

China Literature Limited
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 772

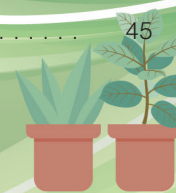
2022

Environmental, Social and
Governance Report



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About Us

China Literature Limited is committed to building a broad and high-quality universe of Chinese language IP. The company cultivates and develops core IP and derivatives covering literature, animation, film and television, games and other diversified forms of digital entertainment, and strives to integrate with offline real life to achieve the comprehensive spiritual needs of users. China Literature Limited includes well-known brands in the industry such as QQ Reading, Qidian.com, and New Classics Media, etc. to cultivate and develop IP, and has established extensive content distribution and IP cooperation with partners. China Literature Limited has successfully delivered representative IP adaptations in the fields of animation, film and television, and games, including “Joy of Life” (《慶餘年》), “Candle in the Tomb” (《鬼吹燈》), “Soul Land” (《斗羅大陸》), “The King’s Avatar” (《全職高手》), and “My Heroic Husband” (《贅婿》). China Literature Limited’s large and rich content library and IP whole industry chain development capability is its important advantage.

Vision and Mission

Our mission is “creating good stories that will live forever” and our vision is “creating the most valuable IP ecosystem for creators and becoming a world leading platform for cultural creativity”.

We established “Grand China Literature” strategy, which aims at establishing an open and inclusive ecosystem with our business partners, with online literature as our cornerstone and IP development as the growth accelerator.

1. About This Report

This report provides information on the Group’s environmental, social and governance (“ESG”) performance for the year of 2022. It should be read in conjunction with the annual report, in particular the Corporate Governance Report contained in the annual report, as well as the sections headed “Corporate Governance”, etc. on the Company website.

1.1. Scope of This Report

This report aims to represent our management measures and practices in terms of operations in compliance, product responsibilities, employee care, supply chain management, environmental protection, climate change and community investment in 2022. We will focus on ESG issues that are of interest to stakeholders.

This report involves China Literature Limited (“China Literature”) and its subsidiaries for the period from 1 January 2022 to 31 December 2022. Compared with the ESG Report 2021 issued on 19 April 2022, there is no significant adjustment in the scope of this report.

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It has complied with all the “mandatory disclosure” and “comply or explain” provisions and has included explanations for disclosure provisions which are not applicable to us.

1.2 Board Statement

The Board of Directors (“the Board”) is the body with the ultimate responsibility for overseeing and managing the ESG issues of the Group. In accordance with the “Environmental, Social and Governance Reporting Guide”, we have established the ESG governance framework to review the establishment and implementation of ESG objectives, and established an ESG risk management and internal control system. Details of the governance framework can be found in the “ESG Strategies” section of this report. The Board has also been involved in the assessment, prioritisation and management of ESG issues as detailed in the “Stakeholder Communication” and “Materiality Assessment” sections of this report.

This report, which discloses in detail the progress and effectiveness of the Group’s ESG efforts in 2022, was considered and approved by the Board at its meeting on 16 March 2023.

1.3 Reporting Principles

This report follows the Reporting Principles in the “Environmental, Social and Governance Reporting Guide”.

“Materiality”: Significant stakeholders are identified, and stakeholder communication and materiality assessment are included in the preparation of the Report as evidence for the determination of material ESG issues.

“Quantitative”: All the data in this report come from relevant statistical reports and official corporate documents. Meanwhile, relevant standards and methodologies used in calculating emissions/energy consumption are reported.

“Balance”: This report follows the principle of balance and objectively presents the ESG status of the Group.

“Consistency”: The methodology used for statistics disclosure of key performance indicators (KPIs) in this report is consistent with that used for ESG Report 2021.

1.4 ESG Strategies

We are fully aware that the improvement of environmental and social performance can have a material impact on the sustainability of our operations. We have integrated the ESG related risks and opportunities into our corporate operation strategy as guidance on daily business operations.

We have established the ESG management framework consisting of the Board, the senior management and the working group. To support the Company’s commitment to fulfil environmental and social responsibilities, the Board oversees, evaluates, prioritizes and manages material ESG issues, formulates relevant management policies, strategies, priorities and objectives, reviews the Company’s performance regularly and approves annual ESG reports. The senior management reports relevant risks and opportunities to the Board, and ensures the effectiveness of the ESG risk management and the internal control systems. And the working group is responsible for implementing the strategies and policies of the Board, conducting related management and reporting work and reporting to the senior management on the progress of the work.

After discussions with the management and combined with the stakeholder communication result and the actual operations, we confirm the following ESG issues that have material impact on us and will discuss our actions on a case-by-case basis in this report:

1. Product responsibilities

Provide quality and healthy works

Promote protection of IP rights

Cultivate excellent creators

Protect users' rights, interests and privacy

2. Workplace

Focus on occupational health and safety

Create favourable working environment

Provide training and development opportunities

3. Anti-corruption

Uphold operations in compliance with laws and regulations and abide by business ethics

4. Supply chain management

Regulate procurement activities to reduce environmental and social risks in the supply chain

5. Community investment

Engage in public welfare activities to improve positive social benefits

6. Environmental protection

Practice green operation, protect the environment and conserve resources

We embrace the principle of sustainability, provide employees with favourable working environment, contribute to the society, and uphold development principle of integrity and regulatory compliance. We have established internal response mechanism to assess our ESG performances as our key business performance indicators.

1.5 Stakeholder Communication

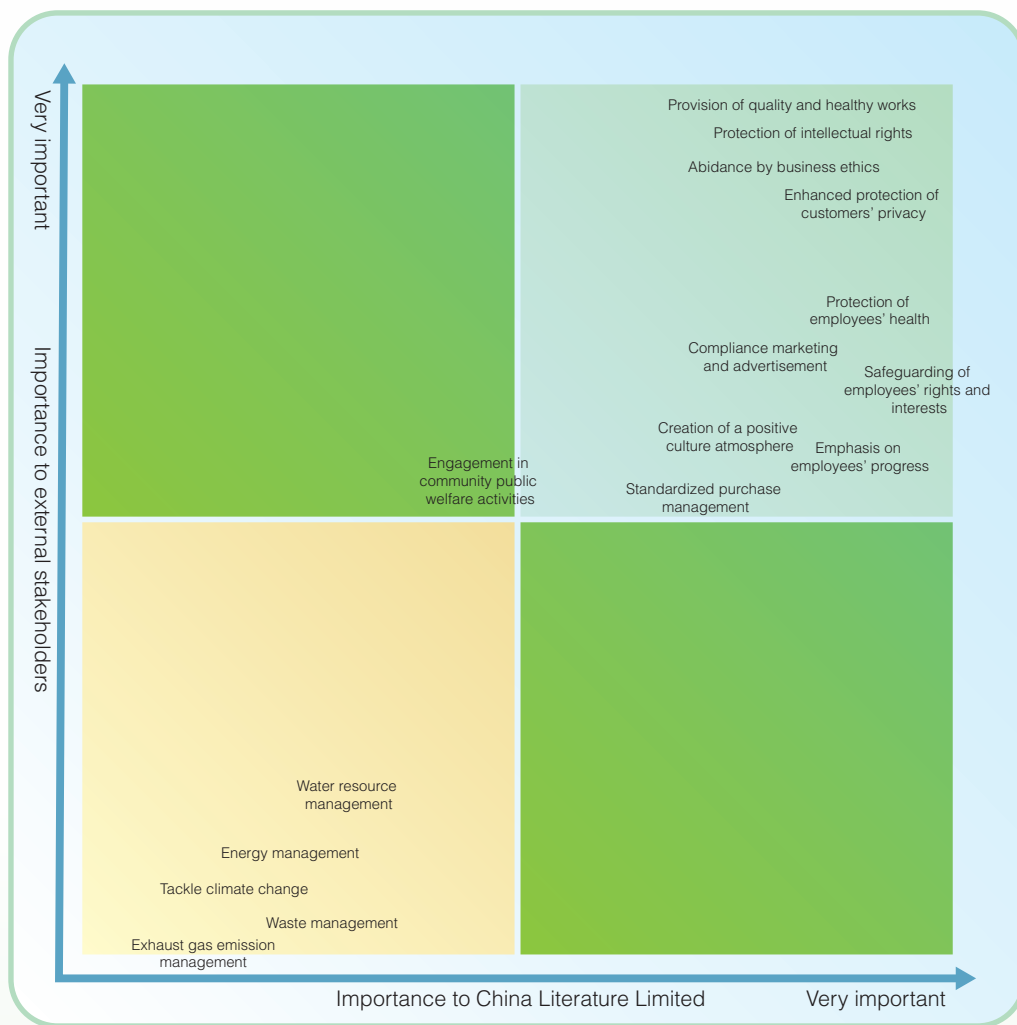
Our key stakeholders include shareholders and investors, regulators, industry associations, partners, customers, employees, suppliers and community. We emphasize on stakeholder communication, encourage all stakeholders to participate in and supervise the implementation of our ESG strategies, and have multiple effective communication channels to understand their expectations and needs on ESG performance, which serve as important reference when developing our ESG strategy. Issues concerned and major communication channels for stakeholders are as follows:

Stakeholders	Issues concerned	Major communication channels
Shareholders and investors	Sustained and steady business growth Business strategies Operations in compliance Transparent information disclosure	Corporate announcements Official website Regular meetings Investors' meetings
Regulators	Abidance by business ethics Compliance marketing and advertisement Corporate governance	Policy consulting Regulator training Official visits Information disclosure
Industry associations	Protection of intellectual rights Creation of a positive culture atmosphere	Seminars On-site investigation Industry activities
Partners	Protection of intellectual rights Provision of quality and healthy works	Daily communication Online platforms Regular meetings
Customers	Provision of quality and healthy works Enhanced protection of customers' privacy	Customer service hotline Online customer service Customer satisfaction survey Social media
Employees	Safeguarding of employees' rights and interests Protection of employees' health Emphasis on employees' progress Regular prevention and control of the pandemic	Employee training Annual meeting Performance evaluation Internal platform
Suppliers	Standardized purchase management Abidance by business ethics	Regular meetings Tendering process Strategy cooperation On-site investigation
Community	Creation of a positive culture atmosphere Engagement in community public welfare activities Environmental protection	Social media Public welfare activities

1.6 Materiality Assessment

When identifying the importance of ESG issues, we identified 16 ESG issues based on the requirements of the compliance guidelines and the operating situation, and determined the materiality of each issue in consideration of stakeholders' opinions. The materiality assessment results were finally confirmed after the management's evaluation and review, and were reported to the Board.

