

Mobvista

匯量科技有限公司 Mobvista Inc.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1860

2018 Environmental, Social and Governance Report

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2018 Environmental, Social and Governance Report



About This Report

The Mobvista Inc. and its subsidiaries from time to time ("Mobvista", the "Group" or "We") are pleased to present our first Environmental, Social and Governance Report ("ESG Report"), which provides an overview of the sustainable development practices as well as environmental, social and governance performances of Mobvista.

Reporting Standards

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "Guide") as set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the scope of which is in compliance with the "comply or explain" disclosure obligations of the Guide. Readers may refer to the final chapter of the ESG Report headed "Appendix 1: Content Index of the ESG Guide" for easy reference.

Reporting Period and Reporting Boundary

The content of the ESG report elaborates the core business of the Group from 1 January to 31 December 2018 (the "Reporting Period" or the "Year") in subject areas of environmental and social so as to promote sustainable operation and corporate responsibility. The environmental Key Performance Indicators ("KPIs") of Guangzhou headquarters of the Group are collected to reflect the performances of the Group quantitatively.

Language of this report

This ESG Report is available both in traditional Chinese and English. Should there be any inconsistency between them, the English version shall prevail.

Contact Information

For more details of the Group's corporate governance, please refer to the section of "Corporate Governance Report" set out in the 2018 Annual Report presented on the official website of Mobvista. Your opinions on this ESG Report are treasured by us. For any enquiries or recommendations, please feel free to contact us via e-mail at IR@mobvista.com.

Corporate Profile

Mobvista is a leading technology platform providing mobile advertising and mobile analytics services to app developers globally. According to the iResearch Report, we are a third-party advertising platform ranking among top ten in the world and top one in China, in terms of the average Daily Active Users ("**DAUs**") through the monetization Software Development Kits ("**SDKs**") in the first half year of 2018.

We provide user acquisition services to our advertisers on our mobile advertising platform by planning, launching and managing mobile advertising campaigns to help them acquire users on various types of media. At the same time, we provide monetization services to our publishers on our mobile advertising platform by connecting them with advertisers on our platform and matching their available mobile ad space in their apps to the suitable types of ads for their users.

Our business covers more than 200 countries and regions around the world. More and more app developers become our advertisers or publishers. In 2018, we established direct business relationships with over 400 new app developers expanding our advertiser base to around 2,400.

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As of the end of 2018, the number of apps integrated into our programmatic advertising platform doubled compared to the same period of 2017, with Mintegral SDKs integrated into over 6,900 apps in 2018 from around 1,500 developers. In 2018 we had received USD434.7 million revenue, experiencing 38.9% increase compared with last financial year. The programmatic advertising business acted as a key driver that accounted for 92.1% of the growth in our revenue.

Moreover, we placed more significant focus on Research and Development ("**R&D**") to empower the big data, Artificial Intelligence ("**AI**") algorithmic models. Our IT infrastructure is able to cover more than 200 countries with up to 25 million advertisement delivery requests per minute with an average response time of approximately 25 milliseconds. It gives us the ability to accurately target users and efficiently monetize audience by adopting the programmatic advertising and analyzing the habits of users. As a result, Mobvista had put 54.3% more in R&D expenditure compared with last financial year and recruited 49.1% of our total full-time employees for R&D during the Year.

Recognition

In 2018, the Group obtained numerous awards, including the followings:

Awards and Recognitions	Hosting/Awarding Institutions
2018 Best Game Marketing Case Award — Golden Price (金茶獎 — 2018年最佳遊戲營銷案例獎)	Game Teahouse (遊戲茶館)
Best Marketing Service Platform — Golden Gyro Award (金陀螺獎最佳營銷服務平臺)	Youxituoluo, Tuoluo Finance (遊戲陀螺、陀螺財經)
Top Ten Marketing Platform (靈眸獎十大價值出海營銷平臺)	Morketing
The Best Outsourcing Service Enterprise (中國服務外包最佳成長性企業)	China Council for International Investment Promotion (中國國際投資促進會)
First Batch of AI enterprise in Guangzhou (入庫廣州市第一批人工智能企業庫)	Guangzhou Municipal Industry and Information Technology Bureau (廣州市工業和信息化委員會)
2018 Hong Kong Star Brand Enterprise Award (2018香港星級品牌企業獎)	Hong Kong Small and Medium Enterprise Association (香港中小型企業聯合會)
Guangzhou Service Trade Demonstration Enterprise (廣州市服務貿易示範企業)	Guangzhou Service Trade Innovation Working Group (廣州市服務貿易創新發展試點工作領導小組辦公室)
36 kr New Economy King (36kr新經濟出海之王)	36 kr (36氪)
36kr New Economy of Enterprise Service King (36kr新經濟企業服務之王)	36 kr (36氪)
2018 iresearch the Best Marketing Service Platform (金瑞營銷獎最佳出海營銷平臺)	iResearch(艾瑞諮詢集團)

