



Wise Talent Information Technology Co., Ltd

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6100



**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT**

2018

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING PERIOD AND SCOPE

Wise Talent Information Technology Co., Ltd (“**Liepin**” or the “**Company**”, together with its subsidiaries and Wisest (Beijing) Management Consulting Co., Ltd. (“**Wisest**”), TD Elite (Tianjin) Information Technology Co., Limited and Liedao Information Technology Co., Ltd. as well as their respective subsidiaries and branches, the “**Group**”) is pleased to present the Group’s Environmental, Social and Governance Report. Unless otherwise stated, this report covers the locations where we operate our core businesses, including the Group’s headquarter located in Beijing and its regional branch offices, for the period from 1 January 2018 to 31 December 2018.

This report covers the overall performance of the Group’s core businesses in two main aspects, namely the environmental and social aspects, for the year ended 31 December 2018, which highlights the efforts of the Group on the sustainable development in the following aspects:

- environmental aspect (emissions, use of resources, the environment and natural resources); and
- social aspect (employment, health and safety, development and training, labour standards, supply chain management, product responsibility, anti-corruption and community activities and participation).

REPORTING STANDARDS

The Group has complied with the “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Environmental, Social and Governance Reporting Guide**”) for the year ended 31 December 2018. This report has been verified by the management and reviewed and approved by the board of directors of the Company.

COMMENTS FROM STAKEHOLDERS

The Group welcomes comments from stakeholders on our environmental, social and governance policies and performance. Relevant comments may be sent by email to ir@liepin.com.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT APPROACH AND STRATEGY

1. Balanced and Sustainable Development

Over the years, *Liepin* has been dedicated in facilitating the sustainable development of its business, advocating environmental protection and focusing on the undertaking of social responsibilities, in an endeavour to set a good example for the public. While conducting business operations, the Group also emphasized the balance of interests among shareholders, clients and employees, and preserved an equal emphasis on the business development and the fulfilment of social responsibilities.

2. Stakeholder Engagement and Materiality

In order to identify the most significant aspects of environment, social and governance for the Group to be reported in this report, key stakeholders including investors, shareholders and employees have been involved in regular discussions to identify the impact of the Group's business on economic, environment and social aspects, and the issues of concern to the stakeholders. The key stakeholders, issues of concern and communication channels that we identified are listed in the table below.

Key stakeholders	Key environmental, social and governance issues	Key communication channels
Government and regulatory authorities	Employment, supply chain management, product responsibility, anti-corruption, and community investment	Policy consultation, incident reporting, information disclosure and participation in meetings with governmental authorities
Shareholders and investors	Employment, product responsibility and anti-corruption	Shareholders' meetings, regular announcements and official website
Employees	Employment, health and safety, development and training, and labour standards	Communication meetings, social media and face-to-face communication
Users	Product responsibility	Customer service hotline, social media and information disclosure
Platform customers	Product responsibility and anti-corruption	Customer service hotline, meetings and business visits
Suppliers	Supply chain management and anti-corruption	Suppliers' visits and suppliers' meetings

Key stakeholders	Key environmental, social and governance issues	Key communication channels
Media and non-governmental organizations	Emissions, use of resources, the environment and natural resources, employment, supply chain management and product responsibility	Social media, official website, press conference, exchange meetings and customer service hotline
Community	Emissions, use of resources, the environment and natural resources, and community investment	Community interaction, public welfare activities, social media and poverty alleviation projects

3. Materiality Assessment

In 2018, we conducted a materiality assessment of the 11 aspects of Environmental, Social and Governance issues listed in the Environmental, Social and Governance Reporting Guide as a reference for our actions and reports based on continuous communication with key stakeholders and the Company’s operational characteristics.

Material issues we identified include “Product Responsibility”, “Employment”, “Supply Chain Management” and “Anti-corruption”; and relevant issues include “Emissions”, “Use of Resources”, “The Environment and Natural Resources”, “Community Investment”, “Health and Safety”, “Development and Training” and “Labour Standards”. We will discuss these issues respectively in this report.