In 2022, the management reviewed and discussed the materiality assessment result for the second time. As there were no significant changes in the business and operating environment, the previous result of the materiality assessment is still applicable to the Company:



Materiality assessment result

1.7 Availability

Both Chinese and English versions of this report can be viewed on the Company's website at <http://ir.yuewen.com> and Hong Kong Stock Exchange's website at <http://www.hknews.hk>. In case of any conflict or inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

1.8 Contact Us

Stakeholder's valuable opinions can help the Company continue to improve performance on ESG. Please feel free to contact our Company Secretary with any comments or suggestions related to the Report.

Address: Room 1503-04, ICBC Tower,
3 Garden Road, Central,
Hong Kong
Telephone: 852-31850017
Email: ir@yuewen.com

2. Product Responsibility

We comply with the Copyright Law of the People's Republic of China, Regulation on Internet Information Service, Law of the People's Republic of China on the Protection of Personal Information, Law of the People's Republic of China on the Protection of Consumer Rights, Advertising Law of the People's Republic of China, Interim Measures for the Administration of Internet Advertising, Cybersecurity Law of the People's Republic of China and other applicable laws and regulations on IP rights, content review, compliance marketing, advertising management, consumer rights and interests protection and privacy protection, and fully implement product responsibilities and legal obligations of the Company.

2.1 Online Content Security

As the leading platform of the domestic online literature industry, guiding a healthy online culture, maintaining data security and safeguarding customer privacy are the foundations of our good operation. In line with our development strategy, we set up an cybersecurity committee led by the CEO and composed of heads of major departments, established a joint working mechanism in which content audit and online security complement each other, and formulated and implemented systems on online security management and inspection and content audit to continuously enhance our information maintenance and content management capabilities and implement information technology security and content security more effectively.

2.1.1 Green Healthy Reading

To maintain the qualified, healthy and positive information and content of our product lines, prevent and eliminate the publication of unhealthy information including information that violates national laws, regulations or morality, vulgar information, or information that plagiarizes or infringes on copyright, we have updated and improved the standards and procedures of content review. In addition, through manual check and review, we ensure the authenticity of all content published through advertising, marketing, etc., and prevent misrepresentation and excessive rendering, and strictly abide by relevant laws and regulations.

The content review team regularly participates in the online literature editing business training and continuing education organized by the Cyberspace Administration of China and the Administration of Press and Publication to improve the content management level and strictly control the quality of the platform works. At the same time, the team has been paying attention to the changes in the requirements of the regulatory authorities to create a healthy network environment. We require writers to have a strong sense of social responsibility and create works in line with mainstream socialism values, so we have informed writers of such requirements through relevant writing instructions.

We carry out content review through both manual review and auto control. In terms of manual review, we implement the editor-in-chief responsibility policy, appointing the editor-in-chief as the person responsible for content scrutiny review. For all of our websites, our editors must preview some chapters before putting the works on the websites, and strictly control the quality of the works. At the same time, we are actively conducting various in-house content security trainings to enhance the professionalism of our team. In 2022, we upgraded and launched an interactive editing and review mechanism, which strengthened interaction and communication between reviewers, editors and writers, ensured content compliance and controlled the quality of works.

In terms of technical monitoring, our China Literature Smart Risk Control System can effectively identify offending content through text semantic analysis, intent recognition, the model of short text identification and other natural language processing technologies, and we established a vulgarity and gangland-related model with effective recall capability of offending content. In 2022, we made multiple upgrades to the model of our Smart Risk Control System, which further enhanced its capability to identify offending content, and continuously improved the accuracy of content review and recall rate of offending content.

In order to provide healthy reading content to adolescents, we launched the teenager mode, under which a teenage-only content pool was established and high-quality books which are suitable for young readers were selected. Under teenager mode, we have not only strictly controlled the pop-up windows and advertising content, blocked games and some advertising-related modules, but also strictly limited the amount of recharge and spending per month per visit, and restricted some of the spending functions. In 2022, we improved the teenager mode by adding the age selection function to provide appropriate high-quality content for teenager users of different ages.

In 2022, in a variety of assessments by the General Administration of Press and Publication, China Writers' Association and its local branches, the Publicity Department of the CPC Central Committee, and the Administration of Press and Publication, 54 of our works won important awards and supports. In addition, 44 of our works have been collected by the National Library of China, and 10 have been collected by the National Archives of Publications and Culture of China, 16 have been collected by the Catalogue of Chinese Books of the British Library, marking the first time for Chinese online literature works to be collected by the British Library.

2.1.2 Quality Film and TV Drama Content

New Classics Media has formulated clear and effective process and mechanism in the screening of TV drama and film scripts, and acts upon regulatory requirements in the course of the script preparation, rough clipping and review. At the same time, New Classics Media continues to explore policy orientation and social development, and uphold the mainstream values in the political, economic and social dimensions, and matches and gives full play to the team's strengths in IP adaptations and unleashes its own production capabilities. By insisting on a long-term strategic layout of quality, diversification and seriation, we are committed to telling Chinese stories and conveying Chinese emotions. Besides, we advocate works of "ordinary people, strong enthusiasm, positive attitude" by sticking to the people-centred ideal and realism to ensure that the production, investment and publication of works are on a healthy track. In 2022, New Classics Media participated in the co-production of films such as "Another Me" (《李茂扮太子》), "Too Cool To Kill" (《這個殺手不太冷靜》), etc., which maintained our creation philosophy of "comedy + emotion" and narrative style of "laughter with tears". These films have all achieved excellent box office results due to their high quality and reputation.

With the cooperation of China Literature Pictures and New Classics Media combined its talent resources organically to participate in film projects of different genres in a more diversified way, playing to our respective strengths in content development, project development and distribution so as to complement each other, greatly improving the efficiency and success rate of IP development and continuing to create high-calibre and high-value cultural content.

New Classics Media also actively participated in various film festivals, industry seminars and forums, discussing future trends with representatives from film companies, film marketing platforms, film creators, marketing professionals and film academics to promote the sustainable and healthy development of the industry and contribute to the recovery of the industry and the strategy of "strengthening the country through culture". In 2022, New Classics Media actively participated in the opening forum of the 36th Hundred Flowers Awards, the 12th Beijing International Film Festival themed on "Film Power Forum – Innovation and Improvements of Film Criticism in the New Era" and other events. On this occasion, New Classics Media exchange ideas with film academics, film artists, directors, entrepreneurs and other industry professionals over the development of Chinese film industry in an effort to rally forces from all aspects to realize the vision of "Film Power". Topics covered developing and improving the film industry, creating quality film brands, attracting audiences to explore the market, expanding and innovating film criticism, etc.



New Classics Media participated in the opening forum of the 36th Hundred Flowers Awards

In addition, New Classics Media also considered creators as its most important resource. While collaborating with artists, New Classics Media also selected and incubated promising young directors and screenwriters through its “Young Director Training Programme”, so as to develop a diverse artistic style for New Classics Media’s works and present a blossoming genre of artistic works. In 2022, New Classics Media played an active role in the judging panel of Golden Rooster Film Venture Capital Conference on “Gold Producers + Famous Directors (Executive Producers)” in support of selecting excellent works, facilitating the incubation of films and TV projects and broadening a platform for young creators to grow.

2.1.3 Information Security Protection

We have established a mature cybersecurity management system and organizational structure consisting of the highest management, cybersecurity committee and cybersecurity inspection team.



The highest management of the Company

The highest management of the Company is the primary leader for cybersecurity management, which takes full responsible for controlling the direction of the Company’s cybersecurity management.



Cybersecurity committee

Led by CEO and composed of heads of major departments

The cybersecurity committee, led by the CEO and composed of heads of major departments, is responsible for guiding the Company’s cybersecurity management and ensuring that no significant cybersecurity accidents occur while safeguarding the smooth operation of each line of business.



Cybersecurity inspection team

Jointly established by technology, risk control and public affairs departments

The technology, risk control and public affairs departments jointly established the cybersecurity inspection team, which is responsible for for mulating security management specifications, controlling cybersecurity management risks, implementing cybersecurity inspections, and supervising the rectification of the Company’s cybersecurity problems.