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Sustainable Development Principles

The Group is successfully listed on the main board of the Stock Exchange during the Year, which became an eye-catching spotlight. We will continue to create a better prospect for Mobvista with our professional team and services and will continue our mission to connect the world and enable everyone to enjoy universal content and services.

Not only does Mobvista care for its financial performance, the Group also realizes the importance of environment and society upon its operation. This ESG Report is a suitable platform to help the stakeholders understand non-financial performances of the Group.

Stakeholder Engagement

The ESG Report summarizes the material topics of the Mobvista as to achieve sustainable development. On our path work towards the sustainable journey, it is important to obtain stakeholders' feedback through open and proactive approaches. Internal and external stakeholders of different sectors are identified, including shareholders, investors, regulatory authorities, employees, customers, business partners, suppliers, peers, intermediaries (i.e. brokers, lawyers), community and the public. The material concerns of our key stakeholders and the major communication channels that we engage with them are as follows:

SUSTAINABILITY ON WOBILE SUSTAINABILITY
BIG DATA SAFETY MOBILE
CIAL INTELLIGENCE BILL

SUSTAINABILITY
MOBILE
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Stakeholders	Communication Channels	Material Concerns
Shareholders and Investors	Regular reports and announcementsRegular general meetingsShareholders visits	Business complianceReturn on investmentsInformation transparency
Regulatory authorities	Compliance reportsSite visits	Compliance with laws and regulations
Employees	 Performance appraisals Group discussion Meetings and interviews Performance reviews Seminars and training Team building and activities 	 Employment standard Benefits and welfare Training and career development Healthy and safety working environment
Customers	 Customer advisory group Activities that raise the loyalty of customers Customer visit Daily operation Online service platform Customer service hotline, exhibitions and email 	 High quality advertising services and products Protection the rights of customers
Intermediaries (i.e. brokers, lawyers)	MeetingsSite visitsWorking group discussion	Compliance operationCorporate governance
Business partners / suppliers	 Open tendering Supplier management procedures Meetings and site visits	Win-win cooperationFair and impartial procurement
Peers	ExhibitionsVisitsEmailsTelephone	 Prospect of the industry Information from peers Development trend of new media and new business
Community and the public	 Regular reports and announcements Forums Wechat public account Company's website 	Involvement in communitiesBusiness complianceEnvironmental protection awareness

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Through the interactive stakeholder engagement, the Group formulated its sustainable development principles which are built around four critical pillars of "Managing Brand", "Fostering the Development of Talents", "Caring the Environment" and "Engaging Actively in Community" to truly reflect and strengthen the alignment of their interests with timely reactions.



Sustainable Development Principles

Managing Brand

The Group has always been adhering to the business philosophy of independence, progress, integrity and responsibility. We believe that brand building can bring positive impacts towards the development of the Group. We put emphasis on establishing the mutual trust relationship with customers and suppliers in areas of corporate governance, product responsibility and supply chain management. Confidence and loyalty to the Group can be built up by providing satisfying services.

Risk Management

The Group is committed to continuously improving the risk management system, including structure, process and culture, through the enhancement of risk management ability, to ensure the long-term growth and sustainable development of the Group's business.

The Group has established a risk management system which sets out the roles and responsibilities of each relevant party as well as the relevant risk management policies and processes. Each business group of Mobvista, on a regular basis, identifies and assesses risk factors that may negatively impact the achievement of its objectives, and formulates appropriate response measures.

During the Year, Mobvista adopted dynamic risk management processes including risk identification, risk analysis, risk assessment, risk response, risk monitoring and risk reporting in response to identifying significant risks of the Group. Regular meetings were held between the executive Directors and senior management to review and monitor the business and financial performance against the targets, the progress of certification, contract receipts from customers, the efficiency in the use of the Group's resources in comparison to the budgets and operational matters to ensure the Group has complied with the regulations that have material impact on the Group's business. The aim is to enhance the communication and accountability of the Directors and the management so that significant strategic, financial, operational and compliance risks or potential deviations are identified and dealt with in proper and timely manner and that, significant issues are reported back to the Board for their attention.