ENVIRONMENTAL ASPECT

The Group pays great attention to environmental protection. Apart from ensuring the compliance with laws and regulations related to environmental protection, it also reduces environmental pollution by utilizing resources effectively and adopting environmentally friendly energy-saving measures, which improves energy efficiency continuously. Wastes discharged and produced by the Group are mainly generated by its use of electricity, paper, gasoline and water. Given the Group’s business nature, the Group believes that the impact directly exerted by its business operation on the environment and natural resources is insignificant. To the best knowledge of the Group, there was no non-compliance with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.

1. Green Office

Electricity and water are the main resources we consume in the Group's operations.

For reasonable use of electricity, the Group actively promotes the responsibility system. The Group requires staff to turn off indoor lighting and air conditioning when they are not in use, so as to advocate reasonable use of electricity. We arrange for personnel to conduct regular inspections of the office area to avoid the situation where the lights are on but there are no people in the office area. At the same time, the Group selects and purchases high-performance products and adopts energy-saving power supplies. The printers, office computers, fax machines and other equipment are set to be in a condition where their monitors will be automatically turned off if they are not in use for a long time, and they will be in the "sleep" and "power saving" modes.

In order to save water resources, we set reasonable speed for water flow in the toilets of some offices to avoid waste of resources caused by human negligence, and arrange regular inspections to avoid the situation of "keeping the tap running all the time".

We also adopt other measures to reduce the use of resource, for example: (i) the Group fully implements the office automation (OA) system, advocates paperless office among employees to reduce printing, and promotes email communication instead of paper fax to avoid waste of papers; and (ii) the Group also encourages employees to print on both sides of a paper, re-use paper and print multiple pages per sheet where practicable.

2. Gasoline

The Group's offices are located in locations where public transportation is convenient, and we encourage the use of public transport such as shared bicycles to effectively reduce the use of gasoline from the source so as to lower carbon emissions.

3. Employee Training

The Group believes that raising awareness of environmental protection is critical to the better performance on environmental protection. Therefore, the Group trains its employees regularly by explaining to them relevant knowledge on energy saving and emission reduction in order to develop the concept and habit of environmental protection among the employees.

Through the above energy and resource saving measures, we have achieved significant results in energy saving. Below is our emissions and energy and resource consumption performance during the reporting period.

Emissions	Emissions	
	Unit	2018
Total direct greenhouse gas (GHG) emissions	carbon dioxide equivalent (tonnes)	1,223.65
Total GHG emissions per employee in office	tonnes/employees	0.35

Notes:

- Due to its business nature, the significant emissions of the Company are GHG emissions, arising mainly from the use of electricity converted from fossil fuels.
- GHG emissions include carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent and calculated by us based on the *2015 Baseline Emission Factors for Regional Power Grids in China* issued by National Development and Reform Commission 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.
- During the reporting period, the main business of the Company did not involve the emissions of hazardous and non-hazardous wastes.

Energy	Energy and resources consumption	
	Unit	2018
Total energy consumption	MWh	1,783.91
Total energy consumption per capita	MWh per employee	0.51
Running water consumption	Tonnes	4,594.96
Running water consumption per capita	Tonnes per employee	1.33

Notes:

- Total energy consumption is calculated based on the total power consumption and the conversion factors in the National Standards of the People's Republic of China *General Principles for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2008).
- The water resources used by the Company come from the municipal running water supply. The water consumption statistics include four office areas in Shenzhen, Wuhan, Xiamen and Chongqing. The water fees of other office areas are included in the property fee and their water consumption cannot be separately calculated, so it is not included in running water consumption.
- The packaging data does not apply to the Company.

SOCIAL ASPECT

Employees are the most important assets of the Company. We strive to create a comfortable and harmonious workplace, protect employees' rights, focus on employees' health and safety, conduct employees' training and promote employees' development.

