



(continued into the Cayman Islands with limited liability)
Stock Code: 03888

KINGSOFT CORPORATION LIMITED

2022 ENVIRONMENTAL, SOCIAL and GOVERNANCE REPORT



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ABOUT THIS REPORT

Reporting Scope

The report aims to objectively, fairly and justly reflect the environmental, social and governance (“**ESG**”) concept of Kingsoft Corporation Limited (hereinafter referred as “**Kingsoft**” or the “**Company**”) and its subsidiaries, as well as their remarkable milestones and achievements. We will discuss all relevant areas in detail, especially the ESG issues that may exert considerable influence over the sustainability of our business operations and are of concern to our stakeholders. Based on the composition of the Group’s revenue in FY2022, we determine the scope of this report to be Kingsoft and its subsidiaries (hereinafter referred to as the “**Group**” or “**we**”) — mainly including Beijing Kingsoft Office Software, Inc. (hereinafter referred to as “**Kingsoft Office**”) and Seasun Holdings Limited (hereinafter referred to as “**Seasun Holdings**”). The report covers the period from 1 January 2022 to 31 December 2022. To maintain continuity of information, the report may include practices beyond this time frame.

Reporting Principles

In preparing this ESG report, the principles of “Materiality” “Quantitative” “Balance” and “Consistency” are applied to define the content of the report and how the information is presented.

Materiality: During the preparation of this report, we have identified main stakeholders and key ESG issues of their concern, and made targeted disclosure according to their relative materiality. For more information on materiality assessment, please refer to the sections “Stakeholder Engagement” and “Materiality Assessment” below.

Quantitative: This report adopts quantitative information to disclose the key performance indicators (“KPI”) in the environmental and social aspects. The measurement standards, methods, hypothesis and/or calculation tools, and the source of conversion coefficient used for the KPIs are explained in their respective paragraphs.

Balance: The purpose of this report is to report the positive and negative ESG information and performance of the Group transparently and objectively. The report covers four aspects: responsible operation, talent management, green operation and contributing to the society.

Consistency: The data disclosed in this report adopts the statistical method consistent with previous years, with individual changes explained to ensure consistency.

Preparation Basis

The report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* set out in Appendix 27 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Data Source

The information, data and cases cited in this report are all from the Group’s official documents, statistical and financial reports or public documents, as well as other ESG practices collected and summarised by the functional departments of the Group. The Board of Directors is responsible for the authenticity, accuracy and completeness of the content of this report. For information on governance, it is recommended to read in conjunction with the Corporate Governance Report in the Annual Report.

Access to this Report and Feedback Channel

The electronic version of this report is available on the website of the Group (www.kingsoft.com) and the website of the Stock Exchange (www.hkex.com.hk). If you have any comments or suggestions about this report, please email us at ir@kingsoft.com.

CHAIRMAN STATEMENT

The transition to carbon peaking and carbon neutrality necessitates a broad and profound systemic socio-economic transformation. Not only the energy mix has been transformed, but all aspects of social economy have also evolved. For the Internet industry, this is an era of coexistence of change and opportunity, an era in which management turns out to be refined and corporate responsibility is increasingly valued. For enterprises, the high-quality development means that enterprises should pursue sustainable development. Amid the transformation, we have been moving towards sustainability and working closely with the market and society to achieve the common goal of high-quality development.

Responsibility makes success

We insist on pursuit of excellent quality to solidify our foundation. With technology drives our long-term development, we adhere to the corporate value of “Aiming for the Highest and Down-to-earth” and the Kingsoft Office’s product strategy of “multi-screen, cloud, content, AI and collaboration”. With our services, we can fully empower the digital transformation of government and enterprise customers. Besides, we also explore high-quality masterpieces and new IP fields, and we have registered 3,924 trademarks at domestic and oversea, covering more than 100 countries and regions, so as to protect independent innovation achievements. We also focus on user needs, incorporate user feedback into R&D process, and enhance high-quality products and services to create perfect experience for our users. While expanding cloud and collaborative office scenario products and core game IP extension products, we have built a top-down cybersecurity protection system and management structure to effectively protect our cybersecurity and user privacy. In addition, we are keen on the implementation of game anti-addiction measures to provide teenagers with a green and healthy network environment, achieving accurate judgement of juvenile accounts with no complaints.

We stress concerted efforts to forge ahead. The Group works tirelessly for perfection in green operation, and formulates environmental protection goals, investing in and utilising clean energy, thereby making green a defining feature of our operation. We have made a long-term commitment to climate change through developing extreme weather plans, launching cloud office and collaborative office products, assisting users in operational efficiency improvement, promoting green data centre, and realising 100% compliant treatment of hazardous waste. In doing so, we can stay ahead of the competition when transitioning to a green and low-carbon economy and society, thus making the Group brand of green and low-carbon products and services a prominence.

Integrity brings trust

We act with integrity to bring trust. Compliance management and integrity are of great importance at the Group. That’s why we continue improving the anti-corruption rules and regulations as well as the enforcement supervision system. We also smooth internal reporting channels, regularly organise integrity audits, and actively carry out integrity concept publicity, aiming at incorporating integrity in the Group’s culture, so as to create a sound business environment jointly with 3,342 suppliers. Moreover, we keep on perfecting our ESG management strategy and governance structure to enable management and the Board of Directors to better perform their duties in execution and supervision. And diversified measures are taken to improve communication with investor, so as to create stable value for shareholders.

CHAIRMAN STATEMENT (continued)

Aspiration catalyses greatness

We stand in unity to make a difference. The development of the Group has always been fuelled by our aspiration. We value human resources as a material asset and pillar of the Group's development. Therefore, based on the results of the "Annual 360-degree Survey", we identify talent development needs, conduct school-enterprise cooperation, organise management trainee programs, and practise multi-level talent cultivation. Furthermore, we select young managers through the "Youth Training Courses", helping employees reach the next level in their careers. We are also devoted to strengthening our social influence by constant donation for public welfare undertakings. Specifically, we have established Beijing Kingsoft Public Welfare Foundation to work on social welfare activities, together with other subsidiaries. This is the sixth year we have carried out "Summer Camp — Seasun Journey", Art Training Laboratory and book donation activities. Following the principle of applying technology for social good, we empower every line of code to realise its potential for social impact, and we have donated RMB1,391 thousand this year. All these efforts can let our light shine.

Braving the wind and storms, we work in solidarity to pursue excellence step by step. Through making strides in the eras of PC, Internet and mobile Internet, the Group now is filled with vigour and vitality. As long as there is a hope, there is a path ahead, and the sunshine of hope may light up the future of us all. Achievements represent the past while the future is exposed to challenges. We never forget our original aspiration to forge ahead. We will adhere to the principle of technological empowerment to serve the society under the values of aiming for the highest and down-to-earth, thus becoming a world-class company.

Jun LEI

Chairman

21 March 2023

HONOURS and AWARDS

As a leading software and internet services enterprise in China, the Group continuously optimises its organisational structure and explores technological innovation in this digital era. By exploiting product advantages and embracing digital challenges, we contribute to the rapid development of global digitalisation. With the unremitting efforts of the Group, we were awarded many honours and recognition in 2022.

Date	Awards
AUGUST 2022	Kingsoft Office won the “The 10th Innovation Award at China Information Technology Expo”
NOVEMBER 2022	<p>Kingsoft Office won the “Harmony Eco-Navigator Award” and the title of “Huawei Smart Office Excellent Product Partner” in the Huawei Developers Conference</p> <p>Kingsoft Office won the “Excellent Project Award of Information Technology Application Innovation Track” in 2022 “Icchuangxin” Innovation Challenge Competition</p> <p>Seasun Holdings won the “HMS Core Innovation Cooperation Award” at Huawei Developers Conference</p> <p>Seasun Holdings won the following awards at the “Golden Finger Award” ceremony of the Chinese game industry:</p> <p>“Excellent Enterprises in China’s Game Industry in 2022”</p> <p>“2022 Advanced Unit of Game Research and Development in China Game Industry”</p> <p>JX Online III won “Excellent Online Game in China Game Industry 2022”</p> <p>JX World III mobile game won “Best Mobile Game of 2022 in China Game Industry”</p> <p>JX Online III Yuan Qi won “Excellent Online Game in China Game Industry 2022”</p>
DECEMBER 2022	Kingsoft Office won the “2022 Outstanding Contribution Award for Digital Transformation of Technology Enabling Financial Industry”

ESG MANAGEMENT

ESG Strategy

We integrate ESG considerations into our business operations and daily management, practice the ESG concept from four aspects, namely responsible operation, talent management, green operation and contributing to the society and constantly improve ESG strategies. The Board of Directors conducts periodic reviews of the strategies to examine and ensure their consistency with the Group's development strategy.

The United Nations Sustainable Development Goals ("SDGs") aims at guiding countries around the world to solve their development issues in society, economy and environment, and encouraging all sectors of society to contribute to sustainable development. We have identified and prioritised the SDGs relevant to us based on the Group's business features and integrated them into our ESG concept to guide the Group's ESG actions.

Responsible Operation



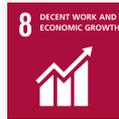
The Group maintains network and data privacy security by optimising customer service to enhance user experience. We actively embrace digital transformation, increase R&D investment, innovatively develop products, strengthen intellectual property protection, and optimize advertising management and publicity. In the continuous development of business, we pay attention to integrity management and standardize supply chain management, to win the recognition and trust of users.



Talent Management



Talent resource forms an important asset for the sustainability of the Group. We adopt a fair and equitable recruitment process, and safeguard employees' labour rights, striving to create an equal and diversified team. Guaranteeing reasonable working hours for employees, we continuously perfect employee performance, promotion, compensation, benefits and training system to ensure a healthy and safe workplace. Besides, we encourage and support employees to work and live in a healthy and happy way. Through listening to their voices, we also establish a close connection with our employees to enhance their sense of identity and satisfaction with their own work, thus realising mutual-development with them.



Green Operation



The Group strictly abides by relevant environmental laws and regulations, and sets feasible environmental targets in terms of emission reduction, energy conservation, water saving, waste reduction, etc., to significantly reduce greenhouse gas emissions and the use of energy and water resources, ultimately lowering the impact of operational activities on natural resources. Moreover, our efforts to build a green workplace, advocate green office and lifestyle, and promote green products and services represent our commitment to green operation, which also further expand the Group's corporate influence in green environmental protection.



Contributing to the Society



As a responsible corporate citizen, we are committed to giving back to society as we develop ourselves. Practising social responsibilities, we constantly explore ways for sustainable social development in social care, education support, environmental protection, disaster relief and other aspects, so as to contribute to social well-being.



ESG Governance Structure

Statement from the Board

Kingsoft's Board of Directors is committed to the sustainable development of the Group's business while actively practicing the concept of ESG, improving ESG governance, and pursuing the harmonious development of the Group with nature and society.

Oversight of ESG issues: Kingsoft's Board of Directors is the highest responsible and decision-making body for ESG issues. It is responsible for formulating ESG strategies, reporting ESG performance, and supervising ESG issues. The ESG Committee is accountable to the Board of Directors by assisting it with the decision-making and review of ESG issues. During the year, the ESG Committee attended 1 ESG work report meeting to understand the development trend of ESG, the performance of ESG management and information disclosure in the past years, and the ESG work plan for the next year, and made recommendations on the ESG management of the Group. We have established an ESG organisational structure covering our subsidiaries and functional departments to better practice the ESG concept, and the relevant functional departments and subsidiaries are responsible for the management and implementation of ESG actions.

ESG management approach and strategy: Kingsoft conducts materiality assessment at regular intervals. The specific assessment process and results are detailed in the sections "Stakeholder Engagement" and "Materiality Assessment" of the Company's *2022 Environmental, Social and Governance Report*, which are reviewed by the Board of Directors. The Board of Directors of the Company has comprehensively identified the significant ESG risks related to the Group, including climate change, privacy and data security, human capital development, intellectual property management, health and safety compliance of products and services, and business ethics, etc. We have not only formulated response measures, but also required relevant departments to implement such measures in their daily operation and management.