Cybersecurity management structure

We have formulated and strictly implemented the Administrative System for Cybersecurity Inspection of China Literature Limited through regular self-inspection, joint inspection and special inspection by technical departments. Cybersecurity inspection can be carried out by the Company's cybersecurity inspection team or entrusted to organizations or specialists with relevant security certification qualifications. We use external means as least once a year. Cybersecurity inspection covers the construction of organizational and management systems, the implementation, supervision and inspection of regulations and policies, network and application system security, desktop office system security, control over operational environment and technical security, etc., which enables us to fully supervise and efficiently manage current cybersecurity status to timely identify technical security hazards and take appropriate action. Our main information systems have all passed the certification of classified information security protection assessed by the public security organ. Our main products are all offered through cloud-based service platforms with ISO27001 certification.



Cybersecurity inspection mechanism

In order to effectively prevent and deal with network emergencies, we have formulated the Emergency Plan for Cybersecurity Incidents of China Literature Limited by focusing on the levels of organizational system, prevention and early warning, emergency response, post-disposal and emergency security to further improve the capability of prevention and control of data leakage, network attacks and other network emergencies and minimise the harm and impact of emergencies. In 2022, we actively conducted cybersecurity emergency drills to simulate the entire process of a cybersecurity incident including detection and assessment, response, information notification, emergency response, problem eradication, recovery and reconstruction, investigation and continuous improvement. We did this to enhance the emergency response capability and speed of relevant departments, get prepared to respond to emergency incidents in a better way as for involved personnel, equipment, technology, etc., summarize and optimize the emergency response process and improve employees' cybersecurity awareness.

The protection of our users' personal information is a fundamental principle of our work. We incorporate regulatory requirements on privacy protection into our internal compliance policies, and make every effort to protect users' personal information through reasonable and effective information security technology and management processes. We incorporate the concept of privacy protection into all aspects of product or service development, including legal, product and design factors, and implement internal hierarchical control of permissions to protect user information throughout the process of information collection, transmission, storage, display and access. We collect only necessary information from users and retain it only for as long as it is required for intended use, and delete or anonymize their personal information as soon as practicable. Moreover, without users' permission, we are not allowed to disclose their personal information to any company, organization and individual other than China Literature, and we are also not permitted to make public or give away any third parties' access to private information and material that users have stored in our platforms, servers or databases for their use of network services.

We publish our privacy policy in clear and concise language on the websites and applications of our relevant products, make clear to users the purpose, manner and scope of the collection and use of personal information, and prompt users to read the privacy policy and other collection and use rules through pop-up windows and other clear reminders so that users are aware of our information protection initiatives. In addition, we provide effective functions to correct or delete personal information, respond to users' corresponding operations in a timely manner, establish and publish complaints channels about personal information security, and complete verification and processing within the promised time frame. We pay great attention to the protection of information of underage users and call on guardians and schools to provide proper guidance and work with us to create a safe and healthy online environment for minors. We have implemented the latest regulatory requirements of the State Internet Information Office on data security, clarified the protection of users' personal privacy and sensitive data in the relevant system, used encryption in all online interaction scenarios, encrypted user information, and standardized and optimized the user account cancelation process using self-service and manual customer service to protect the safety of personal information and important data.

2.2 Nurture Creative Talent

Combining a wealth of experience, talent and resources, we are committed to creating a nurturing system that is both practical, authoritative and groundbreaking, to continuously deliver creative talent to the industry and build a living force in the content industry.

We are fully aware that authors are the most valuable partners. We are determined to build the "Writer Ecology 2.0 (作家生态2.0)" in self-growth, self-improvement and self-motivation, create a service-oriented and connected platform comprehensively, to provide the personalized needs of writers with the whole chain service and continuously upgrade the service experience of writers.

2.2.1 Cultivate Excellent Creators

We have established a comprehensive training system covering high-end, intermediate and new writers, and continued to strengthen communication between writers of all kinds and editors to overcome creative difficulties and continued to empower the growth of writers.

We have established the China Literature Qidian Creative Writing Academy (formerly known as the “China Literature Qidian Academy”), inviting many authoritative experts and scholars, well-known online writers and film and television scriptwriters to become mentors of the China Literature Qidian Creative Writing Academy, dedicated to providing the industry with a continuous supply of creative writing talent and building a living force in the content industry. China Literature Qidian Creative Writing Academy provides a comprehensive, multi-level, and graded training system for writers, and in addition to the online learning platform and online community, we also set up an offline “Professional Writer Training Camp” for potential writers with self-improvement needs, offering a number of courses, including theories of online literature business writing, online literature writing and technology, online literature fan operation, professionalism of online literature writers and case studies, so as to help writers improve their writing skill. For creative storytelling talents, including writers and screenwriters, we integrate existing resources to build a richer, more refined and professional platform for creative storytelling talents to meet across the creative industry, exchange experience and skills in IP adaptation, and build a bridge from literature to the IP universe of film, animation and games. By the end of 2022, China Literature Qidian Creative Writing Academy has published nearly 1,130 courses, with a cumulative readership of over 28.06 million and a cumulative number of over 230,000 writers served and more than 95% of the feedback on courses is positive.

We carried out the “Young Writer Support Plan (青年作家扶持計劃)” to support the creation and development of young writers and assist them in promotion and development from four aspects, namely creation incentives, writing competition, honour rank and traffic support. In 2022, China Literature launched the “Purple Bamboo Plan (紫竹計劃)” through its reading platform Xiaoxiang College targeting female readers to support female creators. Relying on our experienced editors and diverse platform resources, we provided a comprehensive, customized and graded training system for female writers, and helped more female writers dreaming of becoming a professional writer get started on the right track. In addition, we launched a series of essay competition activities of “Morning Star Award” and “Starlight Award” for science fiction creators. In order to support the growth and development of science fiction creators, quality science and fiction works and new writers were selected by industry experts, and cash incentives and additional promotion resources were provided to award-winning writers.



“Purple Bamboo Plan (紫竹計劃)”
of Xiaoxiang College

By the end of 2022, a total of 239 of our writers had joined the China Writers Association. In addition, 7 of our writers were awarded major prizes by the Publicity Department of the CPC Central Committee and other institutions in 2022.

2.2.2 Improvement of Creators' Benefits

In adherence to the principles of equal cooperation, mutual benefit and win-win result, we maintain extensive and efficient communication with writers through various channels, such as talkfests, calls, and online platforms to have their voices and opinions heard. In order to meet practical cooperative demands from writers in a wide range and different works, we have continuously raised the criteria of serving writers, provided diversified and optional manners in the field of cooperative agreements and editing services, so as to ensure that writers enjoy the freedom of choice and creativity in different subjects. We are striving to create diversified and productive ecology for creators in different writing characteristics and working with writers to promote the prosperity and development of online literature.

In order to better serve writers, we established the China Literature Gold Editing Studio, a group of professional and outstanding editors, in addition to the existing editorial team. The studio works in parallel with the editorial team, and writers can sign their own contracts. On the basis of unchanged treatment and resources, the studio provides personalised and customised writing guidance and services to writers in need. Since its inception, the Gold Editing Studio has produced more than 100 quality works. In 2022, we kept building up the brand and reputation of the Gold Editing Studio, selected more outstanding editors and expanded the size of the studio. We also provided personalized services for more writers to help them improve their writing skills to create excellent works.

In order to increase the welfare and income for our writers, we launched a "Star Project of Professional Writers (職業作家星計劃)", which covered writer cultivation, writer care, brand operation and other fields, providing more comprehensive and refined support for writers. We not only gave writers sufficient time for literature exploration, stimulating a writer's enthusiasm of creation, but also provided writers who want to improve their personal and work influence with services such as platform resources, fans operation, copyright brokers, media & promotion of writers, to cater to the writers' needs. In 2022, we offered higher benefits and subsidies for female creators in a comprehensive manner. Xiaoxiang College, a reading platform for females of China Literature, launched a new benefit plan "Minimum monthly income of RMB10,000", providing generous remuneration and cash subsidies, direct support and rewards as well as adequate returns for contracted writers. To offer the most effective help to a writer who is caught in trouble due to serious illness or accident, we also donated to launch a "Special Fund of Love Relief by China Literature". The objects of assistance include not only the writer, but also the writer's direct relatives, including spouse, children and parents. In 2022, we provided RMB100,000 to a writer in aid.

2.3 Intellectual Property Protection

We have established a dedicated IP team that is responsible for the internal management of copyright and combating copyright infringement. We have also established a litigation and right protection team to combat piracy and infringement of copyrights, so as to prevent interests of the Company and writers from being violated. In 2022, we have officially elevated copyright protection to the strategic height of the company and invested ten times the manpower to anti-piracy. We organised a joint anti-piracy working group composed of products, technology, legal affairs, content, customer service and other functions, and established an intelligent anti-piracy middle platform, use artificial intelligence, big data, content encryption, reverse testing and other technical means to improve anti-theft capabilities, comprehensively strengthen the attack and defense system, and effectively solve the problem of automated batch piracy. Meanwhile, we drove comprehensive implementation of platform complaints, criminal and civil litigation and other means to safeguard copyright, and effectively cracked down on infringements in pirated platforms, search engines and application markets, thus making piracy industry chain and transmission chain severely damaged.

We have adopted an “Integrated Copyright” management mode to enforce our copyright development and protection, which enables us to manage the otherwise daily work such as copyright achievement and license in systematic data-processing manner, thus improving online literature copyright management efficiency and providing online writers and partners with timely and professional legal support and comprehensive copyright services. We have cooperated with third parties and entrust them with regular monitoring of scattered digital content

infringement, while formulating targeted solutions for the protection of rights, to wipe out infringement and piracy in a more efficient manner. By the end of 2022, we have obtained more than 2,000 registered copyrights and more than 6,000 registered trademarks.

