional independence and is staffed with dedicated full-time employees. The Department reports directly to the Business Ethics Committee. In 2023, Kuaishou reoriented the centers under the Compliance Department, emphasizing five major centers to cover all business lines of the Company.



Kuaishou's business ethics management structure

Kuaishou has established the Integrity Business Partner (BP) mechanism, where Integrity BPs in each center are responsible for assessing bribery risks, providing anti-bribery governance suggestions, addressing corruption cases, and conducting anti-corruption training within business lines. The Compliance Department, in collaboration with various departments, has established an integrity coordination mechanism to form a closed-loop management system for bribery risks.

Kuaishou is committed to creating an open, transparent, fair, equal and clean network. We fully leverage the reporting mechanism to actively promote integrity construction. We encourage our employees, partners (including suppliers, agents and clients) and other third parties to report corruption, bribery and fraud. Our official website features an "Integrity and Whistleblowing" section, which openly displays our *Integrity and Whistleblowing Management Standards* along with the reporting email address. The reporting hotline is linked with the 24/7 customer service hotline, and reports of corruption received are promptly forwarded to the Compliance Department. In 2023, we introduced a 24/7 reporting telephone voice mailbox and internal integrity secretarial consultation service, further enhancing our reporting channels. We have also launched reporting portals on multiple platforms including Magnet Engine and Kuaishou Agent Platform. As of the end of the Reporting Period, a total of 9 reporting portals have been launched.

Kuaishou designates the Compliance Department as the sole department responsible for receiving and handling reports, with dedicated personnel assigned to handle reports of corruption. The reported cases are distributed to the appropriate investigation centers based on their relevance to specific business lines. At the beginning of each month, all reported cases from the previous month are summarized and submitted to the Ethics Committee for review.

Kuaishou has a clear complainant and whistleblower protection mechanism. We support in-person or anonymous reports. The whistleblower's personal information and reporting details are kept strictly confidential. Any form of retaliation against whistleblowers, witnesses, and investigators is strictly prohibited. The Company explicitly prohibits the disclosure of whistleblower's identity and reporting details to external parties. Employees who disclose information about or retaliate against whistleblowers will face severe consequences in accordance with the *Kuaishou Employee Code of Conduct*. Those who are in violation of laws will be handed over to the judiciary.

Kuaishou continues to raise integrity awareness and promote a culture of integrity by organizing a variety of training courses that cover a wide range of topics. In 2023, Kuaishou included integrity and compliance training as one of the mandatory onboarding courses for new employees. The Company also continued to advance integrity and compliance training at the business department level and management level, while enhancing special training on integrity.

Training results of Kuaishou's compliance system in 2023

General introduction of rules to new employees	• In 2023, a total of 27,212 new employees participated in online training, achieving a training coverage of 100% • A new offline onboarding training for college recruits was introduced and achieved a training coverage of 100%
Special training for business departments	• 32 offline business-related training sessions were conducted, covering all key business departments and a total of 4,352 participants • A total of 335 offline training sessions for frontline workplace integrity courses were conducted, covering 5,306 participants from functional teams and frontline workplaces • The total number of certified integrity lecturers reached 76
Integrity and compliance training for management	• The Company's Directors received an annual anti-corruption training • A total of 236 online training sessions were completed by managers • In 2023, 2 offline training sessions were organized for middle managers in key business lines, with a total of 37 participants • A targeted email-delivered case study training was conducted online, covering 278 participants
Special training on integrity and compliance	• 13 internal corruption case penalty notices were published through the "Integrity Kuaishou" messaging account, to warn employees against corruption • Comic-style articles were created and published based on internal and external corruption cases. A total of 15 articles promoting integrity were published throughout the year

The Company continues to strengthen the construction of a clean supply chain, aiming to foster transparent and ethical cooperation. We enhance management constraints and awareness of integrity among our supplier partners. We have included integrity clauses in our *Supplier Integrity Commitment Letter*, which requires all suppliers to sign, thus reinforcing supervisory measures. We conduct anti-corruption publicity through emails and WeChat public accounts for suppliers during holidays. In 2023, we signed the *Integrity Commitment Letter* with 4,928 suppliers, an increase of 46% from 3,380 in 2022.