Review of the ESG Target: Each year, the Board of Directors reviews and assesses the achievement of the environmental target for the current year, and reviews and discusses the setting of the target for the next year. In 2022, the Board of Directors received a report from the Group's management on the environmental goal-setting for the current reporting year and reviewed and evaluated the achievement of the goals. Among them, the environmental goals, including the office building's attainment of Leadership in Energy and Environmental Design (LEED) green building certification, the use of water-saving appliances, waste separation and disposal, have all been achieved. In addition, the Board of Directors reviewed and discussed the annual environmental targets related to the business operation for the next year, including increasing the clean energy uses, increasing the proportion of green procurement, using energy-saving and water-saving equipments, ensuring the compliance of waste treatment and others.

The detailed information on the aforementioned ESG issues has been disclosed in this report, which were reviewed and approved by the Board of Directors on 21 March 2023.

ESG MANAGEMENT (continued)

Stakeholder Engagement

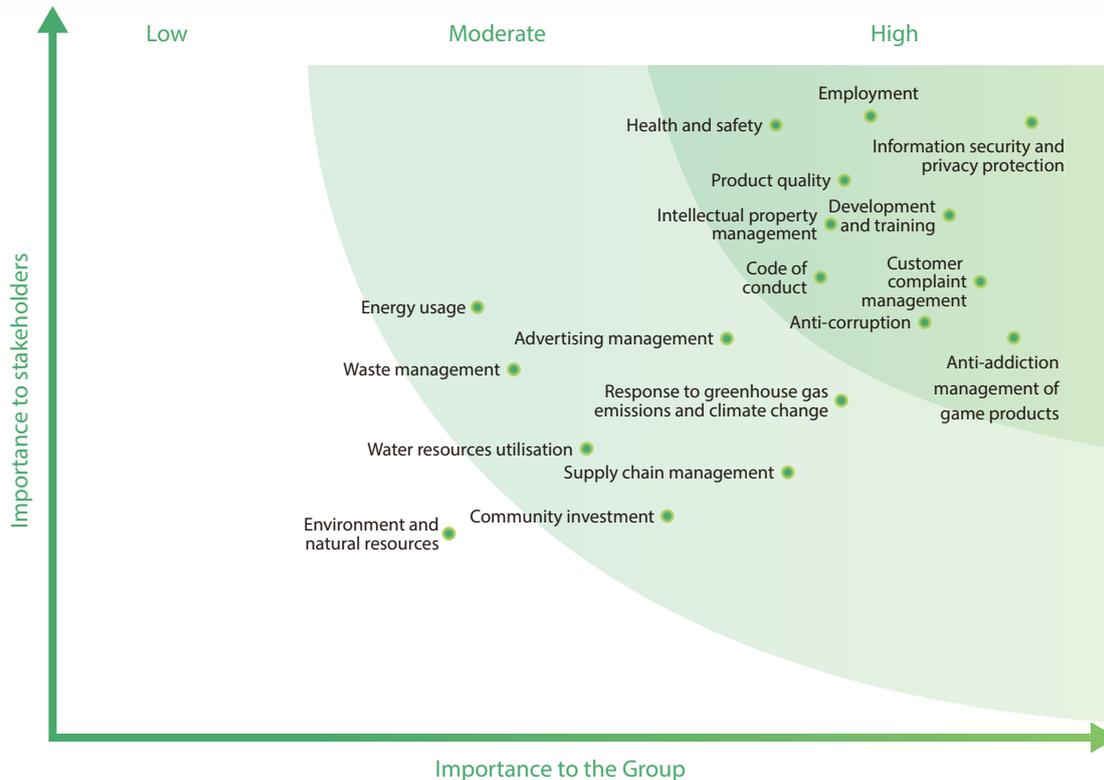
We recognise the importance of engaging in communication with stakeholders and regard their views and opinions as a vital driving force to continuously enhance our ESG management. We communicate with stakeholders proactively via various channels to understand and respond to their demands promptly. We have identified our main stakeholders and obtained their opinions and expectations that have an interactive impact on the operation of the Group. These are summarised in the table below:

Main Stakeholders	Main Expectations	Main Communication and Response Channels
 <p>Governmental and regulatory authorities</p>	<ul style="list-style-type: none"> • Compliance with laws and regulations • Safety and reliability of products • Promoting technological progress • Serving national interests and people's livelihood 	<ul style="list-style-type: none"> • Inspection and reception • Annual report • The Group's website • Document submission
 <p>Investors</p>	<ul style="list-style-type: none"> • Maintaining good operating performance • Compliant operation • Information disclosure 	<ul style="list-style-type: none"> • Shareholders' general meeting • The Group's announcements • Reporting of special projects • Visitor reception
 <p>Customers</p>	<ul style="list-style-type: none"> • High-quality products and services • Protecting information security and user privacy • Satisfying the diversified needs of customers 	<ul style="list-style-type: none"> • Daily communication with customers • Survey on customer satisfaction • Handling and feedback of customer complaints
 <p>Staff</p>	<ul style="list-style-type: none"> • Protecting staff's rights and interests • Protecting occupational health • Training and development • Promotion channels • Work-life balance 	<ul style="list-style-type: none"> • Staff meeting • Platform for staff's suggestions • Face-to-face communication • Staff training
 <p>Suppliers and partners</p>	<ul style="list-style-type: none"> • Open, fair and impartial procurement • Fulfilling contractual obligations • Mutual benefits and win-win cooperation 	<ul style="list-style-type: none"> • Public tendering • Face-to-face communication
 <p>Community</p>	<ul style="list-style-type: none"> • Community development • Public welfare undertakings • Environmental protection 	<ul style="list-style-type: none"> • Involvement in community activities

ESG MANAGEMENT (continued)

Materiality Assessment

This year, through continuous and effective communication with main stakeholders on their investigation results, following the suggestions from external experts, and understanding the areas of media attention, the Group has comprehensively identified relevant ESG issues and assessed their materiality, as well as regarded them as an important reference to the report.



The Group's 2022 ESG Materiality Issues Matrix

ESG Issues with High Materiality

- Information security and privacy protection
- Employment
- Health and safety
- Product quality
- Intellectual property management
- Development and training
- Code of conduct
- Customer complaint management
- Anti-addiction management of game products
- Anti-corruption

ESG Issues with Moderate Materiality

- Advertising management
- Response to greenhouse gas emissions and climate change
- Supply chain management
- Community investment
- Water resources utilisation
- Waste management
- Energy usage

ESG Issues with Low Materiality

- Environment and natural resources

RESPONSIBLE OPERATION

The Group maintains network and data privacy security by optimising customer service to enhance user experience. We actively embrace digital transformation, increase R&D investment, innovatively develop products, strengthen intellectual property protection, and optimize advertising management and publicity. In the continuous development of business, we pay attention to integrity management and standardize supply chain management, to win the recognition and trust of users.

Product Responsibility

We devote ourselves to providing users with healthy and safe products and services. We emphasise the importance of enforcing effective cybersecurity and privacy protection measures as well as maintain compliance with data privacy protection requirements. In our game business, we also improve various management measures in protecting online game users' physical and mental health, primarily minors. Furthermore, we strictly control the quality of products and services, optimise user complaints handling, and smooth user communication channels.

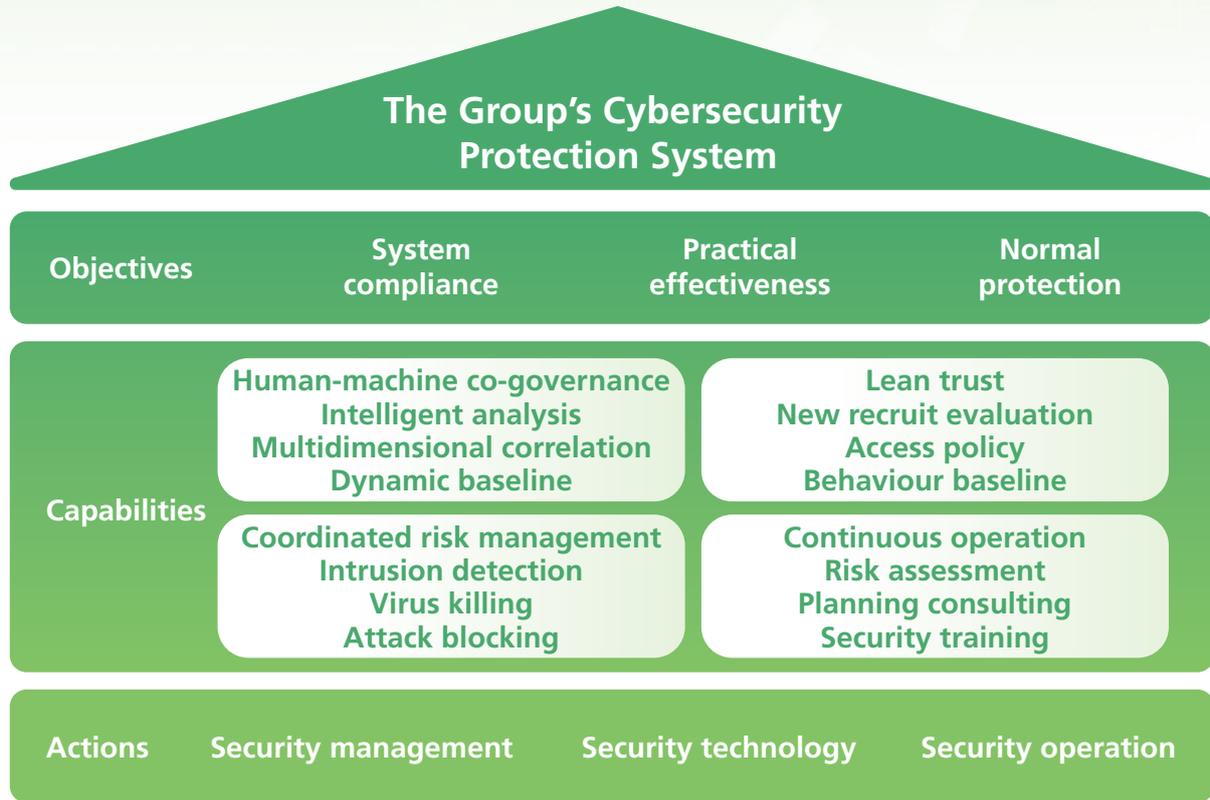
Information Security and Privacy Protection

We strictly abide by the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Administrative Measures for Internet Information Services*, the *National Cybersecurity Contingency Plan* and other laws and regulations, as well as relevant national standards such as the *Information Security Technology — Personal Information Security Specification* and the *Information Security Technology — Guidelines for Information Security Risk Management*.

We formulate relevant policies and standards targeting Kingsoft, Kingsoft Office and Seasun Holdings, such as the *Kingsoft Information Security Management Specification*, the *Security Review Process before Launching Application System*, the *Penalty Rules for Information Security Incidents*, the *Privacy Compliance Inspection Standards* and the *Personal Information Leakage Contingency Plan*. In 2022, we introduced the *Kingsoft Data Security Management Specification*, revised the *Kingsoft Security Review Process before Launching Application System* and the *Kingsoft Network and Information Security Contingency Plan*, clarifying the whole process management requirements on data collection, destruction and audit, as well as the product privacy security and data security design, and refining the contingency plans, along with the operation and maintenance authority review processes, so as to ensure a sound cybersecurity system in an all-round way.

With the objectives of "system compliance, practical effectiveness and normal protection", we establish a top-down cybersecurity protection system to continuously consolidate the defence capabilities from the four dimensions of "human-machine co-governance", "lean trust", "coordinated risk management" and "continuous operation". In addition, we take three major protection actions, namely "security management", "security technology" and "security operation", to comprehensively improve the Group's cybersecurity management by optimising top-level design, technical skills and operation and maintenance measures.