We actively undertake social responsibility, and participate in public affairs and events related to copyright protection, including participating in copyright protection seminars and contributing to the establishment of industry standards. We called on the whole society to pay attention to and jointly advocate the legalisation of online literature copyright protection in cooperation with associations of writers and online literature platforms, so as to protect the original content ecology of online literature. In May 2022, under the call of the Copyright Association of China, 12 online literature platforms, including China Literature, 20 provincial online writers’ associations and 522 online writers jointly issued an initiative calling on search engines and app markets to stop copyright infringement and jointly protect the ecology of original content of online literature. In September, we actively responded to the national special action “Jianwang 2022”, and participated in the forum on penal protection of IP rights, contributing to the construction and improvement of criminal justice system for IP rights to crack down on copyright crimes. In November, we participated in the 2022 China Copyright Annual Conference to promote online literature copyright protection and stimulate cultural innovation and creativity. Our IP rights protection work has also been highly recognized by the national government departments and judicial authorities. In 2022, the IP rights protection cases we handled were selected in the “Top Ten Typical Cases of Shanghai Anti-pornography and Anti-illegal publications in 2021”.



*Forum on penal protection of IP Rights
in 2022*

New Classics Media has also clarified the protection measures and guidelines for the use of intellectual property rights, such as trademarks and copyrights, in order to strengthen the management of intellectual property rights, protect intangible assets and build and maintain credibility. New Classics Media has issued a legal statement on its website, making it clear that no one may use New Classics Media's content or works in any form without the written permission of New Classics Media, and that the legal department will strictly review copyright documents to ensure that there is no risk of infringement. New Classics Media also carried out anti-piracy work before, during and after the release of a work through automatic monitoring, manual intervention and resource reporting, as well as technical measures such as blocking pirated links, feature codes and keyword blocking.

2.4 Respond to Users' Feedbacks

We are devoted to keeping the ecological environment of the platform health. To be specific, we have introduced the Polaris Real-time Risk Control Platform to automatically screen and filter the undesirable and noxious information. In addition, we intervene misconducts of users, including but not limited to malicious registration, fake comments, cheating and fraud, conduct credit evaluation on users' behaviour, and make blacklists or whitelists. In 2022, we updated the Polaris Real-time Risk Control Platform in two major directions, namely risk identification capability and broadening the risk control landscape, to better identify risk behaviour such as jailbreaking and malicious plug-in installation, and crack down on malicious refunds caused by third-party top up, in order to improve the construction of a comprehensive risk prevention system.

In order to ensure the stable operation of the platform after the launch of new features and activities, we formulated the Pre-review System for the Launch of New Product Activities and Features. The legal, public relations and customer service departments jointly conducted a preliminary review before the launch, so as to pre-judge users' feedback, review the completeness and reasonableness of the relevant explanations, promptly investigate the gaps, effectively prevent the escalation of customer complaints and maintain the stability of public opinion after the launch of new features and activities. In addition, we provide necessary mental health intervention and reassurance to users in case of negative comments, and strictly protect users' private information in the handling process.

We also welcome users to provide feedbacks on bad information and work with us to maintain the healthy and positive content of our major websites. Users can report bad information through the complaints hotline (010-59357051), the complaints page (<https://jubao.yuewen.com/>) and the complaints portal of the function pages. We will respond to the users' complaints in a timely manner, review and properly resolve all of them, moreover, reply on the resolving results will be sent to the users via SMS or system push.

We place great emphasis on every complaint and suggestion from our users. We use a combination of manual customer service and intelligent customer service robots to answer users' questions and improve our service capabilities. We have set up a set of complaint handling mechanism where front-line employee is responsible for understanding the situation and preliminary handling, second-line employee is responsible for identifying and resolving the issue, and call-back employee is responsible for customer satisfaction survey and follow-ups. For major grievances, we engage relevant departments of the Company to conduct investigation and make a summary based on the result for the purpose of improving internal procedures and deterring similar incidents from occurring. In 2022, we received a total of 72,836 complaints from our customers and achieved a 99.8% complaint handling rate.

While quickly responding to users' demands, we regularly check and analyse the quality of customer service process and effect in daily work, so as to improve service standard and quality, and realize service enhancement. We conduct targeted training for the senior management, middle-level and front-line employees in daily work, summarize users' feedback in a timely manner, continuously raise employees' awareness of company policies through training, improve employees' business skills, and ensure efficient communication and proper solution of various issues in operation. In 2022, we carried out special training on information security for customer service personnel to enhance their awareness of information protection and data security, so as to better protect users' personal information. In 2022, the customer satisfaction rate reached 98.7% in terms of manual customer service.

3 Workplace

3.1 Employment and Labour Standards

3.1.1 Recruitment and departure

Our employment practice complies with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Provisions on Prohibition of Child Labour and other applicable laws and regulations (including but not limited to those which prohibit child and forced labour). Our recruitment complies with the principles of open recruitment, fair competition, comprehensive evaluation and merit-based procedures. We comprehensively examine the educational background, job experience and professional background of each candidate during the recruitment process, and we have formulated the Staff Manual to standardize employment practices. In 2022, we updated and improved the Staff Manual to make further requirements for anti-discrimination. In daily work and every process of recruitment, we uphold the principle of equality, and do not discriminate against anyone on the grounds of gender, educational background, age, marital status, ethnicity, race, geographical identity, nationality, political affiliation, religious belief, disability or physical disorder, etc., strictly respect and protect human rights. As at the end of 2022, we employed a total of 1,815 people, all of whom are full time employees.

Employee structure		2022 (person)
Total employees		1,815
By gender	Female	994
	Male	821
By age group	<30	818
	30-39	842
	40-49	144
	≥50	11
By geography	Mainland China	1,799
	Hong Kong, Macau and Taiwan	3
	Overseas	13

In 2022, we were awarded the “Lagou Best Recruitment Team 2022” and “TOP Employer Loved by Z Generation” by lagou.com. In addition, we were awarded the “NFuture University Students’ Favourite Employer 2022” by nowcoder.com, and awarded the “Best Employers in Greater China 2022” by HR00t.



“TOP Employer Loved by Z Generation”
of lagou.com



“Best Employers in Greater China 2022”
of HR00t

We formulate dismissal (including resignation and dismissal) procedures in accordance with labour contracts and relevant laws and regulations. When employees leave, we conduct interviews with them to understand the reasons for leaving and obtain suggestions for improvement in the Company.

Employee turnover rate		2022
Total turnover rate		33.3%
By gender	Female	32.9%
	Male	33.7%
By age group	<30	38.5%
	30-39	27.7%
	40-49	30.5%
	≥50	34.8%
By geography	Mainland China	33.2%
	Hong Kong, Macau and Taiwan	28.6%
	Overseas	44.4%

Notes:

- (1) Employee turnover rate = number of employees leaving in the reporting year * 2 / (number of employees at the beginning of the reporting year + number of employees at the end of the reporting year)
- (2) The statistical scope of the number of separations includes employees who voluntarily quit or terminate their employment due to dismissal, retirement or death.

3.1.2 Labour Standards

We strictly abide by the Regulations on the Prohibition of Child Labour and other relevant laws and regulations, and we firmly prohibit the use of child labour and forced labour. We strictly control the recruitment process to avoid misuse of child labour, and if we find misuse of child labour, we will immediately terminate their employment contracts and deal with them properly in accordance with the laws and regulations.

3.1.3 Promotion and Career Development

In terms of employee career development, we have established a comprehensive career development system, providing employees with clear career paths, so as to motivate and guide them to take the initiative at work. Advocating the principle of “Progressive promotion based on employee application depending on practice areas”, we encourage employees to keep developing their professionalism. Employees may apply for promotion, if they satisfy the requirements. The promotion review process is fair, open and transparent and our employees will receive feedback and opinions. To cater to different development needs, we set up management and expertise career channels with robust career path.

All employees are encouraged to obtain certificates of professional qualifications. For those applying for the Professional Qualifications of Technicians in the Publication Profession (“Editor Certificate”), we will reimburse them for the related expenses arising from face-to-face training and annual re-education during the assessment period, and provide cash subsidies to employees who have obtained the Editor Certificate, so as to encourage employees to continuously improve their professional skills.

3.1.4 Compensation and Benefits

We offer competitive compensation benefits to attract and retain talent. The bonus is performance-based and ensured to reward employees with high performance.

In terms of employee benefits, we offer commercial health and accident insurance to employees apart from basic social insurance. In daily work, we show our care for the well-being of our employees by various means. For example, we offer various welfare subsidies, festival gifts or bonus; celebrate special occasions of our employees (e.g. wedding, childbirth, birthday, etc.); carry out employee activities (e.g. festival activities, tabloid sports activities, team building activities and family day activities); set up various associations (e.g. basketball association, football association, badminton association, photographic association, fitness club, etc.); In addition to arranging regular physical examination for employees, we provide annual medical check-ups and upgraded accident insurance for parents of employees that serve for more than three years.