Anti-corruption

Mobvista has zero tolerance for corruption and bribery in any form. We strictly follow the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), Law Against Unfair Competition of the People's Republic of China 《中華人民共和國反不正當競爭法》 and Interim Provisions on Banning Commercial Bribery 《關於禁止商業賄賂行為的暫行規定》 to operate our business. For anti-corruption and anti-money laundering, we have implemented internal anti-fraud and reporting mechanisms to better monitor suspicious transactions and standardize reporting procedures, which primarily set out: (i) organizing periodic internal employee training sessions to educate and improve awareness of our employees in identifying and reporting sensitive incidents; (ii) setting up a two-layer review process by both our internal audit related department and our Board for major transactions and related party transactions; (iii) maintaining email and phone hotlines to receive and process reports from employees and external third parties; and (iv) designating the Board in supervising our overall anti-corruption and anti-money laundering procedures.

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Reporting Mechanism

Mobvista has established "Anti-fraud and Reporting Mechanism Management Measures" (《反舞弊與舉報機制管理辦法》) for effective supervision. Whistleblowers may report the violations through phone calls, emails and other confidential channels. Various departments first evaluate the seriousness of the case and form a special working team or recruit external parties if necessary to get involved in the investigation. During the Year, no litigation regarding corruption was filed against the Group or any of its employees.

With regard to preventive measures, we report the risk events that are significant to our operations annually to the Board and prepare a sound system to improve the effectiveness of anti-corruption work. Furthermore, regular and irregular training is arranged to raise employees' awareness. We also set corporate governance as our routine practice and keep reminding all employees to strictly comply with regulations.

Protection of Data and Information Security

We are committed to protecting the security of customers' information and our assets. We use various security technologies and procedures to help protect information from unauthorized access, use or disclosure. We strictly follow the Decision of the Standing Committee of the National People's Congress on Preserving Computer Network Security (《關於維護互聯網安全的決定》), Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) for mainland operation, EU General Data Protection Regulation (歐盟《一般數據保護條例》) as well as other relevant laws and regulations from the regions we operate.

Data Security and Stability

Our internal network is configured with multiple layers of security to isolate our databases from unauthorized access and we use sophisticated security protocols for internal and external communication and transmission of the encrypted uses information. We utilize firewalls to prevent unauthorized access to our system. We have multiple layers of redundancy to ensure the reliability of our network. Our systems' infrastructure is hosted in co-located redundant data centers at multiple locations in China and overseas. We implement a 24/7 on-call policy to enable us to react quickly to technical issues. We also maintain an automatic monitoring system which is able to monitor key indicators in our business operations and IT system and trigger an alert when any indicator exceeds its safe threshold, allowing us to quickly respond to unexpected incidents.

Information Security

The Group has established "Information Security Management Policy" (《信息保密管理制度》). Each department head holds the responsibility to maintain the safety of the information system. We adopt the following initiatives to optimize information security level:

- All office computers must have a power-on password and the password should be reported to department manager for backup;
- Employees are not allowed to turn on other colleagues' computers to review or copy information without permission and authorization;
- Work files should be passed through the internal mail system and documents containing confidential information should avoid being printed or copied as possible;

- Work files should be cleaned and backup regularly;
- If external parties need to use our computers to access information, they must be accompanied by our employees.

 All the secret information is not allowed to be browsed, copied or printed by external parties; and
- Managers' approval is required to release information to external parties.

Furthermore, the Legal Department of the Group has formulated the "Personal Information Leakage Contingency Plan" (《個人數據洩露應急方案》). When leakage cases are identified, employees should timely report the cases to the contingency working group within 48 hours. The working group will conduct case-by-case investigations and determine the practical action plans after evaluating the underlying risks. Regular training and guidance on data security are provided for employees who process personal data as one of their responsibilities.

Data Protection and Privacy

We have implemented policies to comply with relevant laws and regulations on data protection and privacy in our business operations and ensure the data that we collect are not misappropriated or misused. We collect device-specific data such as device ID and IP address, but we do not collect or store personal data such as the user's legal name or personal ID number. As such, our ad targeting is technically device-based and is not associated with the real person who is the actual user of such device.

We have implemented measures to comply with laws and regulations on data protection and privacy in China, the United States and other major jurisdictions that we operate in. We have implemented internal user personal data usage and maintenance policy, requiring our employees to use user data only for the specific purpose and scope previously agreed by relevant users and not to use such data for other uses without prior written consent from relevant users. We have implemented protection and security measures for personal data collection, process and storage and continue to strength such measures, including our data monitoring system, firewall, data encryption technology, system login protection, digital access authentication, data backup and other automatic software protection measures. We continuously update our user privacy policy on our official website and send newsletters to users regarding privacy policy update and ensure our compliance with relevant laws and regulations. We generally include user data and privacy clause in our contracts to require our contractual counterparties to comply with our privacy policies and relevant laws and regulations on data protection and privacy.