RESPONSIBLE OPERATION (continued)



The Group's Cybersecurity Protection System

The Group sets up an Information Security Taskforce responsible for information security decision-making and supervision of the Group. The team is composed of the CEO of the Company as the leader, vice president, director of the Information Department, CEO of Season Holdings, vice president of Kingsoft Office and other management personnel. And as a team member, the Security Execution Team of each subsidiary, which belongs to the Information Security Management Team, performs specific management actions.

Kingsoft Office sets up a cybersecurity protection and management structure composed of the Security Committee, the Security Executive Team and the Security Centre, as well as the security owners from various departments. The Security Committee, chaired by members of the Kingsoft Office Board of Directors, is responsible for cybersecurity management decision-making and supervision of the effective implementation of relevant measures. The Security Executive Team and the Security Centre are in charge of issuing internal policies, coordinating interdepartmental work and organising information security audits. And the responsibility of the security owners from various departments is to implement cybersecurity measures.

Likewise, Season Holdings forms the Security Management Team responsible for cybersecurity-related management, which is led by the CEO and managed by the head (vice president) of the Technical Centre. The Security Management Team also has a Cybersecurity Team composed of a security manager, information security engineers, security development engineers and security auditors, which is responsible for implementing cybersecurity protection measures. Moreover, Season Holdings establishes a security contingency liaison mechanism that connects all of its platforms and business lines, improving the efficiency of handling emergency security incidents.

RESPONSIBLE OPERATION (continued)

The Group also further optimises cybersecurity management throughout the product life cycle, reducing the overall risk related to network and information security.

- To perfect the security R&D operating system, each subsidiary establishes a multi-layered risk defence mechanism and develops a vulnerability management platform independently where the linkage between the platforms and devices can enable the system to perceive intrusion activities and send an alert. We also deploy terminal detection and response tests to prevent systemic risks. Besides, we, in an active way, carry out code security audits in the security development stage, as well as baseline checks and penetration tests in the security testing stage;
- To promote closed-loop cybersecurity management, we also conduct internal and external security attack and defence drills, formulate security contingency plans and contingency response mechanisms, thereby ensuring information system security and business continuity.

The Group places a high priority on the compliance management of user privacy security.

- In terms of data collection, usage and processing, the Group follows the “Minimum and Necessary” principle and relevant provisions in the privacy agreement, and use user information in a reasonable and transparent manner with full respect for users’ right to know, choose and control their personal information. Users also have the right to modify or delete personal data at their own discretion;
- In terms of data storage and transmission, each subsidiary encrypts the data transmission channels and applies rigorous authorisation over access policies, so as to ensure data integrity, confidentiality and availability;
- In terms of product privacy protection, we upgrade and optimise the sensitive data storage system, build our own security management platform, and update user privacy information protection system. In addition, we regularly complete penetration tests to identify information vulnerabilities in a timely manner, and conduct privacy compliance checks before product launching.

During the reporting period, all subsidiaries have obtained a number of cybersecurity certifications from external agencies. For instance, Kingsoft Office has been certified by the ISO 27001 Information Security Management System, the ISO 27701 Privacy Protection Management System. Its WPS Cloud Document, WPS Account System, Kingsoft Cooperation and Kingsoft Powerword have obtained the certification of National Cybersecurity Classified Protection (Level 3), while the learning system of quality online course obtained the Classified Protection at Level 2. Seasun Holdings’ core website xoyo.com and its trading platform “Wan Bao Lou” have passed the certification of Information System Security Classified Protection at Level 3, and the content management system has passed that of Information System Security Classified Protection at Level 2.

The Group also formulates corresponding process standards in line with information system audit rules and regulations, and engage third-party institutions to audit the information system every year. And the audit results will serve as the basis for developing countermeasures and improvement plans for internal and external security risks.

RESPONSIBLE OPERATION (continued)



▲ ISO 27001 and ISO 27701 Certifications of Kingssoft Office

▲ Certification on Classified Protection at Level 3 of "Seasun Holdings Wan Bao Lou"

Pursuant to the general principles of employee training on cybersecurity clarified in the *Kingssoft Information Security Management Specification*, the subsidiaries organise specific training on the basis of their business characteristics, in an attempt to enhance employees' cybersecurity awareness in an all-round way. In 2022, we carried out cybersecurity and data privacy security training for all full-time employees, contract labours, dispatched employees and casual workers, helping familiarise them with R&D security instructions and raise security awareness. We publish the cybersecurity situation report on a monthly basis and encourage employees to participate in information security and game security related summits. Moreover, we celebrate the Cybersecurity Week with all employees annually to foster their cybersecurity awareness, clarify the red lines of employee privacy and security, and popularise preventive measures.

Prevention from Indulging in Games

In strict compliance with relevant laws and regulations such as the *Law of the People's Republic of China on the Protection of Minors*, the *Provisions on the Cyber Protection of Children's Personal Information*, the *Measures of the People's Republic of China for the Administration of Internet Information Services*, the *Provisions on the Administration of Online Publishing Services* and the *Provisions on Ecological Governance of Network Information Content*, and being actively responsive to the *Notice by the National Press and Publication Administration of Preventing Minors from Indulging in Online Games* and the *Further Imposing Strict Administrative Measures to Prevent Minors from Becoming Addicted to Online Games*, we actively implement management measures to prevent minors from indulging in online games.

Seasun Holdings built a real-name authentication system for online game user accounts of all game products to strictly protect the real-name authentication information provided by users. With the solution of game anti-addiction facial recognition, Seasun Holdings will require facial recognition for potential underage players to prevent them from bypassing the authentication, thus ensuring the player is the one who previously authenticated the account. Minors are prohibited from playing PC games, but are allowed to play mobile games within the limited time. In 2022, all the games of Seasun Holdings were deployed with anti-addiction system and facial recognition technology. Besides, all online games of Seasun Holdings come with age-appropriate tips on the game interface, and set in-game consumption limits for minors, so as to ensure minors' moderate exposure to the games within time limits.

In 2022,

100%

games of Seasun Holdings were deployed with anti-addiction system and facial recognition technology

RESPONSIBLE OPERATION (continued)

This year, Season Holdings kept on improving the anti-addiction mechanism for minors using the algorithm recognition technology. According to the characteristics of abnormal IP, abnormal device, time on online games, Season Holdings can judge more accurately whether players are minors. In addition, Season Holdings actively responds to the anti-addiction regulations for national holidays through announcing an adjustment of minors' game time one week before each statutory holiday, so that users can understand the relevant policies and adjust their game time. In 2022, Season Holdings succeeded in intercepting minors' gaming accounts suspected of fraudulently using adult identities, and all these accounts were proved to be minor's accounts with no objection.

ANTI-ADDICTION MANAGEMENT



▲ Identity authentication of Season Holdings games



▲ Facial recognition technology of Season Holdings games

Season Holdings also continued to hold various offline publicity activities (e.g., "Summer Camp — Season Journey" and "Carnival and Family Day") during the year to prevent minors from being addicted to games, amid efforts to introduce the fact about games by means of edutainment, and popularise game industry related knowledge, so as to build a platform to protect the growth of minors.

GAME ANTI-ADDICTION PUBLICITY



▲ 2022 5th "Summer Camp — Season Journey"

RESPONSIBLE OPERATION (continued)

Product Quality

Adhering to the core operation tenet of “user-oriented”, we put more efforts in the quality improvement, and concentrate on the quality management throughout the product life cycle, thus providing users with high-quality products and services.

Kingsoft Office formulates the *Measures for the Management of Digital Assets*, the *Basic Standards for R&D Security and Privacy Protection* and other regulations to ensure software product quality. Also, Kingsoft Office conducts strict compliance review and testing on product quality, focusing on a wide range of factors such as stability, security, suitability, etc. Ahead of products or new features being released, the President Office of Kingsoft Office leads the quality inspection on new products or functions, while the Legal and Security Centre is responsible for risk checks such as user privacy protection and intellectual property rights, so as to timely address potential security risks arising from products to avoid quality problems. This year, Kingsoft Office understood and followed up on users’ usage of the products in time and launched intelligent search tools to facilitate real-time monitoring of users’ demands on products and services posted on social platforms, thereby finding out areas of improvement.

Seasun Holdings formulates the *Product Quality Evaluation Standards* to set stringent requirements for the quality of products and services. Besides, Seasun Holdings sets up a Project Review Committee comprising CEO, vice president, etc. to manage and supervise its product progress and service quality, where a quality centre is in charge of the management of product quality. This year, Seasun Holdings updated its management measures and improved the newly-added quality assessment standards for PC and mobile game products. All projects can only proceed after being unanimously approved through review. For projects that do not meet the standards, the Quality Centre will report the problems to the project team as well as the Project Review Committee, and urge relevant departments to rectify, so as to guarantee the quality of products and services.

This year, Seasun Holdings optimised the automated performance analysis platform for the client by big data integration, which could improve data processing efficiency and alerts processing speed. It also built up a new platform to collect and analyse performance data such as game image quality and running speed on a client that connects to the Internet. These analyses help Seasun Holdings capture consumer experience and needs to better optimise the products.

Service Excellence

We strictly abide by laws and regulations such as the *Law of the People’s Republic of China on the Protection of Consumer Rights and Interests* and the *E-Commerce Law of the People’s Republic of China*. Kingsoft Office formulates the *Complaints Handling Process Specification for Kingsoft Office Customer Service Department*. In 2022, Seasun Holdings developed the *Criteria on Verifying Praise for Customer Service on Enterprise WeChat Account*, the *Complaints and Praise Handling Procedures Specification of Seasun Customer Service Department*, and the *Rules for Quality Assessment* to optimise the methods to evaluate complaint handling and standardise the customer service management.

This year, to improve complaint handling process, both Kingsoft Office and Seasun Holdings conducted customer satisfaction surveys and established complaint database, systematically collecting, summarising and analysing users’ feedbacks and complaints. In addition, we attentively learn about our customers’ experience with our products and services as well as any related suggestion from the result of the analysis, and we regularly share the outcome of our studies with the R&D department on the product end. By probing into customer complaints for key issues in optimization of products and services, we provide feedback to product R&D to satisfy the diversified requirements of our customers.

Kingsoft Office opens channels for handling user complaints, including 400 hotlines, WeChat account, email, user feedback platform and website. A dedicated complaint channel has been opened up between the website of Kingsoft Office and other consumer complaint platforms such as the 12315 National Internet Platform of Consumer Dispute Resolution for shared information. Kingsoft Office can collect and use users’ complaints on these platforms to understand and respond to user requests efficiently. As for complaints received from WeChat account, a smart robot is used to give quicker answers to users by identifying keywords in their questions.

To help customer service staff deal with complaints uniformly and efficiently, Kingsoft Office classifies complaints into different categories, e.g., product complaint, refund complaint and non-functional fault complaint. Besides, Kingsoft Office stipulates the time limit and responsible persons for different complaint types, requiring customer service staff to solve user problems within the required time.

RESPONSIBLE OPERATION (continued)

Seasun Holdings also opens channels for handling user complaints, including hotline, email, WeChat account (dedicated customer service agent) and website, with online intelligent customer service added to its official website, WeChat official account and games. To continuously optimize user complaint handling, Seasun Holdings develops a system for assessing the performance of customer service staff based on customer satisfaction rate and service quality. In addition, Seasun Holdings establishes a smooth channel for communication with players. By following the Enterprise WeChat Account of Seasun Holdings, newbies can get guidance on playing games while core users can get dedicated services. To respond to players more quickly, Seasun Holdings engages experts to handle technical issues at the PC side and creates group chats for players to realise direct communication. In 2022, Seasun Holdings held a variety of offline activities to maintain a good relationship with players.

