



Dada Nexus Limited

2021 Environmental, Social and Governance Report

June 2022

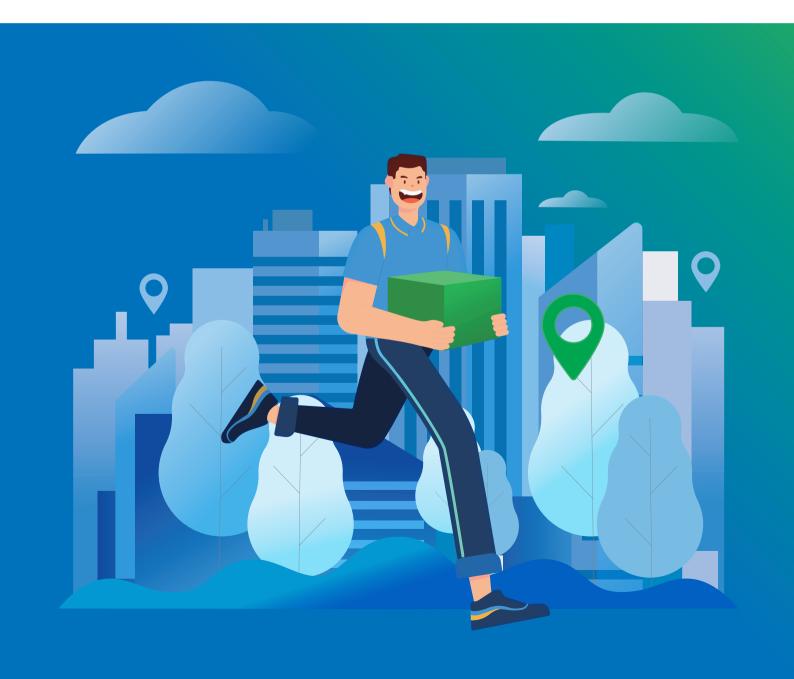


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About This Report

Overview

This report is the first *Environmental, Social and Governance Report* (hereinafter referred to as "ESG" Report) of Dada Nexus Limited; It aims to disclose to all stakeholders regarding our management, practices, and performance in financial, environmental, social, and governance aspects.

Reporting Period

This report covers the period from January 1 to December 31, 2021 (hereinafter referred to as the reporting period), with certain information and activities prior to 2021 or pertaining to 2022.

Reporting Scope & Boundary

This report covers operations directly under Dada Nexus Limited (hereinafter referred to as "the Group", "Dada" or "We").

Basis of Preparation

This report has been prepared in accordance with the frameworks such as the *Global Reporting Initiative* (GRI) Standards, and the United Nations (U.N.) Sustainable Development Goals (SDGs), also with reference to the Morgan Stanley Capital International (MSCI) ESG Ratings' Key Issue Framework, along with the Company's current level of development in ESG.

This report is compiled through the following steps: identifying key stakeholders and material ESG issues, determining the report boundary, collecting relevant materials and data, preparing the report based on the information collected and reviewing the information in the report to ensure the completeness, materiality, accuracy and balance of the report.

Source of Material and Assurance

The information and data disclosed in this report come from the statistical report and official documents of the Group and have been reviewed by relevant departments. The Group promises that this report does not contain any false and misleading statements, and is responsible for the authenticity, accuracy and completeness of its contents.

Languages & Publication

This report is available in both Chinese and English, and electronic version is recommended for the purpose of environmental protection. Please visit our Investor Relations website if you want to learn more about Dada's background, operations and sustainability.

Report Preparation Process

This report has been completed through working group establishment, data collection, stakeholder interviews, stakeholder questionnaire survey, framework determination, report preparation, report design and management review.

Confirmation and Approval

This report was approved by the Board on Jun 30, 2022 after confirmed by the management.

Access to the Report and Feedback

We highly value stakeholders' opinions. Readers are welcome to contact us via email at ir@imdada.cn. Your comments and suggestions will help us continuously improve our ESG performance.



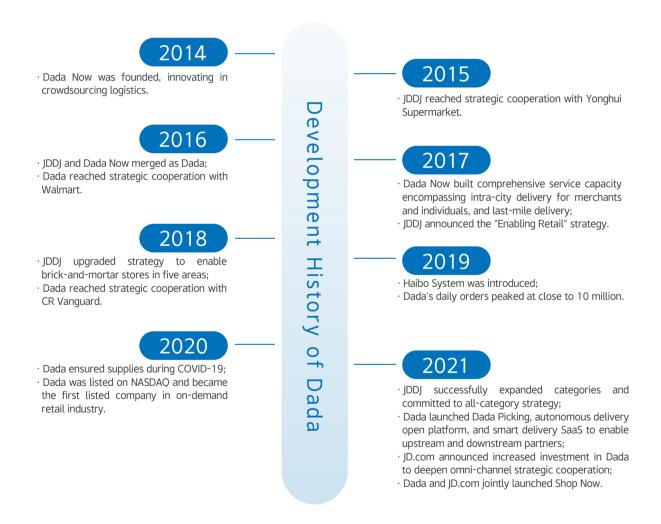
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About Dada

Corporate Profile

About Us

It is our mission to "Bring People Everything on Demand". Dada was established in Shanghai in 2014 and listed on the NASDAQ in 2020 (stock code: DADA) as a leading local on-demand retail and delivery platform in China. In the past eight years, Dada has solidified its leading position in local on-demand retail and delivery industry. Our in-depth strategic cooperation and digitalization capability not only enables us to enhance competitiveness, but also helps retailers and brands across China to accelerate digital transformation and seize growth opportunities.



Business Development

As a company deeply rooted in local on-demand retail and delivery industry, Dada makes every effort to break business boundaries and explore omni-channel strategic cooperation, so as to help extend the excellent supply chain of offline retailers online. Meanwhile, Dada actively explores and develops digital solutions to promote the development of local on-demand retail. Dada's value is increasingly recognized by retailers and brand partners, as a result, the Group has been growing rapidly. During the reporting period, Dada recorded total revenue of RMB6.9 billion, increasing by 78% year over year on a comparable basis.



Dada Now is a nationwide leading local on-demand delivery platform operated by Dada. It has built comprehensive service capability encompassing intra-city delivery for merchants and individuals, and last-mile delivery. Via highly scalable crowdsource-based rider network, Dada provides merchants with flexible and high-quality fulfillment services for omni-channel O2O orders.

By the end of 2021, Dada Now covered over 2,600 cities and counties in China, with peak daily orders over 10 million and annual orders over 1 billion. Dada Now also plays an important role in new forms of employment, creating hundreds of thousands of work opportunities for flexible workers.





JD-Daojia (JDDJ) is a nationwide leading local on-demand retail platform operated by Dada, providing consumers with 1-hour delivery options for goods across multiple categories. JDDJ is committed to supporting local retailers to embrace the O2O era and enabling retailers to reduce costs and increase efficiency through digital tools. Meanwhile, JDDJ provides comprehensive digital marketing solutions for brand owners, helping brands conduct effective marketing and track marketing performance.

By the end of 2021, JDDJ covered 1,800 cities and counties in China, and served 62.3 million annual active users. According to third party research agency, JDDJ ranked first among O2O platforms for supermarkets in 2021.

JDDJ

Corporate Values

As a fast-growing enterprise in emerging industry, Dada spares no effort to create an open, venturous culture that advances with the times. Bearing "Dedicated Service and On-demand Delivery" in mind, we aim to bring people everything on demand with our efficient business model and high-quality services.

Who we are

- · Fire in heart: Be optimistic and self-healing. Keep the fire burning inside, brightening both ourselves and others. Be self-driven, courageous, and do good.
- · No boundaries: Neither settle for mediocrity, nor set limits. Begin with the end in mind, make goals clear, go beyond the boundaries of responsibility and actively generate links to make things happen.
- · Logic-driven: Set framework based on data logic and market understanding. Practice is of high importance. Deal with matters in a simple and direct manner, focus on the matter itself rather than people.
- · Self-enhancing: Empty ourselves, and maintain a sense of crisis. Grow and strengthen capability through constant review. Be open to new things and changes.

How we work

- · Begin with the end in mind and deliver what we said: Make plans and avoid focusing on forms rather than substance.
- · Data logic-driven: Set goals and conduct reviews based on logic and data.
- · Down to the earth: Dive deep into the market to focus on details and acquire information, never work behind closed doors.