Publicity Affairs and Communication Network

Publicity Affairs

We provide comprehensive mobile advertising and analytics services to app developers globally. Our professional advisory team develops a personalized monetization strategy with real-time adjustments and optimizations to deliver intimate service and help achieve customers' goals.

Mobvista fully utilizes its website to promote the Group's image and reputation. Native advertising and successful case studies are included to describe respective product's stories. Acting as a leader in the advertising industry, we attach great attention to fully comply with the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》). Mobvista makes all commercially reasonable endeavors to ensure all promotional materials are delivering complete, authentic and accurate information without exaggeration and misleading descriptions.

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Communication Network

Our marketing efforts focus on increasing awareness of our brand. We seek to accomplish such objective and acquire customers and suppliers for our mobile advertising platform and customers for our SaaS mobile analytics platform by presenting at industry conferences, hosting client conferences, publishing research articles, attending public relations activities and increasing social media presence. Moreover, we promote our business activities and brand by sending out Email Direct Marketing ("EDMs"). Recipients can choose to receive or not to receive promotional emails.

Glocalization ("GLOCAL") operating model is utilized to combine strong local service capabilities with an extended global footprint. As of December 31, 2018, we had 15 offices globally serving companies with ad delivery covering Greater China, Asia, Middle East, Europe and America.

If someone considers that our business infringes on his (or her) private information, he (or she) may send an email to privacy@mobvista.com to claim his (or her) legal rights. If our client complains against us during the business, our legal department will organize handling the case according to relevant regulations timely. During the Year, the Group had not received any such complaints.

Protection of Intellectual Rights

Engaging in the creative industry, we regard our software copyrights, trademarks, domain names, proprietary technologies and intellectual property as critical to our business success. We rely on the Copyright Law (《中華人民共和國著作權法》) that has already extended the protection to internet activities, product disseminated over the internet and software products to protect our valued properties. We sign confidentiality and non-compete agreements with our employees and other collaborating parties to protect our proprietary rights. We try to mitigate the risk of infringing the intellectual rights through the support from our legal team. The Group had properly registered 39 trademarks and 15 copyrights which we believe are material to our business, to protect our collective assets and contributions from the R&D team.

Supply Chain Management

We endeavor to maintain a good collaboration relationship with suppliers by establishing procedures to regulate and manage the supply chain. In each selection, Mobvista normally selects at least 3 candidate suppliers to ensure that the potential suppliers deliver the best products and services. In addition, priority will be given to suppliers that can deliver the products or services to undertake environmental protection and corporate social responsibility as to bring positive impacts to the supply chain.

Furthermore, we pay great attention to evaluating whether the suppliers are operating in compliance with relevant laws and regulations in obtaining their business license and other qualification certificates. Regular evaluations are conducted to consider the factors of satisfaction level, cost and after-sales services. The result will affect future cooperation opportunities between the supplier and the Group. We will suspend or terminate the cooperation when poor records are found from the supplier evaluations.

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Fostering the Development of Talents

As to retain and foster high calibre personnel, which includes sales and marketing, research and development, customer service and mobile advertising specialists, Mobvista has formulated systemic recruitment procedures and offered with competitive benefits and training opportunities. The overview of the Group's employment this Year is shown as below:



The Group's business in the Mainland China strictly complies with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law (《中華人民共和國勞動合同法》), the Law on the Protection of Minors (《中華人民共和國未成年人保護法》) and the Prohibition of the Use of Child Labor (《禁止使用童工規定》) while the business operation in the Hong Kong Special Administrative Region complies with the Employment Ordinance (《僱傭條例》) and Employment of Children Regulations (《僱用兒童規例》).

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Guidelines for Employment

Recruitment and Promotion

The Group strictly follows human resources policies and recruitment procedures presented in the "Employee Handbook" ($\langle \xi \pm \xi + \xi \xi \rangle$) to conduct recruitment processes. We uphold the principle of equality during the recruitment process that we select candidates solely based on criteria of abilities, professional background, potentiality and position suitability, regardless of gender, race, religion and birthplace.