PLAYERS ACTIVITIES



▲ JX Online III New Year Event of Traditional Chinese Style



▲ JX World III Mobile Game Voice Online Livestream

During the reporting period, Kingssoft Office received a total of 455¹ complaints. Individual users got the first response within 24 hours and their issues were addressed within 48 hours in working days. The time of strategic cloud customer service response was shortened to 1.97² hours. Seasun Holdings received a total of 4,523³ complaints, down 17.64% year on year. The average time for closing a complaint was 18.14⁴ hours and 100% of the complaints were handled.

- 1 Complaints against Kingssoft Office include discontent over the products, technologies and service quality, and requests for solutions or claims.
- 2 The "time of strategic cloud customer service response" is the duration from the time strategic cloud customer contact customer service from any channel to the time when they provide preliminary problem analysis conclusions for user feedback.
- 3 The complaints against Seasun Holdings contain suggestions on products and customer service, as well as requests for compensation.
- 4 The "average time for closing a complaint" of Seasun Holdings is the average duration for handling a complaint which starts when a user raises a complaint and ends when the complaint is handled.

RESPONSIBLE OPERATION (continued)

In 2022, Kingsoft Office

Complaints received	Time of customer service response for strategic cloud customer was	Individual users got the first response within	Issues were addressed within
455	1.97 hours	24 hours	48 hours

In 2022, Seasun Holdings

Complaints received	Average time for closing a complaint was	A year-on-year decrease of	Complaints handled
4,523	18.14 hours	17.64%	100%

Based on the business characteristics, both subsidiaries provide regular training for their customer service staff for higher efficiency in complaint handling. For example, Kingsoft Office conducts weekly routine training to strengthen employees' professional skills and monthly assessments to learn about the performance of customer service staff and gives them guidance based on pain points found in the assessment promptly on time; Seasun Holdings has enhanced its overall customer service quality by training on relevant legal knowledge, complaint handling skills, high risk complaint cases, etc.

RESPONSIBLE OPERATION (continued)

TRAINING FOR CUSTOMER SERVICE STAFF



▲ Training for Kingsoft Office customer service staff



▲ Training for Season Holdings customer service staff

During the reporting period, the customer satisfaction rate and strategic cloud customer satisfaction rate satisfaction of Kingsoft Office reached 96.5%⁵ and 94.3%⁶ respectively; the customer satisfaction rate of Season Holdings for the hotline channel and Yun Wen Robot channel reached 95.9% and 87.51%⁷ respectively.

Protection of Intellectual Property Rights

The Group strictly abides by relevant laws and regulations, national standards, industry standards and the code of self-discipline, such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, making an effort to protect intellectual property rights and eliminate abuse of intellectual property rights in competition.

To properly protect the achievements in independent innovation, the Group continuously reinforces the protection of intellectual property rights, with a comprehensive and efficient management system and an information system established, to standardize management of patents, trademarks, copyrights, and domain names. In 2022, to stay adaptable to regulatory changes and improve the level of intellectual property management, the Group revised 9 policies related to intellectual property rights, such as the *General Rules for Management of Intellectual Property Rights*, especially refined the principles for the treatment of intellectual property rights in internal and external cooperation projects. The Group forms a professional intellectual property protection team and continuously strengthens the ability of team members to discover, analyse and manage intellectual property rights. The team works with first-class service providers to manage intellectual property rights throughout life cycle, so as to facilitate various business activities of the Group.

Infringement on intellectual property rights can be promptly stopped in various ways, including legal letters to the infringers, complaints to third-party platforms and civil litigation. The Group constantly updates user agreements, and reminds users not to infringe upon legitimate rights of others via official websites, announcements, etc. Any infringement content will be promptly deleted and blocked.

5 "Customer satisfaction rate" of Kingsoft Office covers "service items" related to customer service and "non-service items" related to product quality.

6 "Strategic cloud customer satisfaction rate" of Kingsoft Office covers "service items" related to strategic cloud customer service and "non-service items" related to product quality.

7 "Hotline satisfaction rate" and "Yun Wen Robot channel satisfaction rate" of Season Holdings covers "service items" related to customer service and "non-service items" related to product quality.

RESPONSIBLE OPERATION (continued)

Except for taking self-protection measures, the Group always maintains an open attitude to promote win-win cooperation externally and the joint development of upstream and downstream enterprises through an operation mechanism for licensing intellectual property rights. In 2022, we provided intellectual property protection training for R&D and intellectual property teams to enhance the professional competence of their members. Several subsidiaries of the Group were recognised as intellectual property advantageous enterprises, intellectual property demonstrations and pilot units. In 2022, Zhuhai Kingsoft Digital Network Technology Co., Ltd. was identified as a key enterprise of intellectual property protection in Zhuhai.

Patent Management

We develop a thorough patent management system and policies such as the *Patent Management Regulations* and the *Policy on Patent Bonus* to safeguard the production of technological innovations and core proprietary intellectual property rights, and promote the advancement of production technologies and market competitiveness. We step up efforts in intellectual property protection with all methods and diversify our operation methods to achieve strategic objectives. We always carefully evaluate patent assets in investment and financing, asset evaluation, due diligence and other business activities.

Trademark Management

To enhance brand value, prevent trademark infringement risks, and promote corporate sustainability, we formulate a sound trademark management system and policies such as the *Regulations on the Management of Licensed Trademarks*, the *Regulations on the Management of Kingsoft Office's Trademark Enquiry and Registration*, and the *Rules for Using Logo of Seasun Holdings* to regulate management of using trademarks of the Group.

We establish a management process for the use, licensing and transfer of trademarks and supervise the compliance of licensed companies in use of trademarks more carefully. Licensed companies are required to report how they manage their use of trademarks, conduct self-inspection and cooperate with the Group in spot check and recheck to ensure their compliance. We also regulate the application, use and management of trademarks by third-party enterprises such as advertising partners. A trademark database is established for daily inspection and monitoring of infringement, ensuring the brand licensing risks are properly managed. Moreover, to prevent violations, we optimise the process of trademark licensing to external parties, stipulating that the publication of the Group's logo shall comply with our specifications and contractual terms.

In 2022, the Group had 3,924 registered trademarks in more than 100 countries or regions around the world.

In 2022, the Group

registered trademarks worldwide

3,924

covering countries and regions around the world
more than

100

RESPONSIBLE OPERATION (continued)

Advertising Management

The Group rigidly follows relevant laws and regulations such as the *Advertising Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, and internal management policies such as the *Media Management Regulations*. We have revised the *Measures for the Approval and Administration of Public Promotion* and the *Measures for the Approval and Administration of Documents*, which further clarify the review scope, writing standards, approval requirements of publicising promotional documents, duties of approval departments, accountability and punishments to ensure authenticity, accuracy, verifiability and non-misleading nature of these documents.

Our advertising compliance review team comprising the Legal Department, the Board Secretary's Office and the Brand Department coordinates advertising management and approval, and strictly regulates advertising and publicising activities. The Legal Department is mainly responsible for reviewing the legality of promotional materials. The Board Secretary's Office mainly evaluates if the proposed promotional materials contravene any requirements of the Listing Rules. The Brand Department carefully reviews if the documents align with our overall brand strategy. We keep monitoring and taking serious punitive measures against those behaviours and personnel who violate the policies for publishing promotional materials without approval in accordance with applicable policies.

Integrity Management

The Group attaches great importance to compliance and integrity operation. Strictly abiding by local laws and regulations, we establish a business ethics management system with clear roles and responsibilities and resolutely put an end to all kinds of bribery and corruption to foster an integrity culture. We also stick rigidly to *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other applicable laws and regulations, and formulate several policies and administrative measures, including the *Code of Conduct for Kingsoft Employees*, the *Punishments Regulations of Kingsoft on Negligence and Pretermission for Leaders*, the *Regulations on the Administration of Rebates of Kingsoft* and the *Regulations of Kingsoft on the Management of Whistle Blowing and Complaints* to ensure the ethical development of the Group. For matters related to business ethics, the Audit Committee serves as the supervisory body while the Internal Audit Department carries out specific tasks and reports to the Audit Committee. To be specific, the Audit Committee is primarily responsible for overseeing the handling of corruption cases, especially those that may involve the Group's executives, while the Internal Audit Department is in charge of organising and conducting anti-fraud investigations.

We encourage entities or individuals to report, publicly or otherwise, any behaviours violating national or local laws and regulations as well as the rules and policies of the Group to our Internal Audit Department through a variety of available reporting and escalation channels, including email, reporting hotline and reporting mailbox. To support reporting and escalation of behaviours in violation of integrity, we establish the integrity module⁸ on our official website.

8 The integrity module on our official website: <https://www.kingsoft.com/lksnet/aboutus>

INTEGRITY MODULE



▲ Integrity module on Kingsoft website

We develop a systematic anti-corruption management process for major projects to ensure timely handling and prevention of corruption incidents. Risks are identified promptly and a follow-up audit is conducted along the whole process of major projects to prevent corruption. After the project completion, the Internal Audit Department will audit and spot check the project for anti-corruption at irregular intervals, to discover anti-corruption incidents as early as possible. In addition, a reporting ledger is used to record any clues collected through reporting channels and help handle corruption incidents.

Anonymous reporting is available to protect whistle-blowers. We maintain strict confidentiality of whistle-blowers' information such as their identities, contact details and reporting matters, so as to ensure that they will not be retaliated against by the Group or other employees due to legal reporting, including dismissal, demotion, suspension, intimidation, harassment and other unfair treatment. The investigation is also confidential to persons being reported against. In 2022, there were no corruption or bribery cases filed and concluded against the Group or our employees. We were also not aware of any major cases of employees violating relevant laws and regulations.

To implant integrity across the Group, we organised a series of publicity activities around anti-corruption and business ethics, to create a healthy culture and ethical atmosphere in the workplace. In 2022, anti-corruption training was conducted across the Group to inform full-time and part-time employees as well as contractors of management requirements and raise their anti-corruption consciousness. Moreover, training on business ethics was conducted among directors, such as through quarterly publicity at meetings of the Board of Directors and relevant training materials. In this way, we enhanced the directors' awareness to adhere to relevant business ethics.

RESPONSIBLE OPERATION (continued)

Supply Chain Management

Procurement activities of the Group are carried out in strict compliance with the laws and regulations such as the *Bidding Law of the People's Republic of China* and the *Regulation on the Implementation of the Bidding Law of the People's Republic of China*, as well as the principles of openness, transparency, fair competition, honesty and credibility. We focus on suppliers' performance in sustainability fields, such as environmental protection, social responsibility, compliance management and integrity, and work together with suppliers to achieve a compliant, win-win and sustainable business environment.

To maintain legitimate rights and interests, integrity and fairness in transactions and long-term friendly business partnership, the Group formulates and implements relevant management standards, including the *Specification on the Group's Purchasing Management*, the *Group's Supply Chain Purchasing Management*, the *Procurement Control Procedure of Season Holdings*, the *Kingsoft Shiyou's Purchasing and Supply Chain Process Management*, and the *Procurement Management Policy for Valuable Materials of Kingsoft Office*. We also focus on suppliers' integrity management, requiring them to sign and strictly abide by the fulfilment of our integrity standards under the *Letter of Commitment Relating to Supplier Integrity* ("the Letter"). The Letter stipulates that suppliers shall take effective measures to prevent their employees and related persons from compromising integrity or violating any laws and regulations of anti-bribery, anti-corruption, anti-money laundering, as well as policies of the Group. In 2022, the number of suppliers that had signed up the Letter was steadily increasing, and those doing so were rewarded with more opportunities for cooperation.

We establish a system for standard management of investigation, acceptance, evaluation, maintenance, removal of suppliers. At the supplier investigation stage, we consider and assess their performance in product quality, environmental protection, social responsibility, and employees' health and safety. Under the same circumstances, we prioritise suppliers offering products with high energy efficiency and low energy consumption or those with certification or qualification on environmental protection, such as China Environmental Labelling and Management System Certification. We also prefer suppliers with excellent ESG management performance, and work with them to promote green procurement practice. At the supplier acceptance stage, we carefully examine suppliers' qualifications, including business license, record of warning and punishment over default, record of major tax violations, and product quality test report. Suppliers can be included in the supplier database only after meeting the evaluation requirements.