Message from CEO



Dada is committed to creating better shopping experience and lifestyle for Chinese consumers, guided by our mission to "Bring People Everything on Demand". The past 20 years have witnessed three stages of e-commerce development in China. The first stage is long-distance e-commerce, when merchants and inventories are often thousand kilometers away from consumers and it takes a few days or a couple of weeks for an order to reach the customer. The second stage is short-distance e-commerce, when warehouses and inventories are within 100 kilometers from consumers and delivery time is shortened to 24 hours. Now, we are getting to the third stage, micro-distance e-commerce or local on-demand e-commerce, when inventories are in nearby stores and deliveries are made within an hour, thus efficiency and customer satisfaction are the best ever. In the past 20 years, there is no doubt that e-commerce in China has experienced rapid development along with many great companies, but more than 70% of the total retail sales still occur offline. Therefore, local on-demand retail represents the biggest opportunity for Dada.

To ride on the wave of consumption pattern evolution, we have created a series of digital products and tools covering retail and logistics operations, to help retailers accelerate digital transformation. Via the offline-to-online (O2O) integration, brick-and-mortar retail and e-commerce are no longer in a state of competition and confrontation. The retail industry is heading towards a digital era, and Dada, with openness and empowerment in our gene, is joining hands with excellent retail partners to make positive changes happen. In this journey, Dada firmly upholds the principles of creating values and striving for win-win, which are deeply rooted in our culture and everyday operations.

Value creation is the foundation of our business. We believe the best business model around the world is one that creates values. We cooperate with leading retailers and brands in China, helping them seize the opportunity of on-demand retail and improve efficiency via continuous innovations; we provide a great number of part-time work opportunities for flexible workers to boost earnings through our crowdsource-based on-demand delivery network with nationwide coverage; we are also enabling consumers on JDDJ and customers of Dada Now to enjoy more convenient and high-quality services.

Win-win is the development philosophy we always adhere to, and is also our fruitful harvest. We do not compete with retailers and brands, but only do our best in digital empowerment, and work together with partners to promote the development of the industry, which is truly win-win. It is because we always uphold the principal of win-win that we have won the trust of all parties involved in our platform, and we thank and cherish this trust from the bottom of our hearts. We cherish the trust of our Dada Now Riders, whose determined steps and hard work have made our success possible; we cherish the trust of all our partners, being able to walk side by side with the world's best retailers and brands gives us confidence in the future; moreover, we cherish the trust of all JDDJ and Dada Now users, and we must continue to innovate and improve our experience to live up to their choice.

Dada is a very young company. We know that there is still a long way ahead to "Bring People Everything on Demand". Only by maintaining a sense of awe and keeping our feet on the ground can we get closer and closer to our goal. In the new era, enterprises should not only pursue business value, but more importantly, achieve sustainable development. Therefore, we are always obliged to shoulder the responsibilities that comes with our growth.

We continue to strengthen our corporate governance capabilities to ensure long-term corporate development and sound business operations, and gradually integrate environmental, social and governance (ESG) into our management and decision-making process. We focus on corporate development needs and continue to promote talent development and capability enhancement; we adhere to the "no boundaries" attitude, while optimizing our own service quality for customers, we continue to develop new products to empower our value chain partners and promote the overall development of the industry; we pay attention to the needs of society by practicing environmental responsibility and deepening our commitment to public welfare, so as to create social value leveraging our strengths.

The corporate culture of "keep the fire burning in mind to achieve every mission" is in the blood of "Dada family". We will uphold our mission and continue to improve ESG practice, by strengthening the foundation of corporate governance, improving the quality of products and services, investing in the community, and working together with corporate talents to implement sustainable development strategies.

Chairman & CEO Philip Kuai





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2021 Highlights

2021 ESG Highlights

Responsible Governance

- **Board diversity:** The Group has a diversified board structure with female directors exceeding 57%, and directors are experienced in a wide range of industries and expertise.
- Anti-corruption efforts: Offline business ethics training covered 2,230 employees and online trainings covered 100% of employees in 2021. Our anti-corruption efforts are recognized by both employees and partners.
- Strengthening cybersecurity: The Group had no major cybersecurity-related incidents in 2021. The well-functioning cybersecurity management system lays a solid foundation for our business continuity and security.
- Improving ESG governance structure: The Group has strengthened the overall responsibility of the Board of Directors for ESG issues in 2021 and developed an ESG strategy in line with the UN Sustainable Development Goals.

Human Resources Development

- · High-quality and diverse talent pool: In 2021, 1,482 employees newly joined Dada, with females accounting for more than 40%.
- Enhancing employee competencies: In 2021, various trainings covered 100% of our employees. The Group's e-learning platform "Dadao Learning Hub" provides more than 600 courses for employees to access at any time.
- Virtuous knowledge-sharing ecosystem: In 2021, the Group recognized around 150 employees as "Sharing Stars", who created sharing contents of over 17,000-minute long.
- Multi-channel employee communications: As of end of 2021, the Group signed collective agreements with around 70% of our employees, protecting employee rights and interests in all aspects.

Quality Products and Services

- Implementing personal information protection: In 2021, the Group conducted training programs related to personal information protection covering 100% of employees. Both JDDJ and Dada Now Apps are upgraded to be in compliance with regulations.
- Ensuring fulfillment service quality: In the fourth quarter of 2021, the fulfillment rate of Dada Now intra-city delivery services exceeded 95%.
- Enriching supplies and expanding geographical coverage: In 2021, number of active retail stores on JDDJ was around 150,000, covering 1,800 cities and counties.
- Responding to users' feedback and complaints: In 2021, the Group handled 920,000 cases of users' complaints, with 100% of after-sales complaints settled.
- Establishing customer protection mechanism during special period: In 2021, the Group dynamically adjusted customer service capacity in response to the impact of the epidemic and flood, to quarantee the answer rate and timeliness of customer service.
- Exploring technology innovations: In 2021, the Group actively engaged in cooperation with industry partners and made innovative achievements such as the launch of "Dada autonomous delivery open platform".

Enabling Partners

- Engaging in new forms of employment: In 2021, Dada Now added more than 3 million registered riders. The next-month retention rate of our active crowdsourcing riders maintained high at over 80%.
- Enhancing rider health and safety protection: In 2021, the Group provided more than 1.5 million online training sessions for the riders, while actively preparing for the pilot program of work-related injury insurance.
- Empowering retailers with digital tools: By end of 2021, the Group's Haibo system had been deployed in 6,000 retail chain stores, significantly improving the efficiency of merchants' 020 operations.
- Expanding brand cooperation via digital marketing innovations: In 2021, the Group directly partnered with 215 brands, up 38% year over vear.
- **Promoting industry development:** The Group's efficient local retail model and on-demand delivery network contribute to ensuring basic living needs, promoting growth and stabilizing employment. The Group also opens up our digital solutions to enhance the overall industry efficiency.

Promoting "Green" Philosophy

- Responding to climate change: In 2021, the Group identified and assessed risks and opportunities arising from climate changes, laying the foundation for low-carbon transformation.
 - Committed to green packaging: In 2021, nearly 80% of our packaging materials were biodegradable, covering more than 70% of orders on JDDJ.
 - · Low-carbon operations throughout the value chain: The Group adopts low-carbon delivery modes while keeping optimizing delivery routes. In 2021, orders delivered by electric vehicles accounted for nearly 100% of total intra-city and last-mile delivery orders. Meanwhile, we provided a number of digital solutions to improve labor efficiency and thus helping reduce carbon emissions in upstream warehousing and picking operations.
 - Fostering a green office culture: The Group launched a light-off campaign in 2021 to turn off light at office for one hour during noon, leading to a 4% reduction in electricity consumption.

Delivering Social Values

- Caring for children's education and well-being: In 2021, the Group launched the "Guardianship Program" and "Waiting for a Good Book Squirrel Project" to promote children's healthy growth.
 - Responding to social needs in a timely manner: In 2021, as a key enterprise appointed by local governments to ensure supply in pandemic-struck areas, the Group engaged in various initiatives to meet consumer needs while supporting merchants.
 - **Providing humanitarian assistance in disaster situations:** In 2021, the Group supported the flood-stricken groups in Henan Province, including commission reduction to help merchants resume operations, and a series of caring measures to protect riders' health and safety.
 - **Promoting digital inclusion:** In 2021, the Group actively engaged in aging-friendly and barrier-free design for JDDJ App, which passed the assessment by MIIT in Jan 2022. During Jan to May 2022, the average monthly visits of the JDDJ Elderly Edition reached approximately 200,000, with total orders exceeding 120,000 and GMV around RMB20 million.