In 2023, the Company organized a two-hour training session on integrity and collaboration systems for suppliers, covering 76 suppliers with a total of 150 participants. The Compliance Department collaborated with business departments to visit partners (including suppliers, service providers, merchants and agents) to jointly create an ecosystem of integrity. In 2023, Kuaishou visited 74 partners to understand their views and reach consensus on integrity standards.

Kuaishou supplier integrity training

Case Study: Kuaishou integrity promotion campaign

In 2023, Kuaishou partnered with Xiangpiaopiao to launch the "Integrity's Brew: A Free Cup of Tea" Campaign. The campaign landed in 6 cities and 11 workplaces, where employees participated in activities such as Q&A discussions and photo posting on their social circles. This initiative aimed to strengthen awareness of integrity and compliance. The campaign, implemented both online and offline, reached a total of 25,546 individuals, with an outreach rate of 88%. Following its launch, the campaign garnered participation of multiple companies and received extensive promotion from the Trust and Integrity Enterprise Alliance.

The "Integrity's Brew: A Free Cup of Tea" campaign

2.3.2 Anti-money Laundering

Kuaishou strictly abides by the *Anti-Money Laundering Law of the People's Republic of China* and actively fulfills anti-money laundering obligations. The Company explicitly stipulates in agreements such as the *Kuaishou Coin Top-up Service Agreement* and the *Kwai Shop Deposit Management Rules* that funds from different financial transactions must originate from legal sources.

We utilize various techniques such as big data analysis and machine learning to comprehensively analyze every fund flow and user behavior within the platform. In conjunction with real-time anomaly detection on a daily basis, the platform promptly identifies risky funds and issues risk alerts to users. For high-risk funds, we implement preemptive interception at the fund recharge ordering stage. Additionally, we conduct offline reviews and anomaly assessments on funds and transactions that users have already initiated. Where abnormalities are detected in existing transactions, we freeze the users' funds for further investigation and processing.

Anti-money laundering regulatory measures at Kuaishou

E-commerce business	• Intercept recharge requests that deviate significantly from actual operational needs • Utilize big data techniques to identify and intercept recharge orders that are not initiated by the account owner in real-time • Based on manual review, accounts containing risky funds are frozen to prevent their outflow • Implement a tiered approach for merchants, setting recharge limit caps for new merchants, low-activity merchants, and long-term operating merchants, with a focus on monitoring new and low-activity merchants
Live streaming business	• Utilize big data techniques to identify and intercept recharge orders that are not initiated by the account owner in real-time • Implement preemptive interception for risky transactions and freeze user wallets associated with high-risk funds

2.3.3 Antitrust

As part of our efforts to fulfill platform responsibilities, Kuaishou adheres to the principles of mutual benefits, win-win solutions and fair competition, and promotes antitrust compliance initiatives. Kuaishou strictly complies with the *Anti-Monopoly Law of the People's Republic of China*, the *Provisions on the Concentration Review of Business Operators*, and other applicable laws and regulations. The Company also has policies in place to guide antitrust compliance in our operations, including the *Kuaishou Competition Compliance Management System* and the *Kuaishou Guidelines on Concentration Compliance for Business Operators*.

Kuaishou employs an antitrust compliance identification, assessment and handling process and mechanism to control antitrust compliance in our daily operations, key antitrust transactions, and investment and merger projects. Kuaishou integrates the antitrust compliance process throughout the entire lifecycle of our business operations, creating antitrust compliance defenses through the joint efforts of business departments and compliance departments. For investment and merger activities, Kuaishou establishes a business concentration compliance control process and conducts assessments for business concentration compliance during the negotiation process of transaction schemes to ensure the implementation of business concentration in accordance with the law.

Kuaishou endeavors to foster an antitrust compliance culture and promote employees' awareness of antitrust compliance. We offer all employees access to the antitrust compliance knowledge base, monitor and study evolving antitrust laws and regulations, and address key antitrust issues. In accordance with the *Beijing Anti-monopoly Compliance Guidelines* released in 2023, Kuaishou introduces typical manifestations of anti-monopoly violations to all employees, particularly compliance personnel, through case studies and examples. This approach aims to enhance awareness of antitrust compliance in business operations and compliance work.