At the supplier maintenance stage, we perform annual evaluations on suppliers based on various aspects including delivery time, product quality, service satisfaction, after-sales services and certification. We warn to those suppliers with unqualified products or untimely delivery, and then remove those suppliers with serious violations in delivery. We re-examine qualifications of those suppliers without cooperation within one year or with significant changes in personnel costs and operational structure. Suppliers in violation of requirements in the Letter will be removed. In addition, we reinforce suppliers' awareness of compliance in all cooperation projects by establishing a sound system and publicising our procurement values and standard processes.

In 2022, we had 3,342⁹ suppliers, of which 3,223 were located in Chinese mainland, and 119 were operated overseas as well as in Hong Kong, Macau and Taiwan.

In 2022, the Group

suppliers

3,342

located in Chinese mainland

3,223

operated overseas, as well
as in Hong Kong, Macau and
Taiwan

119

9 "Suppliers" refer to those retained in the Supplier Management System as at 31 December 2022.

TALENT MANAGEMENT

Talent resource forms an important asset for the sustainability of the Group. We adopt a fair and equitable recruitment process, and safeguard employees' labour rights, striving to create an equal and diversified team. Guaranteeing reasonable working hours for employees, we continuously perfect employee performance assessment, promotion, compensation, benefits and training system, and ensure a healthy and safe workplace. Besides, we encourage and support employees to balance their work and life. Through listening to their voices, we also establish a close connection with our employees to enhance their sense of identity and satisfaction with their work, thus realising mutual development for the Group and the employee.

Talent Recruitment

We conduct an open, fair, diverse and inclusive process to recruit high-quality talents for the development of the Group, and protect rights and benefits of all employees, fostering an anti-discrimination, equal and healthy workplace.

Recruitment, Dismissal and Labour Standards

The Group develops internal policies such as the *Employee Recruitment and Employment System* to protect the legitimate rights and interests of employees compatible with the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, the *Special Rules on the Labour Protection of Female Employees*, the *Law of the People's Republic of China on the Protection of Minors* and other laws and regulations.

Employees of the Group are recruited in accordance with the principles of fair competition and merit-based recruitment. We prevent discrimination in gender, race, age, nationality, religious beliefs, and offer equal job opportunities to all candidates. Our self-developed intelligent recruitment system covers recruitment steps such as CV-screening, staff-position matching and communications among departments. Further, we advocate honest job-hunting and engage a third party to conduct strict background investigations on candidates to ensure the validity and credibility of their information.

In 2022, we carried out a talent characteristics research among senior executives, management and employees acquired through campus recruitment to identify their competence and development potential and increase the diversity of talent reserve accordingly. Based on the development needs of the Group, we forecasted future talent demands and pools of talent, and customised diversified recruitment strategies and objectives for business lines, to improve the quality of our workforce and support the future development of the Group.

The Group enters into labour contracts with employees in accordance with the principle of consensus, strictly abides by legal procedures in the employee contract signing, renewal, termination, dissolution of labour relations and other processes, and resolutely prohibits employment of child labour and forced labour. Since the Group's establishment, there has been no occurrence of illegal employments such as child labour and forced labour. If any such cases were found, we would seriously treat them according to laws and regulations and requirements of the Group. As at 31 December 2022, the Group had a total of 7,647 employees.

As at 31 December 2022,
the Group's total employees

7,647

TALENT MANAGEMENT (continued)

CATEGORY	Number of Employees		
	2022	2021	2020
By age group			
30 years old and under	3,662	3,395	2,686
31–50 years old	3,935	3,848	3,358
51 years old and above	50	62	60
By gender			
Male	4,995	4,757	4,045
Female	2,652	2,548	2,059
By geographical region			
China	7,621	7,259	5,977
Countries and regions outside of China	26	46	57
By type of employment relations			
Full-time employees	7,116	7,054	5,775
Interns	531	251	329
By level			
Management	71	86	63
General staff	7,576	7,219	6,041

The Group places emphasis on talent reserve and talent retention, and makes effort to achieve common growth with employees. During the reporting period, the Group's employee turnover rate was 18%¹⁰, which is detailed as follows:

CATEGORY	Employee Turnover Rate in 2022
	2022
By age group	
30 years old and under (%)	16.94
31–50 years old (%)	19.92
51 years old and above (%)	31.51
By gender	
Male (%)	18.38
Female (%)	17.32
By geographical region	
China (%)	17.90
Countries and regions outside of China (%)	42.22

Working Hours and Holidays

Abiding by the relevant laws and regulations such as the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*, the Group has developed a feasible attendance policy to manage employees' working hours and ensure that they can work and rest in a proper way. Except for national holidays, we provide employees with additional annual leave and paid sick leave. Besides, female employees are entitled to paid maternity leave and other related leave benefits, while male employees are provided with paid paternity leave.

Anti-discrimination, Diversity and Equal Opportunities

Employees are treated equally in remuneration, regardless of ethnicity, race, age, gender, marital status and religious beliefs. We conscientiously implement the *Special Rules on the Labour Protection of Female Employees*, assure the rights and benefits of female employees during pregnancy, childbirth and breastfeeding. We also prohibit reduced wages and unreasonable dismissal of female employees due to pregnancy, childbirth and breastfeeding.

¹⁰ Statistical calibre of employee turnover rate: Employee turnover rate = Total employee turnover for the current year/((Number of employees at the beginning of the period + Number of employees at the end of the period)/2). The statistical calibre has been optimized and adjusted compared to last year.

TALENT MANAGEMENT (continued)

Talent Development

We put talent development and talent motivation high on the agenda. To enhance our competitiveness in attracting talents, we constantly optimise the remuneration system and establish a scientific performance appraisal system. Understanding employees' needs for growth, we have created a variety of training systems to support the development of their careers.

Performance Appraisal and Promotion

We provide competitive salaries across the industry, which are determined in strict accordance with rank, job responsibilities and employees' abilities. We also continue to build the position-based performance evaluation and promotion management system.

Performance Appraisal

The Group builds a performance appraisal mechanism and determines employees' salaries and bonuses based on appraisal results. The Group continues to implement the 360 degree performance evaluation process on a quarterly basis, which covers self-evaluation, peer and supervisor evaluation, and manages performance goals through promised Objective and Key Result (OKR) and challenging OKR, to ensure employees' annual performance is evaluated objectively and fairly.

Kingsoft Office adopts the performance management cycle, including target planning, process management, performance appraisal and application of appraisal results. At each stage, Kingsoft Office communicates with departments and employees as well as gives them guidance and feedback to ensure the achievement of performance targets. Seasun Holdings combines OKR with Key Performance Indicator (KPI), requiring all departments to set goals and indicators at the beginning of each quarter, complete the performance appraisal and make improvements in the middle of each quarter, and carry out self-evaluation and supervisor evaluation at the end of each quarter. At the end of the performance cycle, Seasun Holdings will conduct performance communication and feedback, to better achieve the overall strategic goal.

An incentive employee stock ownership plan (ESOP) is in place to attract valuable talents and retain outstanding employees.

Promotion

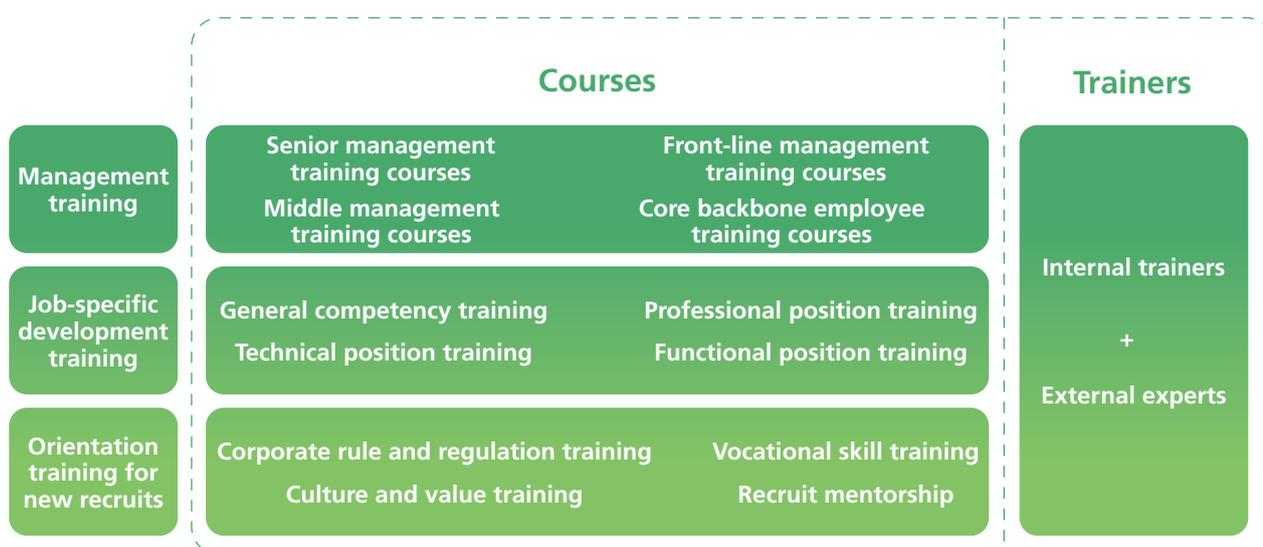
The Group establishes a fair and open promotion mechanism for talents to broaden their path of development. Kingsoft and Kingsoft Office set up a dual-channel promotion mechanism for management and professional development, optimise job competency model, and introduce promotion standards for employees at different levels to meet various promotion demands. An independent application mechanism for promotion is established as a transparent communication channel for employees' growth. In this way, the independent declaration mechanism for employee promotion is set up to provide transparent communication channels for employee promotion. The review committee and an appraisal panel are organised to rate the performance of employees, and to adjust the appraisal model and promotion standards based on the job characteristics to match with job responsibilities. Seasun Holdings adopts a point-based promotion system, with each point threshold set based on the promotion requirements at different levels. Employees accumulate points by achieving performance standards, sharing professional experiences with colleagues and other means. They are entitled to applying for promotion after reaching the threshold, and can be promoted upon approval.

Upon the completion of annual appraisal, the Group conducts performance interviews to understand employees' opinion on the performance and promotion appraisal, collects their suggestions and questions on the appraisal process and results, and makes adjustment accordingly. They can also appeal against the appraisal results following the performance and promotion assessment appeal process. The Company will re-evaluate such results in the light of the appeal content to ensure the justice and equity.

TALENT MANAGEMENT (continued)

Employee Development and Training

Pursuing the goal of building a learning-oriented and strategic-oriented organisation, we provide training courses to support the Group's business development and annual operating targets, and create a training system with the Group's characteristics for all employees. The system comprises management training, job-specific development training and orientation for recruits. The Group develops targeted curriculum and arranges training with internal and external high-quality teaching resources on a regular basis, in a bid to promote the growth and development of each employee in a comprehensive manner.



The Group's Employee Training System

During the reporting period, the data on training by category during the reporting period is as follows:

CATEGORY	2022
Percentage of trainees by gender	
Male (%)	84.54
Female (%)	81.03
Percentage of trainees by rank	
Management (%)	97.62
General staff (%)	83.19
Average training hours of each employee by gender	
Male (hour)	5.72
Female (hour)	5.14
Average training hours of each employee by rank	
Management (hour)	13.96
General staff (hour)	5.37

TALENT MANAGEMENT (continued)

In 2022, Kingsoft optimised four talent development programmes, including “Super Captain in Middle and Lower Management Development Plan”, “Win-Win Goal Setting for New Recruits Program”, “School-Enterprise Partnership Project” and “Kingsoft Management Graduate Traineeship Programme — KING Plan”. In 2022, the Company launched a total of 75 training sessions, including 40 offline courses and 35 online courses with a total of 4,421 participants.