1. Employment and Labour Practices

We abide by relevant laws and regulations including 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 Rights and the Interests of Women* and the *Labour Protection Regulations for Women Workers*, so as to protect employees' legitimate rights and prohibit child labour and forced labour. We have established a number of internal systems and standardized management for employee recruitment, resignation, compensation, benefits, performance and promotion in accordance with the measures described below.

Demographics of employees	As of 31 December 2018	As of 31 December 2017
Total number of employees	3,454	2,791
By region (%)	2,868 (83.03%)	2,380 (85.27%)
Northern China	1,016 (29.42%)	815 (29.20%)
Eastern China	820 (23.74%)	720 (25.80%)
Southern China	699 (20.24%)	595 (21.32%)
Southwest	333 (9.64%)	250 (8.96%)
By headquarters (%)	586 (16.97%)	411 (14.73%)
By gender (%)		
Male	1,363 (39.46%)	1,089 (39.02%)
Female	2,091 (60.54%)	1,702 (60.98%)
By gender of senior management (%)		
Male	8 (72.73%)	5 (71.43%)
Female	3 (27.27%)	2 (28.57%)
By age group (%)		
30 or below	2,698 (78.11%)	2,219 (79.51%)
31-35	562 (16.27%)	431 (15.44%)
36-40	168 (4.86%)	120 (4.30%)
41 or above	26 (0.75%)	21 (0.75%)

* The sum of the percentages may not add up to 100% due to rounding.

2. Occupational Health and Safety Measures

We care about the health and safety of our employees and provide a safe working environment for them.

We strictly abide by the *Labour Law of the People's Republic of China*, the *Production Safety Law of the People's Republic of China* and the *Fire Prevention Law of the People's Republic of China* and other laws and regulations concerning occupational health and safety and fire prevention in workplace, and improve safety management through internal rules and regulations including the "Employee Handbook".

In accordance with the provisions of the *Labour Law of the People's Republic of China*, the Group pays for work-related injury and medical insurances for its employees, and effectively ensures that work-related injury insurance plays a functional role in preventing occupational risks and cares about the health of employees. In addition, the Group is committed to providing a safe working environment for its employees. Within the known scope, there is no potential risk of occupational diseases mentioned in the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*.

Our measures to protect workplace safety include: (i) setting up access control to manage the entry and exit of personnel from the office areas; (ii) regularly conducting fire safety inspections in office premises and rectifying the identified hazards thereof; and (iii) conducting fire safety propaganda to enhance employees' awareness of fire safety.

We set up public areas in some office areas to provide employees with places to communicate and rest, and we advocate that work be finished within working hours. We provide employees with a commercial insurance plan every year, and organize lectures for employees from time to time to improve their health awareness. With the joint efforts of us and our employees, there have been no work-related deaths or work-related injuries in the past.

3. Training and Development of Employees

In terms of employee training, the Group adheres to the training philosophy of making employees of *Liepin* more successful. In 2018, the Group began to gradually improve the training system of employees covering all employees, professional and management staff, involving offline business, online production research and back-office functions. In addition, the Group divides the trainings into trainings to new employees, on-the-job professional skills, management skills and general skills. The forms of training include but not limited to mobile fragmentation learning, offline workshops, role-play, competitions and sand tables, etc. The Group also utilizes external resources to provide training directly to high-potential and high-performing staff and mid-level and senior managers. A team of nearly 200 certified instructors has been generated and operated internally to ensure efficient delivery of *Liepin's* knowledge and skills. In 2018, we accumulatively completed more than 2,000 internal trainings with nearly 5,000 class hours in which more than 38,000 employees participated. We have accumulatively motivated outstanding new employees, trained and improved trainees in special projects, certified instructors, coached stars of mid-level and senior managers, and other training backbones to guide the construction of learning organization and repeated operations.