Honors and Rewards



- \cdot JDDJ was awarded "Demonstration Project for 2021 New Form of Digital Consumption" by the Ministry of Industry and Information Technology
- · JDDJ and Dada Now were recognized as "High and New Tech Enterprises"
- · Dada received Letter of Appreciation from Shanghai Government Agency for engaging in Double Five Shopping Event
- · Haibo System was awarded "The 2021 Best Practice of Digital Transformation and Technology Application in Retail" by China Chain Store & Franchise Association
- · Dada was recognized as "Top 100 Enterprises in Yangpu District in 2021"
- · Dada was granted "2021 Award for Innovative Exploration in Supply Chain and Logistics"
- · Dada was recognized as "Top 100 Enterprises in Software and Information Technology Service Industry in Shanghai in 2021"



- · Dada was named "Charity Star" of Shanghai in the 10th edition of the award
- · Dada received Shanghai May 1st Labor Award
- · Dada received Letter of Appreciation from Office of the Central Cyberspace Affairs Commission of Shanghai for engaging in poverty alleviation activities
- Dada received Letters of Appreciation from the Department of Commerce of Guangdong Province, Hebei Province, etc.



- · Dada was awarded "Best ESG" in the 2021 All-Asia Executive Team Small & Mid-Cap Rankings
- · Philip Kuai, founder, chairman and CEO of Dada, was awarded "Best CEO" in the 2021 All-Asia Executive Team Small & Mid-Cap Rankings
- · Beck Chen, CFO of Dada, was awarded "Best CFO" in the 2021 All-Asia Executive Team Small & Mid-Cap Rankings
- · Jun Yang, co-founder and CTO of Dada, was nominated as the 2020 "Person of the Year" of Shanghai Online New Economy

Implementing Good Governance and Pooling Talents



Implementing Good Governance and Pooling Talents

Responsible Governance

There is no good governance without rules. The Group believes that strong corporate governance is the cornerstone of sound development. Our operations strictly comply with local laws and regulations of all countries and regions in which we operate and are publicly listed. We keep enhancing our corporate governance by improving our corporate structure, promoting the diversity and expertise of our Board of Directors, strengthening risk control, and adhering to business ethics.



Corporate Governance

The Group strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other laws and regulations of all countries and regions in which we operate to ensure our operations' legal compliance. We have established a governance structure with a clear division of rights and responsibilities and a diversified management team to oversee our business and development strategies, value creation and other important issues for the interests of our shareholders, especially minority shareholders, in the long term.

Board Diversity

The Board of Directors, as the highest executive body in the Group, plays a leading role in our corporate governance. Meritocracy, diversity and inclusion are the values reflected in our appointment of Board members. These values are the reason why we have diversified our Board by gender, ethnicity, geography, culture, and industry experience, so that the Board can provide diverse perspectives, ideas, and insights to support the sustainability in our operations and growth.

Currently, among the Group's seven directors, female directors account for more than 57%, and independent directors account for nearly 30%. The directors have a wealth of experience in different areas including logistics, internet, retail, legal, finance and accounting. 70% of them hold master's degrees or above.

Name	Gender	Position/Duties	Age	Industry	Risk	Financial
Philip Jiaqi Kuai	Male	Chairman of the Board of Directors and Chief Executive Officer	39	√	√	
Lei Xu	Male	Director	47	√	√	
Sandy Ran Xu	Female	Director	45	√	√	V
Yui Yu	Male	Director	39	√	√	
Christina Xiaojing Zhu	Female	Director	49	√	~	
Baohong Sun	Female	Independent Director	53		~	√
Bonnie Yi Zhang	Female	Independent Director	48		\checkmark	~

Governance Structure

The Board has three committees overseeing the management and matters from various aspects in their respective areas, which are Audit Committee, Remuneration Committee, and Nominating and Corporate Governance Committee. The committees under the Board formulate strategy, oversee its implementation, and monitor our operational and financial performance to ensure a sound internal control and risk management system. The Terms of Reference of the Board are available on our official website.

[See: https://ir.imdada.cn/corporate/corporate-governance]



Risk Management

Dada attaches great importance to enhancing the capability of risk management and control. We protect the rights and interests of our stakeholders in the long term through a sound risk control mechanism, while also complying with the *Company Law of the People's Republic of China* and other laws and regulations of all the countries and regions in which we operate. We provide clear guidelines for risk identification, evaluation and control by establishing and implementing internal management systems, including the *Management System for Risk Assessment*. The concept and requirements of internal control are integrated into our daily work routine with the establishment of a six-step framework for risk management, through which we describe, identify and evaluate risk scenarios in different business units and management procedures, forming a dynamic closed loop for risk control to support the sound development of the Company.



With the aim of strengthening risk management and compliance, the Group has developed an *Internal Audit Charter of Dada Group* and authorized our internal audit department to identify and manage risks in operations, and to conduct key audits in areas with a high degree of risk. To improve the efficiency and accuracy of internal audits, we established a monitoring platform for audit data, which works effectively in risk identification and real-time warning. During the reporting period, the Group conducted a total of 14 audit programs, eight of which are recurring ones, covering business operations, backoffice functions, compliance, and other issues, to safeguard smooth operations.

Professionalism, timeliness and objectiveness are important for risk management. The Group has hired external auditors to perform audits and issue SOC 2[SOC: System and Organization Controls] audit report that provides assurance on the effectiveness of both JDDJ and Dada Now's core operation systems in accordance with the AICPA TSP Section 100 principles and criteria of security, availability and confidentiality. Key audits are conducted on data security and privacy protection to ensure that the rights and interests of relevant parties are protected.



Risk management process and results for business operations under severe weather

During the reporting period, extreme weather including heavy rainfall occurred in many places throughout the country. Under the extreme weather condition, riders' safety, as well as our service quality and efficiency, are the primary goal of risk control. Under the guidance of our six-step risk management framework, we initiated a risk management program and formulated *Standard Operating Procedure (SOP) for Extreme Weather*. Specifically, we precisely send early warnings to riders within the grid that is expecting extreme weather via collaboration with China Meteorological Data Network, and extend the expected delivery time during extreme weather. Since the implementation of the risk management program in August 2021, rider-related accident rate has dropped 30% year over year. Therefore, our risk management practices have contributed a lot in ensuring the smooth operations of the Group.

Anti-Corruption Management

The Group strictly complies with the Supervision Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and other laws and regulations of all the countries and regions in which we operate. At Dada, systems and policies such as the Supervision System of Dada Group and the Employee Handbook of Dada Group are in place, integrating the concept of sustainable and healthy development in operations, and anti-corruption values and ethics into our corporate culture.

The Audit Committee plays a leading role in our internal anti-corruption efforts. Under the three principles of "anti-corruption for all", "zero tolerance" and "holding management accountable", we enforce relevant internal systems and policies to prevent corruption in every aspect of our operations. In order to ensure effective implementation of our anti-corruption work, we launch annual special audit programs and irregular internal self-inspections to identify internal corruption risks in a timely manner. Meanwhile, we have invested in business ethics training to elevate our fundamental awareness and compliance capacity. During the reporting period, the Group's offline business ethics training covered a total of 2,230 employees, and online training covered all employees through our WeChat Work official account and other online channels.

We have also formulated anti-corruption measures and policies for external partners, including the *Agreement on Anti-Bribery*, the *Sunshine Agreement* and *Provisions for Conflict of Interest*. In bidding documents and contracts, behaviors that violate business ethics and legal compliance are stated and explicitly prohibited, including dinners with undue benefits, gift-giving, and bribery. In addition,

we join hands with institutions and associations to promote business ethics on a national scale. For example, we joined the Sunshine Integrity Alliance and the Research Association of Internal Control and Anti-Fraud to further exchange advanced concepts and effective practice in anti-corruption work.