- Management training: Management were engaged in the “Development Programme of Super Captain in Middle and Lower Management” and core management competency courses to learn effective collaboration, performance management and other skills in a systematic manner, enrich their management knowledge and acquire effective management tools;
- Job-specific development training: The training content has been designed according to job characteristics, and the “Training for Upskilling” was carried out in the form of job-specific training and general competency training for employees in technical, professional and functional positions to improve their expertise on all fronts;
- Orientation training for new recruits: New recruits were engaged in induction training, job training and executive training under the guidance of mentors. In addition, the “Win-Win Goal Setting for New Recruits Program” was conducted in the training to set win-win goals for new recruits that were in line with the Company’s development and personal growth, helping them smoothly integrate into the Company and adapt to their positions.

Kingsoft carried out the “School-Enterprise Partnership Project” to set up the applied undergraduate major in digital culture in cooperation with Wuhan University and other universities, helped develop new curriculum system and new major establishment standards according to talent cultivation goals, and provided professional support to enhance the competitiveness of the digital culture industry and development of specialised talents. The Company also launched the “Kingsoft Management Graduate Traineeship Programme — KING Plan”, providing management trainees with expertise trainings covering product, operation, marketing and leadership to reserve candidates on management for the Company.

KINGSOFT STAFF TRAINING



- ▲ “School-Enterprise Partnership Project”
- ▲ “Orientation Training for New Recruits Program”
- ▲ “Super Captain Development Plan”

In 2022, Kingsoft Office improved the following talent development programmes, i.e., the “Youth Training Courses”, “Recruit Mentor Programme” and “Internal Instructor Training Camp”. This year, Kingsoft Office arranged a total of 218 online and offline training sessions, with a total of 923.5 hours and 10,286 participants. The online learning platform of Kingsoft Office offered employees with 1,569 external courses and 2,554 e-books.

- Management training: Leadership training were arranged at multiple levels for senior, middle and junior leaders, and management tool and skill trainings were conducted, including “Executive Development Training”, “Management Skills Transformation Training”, “Managerial Excellence Programme” and “Youth Training Courses”, to reinforce management skills.
- Job-specific development training: Special technical trainings were carried out for employees in different technical functions (e.g., development, testing), providing more support in basic technical knowledge and R&D innovation.

TALENT MANAGEMENT (continued)

Salespersons were engaged in sales training camp to rapidly master the knowledge required. The “Internal Instructor Training Camp” was launched to select senior staff to share their working experience and embed such working methods in Kingsoft Office.

- Orientation training for new recruits: Training for employees from on-campus recruitment covered the company introduction, vocational skills, quality development, etc., while training for employees from social recruitment was innovative and game-based, with new recruits following each step from induction to probation completion in games, helping them quickly grab basic working skills. In addition, a “Recruit Mentorship” system was applied to support employees’ smooth integration under the guidance from experienced staff.



In terms of talent identification and development, Kingsoft Office adopts assessment models to find out young employees with great management potential for succession, and conducts an “Annual 360-degree Survey” for all management staff to help them identify their strengths and weaknesses while providing targeted training to improve their management skills. Kingsoft Office carries out managerial training such as “Managerial Excellence Programme” and “Youth Training Courses” for selected talents, which include managerial influence, team management and talent development, so as to reserve versatile talents with active thinking, clear objectives and high motivation.

From the perspective of business demands, Kingsoft Office supports employees with the purchase of online courses to upskill themselves, obtaining professional certificates and participating in external industry conferences regarding product innovation and architects, supporting them to enhance working skills and expand horizons of the industry.

In 2022, Seasun Holdings continued its major training programmes, namely “Middle and Senior Management Training”, “Front-Line Management Training”, “Professional Skills and Vocational Capability Training for Employees” and “Orientation Training for Recruits” to further strengthen employees’ strategic leadership, business competence and overall quality.

- Management training: Training programmes on leadership, operation, performance management and expertise were provided for senior, middle and front-line leaders and back-bone employees to optimise employee relationship structure, employment management and performance management;
- Job-specific development training: Trainings were provided for employees in different positions to strengthen their professional skills and competency, such as the SDC (Seasun Development Conference) covering game development, issuance and operation. In addition, Seasun Holdings also invited external lecturers to give training on law, mental health and management based on the working conditions of employees;
- Orientation training for new recruits: New recruits were engaged in trainings regarding the rules and regulations, occupational skills, culture and values for smooth integration into the Company and their positions.

SEASUN HOLDINGS STAFF TRAINING



▲ "Management training"



▲ "SDC Training"



▲ "Orientation training for new recruits"

Health and Safety

The Group places a high value on employees' health and safety. We create a healthy, safe and pleasing office environment for employees to create values for the Group and them.

Safe Office Environment

In strict compliance with the *Labour Law of the People's Republic of China*, the *Production Safety Law of the People's Republic of China*, the *Prevention and Control Law of Occupational Diseases of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China* and other laws and regulations on occupational health and safety and fire safety in the workplace, we formulate various emergency plans such as the *Management Policy for Office Environment of Kingsoft*, the *Measures for the Management of Visitors' Entrances and Exits of Kingsoft* and the *Emergency Prevention and Control Plan for Kingsoft against COVID-19* to comprehensively safeguard the health and safety of employees in office areas.

We establish access control and security monitoring in office areas to strictly manage entrances and exits, conduct fire safety inspection on a monthly basis, hold fire-fighting evacuation drill, and trainings on campus safety and emergency management regularly, and stringently manage vehicles entering and leaving the campus. We make continuous efforts to strengthen the safety management in our office areas, and develop the *Emergency Plan for the Handling of Medical Emergencies* to deal with employees' safety emergencies. We also prepare first aid kits at all floors and AED equipment in the Xiaomi Campus¹¹ and Kingsoft Building¹², and organise multiple AED first aid training sessions to enhance employees' health and safety awareness. In 2022, lost days due to work injury was 30.5¹³, and no work-related fatalities occurred over the past three years.

11 Xiaomi Campus refers to the campus in Beijing where the Group leases office buildings.

12 Kingsoft Building refers to the Company's own office building in Beijing.

13 Since there is no employee take long-term leave in 2022, lost days due to work injury results in year-on-year decrease.

TALENT MANAGEMENT (continued)

OCCUPATIONAL HEALTH AND SAFETY OF EMPLOYEES



▲ CPR training of Kingsoft



▲ Season Holdings first aid publicity training



▲ Daily disinfection in Beijing Office



▲ AED equipment in office areas

We follow the state and local governmental policies on epidemic management for employees' health. We formulate the *Emergency Prevention and Control Plan for Kingsoft against COVID-19*, asking employees to protect themselves when travelling, reporting body temperature timely and cooperating with local governments to implement quarantine measures. We strictly conduct disinfection in the entire office areas twice a day, place air purifiers on each floor, and regularly test on air and water quality to improve the office environment and ensure employees' safety.

Employees' Mental Health

We are highly concerned about the mental health of our employees. During this year, Kingsoft Office provided mental health consulting services in various forms, including on-site consultation, mental health lectures and service hotline for psychological counselling, which resolved employees' confusion in their work and life. Further, Kingsoft Office continued to provide EAP (Employee Assistance Program) psychological assistance services, with specialists engaged to offer consultation for 602 employees. In addition, Season Holdings invited external accredited psychological counselling experts and institutions to provide employees with regular one-on-one and group consulting services, and carried out diversified activities with different themes such as mental health day and mental health salons, to protect employees' mental health.

TALENT MANAGEMENT (continued)

Employee Care

We actively fulfil our responsibilities as an employer, including providing a smooth employee communication mechanism, abundant employee activities as well as multiple employee benefits to attract, motivate and retain talents.

Employee Communication

The Group maintains a transparent communication channel with employees, and understands their demands and opinions through online and offline means. Besides, we encourage employees to share their feelings, and make timely improvements based on the suggestions to raise their satisfaction at work. Employees' demands and opinions are gathered from staff unions, internal online real-time communication platforms, one-to-one interviews by business departments and employee relationship hotline. Their complaints or reporting are handled and followed up by the heads of the corresponding departments in a timely manner.

Employee Activities

The Group holds the stance of employees and gives back to them with family-like love and care, providing them with a variety of spare time activities and recreational resources. Pursuing the balance between work and personal life, we organise multiple sports and special recreational activities for the health and pleasure of employees, build better emotional connection between employees and the Group, create and a harmonious, comfortable and pleasant working environment.

TALENT MANAGEMENT (continued)

Physical Activities

We carry out various sports activities for employees, provide employees special fitness rooms with specialised trainers who are responsible for the inspection of fitness facilities and the guidance for employees' exercise in a scientific and appropriate manner, to encourage them maintain fitness at break. In 2022, we organised a number of sports activities such as "Kingsoft Sports" hiking activity, Shining Run, ball games, "Weight Losing PK", hiking and cycling, which aimed to drive employees to develop strong bodies, enhance our team cohesiveness, and improve employees' sense of happiness and fulfilment with a variety of interesting rewards.

PHYSICAL ACTIVITIES



▲ Basketball and football games organised by Kingsoft



▲ Kingsoft Office "Bloom Cup" basketball game



▲ "Kingsoft Sports" hiking activity



▲ Season Holdings coastal cycling race



▲ Season Holdings Shining Run

TALENT MANAGEMENT (continued)

Entertainment Activities

We organise various cultural activities to enhance employees' sense of identity and belonging to the Group. In 2022, Kingsoft and Kingsoft Office continued to hold the "1024 Programmer's Day" to promote the Group's scientific and technological culture of "Technology for Business and Innovation for Survival", which not only presented our care for employees, but also increased their sense of job pride. Kingsoft organised the "Kingsoft Reading Season", a series of Spring Festival celebrations, "Reunion in Mid-Autumn Festival" and other activities to spread corporate culture and foster a culture of youth and diversity. Kingsoft Office held the second innovation competition with the theme of "Build Your Dream", where employees actively participated in the form of free teams with a total of 253 innovative projects. 10 projects were short-listed for the final, of which key ones were singled out for incubation by relevant departments of Kingsoft Office. Besides, in pursuit of mutual development and progress with employees, Seasun Holdings organised the Children's Day activity themed on "Back to Children's Day" and carried out reading activities such as the fantastic reading session named "Where the Heart Goes, Where the Body Goes" and the "Reading and Thought Session".

CULTURAL ACTIVITIES



▲ "Lantern Festival Event" held by Kingsoft



▲ "1024 Programmer's Day" organised by Kingsoft



▲ Kingsoft Office 2nd Innovation Competition



▲ Value Model Selection organised by Kingsoft Office



▲ Seasun Holdings Children's Day party



▲ Seasun Holdings fun book club activity

TALENT MANAGEMENT (continued)

Employee Benefits

We are concerned about the physical and mental health of employees and offer a variety of non-remuneration benefits. We formulate the *Rules on Employee Benefits*, providing employees with various additional benefits, such as festival allowances, wedding allowances and meal allowances. Kingsoft Office develops the *Measures for the Administration of Special Funds for Helping Employees in Straitened Circumstances* to control the management of special funds for helping employees in financial difficulties, thus ensuring the implementation of targeted assistance. In addition, the Group offers annual physical examinations and supplementary commercial insurance beyond social insurances and housing fund to all employees. Support and sympathy are also provided to underprivileged employees. We not only provide lectures on parenthood and lung health, but also organise monthly birthday parties and celebrations for festivals such as Lantern Festival, International Women’s Day and Mid-Autumn Festival. Moreover, afternoon tea and personalised gifts for holidays are also available. In addition, as signs of our respect and care for breastfeeding mothers, we set a baby-care room in all of the Group’s office buildings for pregnant and lactating employees. In 2022, Seasun Holdings was awarded the Pilot Unit of Annual Happiness Enterprise by Guangdong Federation of Trade Union, and Zhuhai Municipal Annual Excellent Setting — “Baby-care Room”.