Furthermore, Kuaishou has strengthened communication with regulators and interactions with industry peers by participating in surveys, seminars and other activities. We also actively contribute to the industry's overall antitrust compliance efforts and initiatives. Meanwhile, Kuaishou has advised on various antitrust-related laws and regulations during the consultation stage, helping develop effective antitrust regulatory frameworks.

2.4. Supply Chain Management

Kuaishou actively carries out supply chain management, placing a strong emphasis on supplier compliance management and implementing responsible and green procurement practices. Through strict supplier selection and review processes, we ensure the stability and sustainability of our supply chain.

2.4.1. Supplier Compliance Management

Kuaishou continuously advances supplier compliance management to achieve mutual progress with suppliers. In accordance with internal policies such as the *Kuaishou Supplier Management Rules*, the *Kuaishou Supplier Certification Management Process* and the *Kuaishou Supplier Selection Management Rules*, the Company issued and implemented new management systems including the *Kuaishou Supplier Performance Management Process* and the *Kuaishou Supplier Daily Management Process* in 2023. These new systems have further improved the full lifecycle management of suppliers, strengthened the daily management of supplier behavior, and clarified supplier performance assessment rules to establish a higher quality supplier resource pool. Consequently, the service levels and delivery quality of suppliers have been enhanced. As of December 31, 2023, there were 6,141 suppliers from around the world on Kuaishou's supplier list, including 5,990 suppliers from China (including Hong Kong SAR, Macau SAR and Taiwan) and 151 overseas suppliers.

Supplier lifecycle management system

Supplier entry	• Establish universal entry rules and standards. Sign confidentiality, information security, integrity, and ESG-related agreements with the suppliers admitted to ensure that they act in a safe, compliant, low-risk, and environmental friendly manner. • Develop tailored qualification audit standards to each supplier category to ensure their compliance with management standards for quality, environment, occupational health and safety, and food safety. • For certain categories, such as catering and furniture, Kuaishou conducts on-site inspections in addition to document authentication. This comprehensive evaluation assesses the supplier's production environment, safety protection measures and environmental compliance to ensure they meet Kuaishou's supply standards.
Supplier selection	• Kuaishou rigorously follows the principle of prioritizing standards and strategies during the selection process to ensure fairness and impartiality in shortlisting and selecting suppliers. This approach ensures equal opportunities for suppliers that meet the appropriate criteria. • Throughout the supplier selection process, we actively promote the use of online procedures to ensure transparent, standardized and unified information dissemination and processing. We rigorously eliminate hidden manipulation to ensure the fairness and compliance of the selection process.
Supplier assessment	• After a supplier executes the agreements, the supplier will be evaluated comprehensively based on the supplier performance management mechanism, to determine the fit between the supplier and the Company. Incentives will be given to suppliers with excellent performance, while underperforming suppliers will be strategically managed.

Supplier ESG Risk Management	• We have established a supplier ESG evaluation system. We explicitly require suppliers to meet baseline environmental protection, occupational health and safety, business ethics and social responsibility requirements during the process of warehouse certification, in order to effectively mitigate ESG-related risks across the supply chain.
Supplier exit	• We hold suppliers that have acted dishonestly accountable, and eliminate or suspend them. • Unqualified suppliers will be gradually eliminated, to accelerate the optimization and upgrading of the supply chain, ensuring its efficient operation and quality standards.

To maintain effective communication and collaboration with suppliers, Kuaishou conducts supplier relationship management using a tiered and graded approach. Regular senior-level communication meetings and business review meetings are held with suppliers. During the Reporting Period, we engaged in in-depth discussions with 94 suppliers regarding areas for improvement, performance and long-term cooperation. Additionally, we conducted senior-level communications with 49 suppliers to strengthen Kuaishou's long-term and stable cooperation with them.

In 2023, Kuaishou conducted performance assessments for a total of 197 suppliers. The assessment criteria included technology (T), quality (Q), responsiveness (R), delivery and fulfillment (D), cost (C), and others (O).