During the reporting period, the Group evaluated our progress on business ethics and enhanced the awareness of anti-corruption internally and externally. We launched a series of activities during "Anti-corruption and Compliance Month" and conducted a "Sunshine Integrity Perception Index Survey" among employees, external partners and other relevant parties. The overall rating on the Group's anti-corruption and compliance related work was 9.12 among employees and 8.32 among business partners[The survey is scored on a 10-point scale with 10 as the most satisfied and 1 as the least satisfied].

- · A total of 792 questionnaires were collected
- · Covering 14 tier-one departments
- · More than 60% of employees are very satisfied with the anti-corruption and compliance work
 - Survey among employees

- · A total of 157 questionnaires were collected
- · Covering partners in over 25 provinces and cities
- · 46.5% of them partnering with Dada for less one year

Survey among partners

We welcome timely and effective supervision of our ethical conduct both internally and externally. Violations can be reported via multiple channels, such as hotlines and mailboxes. A well-established reporting system ensures that every report received is given our full attention and proper response, with strict punishment for violations. We maintain confidentiality to the fullest extent possible with our *Whistleblower Protection and Reward System of Dada Group*. Retaliation or unfair treatment of whistleblowers due to leaks in real-name reporting or anonymous reporting will not be tolerated. In reports that are found to be true, the whistleblower or the reporting organization will be rewarded to encourage relevant parties' participation in our anti-corruption efforts.



- · By phone: 021-31657167 ext. 8029
- · By e-mail: jubao@imdada.cn
- · WeChat Work: Supervision unit of Safety and Compliance Department
- · Postal address: Supervision unit, 26/F, Oriental Fisherman's Wharf, No. 1088, Yangshupu Road,
- Yangpu District, Shanghai

Cybersecurity

Cybersecurity is key for the Group to fulfill our responsibilities to users, merchants and other relevant parties. We strictly comply with the *Cybersecurity Law of the People's Republic of China* and other laws and regulations of all countries and regions in which we operate. We have also formulated and put into force our internal regulations including the *Management Measures for Business Continuity*, the *Cybersecurity Drills Manual*, the *Emergency Operations Manual* and the *Daily Operations and Maintenance Manual*. Our Chairman of the Board leads a three-tier management team on information security to provide guidance and oversee related matters.

The Group's risk management measures lay a solid foundation for managing cybersecurity incidents. Firstly, we make in-depth analyses of factors that may cause disruption in operations due to different types of cybersecurity incidents; Secondly, we come up with corresponding control measures; Thirdly, we launch a comprehensive and detailed field inspection of cybersecurity risks.

Natural Disasters

- · Including earthquakes, fires, floods, typhoons and other events that may affect cybersecurity
- · Countermeasures: establishing a backup server room to ensure a smooth transition in operations when natural disasters hit

Man-made Disasters

- · Including terrorist attacks, cyberattacks (network attacks, virus attacks and other types of cyberattacks) and other cybersecurity incidents
- · Countermeasures: preparing internal network security, host security, and system security to increase the level of difficulty for hackers and ensure cybersecurity

Common Incidents

- · Including network failure, server software and hardware failure, application failure and other cybersecurity incidents
- · Countermeasures: monitoring networks, servers and applications, establishing corresponding monitoring and inspection systems to monitor and trigger alarms automatically, identifying and processing malfunctions, and preparing master-slave HA architecture or load balancing HA architecture for core business systems to avoid single points of failure

Dada Group's countermeasures for different kinds of cybersecurity incidents

With a graded management system based on security levels, the Group's process management in cybersecurity includes both a business continuity management department and an emergency response leadership team to ensure highly efficient personnel support for emergency response. In addition, our business continuity management processes such as crisis management and disaster recovery can help achieve rapid recovery within the shortest time possible with zero data loss, should a system failure or other operation disruption occur. The same attention is given to security management with external partners, based on our Security Management System for System Service Providers, in which the rights and obligations of both parties are specified. Specifically, business continuity is required in our contracts, including a contingency plan for our partners' business continuity in case of accidents.

For technical assurance on cybersecurity, the Group established a "prevention first" computer risk prevention system, which includes an internally-developed audit scheme for access, security attack interception by firewalls, and regular security scanning of application systems. We have also integrated precautions into our daily work routines, such as backup of hardware devices and network lines, data backup, network monitoring and system monitoring. Meanwhile, a fundamental practice for reducing the risk of cybersecurity threats is to set out work specification and standards for maintenance personnel, for them to make regular preventive monitoring and inspections of equipment, and replace or upgrade equipment in harsh environments with potential quality failures.

In addition to risk management, process management and technical assurance, we launch training and drill events to improve employees' awareness and further enhance our risk prevention capacity in cybersecurity. The Group regularly conducts online and offline trainings for employees on cybersecurity management. Moreover, we organize drills on business continuity to strengthen our emergency response capability, verify the stability and reliability of our systems, and improve our system administrators' skills and collaboration across departments.



Rock-Solid Drill

During the reporting period, Shanghai Communications Administration held a week-long "2021 Shanghai Cybersecurity Attack and Defense Drills for the Telecommunications and Internet Industry", or "Rock-Solid Drill". Our Group actively participated in the operation with an emergency response team composed of core personnel from the Information Security Department, Cloud Platform Department and other teams. The drill tested and validated our awareness, early warning system and emergency response to cybersecurity threats. Our response to unexpected emergencies and ability to act with solutions have been greatly improved. After the drill, we carried out a review and compiled the lessons learned in the drill to strengthen our overall cybersecurity.

Our comprehensive and effective cybersecurity management system provides a solid foundation for our business continuity and security. In 2021, no major incident related to cybersecurity occurred in Dada.

ESG Governance

As a responsible business, we are committed to the long-term interests of our stakeholders with the concept of sustainable development integrated into our operations. We ensure that our responsibilities to our stakeholders are fulfilled through a sound ESG management strategy, a well-defined ESG governance structure, and a routine ESG management mechanism.

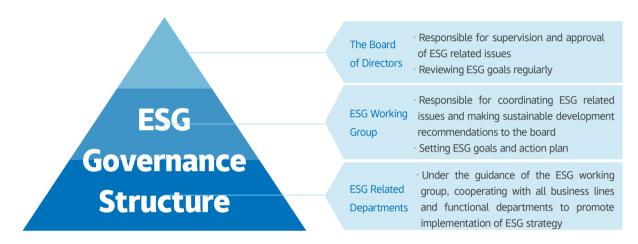
ESG Management Strategy

As a leading platform for local on-demand retail and delivery in China, we are committed to meeting the core needs of internal and external stakeholders alongside our business growth. We pledge to set goals and deliver on KPI for ESG performance, and to fulfill our responsibilities to our shareholders, employees, customers, partners, community and other stakeholders. We also actively promote the concept of sustainable development to ensure that our ESG strategy is aligned with the UN Sustainable Development Goals (SDGs).



ESG Governance Structure

In 2021, we formed an ESG Working Group, along with a three-tier ESG governance structure led by the Board of Directors, to better formulate ESG strategy and enhance our management capability on ESG issues. The Board takes overall responsibility for our ESG strategy, efforts, and performance. The Board's efforts to promote ESG include: regularly identifying our ESG risks and opportunities, formulating sustainable development strategies and management guidelines for our operations, and allocating resources to support the implementation of sustainable development initiatives. The Board also holds regular meetings to oversee our efforts, progress and performance in ESG on top of our goals, and listen to the suggestions from our ESG Working Group.



Stakeholder Engagement

The Group pays attention to the voices of stakeholders to understand their expectations, which provide solid guidance for our sustainable development, so as to improve the level of corporate ESG management. To enhance our communications with stakeholders, we use various methods such as email, telephone calls, on-site visits, and participation in industry symposiums and summits.