Step 1: Publish the recruitment requests

Departments with vacancy are required to fill in the "Recruitment Request Application Form" (《招聘需求申請表》) to raise the recruitment request that matched with the operational development and annual headcount planning of the Group. The recruitment information is published through open channels upon the approval and coordination from the management and CEO of the Group.

Step 2: Selection of candidates

Internal Transfer

We allow internal employees to apply for our vacancies as internal transfers. They can hand in the application through Office Automation ("**OA**") system in a confidential way. We give priority to the internal employees for promotion as they gain a better understanding of the Group and it is also a reward for their past contribution.

External Recruitment

Human Resources Department conducts the resume and qualification screening so as to select suitable candidates for interview. Interview performance and the abilities of candidates are assessed by both the Human Resources Department and the recruiting departments.

The hiring decision shall be made upon at least three qualified interviewers' unanimous consent.

Step 3: Admission

Human Resources Department informs the selected candidates of the commencement date and other relevant information. The selected candidates will sign a confidentiality agreement and employment contract drafted by the Group so as to protect their rights according to the "Labor Contract Law of the People's Republic of China" (《中華人民共和國勞動合同法》). Employees are required to provide identification documents, transcripts of studies, recommendation letters, certificates and medical checkup report to the Human Resources Department for record and verification, so that we can ascertain with relevant qualifications and avoid employing child labour so as not to violate "Law on the Protection of Minors" (《未成年人保護法》) and the "Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》). During the Year, the Group had not employed any child labour.



Dismissal

We take serious attention to employee turnover. The Human Resources Department conducts exit interviews with resigned employees for the aims of understanding the departure reasons and proposing improvement measures that can be taken by the Group as to retain the sense of belongings for the existing employees. Management also strictly monitor the condition and communicate frequently with different departments to maintain a good relationship.

Working Hours and Rest Period

Following the "Employee Handbook" (《員工手冊》), Mobvista adopts five-day work week with 40 working hours per week and flexible working hours in order to promote work-life balance. Mobvista encourages employees to improve work efficiency and complete work tasks during working hours. Compensations are provided to eligible employees who work overtime. Employees who worked through holidays are entitled to have compensation leave after obtaining internal approval. During the Year, we were not aware of any cases of forced labour in the Group since no employee conducted work against his/her wills.

Benefits and Welfare for Employees

We welcome former employees who performed well in the past to return to Mobvista. Their positions and salaries will be determined by the Human Resources Department based on their past performance and Mobvista's current remuneration policy.

Salary Adjustment

Employees have the opportunity to apply for salary adjustments each year. The adjustment is based on performance evaluations by taking into consideration of employees' positions, qualifications, working skills, contribution and abilities. According to the appraisal management policies, quarterly and annual appraisals are conducted in a consistent, objective and result-oriented manner so as to motivate employees and to improve their work performance. Employees will be rated according to their appraisals, which in turn affect the performance bonus and share awards they receive.

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Benefits and Welfare

Employees are entitled to statutory holidays in addition to annual leave, paid sick leave, paternity leave, compassionate leave, marriage leave and birthday leave. Moreover, the Group provides employees who work in Mainland China with the "Five Social Insurance and One Housing Fund" (五險一金), namely, endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing provident fund. These benefits are provided in compliance with "Social Insurance Law of the People's Republic of China" (《中華人民共和國社會保險法》), "Provisional Regulations on Collection and Payment of Social Insurance Premiums" (《社會保險費徵繳暫行條例》) and "Regulation on the Administration of Housing Accumulation Funds" (《住房公積金管理條例》). Further, all employees who work in Hong Kong are enrolled in the Mandatory Provident Fund ("**MPF**") Scheme.

Mobvista offers breakfast, lunch, afternoon snacks and dinner for free for employees and we use reusable cutlery. We carefully select food suppliers to ensure food safety, specified quantity, temperature and quality to ensure regular meals and good dining experience for employees, and demand improvement in response to food quality complaint and change supplier if the improvement actions fails to satisfy our employees.

Good Relationship with Employees

We have established good employment relationships as to retain employees. The Group has reserved funds for team building, company activities, trips and other corporate cultural benefits. We hold a variety of entertainment and leisure activities regularly, such as basketball, badminton, swimming and other sports activities and games, and organise festive events for employees. Furthermore, we also offer festival gifts or bonus to employees during important traditional Chinese festivals.





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Celebrating of Listing

On December 12th, 2018, Mobvista held a celebration event in the new office and connected teams of Hong Kong, Beijing, South Korea and the United States through video call to celebrate the Listing on the Stock Exchange together.