We are committed to training anytime, anywhere, in order to meet the needs of the Company’s development and individual employees as much as possible. In 2018, we established and gradually improved the talent training platform (the Internet dominated by video courses) and developed a training system to meet the learning needs of employees.

We have developed a learning panoramic map for the employees and managers in each system to build and improve the training system. For all employees, we gradually cover different positions, ranks and stages of development through offline and online courses. For new employees, we design training programs with different durations and extensive training content according to different positions, and actively promote the mentoring system, so that they can quickly adapt to the needs of work. We provide targeted vocational training for employees on the job to improve their professionalism and professional competence. In the business districts, we launch a variety of competition incentives such as “Best Brain”, “Coached Star” and “Internal Instructor Certification and Selection of Excellent Individuals” to promote the construction of a learning organization. We have implemented training for different management to further improve their leadership skills. In addition, we use various forms of external training and topic sharing to expand the employees’ vision and enhance their creativity.

For the year ended 31 December 2018, we compiled 1,068 online courses in various forms, and completed 1,583 newcomer trainings, 511 on-the-job trainings and 151 management trainings. There were a total of 4,784 class hours. In 2018, the percentage of trained employees was 99%.

Dimension	Senior manager	Mid-level manager	Junior manager
Number of employed employees	31	78	345
Percentage of employed employees	1%	2%	10%
Average training hours	32	52	83

The distribution of trained employees

4. Employee Recruitment Regulation

There are clear provisions in the Group’s personnel recruitment and employment policy: the Human Resources Department implements human resources recruitment based on the Company’s plan on human resource demand, and recruitment can be carried out both externally and internally. Upon submission of the plan on human resource demand, each department must indicate the job responsibility of the required position, the requirements for the candidates, and the reporting materials.

The Group’s recruitment principles are: open recruitment, merit-based recruitment; equal conditions, internal priority; the Company does not advocate employees with kinship and relationship work in those departments or positions which may give rise to a situation of conflict of interest, such as superiors and subordinates, same department (same group), suppliers, customers, etc. If such a situation occurs, employees who have kinship and relationship with each other should provide written reports to the Human Resources Department on their own initiative in time and the Company has the right to make adjustments to the positions of relevant personnel. Otherwise, the Company is entitled to deal with violations depending on the severity of the situation.

5. Employee Remuneration and Welfare System

In order to ensure the Company's sustainable development, the Company will provide employees with a remuneration and welfare structure which is competitive among the industry externally and fair internally. At the same time, the Company regularly collects and analyzes relevant remuneration data in the target markets to maintain its continued competitiveness.

Remuneration includes cash income and non-cash income, among which, cash income includes basic salary, bonus, etc.; non-cash income includes social insurance and provident fund, internal company benefits, etc. The Company has paid social insurance and provident fund for employees since they joined the Company.

The Company will try its best to create a working atmosphere of "work hard, play hard". During the "moments of truth" with *Liepin*, such as incentives in the daily work, festivals, employees' birthdays, employees' anniversaries, annual meeting, etc., the Company will organize corresponding activities so as to provide mental and material welfare projects.

In terms of holiday pay, employees receive full pay for their annual leave and paid sick leave. For other sick leave, employees shall be paid based on 80% of the minimum wage of the local city in the current year (for those areas with special regulations, such special regulations shall prevail). For personal leave, the full salary for the day shall be deducted. In addition, the employees of the Company shall receive basic salary for marriage and funeral leave, pregnancy check leave, maternity leave, breastfeeding leave, family planning leave, and public holidays.

6. Employees Performance Assessment

The Group believes that the Company's success and sustainable competitiveness entirely depend on the creativity and performance of its employees. The Company follows objective, fair and rigorous assessment standard and conducts a comprehensive assessment of employees' achievements on performance, ability, attitude and competence, the purpose of which is to demonstrate the achievement of work goals through the scientific and effective management system, and to promote continuous and effective communication, feedback and guidance between the direct supervisor and the employees on the target realization status and professional behavior. At the same time, performance assessment is organically combined with employees' training development, remuneration and welfare system to motivate employees to perform effectively.