EMPLOYEE BENEFITS



▲ Rooms for mothers of Kingsoft



▲ Welfare activity for International Women's Day



▲ Employee birthday party of Kingsoft



▲ Childcare seminar of Seasun Holding

GREEN OPERATION

The Group strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution* and other laws and regulations on environmental protection. We set feasible environmental targets in terms of emission reduction, energy conservation, water saving, and waste reduction, to reduce greenhouse gas emissions and the use of energy and water resources for the less impact of our operational activities on natural resources. Moreover, we make efforts to build a green workplace, advocate the green working and lifestyle, and promote green products and services. Delivering on our commitment to green operation, the Group continuously improves the corporate influence in environmental protection.

The impact of Kingsoft's operations on the environment and natural resources mainly lies in emissions and resource use of the operation of office buildings and third-party IDC leased in various regions.

Review of goals in 2022	Progress	Development of new targets in 2023	Progress
 <p>Office in Beijing (Building D and E, Xiaomi Campus) would obtain the Leadership in Energy & Environmental Design (LEED) green building certification by 2022.</p>		 <p>Since 2023, the Group will gradually expand the use of clean energy such as solar energy and air energy, and reduce the purchased electricity by no less than 180 MWh per year.</p>	
 <p>Office in Beijing (Building D and E, Xiaomi Campus) would apply water-saving faucets in all water equipment by 2022.</p>		 <p>Since 2023, Kingsoft Building will reduce electricity consumption by 40 MWh by using energy-saving equipment such as LED.</p>	
 <p>Office in Beijing (Building D and E, Xiaomi Campus) has implemented 100% garbage classification since 2020.</p>		 <p>Since 2023, water-saving faucets are considered to be used in the office where the Group operates.</p>	
 <p>Office in Beijing (Building D and E, Xiaomi Campus) has guaranteed 100% compliant disposal of hazardous wastes every year since 2020.</p>		 <p>Since 2023, the scrapped servers and switches in leased IDC of Kingsoft Office will be disposed of 100% by qualified recyclers.</p>	
		 <p>Since 2023, the scrapped servers and switches in leased IDC of Season Holdings will be disposed of 100% by qualified recyclers.</p>	
		<p>Since 2023, the scrapped servers, monitors, hard disks and batteries in our leased IDC in Wuhan Campus will be disposed of 100% by qualified recyclers.</p>	

GREEN OPERATION (continued)

Green Office

The Group perfects its green management system for office buildings by enhancing building management capabilities, introducing advanced application technologies and using environmentally friendly appliances and materials. By the end of 2022, the Group's office building in Beijing had obtained LEED V4 and platinum certification, and Xiaomi Campus where the office building is located had obtained a two-star green building certificate.

2022 Performance of Green Office

Building energy efficiency rate reaches	Utilisation rate of non-traditional water source reaches	Percentage of green space design reaches	Percentage of reusable and recyclable building materials reaches
65%	26.76%	20%	10.02%

Carbon Emission Reduction

The Group is keen to increase the use of clean energy to further reduce greenhouse gas emissions from purchased electricity and fossil energy. We utilise air and solar energy to power the water heating system in showers and dishwashing rooms. We install air-source heat pump water heaters and introduce the solar thermosiphon system in Kingsoft Building. Therefore, water-heating achieves zero emissions. Compared with purchased electricity, Kingsoft Building can reduce electricity consumption by 182.5 MWh annually by providing hot water with air and solar energy equipment.

EMISSION AND CARBON REDUCTION



▲ Solar Thermosiphon System

Energy and Water Conservation

The Group introduces the 2022 Energy-saving Plan and the Management Rules for Turning on/off of Lights. Besides, we revise the Measures for Use and Management of Vehicles in Kingsoft to regulate the energy use for office and vehicle use purposes. We strictly control the use of electrical installations such as lighting and multimedia equipment. We require lighting and multimedia light boxes and other electronic equipment to be shut down after work, and use sensor and LED lights or even natural light through glass curtain walls. In addition, we introduce the intelligent control system for weak current, and install time-control switches on landscape lighting fixtures to reduce energy consumption.

GREEN OPERATION (continued)

We use high-performance inverter chillers and pumps to improve energy efficiency. To keep low-temperature operation at night during the heating season, we adjust operating parameters of the air conditioning system in a timely manner. When the natural temperature is comfortable, we encourage natural ventilation — turning off air conditioners in office or less important areas, thus avoiding unnecessary energy consumption. To eliminate abnormal energy consumption, we check the insulation of pipelines and the running condition of wind sets, clean the filter of wind sets on a periodic basis, and analyse the monthly energy consumption. We use water-saving sanitary wares in our office areas, inspecting sanitary appliances and checking valves in toilets and tea rooms on a regular basis to avoid dripping and leaking of water equipment.

Waste Reduction Management

The non-hazardous wastes generated by the Group, including office and domestic wastes, are all uniformly handled by property management companies. To classify garbage, we place waste sorting trash cans in office areas and send classified garbage to the designated location for recycling. The hazardous wastes involved in the Group's operation, including waste toner cartridges, ink cartridges and batteries generated from office printing equipment, are uniformly recycled by qualified vendors, ensuring 100% compliant disposal of hazardous wastes.

Green Decoration

We take the initiative to use green materials in the interior finish of our office buildings. We use environmentally friendly paintings and adhesives that have passed the China Environmental Labelling (II) Products Certification for Kingsoft Building. Besides, we test the air quality in the building on a regular basis to guarantee a comfortable and green office environment for employees.



GREEN RENOVATION



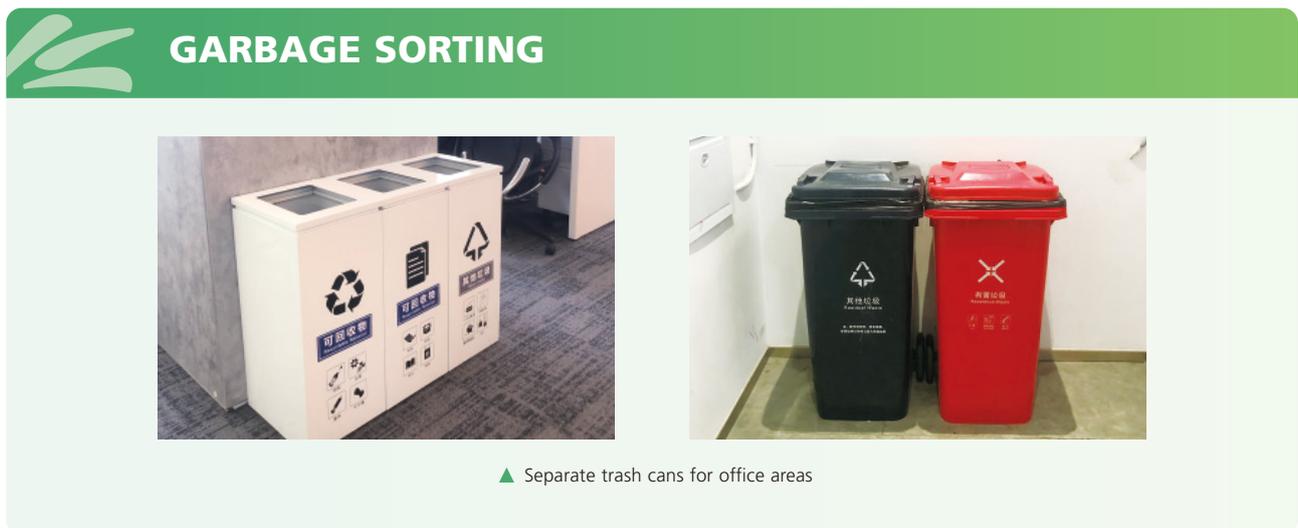
The image shows a formal certification certificate from the China Environmental Labelling (II) system. The certificate is titled '中国环境标志(II型)产品认证证书' (China Environmental Labelling (II) Product Certification Certificate). It identifies the manufacturer as Kingsoft (China) Co., Ltd. and the product as 'Kingsoft Building' (Kingsoft Building). The certificate includes details about the testing process, standards, and the certification body, the China Environmental Labelling (II) Center.

▲ China Environmental Labelling (II) Products Certification

GREEN OPERATION (continued)

Green Awareness

The Group promotes low-carbon philosophy among employees in various ways, and encourages them to pursue a green lifestyle in their daily work and lives. We put up slogans of saving energy, water and paper around the workplace, advocating for the energy-efficient use of electric equipment such as lamps, air conditioners and computers and the reduction of water resources and paper waste. We evaluate paper demands of various departments and encourage employees to adopt double-sided printing. In addition, we place waste-sorting trash cans in office areas and post garbage classification signs to promote the knowledge of garbage sorting among employees. During the year, we installed charging piles for bicycle and vehicle in the parking lot of Kingsoft Building, supporting green transport of our employees.



Responding to Climate Change

Concerned about climate change, the Group is keen to identify the risks and opportunities associated. Moreover, we take actions to address the issue and explore opportunities it opens up. Our exposures to climate change are mainly extreme weather incidents. As for opportunities, we could develop green and low-carbon products to improve our competitive advantage and productivity; and use green technologies in the leased Internet Data Centres to lower operating costs in the medium and long term and urge their suppliers to provide green services.

With the support of the ESG Committee, the Board of Directors considers and oversees issues related to climate risks within the Group. During the reporting period, the ESG Committee reviewed annual carbon emissions and climate risk solutions of the Group.

Responding to Extreme Weather

After assessing the impact of extreme weather on our operations, we develop plans for preventing typhoons, floods and snows, and emergency plans for earthquake and lightning strikes on a targeted basis. These plans set out the responsibilities and reporting procedures for emergencies, as well as the content and frequency of daily drills. With these efforts, we manage to minimise the impact of extreme weather on operations or asset losses.

Developing Green and Low-Carbon Products

We incorporate green and low-carbon concepts into R&D, and constantly support customers' shift to digital and paperless office. To keep up with changes in consumer preferences, we produce low-carbon products to explore green market, thereby helping users improve productivity while diversifying our own product portfolio. This year, Kingsoft Office developed cloud storage products and Office tools, including "Cloud Document" and "Kingsoft Document", to promote online data storage and content output of users and reduce the use of paper. Kingsoft Office further improves office efficiency by expanding use scenarios of online collaboration platforms, such as "Kingsoft Meeting" and "Kingsoft Digital Office Platform". Meanwhile, Kingsoft Office empowers digital transformation and reduces greenhouse gas emissions from business travel, as part of our efforts to practise low-carbon operations.

Building Green IDC

All Internet Data Centres (IDC) of the Group for production use are leased. We advocate green operation of Internet Data Centres and selecting green suppliers. While reducing carbon emissions and operating costs throughout our own industry chain, Kingsoft Office and Seasun Holdings prefer suppliers of green IDC, thus enhancing our industry competitiveness. The third-party IDC leased by Kingsoft Office are equipped with the remote monitoring system, power environment monitoring system and BAS (Building Automation System) intelligent control system to collect various power equipment operating parameters; they introduce energy conservation technologies including frequency conversion and natural cold sources, and use LED lights to reduce power consumption.

To build a green cooperation ecosystem, Kingsoft Office and Seasun Holdings prefer to purchase data centre equipment (including servers) that owns the green product certification.

GREEN PRODUCT CERTIFICATION



▲ China Energy Conservation Products Certification of servers in Seasun Holdings Internet Data Centre



▲ China Environmental Labelling Products Certification of servers in Kingsoft Office Internet Data Centre

GREEN OPERATION (continued)

Environmental Key Performance Indicators

In 2022, the Group's business grew steadily, with an increase in office space in some operating locations, including but not limited to Kingsoft Building in Beijing and Phase II R&D Building in Zhuhai. This results in year-on-year increases in natural gas consumption, purchased electricity consumption and total water consumption in 2022.

Unless otherwise stated, the following data cover the main office buildings in Beijing, Zhuhai, Wuhan, Chengdu, Dalian and Hong Kong.