Supplier performance assessment considerations

Technology (T)	• To assess suppliers' technological capabilities, research and development capabilities, patents, productivity, processes, etc.
Quality (Q)	• To assess suppliers' quality of products, service and management
Responsiveness (R)	• To assess suppliers' responsiveness, communication efficiency and willingness to cooperate during their cooperation with Kuaishou
Delivery (D)	• To assess the results of supplier performance evaluation, including delivery quality, timeliness, quantity, etc.
Cost (C)	• To assess strengths and weaknesses of the suppliers' transaction price, commercial terms and total cost
Others (O)	• To assess suppliers' inherent risks, including but not limited to their own legal risks, financial risks, operational risks, and whether there are any safety, compliance, integrity violations or other irregularities during cooperation • To assess suppliers' growth potential, including but not limited to industry performance and rankings, market standing, alignment with Kuaishou's business needs, corporate culture and ESG standards

2.4.2. Responsible Procurement and Green Procurement

Kuaishou is committed to building a green and low-carbon supply chain that consistently adopts and refines responsible procurement processes. We have introduced the *Supplier Admission Commitment Letter* and require all admitted suppliers to sign and adhere to its core principles. This letter aims to manage ESG-related risks throughout the supply chain effectively and drive the entire supply chain to embrace the concept of sustainable development.

Core principles of the Kuaishou *Supplier Admission Commitment Letter*

Labor and human rights protection	Ensuring no child labor or forced labor, respecting workers' freedom of work and freedom of association, and avoiding harassment or discrimination based on personal characteristics
Employee health and workplace safety protection	Providing employees with a safe and healthy working environment, adhering to laws and regulations in relation to working hours and compensation, and implementing emergency response measures
Environmental protection	Complying with laws and regulations in relation to environmental protection, reducing the environmental impact of production activities, optimizing resource utilization, and managing waste responsibly
Anti-corruption	Complying with laws and regulations in relation to anti-corruption, conducting business in a transparent and honest manner, and opposing any form of corruption and bribery
Data security and privacy protection	Complying with laws and regulations in relation to data protection to ensure the security of customers' and users' personal information

Kuaishou actively implements responsible and green procurement practices in its daily operations. For purchases such as holiday gifts, corporate gifts and employee welfare, we prioritize products that support intangible cultural heritage and local farmers, and give preference to environmental friendly packaging materials. Additionally, to contribute to the development of remote areas, we prioritize suppliers from these regions. In terms of catering and workplace construction-related procurement, we refine the supplier assessment system by factoring in Environment, Health and Safety (EHS) indicators, food safety, service quality management, delivery efficiency, cost indicators, among others. This ensures high standards for both product quality and service delivery.

Priority is given to environmental-friendly materials in gift procurement

In selecting leased data center, we give priority to nationally certified green data centers or overseas facilities that can provide green power. To date, the data centers leased by Kuaishou have consumed a total of 55 million kW·h of green electricity, which amounts to reducing approximately 45,479.5 tonnes of carbon dioxide emissions, as well as 25,850 kg of sulfur dioxide and 23,650 kg of nitrogen oxide emissions.

To enhance our insight into suppliers' ESG practices, we conducted supplier ESG assessments in 2023. This assessment took the form of a questionnaire, evaluating suppliers' performance across five aspects: environmental protection, labor and human rights protection, health, safety and welfare, business ethics, and data security and privacy protection. The results of the assessments showed that more than 80% of the suppliers surveyed have either initially established or are gradually improving their ESG management capabilities.

2.5 Social Responsibility

Kuaishou conscientiously fulfills our social responsibilities as a corporate citizen, demonstrating a steadfast commitment to social welfare and charitable endeavors. We place great emphasis on community engagement and actively participate in a variety of philanthropic activities and initiatives. Moreover, Kuaishou encourages and supports employee volunteerism by organizing and participating in volunteer activities. This strengthens our connection with the community and contributes to the harmonious development of society.

2.5.1. Community Contribution

Embracing the ethos of "connecting good faith with technology and creating long-term values", Kuaishou is dedicated to addressing the needs of the community and supporting its development through multifaceted channels and innovative initiatives. Our aim is to build a better home for all with distinctive Kuaishou characteristics.

Case: Collaborative response to the rainstorm and flood disaster in Beijing, Tianjin, and Hebei

In 2023, when a severe rainstorm struck the Beijing-Tianjin-Hebei region, Kuaishou promptly mobilized various departments for flood control and disaster relief. We set up a *Beijing-Tianjin-Hebei Rainstorm Rescue Channel*, enabling those in distress to seek help online. The channel relayed crucial information to the relevant departments, facilitating efficient and effective rescue operations. Kuaishou pinned this channel to the top of the "hot" list on the platform after its activation, and over 400 requests for assistance were received in just one hour. In addition, the Kuaishou Charity Foundation announced a donation of RMB10 million designated to aid in flood control and disaster relief, post-disaster reconstruction and resumption of economic activities in the Beijing-Tianjin-Hebei region.