The performance assessment system of the Group is slightly different for different sectors.

The Group motivates efficient performance based on assessment results to promote continuous optimization of organizational efficiency. The Group provides career development paths horizontally and vertically for employees with excellent performance and good development potentials in the future. The Group provides two promotion opportunities each year and establishes an open, fair, impartial and comprehensive review mechanism which ensures that excellent employees are provided with the opportunities to fully utilize their potentials and helps our employees develop while supporting the long-term healthy development of the Company. In addition, for those employees who fail to meet the requisite standards of assessment, the Company will help them meet the performance requirements through training or rotation. For those employees who still fail to meet the performance requirements after such training or rotation, the Company has the right to terminate the labour contract with the employees in accordance with the relevant requirements of the *Labour Contract Law of the People's Republic of China*.

7. Employee Activities and Benefits

The Group strictly guarantees statutory holidays for employees in accordance with relevant laws and regulations, and provides employees with commercial insurance and other welfare plans including studying abroad. *Liepin* adheres to the corporate culture of “Caring, Responsibility, and Inclusiveness”, and creates a melodious and harmonious working atmosphere like home for employees. During the year, a number of cultural and sports events were organized, including the organization of team building in Singapore for outstanding employees and the regular organization of department team building to improve staff relationship.



Singapore Tour for Outstanding Employees



Singapore Tour for Outstanding Employees



Warm-hearted Birthday Party of the Group



Warm Team Building

Labour standards and anti-discrimination

All employees are employed by the Human Resources Department of the Group to ensure that they meet the job requirements of corresponding positions. In addition, the Group complies with relevant laws and regulations, safeguards the legitimate interests of employees, resolutely resists child labour and forced labour, and consciously conducts relevant social supervision.

We strictly abide by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China* and other national laws and regulations, and are committed to creating an equal and diversified office atmosphere. We do not discriminate against anyone based on reasons such as nationality, race, gender, age or religious beliefs. We have "Specifications for Job Posting" in place internally, which regulates the recruitment process and prohibits discriminatory vocabulary in job posting.

8. Supply Chain Management

The Group's major business suppliers are legal entities that comply with national policies, regulations and professional qualifications. In cooperation with business suppliers, the Group focuses on the dynamic inspections of their licenses and qualifications to ensure that they comply with the relevant requirements and amendments of national policies and regulations. In addition, the Group also encourages suppliers to help promote environmental awareness and social responsibility.

The Group controls the risks that may arise from various aspects of the procurement process. We have established a sound procurement system, promulgated the "Tendering and Procurement Management System", and established corresponding systems and processes such as "Supplier Management Specification Rules", "Supplier Sourcing Process", "Supplier Performance Assessment Process", and "Supplier Recommendation Process", in order to standardize the management of the Company's whole procurement process and various procurement activities.

In order to ensure the Company's interests and employees' interests in the procurement work, we provide trainings to employees involved in the procurement process on areas such as employee responsibility, manager responsibility, and anti-fraud. At the same time, there are anti-fraud provisions clearly stipulated in various procurement cooperation contracts with external suppliers.

The procurement department regularly conducts internal post rotation and self-examination and self-inspection, and accepts inspection and supervision by the Company's finance department and internal and external audit departments.

For the entry of external suppliers, we establish a complete supplier inspection and enrolment standards, focusing on the review of completeness of supplier qualification, business compliance and other content, and conducting on-the-spot investigations of potential suppliers. At the same time, we conduct annual assessments of suppliers to ensure that we can work with quality suppliers who can duly and timely deliver the procurement.