Mobvista Birthday



Mobvista celebrated its fifth birthday on 7 March, 2018. A series of celebration events were held at offices worldwide with numerous of employees attended the event.

Thanksgiving Event (感恩節活動)

The employees were randomly divided into groups to have the tacit test special tasks. The last winning teams were rewarded with a Thanksgiving turkey dinner. The event actively promoted interdepartmental team communication.



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MONETIZATION SAFETY OF



Open space office is adopted as for better communication and improvement of workflow. We also promote communication by organizing regular meetings that gather all employees. They can provide feedback to the management directly, which serves as inspiration for the Group to make improvements in the future.

Continuous Talent's Cultivation

Training opportunities provided to employees is key to the sustainability of Mobvista's business.

Newly recruited, transferred and promoted employees are all required to attend vocational trainings. New employees will be assigned an experienced employee to act as their induction mentor under the apprenticeship program to assist them to adapt to the working environment.





Furthermore, we encourage employees to participate in external seminars and talks in order to enrich their professional knowledge. We also provide in-house trainings and publish monthly training posters to encourage employees' participation. The average training hours completed per employee by gender and employee category are 10 hours.

Workplace Health and Safety

The health of employees is one of the key areas of concern for Mobvista. We arrange annual medical examination for all full-time employees and organize a range of health care activities. This initiative aims to promote early diagnosis and treatment of diseases and to raise employees' health awareness.

Although we operate in an office environment, the management remains committed to providing a safe workplace for its employees so as to mitigate the risks of employees getting injured during work. Consequently, we developed the following initiatives:

- Provide employees with enough protective equipment if they are required to work in a high-risk environment;
- Develop and implement safety policies and procedures and devise comprehensive contingency plans;
- Provide safety education courses for new employees;
- Organize regular fire drills;
- Conduct regular disinfection and cleaning;
- Provide compensation if employees suffer injury arising out of and in the course of employment.

During the Reporting Period, there was no report of workplace injuries or fatalities across the Group.

Caring for the Environment

Mobvista is devoted to the responsible allocation of resources and the minimization of adverse environmental impacts. We aim to promote a green workplace through the implementation of focused and achievable initiatives. We comply fully with existing environmental legislation and regulations of the regions we operate in. Waste and other harmful and non-hazardous pollutants generated by us are consistently below the permitted level stipulated in the applicable laws.

Low-carbon Operation

Paris Agreement

195 countries adopted the Paris Agreement, which is an international agreement to combat climate change, the aims of the Agreement include:

- To limit this century's global temperature rise to 2°C above the pre-industrial level (many scientists believe that an increase above the 2°C limit may have a catastrophic effect) and to maintain efforts in limiting the temperature increase even further to 1.5°C above pre-industrial levels;
- To stop increasing of global greenhouse gas ("**GHG**") emissions as soon as possible, and achieving the global "Carbon Neutral" target (the balance between GHG emissions and absorption) between 2050 and 2100;
- To develop carbon emission reduction targets and to update the emission reduction progress once every five years.

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We implement the contents of Paris Agreement in our operations to combat the climate change issues. In addition, "2018 China's Policies and Actions for Addressing Climate Change Report" (《中國應對氣候變化的政策與行動 2018年度報告》) was issued by the State Council of China in November 2018. The report shows China's determination in mitigating climate risks, encouraging local involvement and raising awareness with practical strategies.

We took this opportunity to evaluate GHG emissions generated during Mobvista's operation. This carbon audit was conducted with reference to the ISO 14064–1 set by the International Organization for Standardization and the Greenhouse Gas protocol developed by the World Resources Institute and the World Business Council for Sustainable Development. The summary of GHG emissions of the Guangzhou headquarters of the Group during the Reporting Period was as follows:

Summary of GHG Emissions	Unit	2018
Scope 1 Direct GHG emissions	tonnes of CO2 equivalent (CO2e)	14.2
Scope 2 Indirect GHG Emissions	tonnes of CO ₂ e	167.5
Scope 3 Other Indirect GHG Emissions	tonnes of CO ₂ e	669.4
Total GHG Emissions	tonnes of CO ₂ e	851.1
Total GHG emissions intensity (per employee)	tonnes of CO ₂ e/employee	2.2

Scope 1: The direct GHG emissions generated from sources owned and controlled by the Guangzhou headquarters.

Scope 2: Indirect GHG emissions by electricity generation, heating and cooling or steam purchased by the Guangzhou headquarters.

Scope 3: Emissions include indirect GHG emissions by sources that are not owned or directly controlled by the Guangzhou headquarters but related to the Hong Kong Office's business activities.