Case: "Female Power" Rural Women Entrepreneurship Academy

In alignment with the "Women's Action for Rural Revitalization", Kuaishou Charity joined hands with China Women's Development Foundation and Shanxi Women's Federation to initiate the "Female Power • Rural Revitalization and Assistance Project". This project was dedicated to empowering female entrepreneurs in rural areas by providing practical training to the grassroots female cadres and equipping them with skills in internet, new media and live-streaming commerce. These efforts aim to assist rural women in establishing home-based businesses and thereby increase their income. The project also offers financial support and facilitates resource integration for female entrepreneurial leaders to support the growth of their businesses.

In February 2023, the Entrepreneurship Academy was founded, helping 100 local women to develop professional e-commerce skills. In June 2023, a public welfare research and study event took place in Beijing, fostering participants' understanding of user and platform dynamics, and broadening their perspectives on rural revitalization. The project aspires to positively influence over 1,000 rural women across Shanxi Province.

"Female Power" Rural Women Entrepreneurship Academy

Case: "Happy Lecture Hall"

In 2023, Kuaishou Charity introduced the Happy Lecture Hall, an inclusive new media vocational training project designed to meet the employment and entrepreneurship aspirations of different social groups. This project drives new high-quality development of the digital economy through the emerging "short video + live streaming" format. Apart from offering a suite of free new media vocational training courses, the project has established regional "shared live-streaming channels" in 5 provinces, providing comprehensive support in operational guidance, brand promotion and traffic support. These efforts have significantly enhanced the digital literacy and internet and new media skills of the trainees. As of November 2023, the Happy Lecture Hall expanded its reach to 25 counties and cities nationwide, positively impacting over 200,000 people both online and offline.

Kuaishou Charity's Happy Lecture Hall

Case: Bingliang Self-strength Innovation Park in Henan facilitates employment for over 8,100 disabled persons

Guided by the China Disabled Persons' Federation, Kuaishou established the Bingliang Self-strength Innovation Park in Jun County, Henan Province, a modern service park for the disabled integrating healthcare, employment and entrepreneurship support, psychological rehabilitation, and high-tech product research and production. Since its opening in August 2022, the park has provided training and empowerment opportunities for over 8,100 disabled and low-income individuals.

Bingliang Self-strength Innovation Park

2.5.2 Public Welfare and Volunteer Services

Kuaishou leverages its platform resources to actively engage in social welfare and charitable activities, particularly in areas such as educational support and volunteer services, which form an integral part of our corporate social responsibility. We organize a variety of public welfare activities and encourage our employees and partners to participate and contribute their efforts. In 2023, Kuaishou donated approximately RMB27.3 million through our public welfare projects, and dedicated 35,566 hours to public welfare projects.

Case: "Enlightening Future Junior Programmers": Visiting a nine-year school in Shihe Town

On Programmers Day, October 24, 2023, Kuaishou launched a technology-empowered inclusive public welfare project themed "Enlightening Future Junior Programmers". This project mobilized over 700 employees through interactive discussions and offline sessions and organized them to volunteer at a nine-year school in Shihe Town, Nanbu County, Sichuan Province. Participating in diverse roles, the volunteers donated care packages, offered community courses, prepared encouraging messages and taught lessons to inspire and motivate children at the rural school with knowledge and love.

"Enlightening Future Junior Programmers": Visiting a nine-year school in Shihe Town

In 2023, Kuaishou fully capitalized on its strengths and focused on key areas including rural revitalization, elderly care, youth protection, veteran re-employment support and emergency response to disasters. Throughout the year, the Company received 7 public welfare awards for our initiatives in this effort, gaining wide recognition and acclaim from society.