9. Product Responsibility

User privacy protection

The Group promotes a fair marketing philosophy and will not make dishonest allegations against its competitors to mislead customers in their decision-making process. In addition, the Group will not obtain confidential information of competitors via espionage, the subordinates of competitors' employees or through any other improper means.

The Group is committed to providing services that meet the reasonable expectations of its customers. The Group respects the confidentiality of customers and their business information. To protect their privacy, the Group will not disclose such information. To create a safe platform for our users and customers, user privacy protection is our priority. We take the following measures to protect user privacy:

1. New users have to create a *Liepin* ID with real name through which we authenticate the identity information of the registered users under the principle that mandatory real names are registered at the back-office end while voluntary user names are displayed at the front-office end;
2. We follow the principle of legality, rightfulness and necessity to establish and optimize the mechanism for the protection of users' information;
3. New users are required to indicate their acceptance to our privacy policy and *Liepin's* ID regulations where we indicate expressly the purpose, method and scope of collection and use and obtain the consent of users when collecting and using users' personal information;
4. We safeguard users' rights to know and to make choices when users are installing or using the application and web version of *Liepin*. Users could cease using *Liepin* ID services anytime by submitting a cancellation request. Once the *Liepin* ID has been cancelled, the relevant personal information would be deleted.

For the year ended 31 December 2018, the Group has complied with relevant laws and regulations regarding privacy related to the services provided.

Except for the disclosure in relation to privacy protection above, in view of the nature of the business of the Group, the Group believes that product liabilities such as health and safety, advertising and labelling have insignificant impact on the services provided by the Group.

Intellectual property rights protection

We respect the owners of copyrights and do all our best to protect their intellectual property rights. We monitor to screen the content to prevent anyone from using our platform to violate the interests of copyright owners based on our prescribed standards, which include, among other things, the list of copyright-protected work products publicly available on the website of the National Copyright Administration of the People's Republic of China (中華人民共和國國家版權局). We immediately remove any content that is found to have violated any copyrights on the list. For example, for the articles (which are reproduced instead of original) to be published via the Group's WeChat public account and the official application, we will communicate with the copyright owner to obtain permission for reproduction before we reproduce such article. Upon obtaining such permission, the copyright owner will be cited in the article published by the Company.

10. Anti-corruption

We pay attention to anti-fraud work, strictly follow the relevant national laws and regulations against corruption, bribery and anti-unfair competition, strengthen anti-fraud management, to ensure the healthy development of enterprises.

Relevant system

The Company has “Anti-fraud Management Measures” in place, which is applicable to all employees of the Company. This can standardize all the behaviours involved in the performance of duties by the Company’s employees, prevent fraud, and strengthen the governance and internal control of *Liepin’s* group companies.

The Company has formulated the “Employee Handbook”, which stipulates that the “acceptance of bribes” is strictly forbidden by the Company, and all employees of the Company are not allowed to accept bribes.

Supervision mechanism

The Company has established a supervision mechanism at three levels to reduce the risk of fraud.

- National legal department: the legal department is responsible for the acceptance and preliminary examination of anti-fraud reports and confirms to put the case on record;
- Leading group of the business department relating to people involved in the case: after the legal department confirms to put the case on record, the case will be submitted to the leader of the business department relating to people involved in the case for investigation and collection of evidence, and the leader will give the final conclusion based on the evidence;
- Compliance committee: major cases will be referred to the compliance committee for handling. The compliance committee consists of the Chief Executive Officer, Chief Financial Officer, Vice President of Human Resources, Chief Technology Officer, Senior Vice President, Head of the Legal Department, and Head of the Audit Department.

The supervision mechanism of three levels clarifies the duties and tasks of anti-fraud risk management. The Company also conducts continuous optimization based on the mechanism at three levels to strengthen risk identification and improve the effectiveness of anti-fraud risk management.

Means of publicity

In order to ensure that all employees of the Company comply with the “Anti-fraud Management Measures”, the Company’s legal department publicizes the measures through emails to all employees and the OA system, and announces the measures at the company-level meeting.