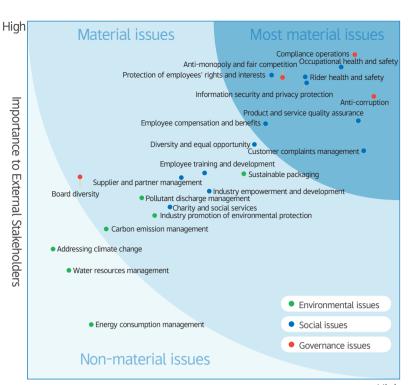
Stakeholder Group	Issues of Concern	How We Engage	Frequency in 2021
Shareholders/ Investors	 Diversity on the Board Compliance Anti-corruption Anti-monopoly and fair competition Information security and privacy protection Riders' safety and health 	· Periodic reports and announcements · Emails and meetings with investors	 Quarterly earnings conference calls 20+ global investor summits 200+ on-site and online meetings 1,600+ participants in investor meetings
Employees	 Salary and benefits Promotion and development Training and development Occupational health and Safety Rights protection Diversity and equal opportunity 	 Internal OA system Regular communication, surveys, and feedback Communication during activities Training Trade Union 	 At least four face-to-face communications with leaders a year Ad hoc employee well-being initiatives Ad hoc activities by the company Trade Union

Implementing Good Governance and Pooling Talents

Stakeholder Group	Issues of Concern	How We Engage	Frequency in 2021
Business Partners	Supplier and partner management Promotion of environmental protection in the industry Product and service quality assurance Anti-monopoly and fair competition Compliance	Merchant onboarding Contracts & agreements Site visits Daily communication & support	 Regular daily communication and support One-on-one contract and agreement Ad hoc site visits and provision of efficiency improving tools
Government & Regulators	Compliance Anti-Corruption Anti-monopoly and fair competition Charity & social responsibilities Energy management Water resources management Sustainable packaging	 Information disclosure and reporting Company visits Project cooperation Supervision and inspection 	 Daily communication and reporting Ad hoc on-site supervision and inspection Ad hoc participation in seminars
Media	Product and service quality assurance User complaint management Information security and privacy protection Rider health and safety Supplier and partner management Charity & social responsibilities Addressing climate change Carbon emissions management	Daily communication and response Monitoring and responding to public opinion News disclosure on our official website Interviews Offline event participation Online forum	 Regular public opinion monitoring and response Ad hoc communication Ad hoc media interviews Ad hoc engagement in offline and online media events
Users	Product and service quality assurance User complaint management Information security and privacy protection Compliance Supplier and partner management	User complaint channels User satisfaction surveys Management Policy and User Agreement	Real-time feedback & communication Timely updates on user agreements At least one survey or interview for users per month Quarterly user satisfaction surveys
Industry Associations	Supplier and partner management Compliance Anti-Corruption	 Industry events such as forums and summits Cooperation in establishing industry systems and standards Visits and communications 	· Ad hoc industry activities
Riders	Riders Health and Safety Product and Service Quality Assurance User Complaint Management Information security and privacy protection	App Regular communication, survey and feedback Training	Multiple caring initiatives for riders Ad hoc face-to-face meetings with riders in each city Quarterly rider satisfaction surveys

Materiality of ESG Issues

During the reporting period, we identified a total of 23 material issues, 10 of which are of high importance, based on communications with internal and external stakeholders (questionnaires included), public record research, and reference to domestic and international best practices in the industry. This report highlights the Group's overall efforts and performance on these ESG issues in 2021. In future, we will continue to follow up on the feedback and expectations of stakeholders on our ESG performance on material ESG issues and respond to the demands of stakeholders in a timely and practical manner.



Importance to Dada's Business

High

Environment		
No.	Issues	
1	Energy consumption management	
2	Water resources management	
3	Carbon emission management	
4	Sustainable packaging	
5	Pollutant discharge management	
6	Promotion of environmental protection in the industry	
7	Addressing climate change	
	Governance	
No.	Issues	
1	Compliance operations	
2	Anti-corruption	
3	Anti-monopoly and fair competition	
4	Board diversity	

Society		
No.	Issues	
1	Product and service quality assurance	
2	Customer complaints management	
3	Information security and privacy protection	
4	Occupational health and safety	
5	Employee training and development	
6	Protection of employees' rights and interests	
7	Diversity and equal opportunity	
8	Employee compensation and benefits	
9	Industry empowerment and development	
10	Rider health and safety	
11	Supplier and partner management	
12	Charity and social services	

Human Resources Development

Development is ensured by human resources. High-quality talent is the most important resource of the Group and is fundamental to our development. We support the values behind our slogan of "fire in heart", in respecting the rights and interests of employees, attaching importance to their experience in the workplace, nurturing their engagement and growth, and helping them achieve their goals.



Protection of Rights and Interests

We comply with the *Declaration of the International Labor Organization on Fundamental Principles and Rights at Work*, the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other laws and regulations. In addition, we have formulated a number of policies, including the *Employee Handbook of Dada Group*, in order to attract, retain and support high-level workforce talent.

Employment Compliance

Dada recruits and employs workers based on their abilities and our evaluation on an open, fair and standard basis, ensuring the objectivity in all types of hiring and recruitment activities. Child labor and forced labor are absolutely prohibited. We have formulated the *Regulations of Dada Group on Recruitment Management*. We provide equal pay for equal work and create a diverse and inclusive atmosphere for employees, prohibiting any discrimination against gender, age, religion, marriage, childbirth and nationality.

Attracting Workforce Talent

To support the rapid development of our business, we review the demand for human resources on a regular basis and expand our talent pool through campus recruitment, job fairs and job transfers. We have established *Internal Referral Rules* and *Internal Job Competition Rules*, encouraging employees to recommend friends to join Dada and compete for other jobs within Dada.

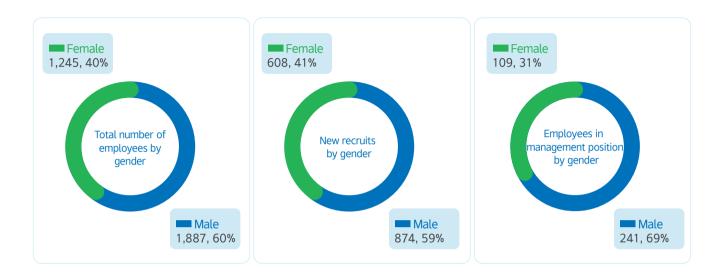
To improve the experience of job candidates as well as recruitment efficiency and quality, we provide training for interviewers, covering courtesy, process and communication skills, so that they can give good feedback to candidates and convey our image as an inclusive and humble enterprise to potential employees.

Dada campus recruitment: Supernova Project

During the reporting period, the Group launched an upgraded campus recruitment and talent training project – the Supernova Project – for students graduating in 2022. This project aims to find outstanding graduates with potential for rapid growth and professional development from all over the world. To help graduates improve professional skills and start their careers efficiently, we recommend a tutor for each newcomer, formulate a dedicated career plan for them, hold learning seminars, technical salons and other activities to answer questions raised by newcomers at work.



By the end of the reporting period, there were 3,132 employees in the Group, including 1,482 new recruits in 2021. We attach great importance to the gender equality of our employees and provide opportunities for them to develop without any discrimination. The breakdown of employees and management by gender is as follows:



By the end of the reporting period, the average age of our employees was 29 years old. With a corporate culture encapsulated in the slogan "keep the fire burning in mind to achieve every mission", our young and energetic employees have made an ongoing contribution to our business development and innovation.

Employee Empowerment and Development

We provide significant opportunities for employees to develop their careers and help them to explore their potential and achieve their values. We help them to improve their professional skills and overall abilities through training and curricula. Meanwhile, we have established a performance evaluation management system to optimize the fit between employees' abilities and their positions, so as to guide their development and improvement. Also, we provide employees with transparent promotion channels and incentives for their sustainable development.

Workforce Talent Training

We conduct training programs tailored to the business and employee needs. In order to improve the relevance and effectiveness of training programs, we try to understand what employees need in terms of business skills through interviews with leaders, human resource planning, employee surveys and other channels on an annual basis, and formulate annual training plans for the Group accordingly.

We deploy resources both in the long and short term, and strive to meet the training needs of employees efficiently. For employee

orientation and management capability training, we carry out periodic training programs to achieve an enabling model with wide coverage, high frequency, and constant review; for training needs in particular areas including retail, logistics and customer service, we launch special projects in order to achieve significant breakthroughs.

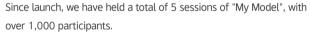
General training: new employee onboarding "My Stage"

During the reporting period, we continue to carry out the "My Stage" training program for new recruits, allowing them to quickly understand our corporate culture, business development, business ethics, information security and other necessary background, while helping new employees quickly fit in with the Group via multiple activities.

34 sessions of the training program were held during the year, covering 1,197 new recruits, and 96% of new recruits completed the training within 60 days after they onboard.