Benefits for Mid Autumn Festival



Parents Care Plan for Double Ninth Festival

3.1.5 Working Hours and Holidays

We comply with all related laws & regulations on working hours and holidays. We advocate that employees avoid overtime work during holidays or weekdays, and hope that employees can maintain a good work-life balance, protect their physical and mental health, and avoid forced labour. We maintain a leave scheme that allows them to enjoy statutory leaves and holidays including annual leave, personal leave, marriage leave, funeral leave, maternity leave, paternity leave, parental leave, sick leave, etc. Employees are also entitled to extra annual leave that accrues based on length of service. In addition, employees must be compensated or given days-off for overtime work after internal approval.

3.1.6 Employee Communication and Engagement

We attach importance to employee satisfaction, respect any opinions and suggestions of employees that contribute to the company's development, and are committed to building a variety of adequate communication channels for employees. We set up communication channels for employees and management, such as annual company gatherings and Lexiang Employee Communication Community, convey and strengthen corporate strategy and culture, encourage employees to speak freely, and create an effective communication culture of equality and candidness.

We pay attention to organizational culture and talent construction and are committed to creating a knowledge-sharing environment and diversified development space for growth together, providing employees with a respectful and open working environment and a positive growth platform, activating organizational capabilities and personal value, and growing together with employees.

In response to regular prevention and control of the pandemic, we formulated pandemic prevention policies and rules, guiding the unified control of administration, travel control, material support, personnel coordination, and employee care, etc. We also established a pandemic prevention and control working group to ensure the smooth reporting of pandemic information, and the effective application of various prevention and control measures. In addition, we actively abided by local pandemic prevention and control policies, implemented a flexible working model based on the situation of our employees, and formulated contingency plans for quarantine. We organized nucleic acid testing and checked the body temperature of employees daily, and guaranteed the supply of protective equipment and various materials needed, so as to ensure the normal life of the employees during the quarantine.

In daily work, we regularly carried out comprehensive disinfection in office building, stockpiled sufficient antigen, alcohol and other pandemic prevention supplies and set up fully enclosed temporary observation rooms. Visitors were required to show their health codes and scan venue codes, temperature inspection and antigen testing were also required to prevent cluster outbreak and spread in the workplace, providing employees with a healthy and safe working environment. In addition, we publicized pandemic prevention knowledge from time to time in order to strengthen the pandemic prevention awareness of employees, and actively abided by local pandemic prevention and control policies. We informed employees of the latest pandemic prevention and control measures every week, implemented a flexible working model based on the situation of our employees, so as to safeguard employees' health and safety.

We attach great importance to the physical and mental health of our employees. We arrange annual medical checkups for employees and organize a range of fitness activities such as traditional Chinese health therapy, neck and shoulder massage and psychological stress relief, etc. We have created a comprehensive, professional and specific "Wenxin Inn" employee assistance programme, opened a physical/psychological counselling hotline and set up stress relief rooms in our Shanghai and Beijing offices. Through various online and offline activities such as bi-weekly psychological tweets, quarterly psychological stress relief activities and on-site psychological counselling, we spread the awareness of healthy living and healthy working to our employees and provide them with comprehensive physical and mental health services.



Online team building activities



Online open classes for psychological health

New Classics Media also formulated and strictly implemented the Regulations on Production Safety Management of Film Crew to create a favorable working environment and safe shooting scenes for crew members during filming. We set up safety officers for fire prevention, public security and filming safety, and assigned on-site professional medical staff. We formulated safety management rules for special operations including fire operation, working at heights and crane operation to strictly control and eliminate the potential risks and safety hazards, thus preventing safety accidents in the filming area. At the same time, New Classics Media educated crew members on safety including fire prevention and power consumption before filming, strengthened the awareness of “ensuring safety for production and ensuring safety in production”, required relevant personnel to sign safety commitments, and purchased personal accident insurance for crew members. We required all staffs in preparatory group and film crew to live in concentrated area for closed management, and regularly checked sources of purchased goods to ensure the safety of devices, water and food.

In 2022, in response to regular prevention and control of the pandemic, New Classics Media set up a leading group for on-site pandemic prevention and control in each film set to carry out self-examination and self-correction at filming areas, ensuring timely implementation of pandemic prevention and control for all kinds of personnel and supplies. All film crew must take nucleic acid testing, sign the letter of responsibility, declare health status truthfully and take safety precautions at work, so as to minimize the losses and damage caused by pandemic, and to safeguard the physical health and life safety of all crew members and cast members.



Crew members conducted disinfection on site



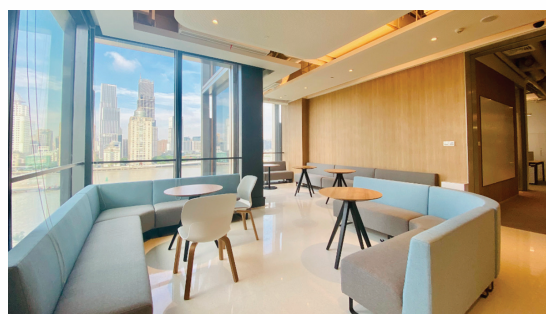
Crew members strictly implemented temperature testing

In October 2022, the Shanghai office of China Literature moved to a new location, providing a more comfortable working environment for employees, which is conducive to creating a relaxed working atmosphere, caring for the physical and mental health of every employee, and stimulating and mobilizing their creativity. The lobby of the new building is designed with the concept of “Vast Universe, Born Infinity” as the starting point, showing the endless possibilities and vitality of China Literature Group. In the employee office area, we professionally debug the office lights, and use scientific and comfortable warm yellow lights, which can not only protect the eyesight of employees, but also help to create a warm and comfortable atmosphere; We have equipped our staff with new ergonomic chairs with the lumbar support system, tilt adjustment, sitting depth

adjustment, 4D lifting armrest and other functions to correct sitting posture to the maximum extent and protect the health of every employee of China Literature. In terms of the design of the leisure area, we have set up river-view leisure discussion areas on each floor, equipped with open sofas and discussion tables, where employees are encouraged to brainstorm together and burst out of inspiration; We have set up a “Yuexing Platform” on the top floor of the building, equipped with a number of outdoor leisure sofas and parasols, providing employees with a quiet, comfortable and open leisure area; We also offer employees with gyms and audio-visual spaces, equipped with professional fitness instructors, equipment, and audio-visual equipment to help employees relax and relieve work pressure.



Office building lobby



River-view leisure discussion area



Yuexing Platform



Gym

3.3 Employee Training

Improvement of employee competency is key to safeguarding the achievement of enterprise development. We put premium on employee training and have invested adequate resources and energy to create various internal and external training opportunities. Employees are encouraged to involve in these trainings taking their actual needs into consideration. We have system in place to fund employee training with training funds and resources allocated in a uniformed manner, and we also provide strong financial support for organizing activities including in-house learning, external experts lecture and assignment training.

We established China Literature Academy which upholds the slogan of “Learning to be a better self”. We engage a wide array of external experts on one hand and build in-house trainer team on the other hand, setting up a comprehensive employee training system, so as to offer different work and life training programs catering to needs of employees at each stage of career.

We actively carry out various training activities such as induction training, specialized training, general training, management training, information security training, etc. We adopt a combination of offline training + online training, regularly conduct online live classes for employees, and provide various professional courses and rich learning resources on the online learning platform, so that employees can learn relevant courses anytime and anywhere according to their needs, to comprehensively improve their professional ability and comprehensive quality.



Employee training system

Induction training: to acquaint employees with rules, regulations and corporate culture of the Company, we provide induction training for every new employee. In particular, we adopt mentorship for fresh graduates, enabling them to quickly adapt to the Company's culture and working environment with the help of the experienced employees and managers assigned as career mentor. In 2022, we included "Specialist talk" section in induction training, inviting internal specialists from all departments to share their business and personal growth experiences to acquaint new employees with business content and department culture, which was well received by the participants.



Specialists' share in "Specialist talk" section of induction training

Specialized training: according to the professional capacity of each employee, we set up the "Full-time Master Club (全职高手俱乐部)" with related committee, which is responsible for specialized training development plan and innovation, organizing professional trainings and attaching importance on the career development of professionals. In 2022, we actively explored training methods during the pandemic and launched "Master Live Stream (高手直播間)" online training, inviting experts to share their insights on topics such as industry status quo, content analysis, IP adaptation, user research, which improved training operation efficiency and gained employees' acceptance.



Professional training "Master Live Stream (高手直播間)" of fiction visualization

General training: to enhance employee competency in an all-round manner, we arrange “Du Lala’s Promotion Plan (杜拉拉升职「計」)”, a workplace skillset training to help them obtain the general skills that facilitate their job performing.

Management training: we arrange management training to enhance employees’ management skills. In 2022, we launched a grass-roots leadership development program for reserved management talents and designed the curriculum based on the role



Grass-root leadership training program

Information security training: we understand that information security is the foundation of the Company’s development. In order to improve the Company’s comprehensive network security management level, and to enhance all employees’ awareness of network security, we actively carry out special training on information security, and require all employees to complete the mandatory course of information security compliance, covering common information security and threats, how to protect information, and violations that employees should be aware of and avoid. For development and operation and maintenance technicians, we introduce mandatory courses including development security specifications, operation and maintenance security

transition of the management and difficulties in performing management responsibilities, so as to help reserved talents build outstanding leadership. In the meantime, we included case study in leadership training, selected in-house lecturers to elaborately design and disassemble the cases step by step, and continuously optimized the teaching process. Combining with business development and management status quo, we helped trainees solve targeted management problems, which received trainees’ unanimous recognition and achieved remarkable training results.