The GHG emissions emitted through 3 scopes such as, fuel consumed by the Group's vehicles (Scope 1); energy consumption during operation (Scope 2), water consumption and flight emissions during employees' domestic and overseas business trips, waste disposal and paper consumption (Scope 3). During the Year, the total GHG emissions were 851.1 tonnes CO₂e, with emissions intensities of 2.1 tonnes of CO₂e per employee.

Emissions Mitigations

Motorcade Management

We believe that the Group's vehicles can provide convenience to its employees, provided that the motorcade is managed properly. Vehicles are dispatched reasonably according to the number of passengers and routes of the travel. Through a sharing of car journeys, the mileage of vehicles can be reduced while the usage rate can be effectively increased. Electrical equipment on vehicles are used rationally to reduce fuel consumption. We also formulate maintenance and repair plans, perform regular inspections and conduct reasonable vehicle maintenance so as to reduce the occurrence of malfunctions.

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Business Travel

Business travel accounts for a large proportion of GHG emissions. As such, we have started optimizing business travel. Direct flights will be chosen for necessary business trips while telephone and video conferences are adopted to replace unnecessary business trips so as to significantly reduce GHG emissions.

This is the first year Mobvista examined the sources of emissions in our operation. We will compare all the environmental KPIs with the years to come and describe the results achieved. We will also continue to monitor GHG emissions and other consumption indicators as well as pay more efforts in promoting low-carbon practices.

Green Workplace

The Group has appointed the administrative department to supervise and inspect employees' use of resources. The Group holds the authority and responsibility to investigate and criticize the employees who abuse resources and produce excessive waste.

Energy Management

We have embraced the scientific concept and raised employees' awareness during the construction of energy conservation initiatives. We cherish all the resources we have, for example, by fully utilizing the natural lighting during daytime and minimizing the use of lighting equipment. LED lightings with high energy efficiency are installed while the number of lighting equipment are reduced in areas that have sufficient luminance level. We also clean lighting equipment frequently to ensure cleanliness and to enhance energy efficiency. The office is divided into several different light zones where separate light switches are set up. Furthermore, there are designated staff responsible to check and ensure that photocopiers, lights and other electronic equipment are switched off after the employees leave the office every day. Before the long holidays and weekends, employees are required to switch off all electronic devices and to unplug the microwave and electric kettle from their sockets.

Air-Conditioning System

In addition, we place a strong emphasis on reducing the energy consumption of the air conditioning system. The office building adopts the Central Control and Monitoring System ("CCMS"), which is more energy efficient. Air quality, temperature, ventilation and humidity are maintained at a constant level and the system can also automatically start and stop at a pre-set time. Furthermore, we set the air conditioning system at a minimum of 26 degrees Celsius in summer. Employees are also encouraged to turn off the air conditioners when the rooms are not in use, thus effectively minimizing the use of the air-conditioning system. The electricity consumption of the Guangzhou headquarters of the Group during the Reporting Period was as follows:



Electricity consumption	317,740.0 kWh
Electricity consumption intensity	806.4 kWh/employee

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Paper Management and Paperless Office Initiative

We consume a lot of paper resources in our daily business operations. As such, we conducted our first paper consumption count to monitor our paper usage during the Reporting Period. Regular monitoring will continue to be conducted and printing quotas can also be set for users if necessary. The paper consumption of the Guangzhou headquarters of the Group during the Reporting Period was as follows:



Paper consumption	A3 A4	20 reams 600 reams
Paper consumption intensity	1.6 reams of paper/employee	

All employees are encouraged to adopt the practices below when they are printing materials:

- Print in duplex;
- Use the toner save mode;
- Use smaller font and line spacing; and
- Propose to use recycled paper.

Paperless office initiative

The paperless office initiative is launched and we replaced paper records with an automation platform as possible to raise employees' working efficiency and create environmental awareness. Designers frequently revise their graphic designs through software in the computer and employees are encouraged to make good use of the automation platform to process all communications, revisions, revisions, reviews and distributions.

Waste Management

The Group focuses on handling non-hazardous and hazardous waste appropriately so as to reduce the burden of the landfill and cut down on GHG emissions arising out of waste disposal.