Special training: professional skill training project "My Model"

During the reporting period, we newly launched a special skill training program called "My Model", in which internal and external experts share their professional expertise and case studies, in order to improve employees' understanding of the industry and analytical capabilities. Employees are encouraged to join the training via both offline lectures and online live broadcasts.





To meet the needs of different positions, we provide targeted training courses for specific positions and business lines to improve the overall quality of employees, while keeping the sharing interesting and attractive. Our various business-specific training programs include Dada Now Newcomer Sailing, Dada Now Dragon, JDDJ Sunshine and JDDJ Newbie, among others.

Dada Now Newcomer Sailing Program

The Sailing Program supports new employees enrolled in Dada Now's merchant and rider operations job positions to familiarize themselves with their jobs and improve their skills quickly.

The Group developed a total of 86 courses and 24 sets of learning materials in 2021. During the reporting period, as a result of the improvement of our empowerment and support system, turnover of new employees in the relevant job positions decreased by 60%.

Dada Now Dragon Program



To supplement employees' horizontal job knowledge, develop perspective on the whole business, enhance management-oriented thinking, and cultivate talent for the Group, we have launched a training camp for Dada Now employees with high potential in 2021, named "Dragon Program", which provided an opportunity for outstanding individuals to improve themselves during a five-month study and sharing.

During the reporting period, the Group published 12 general courses which provided trainees with horizontal job knowledge, and two management courses which prepared trainees for future management positions.

After the completion of the Dragon Program in 2021, 37% of the trainees were successfully promoted, contributing to the continuous expansion of our talent team in management positions. In addition, the average satisfaction rate with the Program was as high as 99%, indicating that the program is well received by enrolled employees.

The program also directly benefited our business operations. For example, four sets of methodologies were extracted and shared with all employees, which apply to our daily operations, and as a result the overall operating efficiency has been improved.

Dada Now Logistics Night School

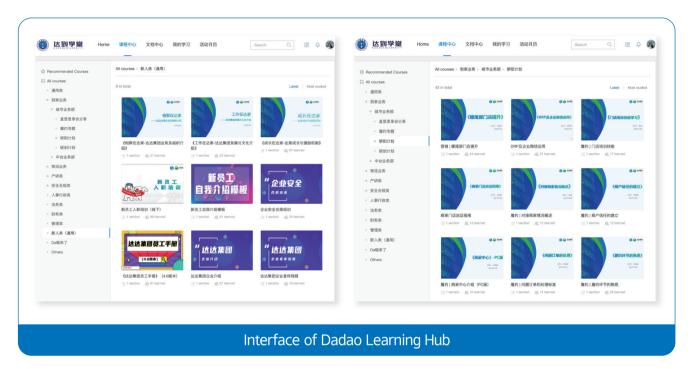
To help employees solve problems at work, we launched "Logistics Night School" program, helping improve employees' skills and drive business growth by regular sharing.

In 2021 we increased frequency of skill sharing sessions to better support business development via "Logistics Night School", with a total of 30 sessions launched by 36 lecturers, covering over 7,000 trainees. The average satisfaction rate with lecturers was 96.5%, and the average satisfaction rate with the operations of this program was 94.65%.

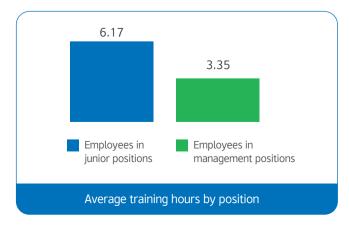
We attach great importance to the development and utilization of internal resources. We create a virtuous ecosystem for employees to share knowledge and skills. Within the Group, employees who actively share skills and experience in training programs or seminars are recognized as "Sharing Stars" and granted credits and certificates. In 2021, we recognized around 150 "Sharing Stars", who created sharing contents of over 17,000-minute long to over 5,000 participants.

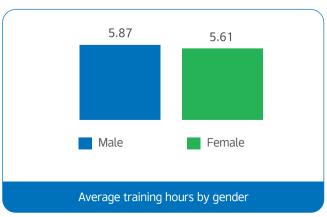
Meanwhile, we have established an e-learning platform "Dadao Learning Hub" to aggregate learning resources, so that employees can access trainings materials whenever they want. At present, "Dadao Learning Hub" provides more than 600 online courses, covering 10 categories, including general, business skills, management skills, safety and compliance. In addition to internal sharing, we continue to introduce external learning resources, so as to diversify and enrich curricula and enhance the competitiveness of our workforce.

We also support employees to improve their own skills and pursue long-term career development. For those studying for certificates, we provide examination leaves and subsidies.



During the reporting period, our training covered 100% of our employees, and the average training hours per employee was 5.7. Training hours by position and gender are as follows:





Workforce Talent Development

We help employees develop their careers through a comprehensive evaluation process. We carry out performance evaluation following the *Quarterly Evaluation Process and Rules* and conduct performance reviews on a quarterly basis.

The quarterly performance review results serve as a prerequisite for promotion opportunities. In terms of promotion process, based on the requirements of the position, we measure the competency of our employees through employee self-reviews, communications with and evaluations by leaders, scoring and results reviews. In this way, employees can not only get transparent promotion results, but also better understand their own competitiveness and prepare themselves for sustainable improvement and progress in the future.

For employees who pass the promotion, our promotion system will send promotion results along with comprehensive comments to encourage them to continue delivering excellent results. For employees who do not qualify but have potential, they will be subject to a 1-3 months' improvement program. If employees disagree with the results, they can report to HR business partner (HRBP) or to a leader, who will investigate into the issue till results are fair and satisfactory.

In terms of promotion options, employees can be promoted horizontally or vertically according to the *Promotion Process and Guideline*. Employees are encouraged to enhance their professional and management abilities for vertical development; they may also break through their career boundaries for horizontal development, shifting from a professional position to a management position.

In addition to promotion, we've established the *Internal Employee Transfer Mechanism*, supporting employees to discover their potential and create value across different job functions.

To encourage employee development, we have established an equity incentive system, granting shares to qualified middle and high-level employees in management position as well as key employees in junior positions with outstanding performance, to enhance employees' sense of ownership and better motivate them.

Employee Care

We respect and appreciate the efforts made by employees, and strive to care for them in a family-like manner. We provide a safe and healthy workplace environment and care for their health and safety. We attach great importance to communication with employees and enhance team bonding by organizing a number of activities, to build a talented team with a sense of belonging.

Health and Safety

We are in compliance with the Work Safety Law of the People's Republic of China and the Fire Protection Law of the People's Republic of China. We have established a sound occupational health and safety management system and provide employees with a safe and healthy workplace. Our employees' health and safety are protected from all kinds of potential risks through prevention, intervention and review.

For workplace safety management, we have established *Regulations of Dada Group on Work Safety Troubleshooting* and the *Regulations of Dada Group on Work Safety Responsibility*. Also, we have founded a Work Safety Commission, which supervises and

reviews work safety management on a regular basis. We assign work safety responsibilities to departments, set up work safety goals, assess work safety performance, and appoint departmental heads and part-time safety officers to supervise work safety issues in our city stations across the nation to ensure work safety.

During the reporting period, no work-related fatalities occurred within the Group. There were seven work injury cases in 2021, which are mainly related with commuting accidents, with a Lost Time Injury Frequency Rate (LTIFR) of 1.32.[LTIFR = (number of work injuries/the total labor hours in the period)*1,000,000.] The injuries were handled in a timely and appropriate manner. Meanwhile, we have followed up with carring activities and safety trainings.



For occupational health, we pay close attention to employees' health. For example, we provide annual medical checkups and employees also have options to participate in group health insurance. During COVID-19 resurgence, we timely developed workplace pandemic prevention plans, including adjusting office attendance policies, preparing pandemic prevention materials, carrying out disinfection activities, collecting information on employees' vaccinations and nucleic acid tests. In addition, for employees who are in quarantine, we organize caring activities including sending supplies and comforts via videos.





Communication with Employees

We make efforts to communicate with employees and understand their needs in order to improve their work experience and sense of belonging to the Group. We have established multiple channels to actively collect employees' opinions. Employees can provide opinions and feedbacks at weekly and monthly meetings, which are handled in a conclusive manner. We also use a variety of ways to encourage employees to exchange ideas, which in turn can drive the growth of the Group. During daily operations, employees may give feedbacks on working conditions, software support, processes and rules, etc., via Admin, IT and HRBP so that we can optimize their working experience accordingly.