Leadership training case salon

regulations, and security cases to raise the technicians’ awareness of information security and to enhance the relevant skills of them. We require all employees to participate in and pass the information security examination after completing the corresponding courses. New employees can become regular ones only after they have completed all mandatory courses and examinations for all employees and their corresponding posts. In doing so, we can ensure that all employees have a thorough understanding of the Company’s information security requirements, and improve their awareness of information security protection.



Online courses of information security

New Classics Media also conducts diversified training programs based on the industry's unique market competition and knowledge development model, including new employee training to introduce the organizational structure and corporate culture to new employees; inviting the professional leader of



New Classics Media special training on "Trademark rights of film and television works"



New Classics Media special training on "Common tax related risks and countermeasures in film and television industry under the new regulatory landscape"

each business sector to conduct internal training, sharing experience in project planning, production, and distribution; external training of personal skills such as enforcement, leadership, and communication skills for employees at different ranks; arranging outstanding personnel to attend professional qualification training of industry associations, etc. In 2022, New Classics Media carried out special training on the use and protection of film and television works' trademark rights, countermeasures against tax risk in the film and television industry, film production and distribution to help employees further understand the industry status quo and drive business development.

Employee training		Percentage of employees trained	Average training hours completed per employee (hours/person)
By gender	Female	68.6%	2.4
	Male	31.4%	1.3
By job level	Senior management	2.8%	22.8
	Mid-level management	5.1%	3.5
	Grassroots	92.1%	1.4

Notes:

- (1) Training data is derived from internal training files and includes only online or offline training conducted by Group-level organizations.
- (2) Percentage of employees trained = number of employees in the category trained in the reporting period/total number of employees trained * 100%
- (3) Average number of hours trained per employee = Total number of hours trained for employees of that category in the reporting period/total number of employees in that category

4. Anti-Corruption

We implement the strictest laws and ethical standards throughout the operation and comply with the Anti-Unfair Competition Law of the People's Republic of China, the Company Law of the People's Republic of China and other applicable laws and regulations combating bribery, extortion, fraud and money laundering, and adopt an attitude of zero tolerance in relation to corruption in any form. We have established internal systems, such as the Code of Conduct for Red Line Behaviors of China Literature Limited, the Anti-Fraud Reporting System of China Literature Limited and the Employee Declaration System of China Literature Limited, which create a solid anti-corruption protection mechanism to combat fraud and ensure operational compliance strictly. In 2022, there were no closed irregularities involving corruption, bribery, extortion, fraud or money laundering.

We forge a risk control framework and set three lines of defence, paying close attention to the risks of the Company and its systems and processes and identifying problems in a timely manner to implement rectification. If any fraud, corruption or bribery or other illegal conduct, which are regarded as red lines, are spotted, the employee found and proven to have committed such activity shall be subject to immediate dismissal. In the event that the activity violates any relevant laws or regulations and meets the standard of case filing, the employee shall be transferred to the judicial department. We conduct internal audits each year to assess whether there is any risk of fraud in the Company's operations and formulate specific audit procedures to test for fraud.

We have set up a special whistleblowing system and provide multiple whistleblowing channels and how we should deal with such concerns. We also encourage employees to lodge reports on any suspected breach of the red line and secure the complete confidentiality of reported content and the identity of the whistle-blowers. When a report is received or any activity in breach of the red line is detected, the risk control and internal audit department will conduct independent investigations immediately. After completing the investigation, the result will be reported to the internal audit committee for review and resolution in accordance with the Code of Conduct for Red Line of China Literature Limited and other regulations. Conducts that constitute violations and crimes will be reported to the police in accordance with the laws.

We also maintain a high level of integrity and professional ethics during the cooperation with our suppliers and entered into the Statement against Commercial Bribery with them, which demonstrates our firm opposition to improper profits and ensures the fairness and transparency of the cooperation process. We will immediately terminate the cooperation with them in case of any breach. Leveraging the supplier management system, we uniformly manage and supervise the compliance of supplier bidding, admission, evaluation, blacklist, and other processes to effectively reduce the risk of fraud in the business process.

We encourage all the Directors to participate in continuing professional development by distributing them training materials relating to corporate governance, functions and duties of directors, listing rules and other regulations, ensuring operation compliance. For our day-to-day work, we have developed an anti-fraud training framework for all employees, focusing on the risk control system, red line terms and contents and the employee reporting system, actively carrying out anti-corruption training for all employees. We incorporate anti-fraudulent propaganda into the training for new employees, and continue to carry out special risk control training covering various business units, to raise employees' awareness of anti-fraud and risk control. In 2022, for all employees, we completed the "Sunshine Protection Action the Code of Conduct for Red Line of China Literature Limited Compulsory Course" activity for all employees for the first time. The form of participation requires watching 3 episodes of the Red Line code of conduct compulsory course video and compulsory exam after class with a score of 90 or above, a total of 1,944 people participated in this round; for new employees, we conducted a total of 5 pieces of anti-fraud training, with a total of 260 people participating.

5. Supply Chain Management

We attach supreme attention to managing environmental and social risks of our supply chain by formulating and implementing the Supplier Management System of China Literature Limited, and continuously supervise and manage the suppliers' category framework maintenance, admission and review, selection and use, performance evaluation, process construction, information maintenance, etc. to ensure standardized management on the Company's procurement and supplier.

We set out strict requirements for the conduct of internal procurement staff and external suppliers. For internal procurement staff, we have developed a code of conduct, where the staff are required to declare in writing any sensitive relationships, they may have with our suppliers to ensure the fairness of procurement business. For all external suppliers, we adhere to the principles of openness, transparency, fair competition, equity and honesty. We have signed an Anti-Bribery Statement with all of our long-standing suppliers, as well as provisions relating to labor rights, health and safety and environmental protection commitments to ensure the fairness and order in all aspects of the supply chain.

We have established a supplier management system, which divides suppliers into seven categories: marketing services, administrative services, IT technical services, gift materials, office assets, IP derivatives and professional services. The digital system covers the supplier admission filing, performance assessment, promotion training, reward and punishment, etc. to standardize the whole life cycle of suppliers. In this regard, we are able to standardize the procurement and supplier management process to form a sophisticated supplier information update and maintenance mechanism, which can effectively ensure the consistency and stability of the supply chain.

We normally ask for price quotations from at least three vendors. Other factors including service quality and technical capabilities of the vendors will be taken into consideration when selecting vendors. Suppliers are subject to background check on registration record at the industrial and commercial bureau, legal conformity, authorization, etc. before being approved. Relevant documents will be recorded when conducting purchasing activities.

To ensure service quality of suppliers, we have established a sound supplier evaluation system and operation process to regularly evaluate the performance and score the technologies of suppliers of key categories and high-frequency cooperation. We set up detailed evaluation indicators by supplier categories to comprehensively evaluate their capabilities. We fully consider suppliers' performance in terms of product quality, service quality, delivery time, risk control information, response speed, etc., comprehensively use and maintain the opinions from various departments, and carry out necessary on-site visits and inspections according to the actual situations to provide meaningful reference for procurement. When the evaluation completed, we will systematically analyse the results of the supplier assessment. For suppliers with unsatisfactory performance, under the premise of complying with the applicable contractual arrangements, we may:

- Discuss with them on the remedial steps to help them improve their service quality;
- Reduce the number of orders;
- Impose penalties;
- Terminate collaboration.

We may disqualify the supplier, if:

- The supplier practise bribery, breach confidentiality, or seriously violates business ethics;
- We suffer significant losses due to late delivery, quality problems or supplier default.

Region	Number of suppliers as at 31 December 2022
Mainland China	2,368
Hong Kong, Macao and Taiwan	9
Overseas	64
Total	2,441

Note: Number of suppliers refers to the number of suppliers in the supplier database and region refers to the supplier's registered location.

We effectively ensure the security of information in cooperation with suppliers. We sign the Letter of Commitment for Compliance with Business Cooperation Confidentiality with all suppliers, which states that both parties are not allowed to disclose the private information or confidential data to any third party in any form without written consent. We also include confidentiality clauses related to the protection of information data in the contract to ensure the security of information and data during the cooperation process. The 7 key suppliers we cooperate within the fields of R&D outsourcing, IT materials, IT services and cloud services all have the ISO27001 Information Security Management System Certification. We irregularly review the suppliers' performance in data and privacy protection to ensure that their actions comply with the confidentiality requirements.

We attach importance to the suppliers' performance in environmental protection, require manufacturing suppliers to strictly comply with relevant laws and regulations of environmental protection, establish corresponding pollutant treatment systems, pass the environmental responsibility review by the competent authorities, and obtain the environmental protection approvals and other qualifications required for production.

New Classics Media also adheres to the concept of environmental protection in procurement, giving priority to purchasing energy-saving and environment-friendly office appliances. For office furniture suppliers, we require the manufacturers to pass ISO14001 Environmental Management Certification, ISO45001 Occupational Health and Safety Management Certification, ISO9001 Quality Management Certification, China Environmental Labeling Product Certification, etc., and operate in strict accordance with their management standards to ensure that their products do not cause damages to the natural environment or human health.

6. Community Investment

We are committed to creating social benefits and giving back to the society in different ways in the course of business development. We have formulated the Measures for the Management of Public Welfare Activities of China Literature Limited and leveraged on the advantages of our platform in cultural communication, we set up the Public Welfare Committee to plan the direction of public welfare projects, project scale and resources, to maximize the value we create for society.