The Company has developed the “Employee Handbook” and distributed it to all employees, who signed it with the employment contract. The Company makes sure all employees are aware of it through emails, OA publication and new employee training.

Whistle-blowing procedures

Arrangements are in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

If the reported case is verified and actually recovers the corresponding economic losses for the Company, reward will be given to the whistle-blower according to the actual amount of economic losses recovered for the Company. The source of reward given to the whistle-blower is the amount of losses recovered from the reported case or fines imposed in respect of such case.

After the occurrence of any fraud case in the Company, the involved department should prepare a written report on the assessment and improvement of internal control as part of its the remedial measures, take appropriate measures against the offender, and report the results to internal and necessary external third parties.

For employees who are verified to have committed fraud, the Company will impose appropriate disciplinary sanctions in accordance with relevant regulations. If the conduct violates the law, it shall be referred to the judicial authorities for handling in accordance with the law.

During the reporting period, the Group has complied with relevant laws and regulations regarding prevention of bribery, extortion, fraud and money laundering. The Board is not aware of any litigation against the Group involving corruption, bribery, extortion, fraud or money laundering.

11. Community Activities and Participation

- ***Caring for the elderly community***

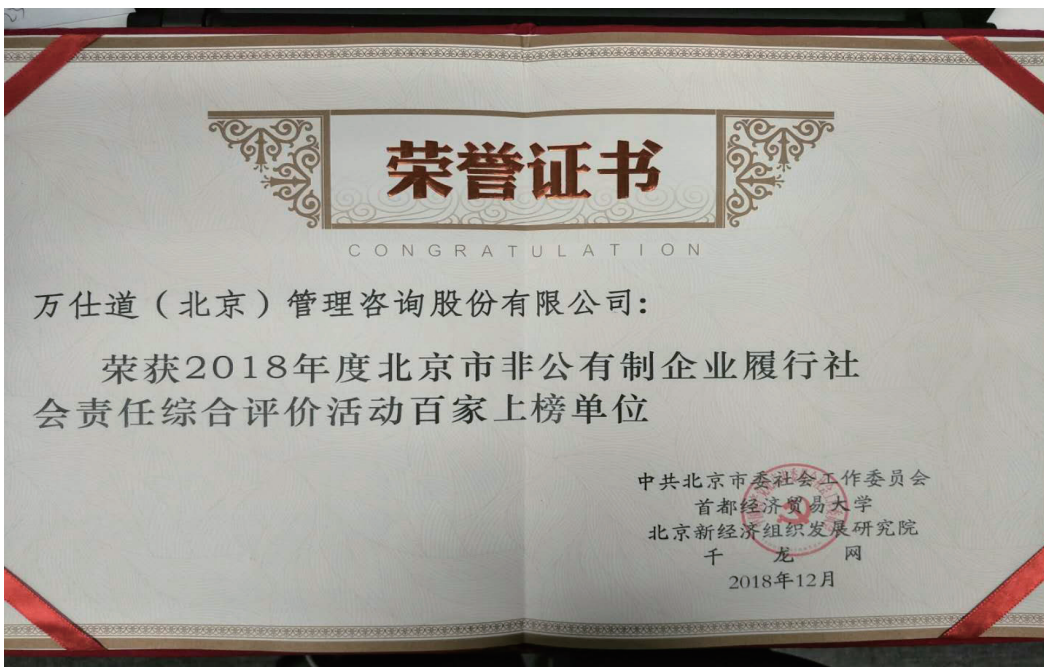
In 2018, the Group provided condolences and care to employees' parents over 65 years old, allowing employees and their parents to feel homelike warmth of the Company, which effectively motivated employees' work initiative and enthusiasm. At the same time, this also allowed the Company to take responsibility for social pension and concern for empty nesters within its power.