Meanwhile, we enter into a collective agreement with employees through

the company labor union to protect their rights and interests. By the end of the reporting period, approximately 70% of our employees were covered by a collective agreement. In addition, Dada Group was awarded the "Shanghai May 1st Labor Award" during the reporting period, a testament to the outstanding performance of our labor union.



Office condition improvement in Beijing

In 2021, some employees in Beijing office provided feedback to the human resources department and administrative department on an air circulation issue at the office. After receiving the feedback and collecting more opinions from employees, we newly installed an "air supply system" in the office in a timely manner to improve air circulation. The new facility received favorable comment from employees.

Care for Employees

We are in compliance with the Social Insurance Law of the People's Republic of China, the Regulations of the People's Republic of China on Minimum Wage, and other regulations. We provide employees with competitive salaries, statutory benefits and other supplementary benefits.



Employee benefits of the Group

We organize various activities to enrich employees' life during working hours, so that they can pursue personal and corporate growth in a more energetic state of mind. There activities include sports that relieve stress at work and improve physical fitness, team activities that promote teamwork and social bonding, as well as holiday-themed activities that enhance mutual communication and deepen employees' understanding in corporate culture.

Dada 7th Anniversary Celebration - A Great Future Awaits Us All

June 16th, 2021 was the 7th anniversary of Dada, we launched a celebration activity themed "A Great Future Awaits Us All". Philip, our founder and CEO, led us to start a series of games that are integrated with our mission and culture. After the celebration, every Dada employee received a gift box from the Group in honor of the anniversary. The activity not only brought joy to our employees, but also improved the "Dada family" cohesion.





Dada Spring Festival Party - Send You Our Love

To welcome the Year of the Tiger, we planned a Chinese New Year party for all Dada employees, where we welcomed the New Year in the form of both online and offline interaction. Online, Dada employees from all over the country celebrated the New Year together and left messages to each other. Offline, we organized a game tour, which features a series of traditional games coupled with creative gameplay, including sugar challenge, writing characters of blessing, paper cuts for window decoration, circle popping, and lantern riddles. At the same time, we engaged our riders in the celebration activity. We prepared "Send You Our Love" New Year gift boxes for each employee and invited Dada Now riders to present gift boxes to them along with the Group's blessings to all participants.





CG Ensuring Business Development and Mission Delivery



Ensuring Business Development and Mission Delivery

Quality Products and Services

Quality is the dike, whereas responsibility is the base. High-quality products and services are the consistent pursuit of the Group. We are committed to providing users with solid guarantees in all aspects of our products and services. We strictly regulate information security management to protect personal privacy and information security. Besides, we strengthen quality control, improve integrated service capabilities covering digital operation and fulfillment, and actively engage in user communication to improve user experience. We also deepen our R&D and innovation efforts to drive the vigorous growth of the Group.

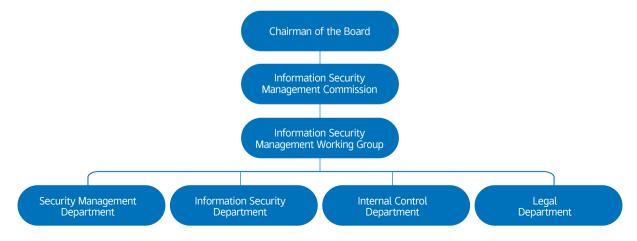


Product Responsibility

The Group attaches great importance to information security and privacy protection. We are committed to providing responsible products. We ensure data security and user privacy by implementing various data security management systems and conduct regular supervision and self-inspection. At the same time, as a responsible corporate, we ensure the compliance of product marketing to protect the rights and interests of consumers.

Privacy Protection

The Group places high emphasis on corporate information security management and privacy protection by strictly abiding by laws and regulations such as the *Personal Information Protection Law of the People's Republic of China* and the *Electronic Commerce Law of the People's Republic of China*. We have established a robust security management structure with the Chairman of the Board as the highest management body and the Information Security Management Commission overseeing a Working Group that consists of representatives from relevant departments. This structure ensures the Company's data security compliance at all business levels and in all functional areas.



Dada Information Security Management Structure

Under the Information Security Management Structure, the Group has established a comprehensive and effective information security management system, so that information security can be implemented in every aspect of our internal operations and consumer-facing products.

In terms of personnel responsibilities and obligations, we continuously improve the security management requirements for internal employees and external partners, to ensure the standardization and comprehensiveness of management, and reduce risks related to information security from the very beginning.

- · Daily supervision: Management and audit are carried out on employee accessing behaviors with online behavior management system.
- · Responsibility mechanism: The owner for each type of data is designated, who are responsible for the processing and usage of data.
- · Information isolation: Access control, cameras and other equipment are installed in the information storage room for physical isolation. Besides, data is encrypted according to different classifications, and right to access needs to be approved.

Internal staff management

- · Approval mechanism: Any business cooperation involving information sharing and transmission must be approved by Dada's management upon application via OA system.
- · Contract binding: When cooperating with third parties regarding sharing of personal information, we require them to sign the *Personal Information Protection Commitment* to clarify their responsibilities in data security management.

External third-party management

In terms of process management, the Group has formulated the *Data Security Classification Standard* and the *Data Security Management Guidelines*, covering all related businesses of the Company. The former outlines different data types based on sensitivity and confidentiality, and the latter stipulates various management requirements in the full life cycle of data for different types of data, which provide solid support for all-round and all-link data privacy protection.



In terms of consumer-facing businesses, we are committed to high standards of personal information protection to live up to our users' trust. The Group's JDDJ and Dada Now platforms have clearly presented *Privacy Agreement* to users and launched the collection and sharing list of personal information to improve the transparency of information management and ensure users' rights to be informed, consent, choose and control over personal information. At the same time, we guarantee that in the process of data collection and use, we strictly abide by the relevant provisions of the *Regulations on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications*, adhere to the principles of "minimum scope of collection" and "minimum storage time", and respect and protect user personal information to the greatest extent possible. When sharing information with partners who jointly provide services, we ensure the minimization of information sharing provided that the partner's use of the information is with legitimate purpose and compliance with regulations. In addition, we require the authorized partners to maintain the same level of personal information protection and awareness as the Group. Moreover, we open reporting channels for privacy protection-related complaints to further engage with user feedback and optimize management. These measures are all clearly defined in *Dada Group Personal Information Protection Compliance SOP*.

Right to be informed

The Group fully protects the user's right to know. We send the *Privacy Agreement* to the user on the JDDJ and Dada Now Apps and specify the personal information list that we collect and share, which clearly informs the user of personal information collection and usage rules, protection measures, user rights and other related content to ensure that users fully understand the collection and use of their personal information.

Right to consent

The Group requires users to sign the Personal Sensitive Information Authorization Agreement and Information Provision Authorization Agreement online before using user information, which clearly list provisions regarding the use of personal information, including storage period, destruction method, permissions on sharing with third parties and other content to fully respect the user's right to consent.

Right to choose

The Group provides convenient operations for users to inquire, correct or supplement personal information. When Dada's privacy agreement and related information collection methods and types are changed, users will be informed in time and choose whether to agree.

Right to control

The Group fully respects users' right to control personal information. Users can request to delete information at any time by setting permissions. Once the user requests to delete the information, Dada will synchronously delete the user information stored by us and shared to the third-party to ensure the security of the user's personal information.

We regularly review the effectiveness of our security management system, and actively accept external supervision and audits to ensure timely improvement and provide users with comprehensive security assurance. During the reporting period, we received four external inspections and completed rectifications in terms of personal information security. In addition, we organized two internal audits and self-inspections in accordance with the Regulations on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications and the Personal Information Protection Law of the People's Republic of China, to identify risk factors and improve accordingly.

In order to strengthen the level of information security management from the source, we actively carry out information security training to improve employees' awareness over information security and ability to handle relevant risks. During the reporting period, we carried out four training programs on the personal information protection that covered all employees, as well as 73 training sessions related to data security and privacy protection with 2,245 participants.

With sound data security protection systems and measures, the operating systems of JDDJ and Dada Now have been granted "Level III MLPS Certification" issued by the Ministry of Public Security. During the reporting period, the Group had no incidents related to data leakage.