During 2022, we organized the following events:

(a) Passing on the Ever-lasting Spirit

In 2022, China Literature entered into deep cooperation with Shanghai Pudong New Area Retired Military Cadre Service Management Center (“Pudong Retired Cadre Service Center”) to jointly carry out the long-term public welfare project of “Passing on the Ever-lasting Spirit”. On 29 September, the comfort activity themed “Continuing the Red Spirits and Celebrating the Double Nine Festival Together” jointly hosted by China Literature and Pudong Retired Cadre Service Center was held at the Luoshan Service Community of Pudong Retired Cadre Service Center. With co-construction as the bond, we invited employees to visit Pudong Retired Cadre Service Center to listen to the red stories of heroic predecessors, inherit their revolutionary spirit, and dig deep into the red memories behind the merit medals of retired military cadres.

We leverage the rich resources in digital reading to tell revolutionary stories well, inherit the red genes, continue the red spirits, and better meet the spiritual and cultural needs of retired military cadres to support the construction of a “Literary Service Center”. In this activity, China Literature donated a book corner to Pudong Retired Cadre Service Center with a first batch of 300 books. We also set up a volunteer service team to conduct long-term cultural cooperation.

For future cooperation, we have planned a series of activities, including comfort and visit activities of “Close to and Care for Veterans”, for which we will mobilize various resources to help military veterans go out; the “Veterans into Enterprises/Campus” activities, which will invite retired military veterans to visit the headquarters of China Literature and key universities in Shanghai to tell heroic stories, carry out the patriotic education, and cultivate the tradition of respecting and honoring the military. China Literature will establish itself as a close link connecting writers, editors and IP operations by taking advantage of the cultural creation soil, and explore the “Veterans’ Stories” deeply to develop the online literature in line with the times, contributing to the continuation of heroic stories.



Opening ceremony of the book corner



The heroic veterans share red stories

(b) Making Echoes with Public Welfare Enabled Literature

In 2022, China Literature and Tencent Charity carried out the public welfare project of “Echo Plan”, inviting writers of China Literature to participate in public welfare visit activities to jointly fulfil the social responsibilities. In January 2022, we invited the writer Yi Qianchong to visit the development of rural revitalization in Shifang, Sichuan, experience the important role of public welfare projects in motivating more social forces to contribute to rural revitalization and rural education, and tell the story behind rural revitalization from the perspective of writers to convey the content and spirit of public welfare projects. In September 2022, we invited the writer Zhuo Muxian and the bereaved families of the martyrs in the Anti-Japanese War to visit the Taierzhuang War Memorial Hall to

commemorate the martyrs’ deeds and carry on the spirits of the Anti-Japanese War. Based on the information and experience from the activities, the two writers created works with public welfare theme, which were included in the free e-book *Silent Words, Endless Echoes*, using the power of words to tell the story of the times and record the echoes brought by public welfare. In the future, we will cooperate with more outstanding writers, taking reading as the form and making culture as the core, to call on more social forces to invest in public welfare projects with rich story contents, contributing to the social development together.



The writer Yi Qianchong of China Literature visits the public welfare projects of rural revitalization



The writer Zhuo Muxian of China Literature visits the bereaved families of the martyrs in the Anti-Japanese War

(c) Meeting Intangible Cultural Heritage in Literature for Cultural Inheritance

In 2022, we reached strategic cooperation with Prince Kung's Palace Museum to jointly launch the "Three-Year Plan for the Promotion of Excellent Traditional Chinese Culture by Prince Kung's Palace Museum × China Literature". China Literature and the Prince Kung's Palace Museum will integrate the advantageous resources based on the historical and cultural resources and intangible cultural heritage display platform of the Prince Kung's Palace Museum and China Literature's online literature digital resources and rich IP development experience. We will join hands to integrate the excellent traditional culture represented by intangible cultural heritage into the digital cultural industry by building a literature creation base, holding seminars on Chinese style works, organizing essay competitions of traditional culture, and developing a series of cultural and creative products, enabling the excellent traditional Chinese culture to pass on and shine in the new era through new carriers such as online literature.

We jointly established the "Online Literature Creation Base of Prince Kung's Palace Museum × China Literature" to pair the writers of China Literature with the inheritors of intangible cultural heritage. After pairing, the writers will follow the inheritors for further learning and communications to learn about the history and development status of intangible cultural heritage and create literatures themed on this intangible cultural heritage, calling on more people to pay attention to the inheritance and promotion of intangible cultural heritage through high-quality online literature works. Meanwhile, the "Online Literature Creation Contest of Prince Kung's Palace Museum × China Literature" has also been officially launched on all platforms of China Literature, and the first contest with the theme of "Meeting Intangible Cultural Heritage in Literature" will lead more people to pay attention to the excellent traditional Chinese culture represented by intangible cultural heritage, and promote the inheritance and development of traditional culture in contemporary society.



Meeting Intangible Cultural Heritage in Literature – Strategic cooperation press conference of Prince Kung's Palace Museum x China Literature

(d) Encouraging Reading for All to Enrich the Mind

On the World Book Day in 2022, we kicked off the 30-day “Reading for All Month” activity, in conjunction with about 100 publishing units including the National Library of China, Shanghai Library, People’s Literature Publishing House and Posts & Telecom Press, to promote reading among the public. We invited 30 “Reading Champion” from all walks of communities to recommend good books for readers. We also prepared 217 high-quality publishing literature and online literature for users to read for free on the Qidian Reading APP. During the event, every reading check-in and sharing by readers could help build rural libraries and help rural children with few book resources obtain high-quality reading resources.

(e) Realistic Essay Contest

In 2022, the 6th Realistic Essay Contest was jointly hosted by a number of our renowned original literature websites. In keeping with the original purpose of writing for the age, the theme of this contest was “Ordinary Makes Great and Honor to Every Wonderful People”, which encourages the authors to focus their creations on the current times, and use online literature to record the people’s struggle and the development of the times. Over 29,000 participating authors submitted more than 34,000 works in the contest. Participants from various industries contributed a large number of outstanding works that reflect the social reality while highlighting the characteristics of the times by recording the changes of industries and the development of the times from both realistic and professional perspectives. Since the first contest held in 2015, our works under realistic themes has been growing at a compound growth rate of 37.2%, ranking No.2 in the whole categories. Nearly 80% of the award-winning works in the previous contests have been authorized for IP development. In the future, we will continue to cultivate realistic works and diversified derivative contents. We have always been guided by mainstream values and continue to promote the creation of more high-quality products.

(f) Uniting Like Seeds, Expressing Emotion by Words

In 2022, under the guidance of the China Promoting Minority Culture & Art Association and the Chinese Reportage Society, China Literature cooperated with Beijing Tiancheng Jiahua Culture Media to organize the 2nd “Pomegranate Cup” essay competition. With the theme of “Uniting Like Seeds, Expressing Emotion by Words”, this competition discovered a number of online literature works on ethnic culture, and some of them have been included in the Chinese national culture resource database. Driven by the Pomegranate Cup, China Literature has attracted writers from more than 10 ethnic minorities such as the Miao, She, Yi and Mongolian to join in online literature creation and gave birth to multiple excellent national cultural works, which shows the strong national consciousness and passionate feelings towards our home and country, and demonstrates the close connection among diversified Chinese cultures and the social outlook of unity and progress of all ethnic groups in contemporary era. The process of selection in the Pomegranate Cup Essay

Competition and IP development is also the process of discovering and cultivating writers and building a national IP ecological chain. IP development for nearly 80% of the 13 award-winning works from the first “Pomegranate Cup” is under way or about to take place, which aims to convey our national culture to the public in the form of publishing, audio, animation, peripheral derivatives and other forms so to inspire more people with good Chinese stories.



Award ceremony of “Pomegranate Cup” essay competition

7. Environmental Protection

7.1 Green Operation

We recognize the importance of environmental protection and conservation of resources for our sustainable development. In line with this concept, we strictly comply with all applicable environmental protection laws and regulations including the Environmental Protection Law of the People's Republic of China and the Energy Conservation Law of the People's Republic of China. We have also formulated the Management System for Energy Conservation and Emission Reduction to promote low-carbon office and resources saving, and reduce the generation and emission of pollutants by adopting recyclable office supplies to the extent possible.

In 2022, we formulated the following environmental targets and promoted the achievement of these targets by comprehensive environmental management:

Environmental target	Base year	Target year	Description of the target
Emission greenhouse gases	2019	2025	<ul style="list-style-type: none"> Direct GHG emissions (Scope 1) decline by 30% Indirect GHG emissions (Scope 2) decline by 15%
Energy efficiency	2019	2025	<ul style="list-style-type: none"> Gasoline consumption decline by 30% Electricity consumption decline by 15%
Water efficiency	2019	2025	<ul style="list-style-type: none"> Water consumption decline by 15%
Wastes	–	2025	<ul style="list-style-type: none"> 100% implementation and completion of the garbage classification system among all office 100% completion of harmless disposal of wastes among all offices Harmless disposal of all destroyed hard drive components and lead-acid batteries by qualified suppliers
Paper usage	–	2023	<ul style="list-style-type: none"> 100% adoption of office paper with renewable certification among all offices since 2023 to ensure that the purchased paper products come from sustainable forest resources

We attach supreme attention to the harmonious and sustainable development of enterprises and the environment, actively promote green office, adopt clean technology, fully implement the measures for energy saving and emission reduction, and adhere to the green development route to strive to become a contributor of green operations by continuous improvement of the environmental management system. We have implemented a number of energy-saving, water-saving and emission reduction measures to maximize energy efficiency:

- Turn off computers, lights and electrical equipment that are not in use to save electricity;
- Carry out the daily maintenance of water equipment to prevent running, dripping and leaking;
- Prioritize on purchasing and using energy-saving office facilities;
- Adopt energy-saving and environmental-friendly official vehicles, improve vehicles' maintenance and management, and reduce fuel consumption and pollution discharge;
- Advocate paperless office, promote double-sided printing and put in place recycling baskets for recycled paper;
- Put up energy and water saving posters to improve employee environmental awareness.
- Promote awareness of garbage classification and install classified garbage bins.