Paper is identified as the major source of non-hazardous waste within our office operations. We arranged for a third party recycling company to recycle the waste paper through processes of shredding and re-forging. During the Year, we purchased recyclable stationaries, which included envelopes, binders, file cards and pens with refills as well as encouraged reusing. In the process of office relocation in December 2018, the cartons we use were recyclable and reusable and they were collected by the supplier after the relocation is completed. In addition, we realized that food waste can be treated and turned into useful organic fertilizers. Consequently, all the food waste produced by the Group were collected by a catering company for further treatments. The production of waste of the Guangzhou headquarters of the Group during the Reporting Period was as follows:



Production of non-hazardous waste	52.2 tonnes
Total production of non-hazardous waste intensity	132.5 kg/employee

As for treating hazardous waste like waste computers and batteries, all the 93 waste computer sets with intensity of 0.2 set/employee generated during the Reporting Period were sold to an electronic waste recycling company. The ink cartridges of the office printers were refilled by the service provider as to produce less amount of hazardous waste.

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Water management

Although we do not require massive consumption of water in our daily business operations, we recognize how precious fresh water is. Accordingly, we have adopted the following water conservation initiatives. We purchased sanitary wares that meet national water-saving standards and phased out the less water efficient apparatus. Water saving reminders are also posted inside washrooms to promote the message of water conservation. The Group also fixes broken pipes or dripping taps promptly by conducting regular inspections to prevent water leakage.

During the Reporting Period, the water consumption of the Guangzhou headquarters was as follows and we have no issue in sourcing water that is fit for purpose:



Water consumption	3,820 tonnes
Water consumption intensity	9.7 tonnes/employee

We take responsibility for continuous monitoring so as to achieve better performance in the future.

Resource Management

We adhere to the principle of "Awareness Cultivation and Strict Management" when formulating annual resource conservation activities.

We tried to encourage all our employees to develop good habits and to raise their awareness of resource conservation and carbon reduction. We organized education and publicity activities regularly so as to promote the concepts of ecological civilization, simplicity, comfortability, civilized health and to avoid extravagance and wastage. Furthermore, the Group posted energy-saving slogans in the office and held environmental-friendly themed meetings regularly. This has the effect of reminding employees of the importance of individual energy-saving actions.

Engaging in the Community

Mobvista provides job opportunities for disabled people to show its care for minorities. Yet, it is acknowledged that Mobvista's community investments were insufficient this Year since we put our focus on listing on the stock market. Considering the continuous support received by Mobvista, we do recognize that it is necessary for us to contribute back to the community. As such, we have plans to collaborate with local charity groups and to involve ourselves in more social activities in the coming years to show our commitments. The aim of assisting those in need can be achieved through the active participation of employees and the utilization of our talents.

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Appendix 1: Content Index of the ESG Guide

Indicator			Related Chapter
A. Environmental			
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Low-carbon Operation
	A1.1	The types of emissions and respective emissions data.	Low-carbon Operation
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Low-carbon Operation
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Green Workplace
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Green Workplace
	A1.5	Description of measures to mitigate emissions and results achieved.	Low-carbon Operation
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Green Workplace
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Workplace
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	Green Workplace
	A2.2	Water consumption in total and intensity.	Green Workplace
	A2.3	Description of energy use efficiency initiatives and results achieved.	Green Workplace
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Green Workplace
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Group's business
A3 The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Green Workplace
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Workplace

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Indicator			Related Chapter
B. Social			
B1 Employment	General Disclosure	Information on the policies and 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.	Guidelines for Employment
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Guidelines for Employment
	B1.2	Employee turnover rate by gender, age group and geographical region.	Will disclose in the future
B2 Health and Safety	General Disclosure	Information on the policies and 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.	Workplace Health and Safety
	B2.1	Number and rate of work-related fatalities.	Workplace Health and Safety
	B2.2	Lost days due to work injury.	Workplace Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Workplace Health and Safety
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Continuous Talent's Cultivation
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	During the Reporting Period, Mobvista continuously provided training for employees but did not record the percentage of employees trained by gender and employee category
	B3.2	The average training hours completed per employee by gender and employee category.	Continuous Talent's Cultivation
B4 Labour Standards	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Guidelines for Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Guidelines for Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	Guidelines for Employment

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Indicator			Related Chapter
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Will disclose in the future
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
B6 Product Responsibility	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Managing Brand Protection of Data and Information Security Publicity Affairs and Communication Network Protection of Intellectual Rights
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the Group's business
	B6.2	Number of products and service related complaints received and how they are dealt with.	Publicity Affairs and Communication Network
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Intellectual Rights
	B6.4	Description of quality assurance process and recall procedures.	Not applicable to the Group's business
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protection of Data and Information Security
B7 Anti-corruption	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Risk Management
	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.	Risk Management
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Risk Management
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Engaging in the Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Will disclose in the future
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Will disclose in the future