EMISSIONS	2022	2021	2020
Total direct GHG emissions (Scopes 1 and 2) (tonnes)	12,252.29	9,598.98	9,274.61
Total direct GHG emissions (Scope 1) (tonnes)	546.13	220.61	272.85
Including: Petrol (tonnes)	104.77	106.28	100.09
Natural gas (tonnes)	441.36	114.33	172.76
Total indirect GHG emissions (Scope 2) (tonnes)	11,706.16	9,378.38	9,001.76
Including: Purchased electricity (tonnes)	11,706.16	9,378.38	9,001.76
GHG emissions per employee (tonnes per employee)	1.67	1.38	1.64
GHG emissions per floor area (tonnes per square metre)	0.06	0.12	0.11
Total hazardous waste (tonnes)	0.33	0.35	0.06
Hazardous waste per employee (tonnes per employee)	0.000045	0.000050	0.000011
Total non-hazardous waste (tonnes)	636.17	600.05	488.21
Non-hazardous waste per employee (tonnes per employee)	0.087	0.087	0.086

ENERGY CONSUMPTION	2022	2021	2020
Total energy consumption (MWh)	23,325.25	17,666.46	17,254.92
Direct energy consumption (MWh)	2,365.20	694.27	986.72
Including: Petrol (MWh)	108.03	109.58	103.21
Natural gas (MWh)	2,257.17	584.69	883.52
Indirect energy consumption (MWh)	20,960.05	16,973.19	16,268.20
Including: Purchased electricity (MWh)	20,960.05	16,973.19	16,268.20
Energy consumption per employee (MWh per employee)	3.17	2.55	3.04
Energy consumption per floor area (MWh per square meter)	0.12	0.21	0.20
Total water consumption (tonnes)	334,390.51	114,986.48	110,712.16
Water consumption per floor area (tonnes per square meter)	1.65	1.39	2.15

Notes:

- Due to its business nature, the major gas emissions of the Group are greenhouse gases, resulting from the burning and use of gasoline and natural gas and electricity converted from fossil fuels;
- The Group's greenhouse gas inventories include carbon dioxide, methane and nitrous oxide. GHG emissions are measured in carbon dioxide equivalents and calculated based on the *2019 Baseline Emission Factors for Regional Power Grids in China* issued by the Ministry of Ecological Environment of the People's Republic of China and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* issued by the Intergovernmental Panel on Climate Change (IPCC);
- The hazardous waste involved in the Group's operation mainly includes waste toner cartridges, ink cartridges and batteries generated from office printing equipment. Waste toner cartridges, ink cartridges and batteries are uniformly recycled by qualified vendors. The non-hazardous waste involved in the Group mainly includes office and domestic waste, which are all handled by property management companies;
- The non-hazardous wastes involved in the Group's office buildings mainly include domestic wastes, which are handled by property management companies and cannot be individually measured. Therefore, we estimate wastes generated from the operation of the office buildings in accordance with the Handbook on *Domestic Discharge Efficiencies for Towns in the First Nationwide Census on Contaminant Discharge* published by the State Council;
- The Group mainly uses municipal tap water, and has no issue in obtaining water sources. The current water consumption statistics include those of Xiaomi Campus, Zhuhai Kingsoft Campus, Wuhan Campus and Chengdu Campus. Other non-main offices cannot measure water consumption separately because running water costs are included in property costs;
- Energy consumption is calculated based on the electricity and fuel consumption and the conversion factors in the *National Standards General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*;
- Due to the nature of our businesses, the Group does not produce any packaging products, and therefore does not use packaging materials.

CONTRIBUTING TO THE SOCIETY

During the year, we continued to fulfil our social responsibilities, exploring ways for sustainable social development in social care, educational support, environmental protection, disaster relief and other areas, and contributing to social well-being.

In 2022, we set up a preparatory group for the “Beijing Kingsoft Foundation”. It has formulated 15 related management systems, including the *Charter of Beijing Kingsoft Foundation (draft)*, the *Development Plan for the Next Three Years (2022–2024)*, the *Volunteer Management Policy of Beijing Kingsoft Foundation*, the *Donation Management Policy of Beijing Kingsoft Foundation*, and the *Management Policy of Kingsoft Youth Volunteer Service Team (draft)*. We organise training for all directors and staff on business knowledge related to community investment to standardize the management of the Group’s public welfare services. From the year of 2022, Beijing Kingsoft Foundation will continue to invest in public welfare funds, collaborate with the subsidiaries, and actively carry out public welfare projects in the fields of education, health, science and technology, environmental protection and culture, to better leverage the power of public welfare foundations. In 2022, the Group donated more than a total amount of RMB1,391 thousand.

In 2022,
The Group donated more than a total of RMB

1,391 thousand

PREPARATION OF THE BEIJING KINGSOFT FOUNDATION



▲ The Group held a preparatory meeting for the establishment of the foundation

CONTRIBUTING TO THE SOCIETY (continued)

Together with game players to protect veterans' memories

On the occasion of the 95th anniversary of the founding of the People's Liberation Army (PLA), Season Holdings' JX Online III jointly launched a series of public welfare activities "Keeping Veterans' Memories Alive" with the China Social Assistance Foundation. In the game, Season Holdings put up a public welfare fireworks prop "Echo of Mountains and Rivers" for a limited time, calling on players to care for veterans, and donated all the income from the sale of public welfare fireworks props to the "Care for Veterans of the Anti-Japanese War" public welfare fund set up by the China Social Assistance Foundation for caring for veterans of the Anti-Japanese War and establishing archives for veterans. According to statistics, the total number of players participating in this public welfare activity was nearly 130 thousand.

KEEPING VETERANS' MEMORIES ALIVE



▲ Public welfare activity themed "Keeping Veterans' Memories Alive"

CONTRIBUTING TO THE SOCIETY (continued)

Supporting Education

We continue to empower education by donating to Hope Primary School to improve the education technology level in less developed areas.

Donate software products to help the construction of education informatization

We rely on our strengths in products and services to help the IT, digital and intelligent development of ethnic minority areas. In October 2022, we donated 2 thousand sets of WPS Office Education software to the Education and Sports Bureau of Zunyi City, which are targeted to be used in 8 poor counties of the city and 57 schools in mountainous areas with national key assistance. The problems of downloading, installing and using legitimate office software in rural schools have been solved. In addition, on the occasion of Teacher's Day, Kingsoft Office issued 50 thousand WPS member half-year membership cards to teachers for free, which will be used for teachers and students' daily work and education and teaching work, in order to repay teachers with actual service.



DONATING SOFTWARE PRODUCTS



▲ Kingsoft Office donated WPS Office Educational Software to schools in the mountainous area of Zunyi City

CONTRIBUTING TO THE SOCIETY (continued)

Donate to Hope Primary School to support education

On the eve of June 1, we held the “June 1 Public Welfare Day” activity and presented Children’s gifts worth nearly RMB40 thousand to Kingsoft Hope Primary School (Central Primary School of Siguniangshan Town in Sichuan). We organised a children’s painting activity themed “Technology Changes the Future” and held exhibitions on internal and external platforms to call on employees and users to pay attention to the growth of children in remote rural areas and donate money to help children in remote areas.

DONATING TO KINGSOFT HOPE PRIMARY SCHOOLS



▲ “June 1 Public Welfare Day” held by Kingsoft

CONTRIBUTING TO THE SOCIETY (continued)

Environmental Protection

Seasun Holdings actively guides players to establish environmental protection awareness. In 2022, Seasun Holdings' JX Online III cooperated with Xishuangbanna Tropical Rainforest Conservation Foundation to carry out the public welfare activity of "Travelling to Form Closer Ties with the Nature" and funded the "Returning Gum to Forest" project in Xishuangbanna Prefecture to protect the habitat of local species of Asian elephants and promote the harmonious coexistence of humans and elephants, and to raise players' awareness of nature conservation by launching commemorative outfits in the game. Part of the sale proceeds have been donated to the Xishuangbanna Tropical Rainforest Conservation Foundation.



ENVIRONMENTAL PROTECTION



▲ Seasun Holdings public welfare activity themed "Travelling to Form Closer Ties with the Nature"

CONTRIBUTING TO THE SOCIETY (continued)

Supports for the Disaster Areas

In the face of sudden natural disasters, we immediately provided assistance to the affected areas. Floods caused by heavy rains in Shanxi Province damaged numerous cultural relics and collapsed ancient buildings. Season Holdings' JX Online III immediately launched the "Candle Fire Watch" activity on the game terminal, in which players purchased candles for blessing and the proceeds were used to support subsequent restoration projects. More than 100 thousand players participated in fundraising during the campaign, raising more than RMB150 thousand. The renovation project was recognized by the YuhuangMiao unit in Jincheng, Shanxi, and a stone was erected in the name of "JX Online III Players with Love" to mark the chivalrous act.



DISASTER RELIEF



▲ Ancient building restoration under the aid of the Group

APPENDIX: HKE_x ESG REPORTING GUIDE INDEX TABLE

Subject Areas, Aspects, General Disclosures and KPIs		Correspondent Chapters
Mandatory Disclosure Requirements		
Governance Structure	A statement from the Board containing the following elements: (i) a disclosure of the Board's oversight of ESG issues; (ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	ESG Governance Structure
Reporting Principles	A description of, or an explanation on, the application of the Reporting Principles (Materiality, Quantitative and Consistency) in the preparation of the ESG report. Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/ or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Reporting Principles
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Scope
"Comply or explain" Provisions		
A. Environmental		
<i>A1 Emissions</i>		
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.	Green Operation Green Office
KPI A1.1	The types of emissions and respective emissions data.	Environmental Key Performance Indicators
KPI 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).	Environmental Key Performance Indicators
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance Indicators

APPENDIX: HKEx ESG REPORTING GUIDE INDEX TABLE (continued)

Subject Areas, Aspects, General Disclosures and KPIs		Correspondent Chapters
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance Indicators
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Operation Green Office Green Awareness Responding to Climate Change
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Operation Green Office Green Awareness
<i>A2 Use of Resources</i>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operation Green Office Green Awareness Responding to Climate Change
KPI 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).	Environmental Key Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance Indicators
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operation Green Office Green Awareness Responding to Climate Change
KPI 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.	Green Operation Green Office Green Awareness
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The business attribute does not involve the use of packaging materials
<i>A3 The Environment and Natural Resources</i>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Operation Green Office
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operation Green Office Green Awareness Responding to Climate Change
<i>A4 Climate Change</i>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Responding to Climate Change
KPI 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.	Responding to Climate Change

APPENDIX: HKE_x ESG REPORTING GUIDE INDEX TABLE

(continued)

Subject Areas, Aspects, General Disclosures and KPIs		Correspondent Chapters
B. Social		
Employment and Labour Practices		
<i>B1: Employment</i>		
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.	Talent Recruitment Talent Development Employee Care
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Talent Recruitment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Talent Recruitment
<i>B2 Health and Safety</i>		
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.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
<i>B3 Development and Training</i>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Talent Development
<i>B4 Labour Standards</i>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Talent Recruitment
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Talent Recruitment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Talent Recruitment

APPENDIX: HKE_x ESG REPORTING GUIDE INDEX TABLE

(continued)

Subject Areas, Aspects, General Disclosures and KPIs		Correspondent Chapters
Operating Practices		
<i>B5 Supply Chain Management</i>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI 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.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
<i>B6 Product Responsibility</i>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety , advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No significant relevance to Kingsoft software business
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	No significant relevance to Kingsoft software business
KPI B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	Product Responsibility
<i>B7 Anti-corruption</i>		
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.	Integrity Management
KPI 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.	Integrity Management
KPI B7.2	Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.	Integrity Management
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Integrity Management

APPENDIX: HKE_x ESG REPORTING GUIDE INDEX TABLE

(continued)

Subject Areas, Aspects, General Disclosures and KPIs		Correspondent Chapters
Community		
<i>B8 Community Investment</i>		
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.	Contributing to the Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Contributing to the Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Contributing to the Society