New Classics Media also attaches great importance to the environmental protection and waste management on the filming site, protects plants and vegetation, and cleans up domestic garbage and waste on time.

7.2 Climate Change

Global climate change is profoundly affecting human survival and constraining sustainable development, and accelerating action on climate change adaptation is a common issue facing the world.

7.2.1 Governance and Strategy

The Board has incorporated climate change-related risks into our enterprise risk management. We have assessed that our exposure to risks from policy, regulation, technology, market and reputation that are stemming from climate are low, and that the physical risks we face mainly arise from acute weather events caused by climate change, such as extreme weathers and natural disasters such as typhoons, heavy rainfall and flooding that could potentially impact our operations. In order to cope with the operational risks that may be caused by extreme weathers and natural disasters, we have developed the Emergency Plan of China literature to prepare for typhoons, fires, earthquakes and other emergencies, so as to minimise damage to office equipment and facilities and safety hazards to employees.

7.2.2 Risk Management and Metrics

We have incorporated ESG risks into the comprehensive risk assessment and management system of the Company, which includes climate change-related risks. Each department also takes measures in their operational management to manage and reduce greenhouse gas emissions from business operations. For the relevant data on greenhouse gas emissions, please see the section headed "Environmental Key Performance Indicators ("KPI")".

7.3 Environmental KPIs

Below are the environmental KPI of the Company. Unless otherwise specified, such KPIs cover our office buildings in Beijing, Shanghai, Suzhou, Shenzhen, Xianghe, Hainan and Hong Kong. In 2022, due to the adjustment of the scope of operation, the use of official vehicles was reduced, resulting in a decrease in greenhouse gas emissions and energy consumption compared with 2021. Affected by the epidemic, more employees chose to order takeaway to reduce congregate dining, so the amount of household waste increased significantly.

(a) Emissions

	2022	2021	2020
Total GHG emissions (Scopes 1 and 2) (tonnes)	2,018.77	2,091.44	1,577.00
Direct GHG emissions (Scope 1) (tonnes)	35.27	99.43	99.39
Including: Petrol (tonnes)	35.27	99.43	99.39
Energy indirect GHG emissions (Scope 2) (tonnes)	1,983.50	1,992.01	1,477.61
Including: Electricity purchased (tonnes)	1,983.50	1,992.01	1,477.61
Total GHG emissions per floor area (tonnes per square metre)	0.06	0.04	0.02
Total non-hazardous waste (tonnes)	342.16	289.79	119.70
Total non-hazardous waste per floor area (tonnes per square metre)	0.0100	0.006	0.002

Notes:

- (1) The emissions arising from our operation is limited, mainly includes domestic wastewater. Domestic wastewater has no material impact as it is discharged into municipal pipelines, so KPI A1.1 "types of direct emissions and respective emissions data" is not disclosed in this report.
- (2) Due to the business nature, our significant GHG emissions are direct GHG emissions derived from petrol consumption (Scope 1) of vehicles for business and shipping purposes and energy indirect GHG emissions derived from purchased electricity consumption (Scope 2).
- (3) The GHG inventory includes carbon dioxide. GHG emissions data is presented in carbon dioxide equivalent and is based on the Guidelines of the Greenhouse Gas Emissions Accounting and Reporting for the Public Building Operation Enterprises issued by the National Development and Reform Commission of China.
- (4) The hazardous waste arising from our operation is limited, mainly includes waste toner cartridge and waste ink cartridge from printing equipment at office buildings. Waste toner cartridge and waste ink cartridge have no material impact as they are collected and disposed of by printing suppliers, so KPI A1.3 (total hazardous waste produced) is not disclosed in this report.
- (5) Non-hazardous waste arising from our operation mainly includes domestic waste, disposed devices and waste books. Domestic waste is centrally disposed by the property management company. Disposed devices are recorded and handled by the administration department for recycling or disposing. Waste books are recycled and reused. To further reduce non-hazardous waste, we adopt the paperless office platform to reduce paper photocopy and printing, and encourage practices of printing on both sides and reuse of wastepaper, so as to avoid unnecessary paper waste.

(b) Use of Resources

	2022	2021	2020
Total energy consumption (MWh)	2,816.64	3,059.63	2,314.68
Total direct energy consumption (MWh)	144.28	406.68	406.50
Including: Petrol (MWh)	144.28	406.68	406.50
Total indirect energy consumption (MWh)	2,672.36	2,652.95	1,908.18
Including: Electricity purchased (MWh)	2,672.36	2,652.95	1,908.18
Total energy consumption per floor area (MWh per square meter)	0.08	0.06	0.04
Running water consumption (tonnes)	18,954.96	25,026.56	21,102.16
Running water consumption per floor area (tonnes per square metre)	0.71	0.59	0.38

Notes:

- (1) Total energy consumption is worked out by the data of electricity and petrol with reference to the Annex I Fossil Fuel Coefficients in the Guidelines of the Greenhouse Gas Emissions Accounting and Reporting for the Public Building Operation Enterprises issued by the National Development and Reform Commission of China.
- (2) Our water resources come from municipal water supply, which is secure. The data on running water consumption and running water consumption per employee reported here only cover office buildings in Shanghai, Xianghe, and Shenzhen, as well as the office building of New Classics Media in Beijing. In October, the Shanghai office was moved to a new location. The condensed water in the machine room used by the new office was recycled for 24 hours and was not included in the statistics of tap water consumption. And the water fees of other office buildings in Suzhou, Hong Kong, Hainan and Beijing are borne by the property management companies.
- (3) KPI A2.5 (total packaging material used for finished products) is not applicable to us, as we do not use packaging materials during operation.
- (4) As we do not use other environmental and natural resources during operation, the aspect of A3 (environmental and natural resources) and A3.1 (description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) are not applicable to us, so they are not disclosed in this report.

8. Outlook

In the future, we will continue to improve our environment, social and government system, adhere to the unity of economic benefits and social benefits, and, based on the actual business, create high-quality content for users, protect users' rights and interests, work together with our employees, share value with our partners, and actively carry out various public welfare activities. We will advocate reading for all, spread and promote positive energy, assist in the building of creative teams and the cultivation of talents, and continue to contribute to building a harmonious society and promoting the prosperity of socialist culture.

HKEX Guide and Index

Subject Areas	Disclosure Items	Location in Report
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7.1 Green Operation
A1.1	The types of emissions and respective emissions data.	7.3 Environmental KPIs
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)	7.3 Environmental KPIs
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Not applicable
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	7.3 Environmental KPIs
A1.5	Description of emission target(s) set and steps taken to achieve them	7.1 Green Operation
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets(s) set and steps taken to achieve them	7.1 Green Operation

Subject Areas	Disclosure Items	Location in Report
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.1 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)	7.3 Environmental KPIs
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	7.3 Environmental KPIs
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	7.1 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	7.1 Green Operation
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable
Aspect A3	Environment and Natural Resources	
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Not applicable
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Not applicable
Aspect A4	Climate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	7.2 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	7.2 Climate Change

Subject Areas	Disclosure Items	Location in Report
B. Social		
Aspect B1	Employment	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.1 Employment and Labor Standards
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	3.1 Employment and Labor Standards
B1.2	Employee turnover rate by gender, age group and geographical region	3.1 Employment and Labor Standards
Aspect B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.2 Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	3.2 Health and Safety
B2.2	Lost days due to work injury	3.2 Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	3.2 Health and Safety

Subject Areas	Disclosure Items	Location in Report
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work Description of training activities	3.3 Employee Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	3.3 Employee Training
B3.2	The average training hours completed per employee by gender and employee category	3.3 Employee Training
Aspect B4	Labor Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	3.1 Employment and Labor Standards
B4.1	Description of measures to review employment practices to avoid child and forced labor	3.1 Employment and Labor Standards
B4.2	Description of steps taken to eliminate such practices when discovered	3.1 Employment and Labor Standards
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain	5. Supply Chain Management
B5.1	Number of suppliers by geographical region	5. 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	5. 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	5. 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	5. Supply Chain Management

Subject Areas	Disclosure Items	Location in Report
Aspect B6	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	2. Product Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable
B6.2	Number of products and services related complaints received and how they are dealt with	2.4 Respond to Users' Feedbacks
B6.3	Description of practices relating to observing and protecting intellectual property rights	2.3 Intellectual Property Protection
B6.4	Description of quality assurance process and recall procedures	2.1 Online Content Security
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	2.1 Online Content Security
Aspect B7	Anti-Corruption	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4. Anti-Corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	4. Anti-Corruption
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	4. Anti-Corruption
B7.3	Description of anti-corruption training provided to directors and staff	4. Anti-Corruption

Subject Areas	Disclosure Items	Location in Report
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	6. Community Investment
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	6. Community Investment
B8.2	Resources contributed (e.g. money or time) to the focus area	6. Community Investment