- ***Teaching assistance and charity donation activities for mountainous areas***

In 2018, Wisest was selected by the Research Institute of Beijing New Economic Organization Development of the Social Work Committee of the Beijing Municipal Committee of the Communist Party of China as one of the 100 Non-public Enterprises in Beijing for the Performance of Social Responsibility in 2018 because Wisest organized employees to conduct a series of public welfare activities such as teaching assistance and charitable donation in poor mountainous areas, which demonstrated a sense of social responsibility. In addition, in many social welfare activities, Ms. Xu Lili, the Chief Financial Officer of the Group, led by example and went to the mountainous area in Dazu, Chongqing to provide teaching assistance and donate to the children of poor families. Deeply encouraged by the spirit of the Chief Financial Officer, the employees of the Group found a better self through helping others in multiple activities of social responsibility such as teaching assistance, and integrated this sense of responsibility and honour into their work, which effectively improved employees' loyalty to the Group, and also contributed a humble effort to the children who dropped out of school and those in the mountainous areas.



Trophy Awarded to Wisest



Award Certificate to Wisest



The Group's Chief Financial Officer Participated in the Teaching Assistance Activities in the Mountainous Area of Chongqing



The Group's Chief Financial Officer Participated in the Teaching Assistance Activities in the Mountainous Area of Chongqing

CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	KPI	Description	Corresponding chapter/remarks
A. Environmental			
A1 Emissions	A1	General Disclosure	Environmental Aspect
	A1.1	The types of emissions and respective emissions data	According to the results of the materiality assessment, this aspect is not significant to the Group.
	A1.2	Greenhouse gas emissions in total and intensity	Environmental Aspect
	A1.3	Total hazardous waste produced and intensity	During the reporting period, the Company's main business did not involve the emissions of hazardous wastes.
	A1.4	Total non-hazardous waste produced and intensity	During the reporting period, the Company's main business did not involve the emissions of non-hazardous wastes.
	A1.5	Description of measures to mitigate emissions and results achieved	According to the results of the materiality assessment, this aspect is not significant to the Group.
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	During the reporting period, the Company's main business did not involve the emissions of hazardous and non-hazardous wastes.
A2 Use of Resources	A2	General Disclosure	Environmental Aspect
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	Environmental Aspect
	A2.2	Water consumption in total and intensity	Environmental Aspect
	A2.3	Description of energy use efficiency initiatives and results achieved	Environmental Aspect
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	According to the results of the materiality assessment, this aspect is not significant to the Group.
	A2.5	Total packaging material used for finished products and with reference to per unit produced	Not applicable to the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	KPI	Description	Corresponding chapter/remarks
A3 The Environment and Natural Resources	A3	General Disclosure	Environmental Aspect
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Given the Group's business nature, the Group believes that the impact directly exerted by its business operation on the environment and natural resources is insignificant.
B. Social			
B1 Employment	B1	General Disclosure	Social Aspect
	B1.1	Total workforce by gender, employment type, age group and geographical region	Social Aspect
B2 Health and Safety	B2	General Disclosure	Social Aspect
	B2.1	Number and rate of work-related fatalities	There were no deaths due to work during the reporting period.
	B2.2	Lost days due to work injury	There were no injuries due to work during the reporting period.
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Social Aspect
B3 Development and Training	B3	General Disclosure	Social Aspect
	B3.1	The percentage of employees trained by employee category	Social Aspect
	B3.2	The average training hours completed per employee by employee category	Social Aspect
B4 Labour Standards	B4	General Disclosure	Social Aspect
B5 Supply Chain Management	B5	General Disclosure	Social Aspect
B6 Product Responsibility	B6	General Disclosure	Social Aspect
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Social Aspect

Aspect	KPI	Description	Corresponding chapter/remarks
B7 Anti-corruption	B7	General Disclosure	Social Aspect
	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	There were no such cases during the reporting period.
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Social Aspect
B8 Community Investment	B8	General Disclosure	Social Aspect