Honors and awards:

"Village Broadcasting Program" of Kuaishou Technology was awarded "Best Case in Rural Revitalization" by China Association for Public Companies

On October 19, 2023, at the 2023 Experience Exchange Meeting and Release Conference of Best Practices and Cases in Rural Revitalization of Public Companies hosted by the China Association for Public Companies and co-organized by China Foundation for Rural Development and Ganzhou Municipal Government, Jiangxi Province, the "Village Broadcasting Program" of Kuaishou was awarded Best Case in Rural Revitalization by the China Association for Public Companies.

2023 Golden Bull Awards for Responsibility by China Social Responsibility 100 Forum — "Annual Responsible Brand Award"

On November 16, 2023, the 2023 Night of Responsibility — Ceremony of the Golden Bull Awards for Responsibility organized by the Responsibility Cloud Research Institute was held in Beijing. The event announced the winners of the 2023 Golden Bull Awards for Responsibility. Kuaishou was awarded Annual Responsible Brand of the Golden Bull Awards in recognition of our long-term dedication and contributions in the field of social responsibility.

2023 "Awards Ceremony of GoldenKey — SDG Solutions" hosted by *China Sustainability Tribune*: "Village Broadcasting Program" of Kuaishou won the Champion (Rural Revitalization) Award

On November 18, 2023, after passing through various rounds including pre-assessment, public online voting, live roadshow evaluation and expert selection for short video, the "Village Broadcasting Program" of Kuaishou stood out from 126 submissions by 105 enterprises and won the 2023 "GoldenKey • Champion" award.

"China Top 100 ESG Pioneer Listed Companies" by China Media Group

The Financial Program Center of the China Media Group, in collaboration with authoritative institutions and departments including the State-owned Assets Supervision and Administration Commission of the State Council, the All-China Federation of Industry and Commerce, the Institute of Economics of the Chinese Academy of Social Sciences, and the China Enterprise Reform and Development Society, organized the China ESG (Corporate Social Responsibility) Award Ceremony. Kuaishou, demonstrating exceptional performance, stood out among 6,400 listed Chinese companies and won the title of "China Top 100 ESG Pioneer Listed Companies".

Office of the Capital Spiritual Civilization Construction Commission — Excellence Award in the 2022 Collection and Exhibition of Notable Short Videos

In March 2023, the award ceremony of "Looking for Paragons" 2022 Collection and Exhibition of Notable Short Videos hosted by the Office of the Capital Spiritual Civilization Construction Commission was held as scheduled. The video submitted by Kuaishou, titled "*A Short Video Company's Social Responsibility*", won the Excellence Award in the "Looking for Paragons" 2022 Collection and Exhibition of Notable Short Videos.

荣誉证书

北京快手科技有限公司：

您提交的《一家短视频企业的社会责任》作品，

在寻觅榜样身影2022榜样短视频征集展示活动中，荣获

优秀作品奖

特颁此证，以兹鼓励。

首都精神文明建设委员会办公室

二〇二三年三月

"Annual Case Award" and "Rural Revitalization Award" of the People's Corporate Social Responsibility Awards

At the "2023 People's Corporate Social Responsibility Summit Forum and the award ceremony of the 18th People's Corporate Social Responsibility Awards" held on December 21, 2023, under the guidance of the People's Daily and hosted by people.cn, Kuaishou won the "Rural Revitalization Award", and the "Happy Lecture Hall" project of Kuaishou Charity received the "Annual Case Award" in the People's Corporate Social Responsibility Awards selection.

"Beijing Youth Model Unit" award

On December 30, 2023, the Beijing Municipal Committee of the Communist Youth League of China announced the winner of the 2022–2023 Beijing Youth Model Unit award. The Corporate Social Responsibility Department of Beijing Kuaishou Technology Co., Ltd. was honored with the "Beijing Youth Model Unit" following an extensive selection process that included preliminary recommendation, review of application and onsite interviews under the guidance of the United Front Work Department of Beijing.

APPENDIX: INDEX OF ESG INDICATORS OF THE STOCK EXCHANGE

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

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

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

Index	Description	Related Sections
Aspect B7: Anti-corruption		
General Disclosure		2.3 Business Ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	2.3 Business Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	2.3 Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff	2.3 Business Ethics
Aspect B8: Community Investment		
General Disclosure		2.5 Social Responsibility
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	2.5 Social Responsibility
B8.2	Resources contributed (e.g. money or time) to the focus area	2.5 Social Responsibility