Responsible Marketing

The Group strictly abides by relevant laws and regulations including the *Advertising Law of the People's Republic of China* and the *Measures for the Administration of Internet Advertising*. We have formulated internal guidelines such as the *Dada Group Advertising Compliance Specification* and *Review Standard for the Publishing of Promotional Content* to strictly control the advertising content and the compliance of materials. We prohibit false propaganda and acts that mislead consumers, prohibit the use of superlative or absolute words, authoritatively hyperbolic words, and prohibit words for publicity, and strictly review content involving third-party rights such as trademarks, portraits, and copyrights.

In order to ensure the compliance of marketing activities, we have established a review process for the publish of promotional content to manage marketing content by classification. For cooperating merchants and brands, we require them to present business licenses, operation permits, trademark authorizations and other qualification documents, before proceeding to the content review process.

When no product configuration is needed:

The requesting party sends the marketing material to a designated working group, which will be jointly reviewed by representatives from legal affairs, security, government relations, brand image management and public relations departments.

When product configuration is needed:

The requesting party sends the material to the legal BP's email box, after legal review is completed, R&D department will work on the delivery of product feature.

Quality Control

As a leading platform for local on-demand retail and delivery in China, the Group pursues superior service quality and is committed to bringing better product experience to users and customers. We continuously enhance our service and quality control capabilities through technology innovations and management improvement, to meet users' evolving needs.

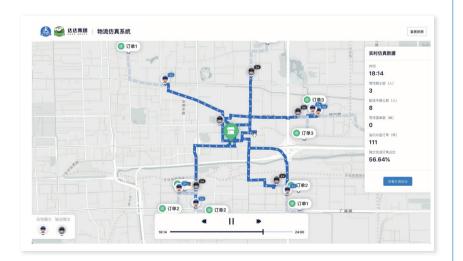
Fulfillment Service Quality Enhancement

The local on-demand delivery business is featured with characteristics including high order timeliness requirements and large fluctuations in capacity. How to guarantee the on-time fulfillment rate and optimize delivery efficiency in such scenarios is both a challenge and an opportunity for business development. The Group is dedicated to collecting and summarizing business characteristics, actively obtains user feedback, and focuses on high-quality R&D activities to enable a technology-driven business. At the same time, we complement technology with refined operational initiatives, including the establishment of a quality management system. In this way, the quality and efficiency of our delivery services are guaranteed. In the fourth quarter of 2021, the fulfillment rate of Dada Now intra-city on-demand delivery services was above 95%.

The Simulation module of Dada Smart Logistics System

Dada developed the Smart Logistics System in-house, in which the simulation module can provide stores with an efficient and cost-effective capacity arrangement solution, so that platform or business owners can arrange for rider capacity in advance.

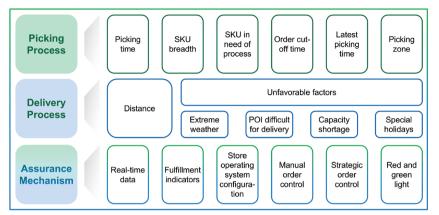
After analyzing various data including store order fluctuation, number of riders, rider attendance, and rider attributes, the system can simulate the order dispatching and fulfillment process to come up with the best solution regarding



rider count, scheduling, and dispatching model. As a result, the preparation and trial time is significantly shortened, the delivery fulfillment rate is improved while capacity utilization is maximized.

JDDJ Order Fulfillment Cycle Time Management System

We keep iterating and upgrading our order fulfillment cycle time management system to support business growth and ensure fulfillment rate. To improve the estimate accuracy of order cycle time, we have added a large number of multi-dimensional calculation factors in the picking and delivery process based on characteristics of O2O orders. On special occasions such as shopping festival promotions, the system also provides



merchants with options of automatic and manual control over orders to avoid order over-taking, so as to guarantee the fulfillment rate of orders in the case of insufficient supplies and delivery capacity.

As we grow together with partners, we have accumulated technology and operational knowhow throughout the whole fulfillment process, from warehousing, picking to delivery. Therefore, we are providing customers with a comprehensive set of fulfillment solutions comprising of Haibo system, Dada Picking service, Dedicated Delivery service of Dada Now, etc. This not only contributes to efficiency improvement across the overall industry value chain, but also enhances our competitiveness in the local on-demand delivery industry.





Overview of Dada's Comprehensive Fulfillment Solution

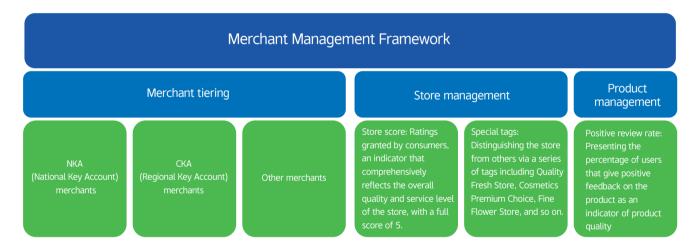
Fulfillment process	Warehousing	Picking		Delivery				
Services provided by Dada	Warehouse management module of Haibo	Dada Picking	Intra-	city delivery	′	Last mile delivery	Logistics SaaS	Autonomous delivery
Target customers	Retail chains	Retail chains	Chain merchants	SME merchants	Individual users	Express delivery companies	Delivery agencies/ Merchants	Supermarket chains
Value of these services	✓ Reduce out-of-stock rates ✓ Improve turnover through merchandize and promotion management	✓ Improve picking efficiency ✓ Improve picking fulfillment rate ✓ Address labor shortage	✓ Flexibility with cost- effectiveness ✓ Industry specific solutions ✓ Dedicated services	✓Large rider pool	✓Flexibility for various scenarios	✓Address seasonal order peaks ✓Stable quality	✓Digital tool to Improve efficiency	✓ Stability during extreme conditions ✓ Address labor shortage in the long run
System support	Haibo System	Canghai System		Da	ida Smart Lo	ogistics System		

Merchant Quality Management

We strictly control the quality of merchants and suppliers that cooperate with the Group based on a comprehensive merchant management system. For JDDJ, the quality assurance of merchants listed on platform is particularly important. JDDJ's official website has made available a series of guidelines and rules including the *JDDJ Platform Service Agreement*, covering merchant management, product management, pre-sales rules, safety regulations, and other related content and specifications. These rules and procedures can effectively ensure the quality of merchants and products sold by these merchants, so that we can better serve consumer needs.

Specifically, in the onboarding stage, we have published the detailed rules for merchant onboarding process via JDDJ merchant service platform. Merchants must provide relevant store qualification certificates according to the platform's store opening instructions and pass the platform review before they go live on our platform.

After merchants successful list their stores on JDDJ, we will carry out strict monitoring to control merchant quality and prompt them to provide better products and services. In addition, we design hierarchical management system from three dimensions based on a number of capability and quality indicators. For example, in 2021, we launched Quality Fresh Store project to better meet users' demand for high-quality fresh products. We first identify the good stores in every 3x3 km grid by variety and quality of fresh goods being sold, and then direct more traffic towards them through tag and weighted ranking. After the launch of the project, the percentage of fresh product orders on JDDJ that request after-sales service decreased by about 1% versus before.



In addition to the basic rules and guidelines, we also proactively choose the type of merchants we work with to provide consumers the best on-demand shopping experience. Currently, the merchants listed on JDDJ are mainly chain merchants. Taking supermarket category as an example, we have established cooperation with more than 85% of the top 100 supermarket chains in China. Leveraging the sophisticated supply chain capability of these chain retailers and our integrated fulfillment service, we are able to provide JDDJ customers with an on-demand shopping experience that is "diversified, fast, of high quality and good price".

During the reporting period, there were around 150,000 active stores on the JDDJ platform, covering 35 categories including supermarkets, fresh food, pharmaceuticals, smartphones, digital products, home appliances, liquor, cosmetics, bakeries, flowers, mom-and-baby products, pet supplies, etc., across approximately 1,800 cities and counties, bringing superior "one-hour shopping" experience to consumers across the country. The categorization of listed stores by region and city tier in 2021 is shown in the figures below:





User Communications

Communication with users is an important way for us to continuously improve our service and enhance competitiveness. The Group attaches great importance to users' opinions. We have built a professional customer service team to comprehensively improve our user service capability. In 2019, we were included in the national platform of Online Dispute Resolution (ODR), where consumers can opt in for green channel when submitting complaints. In 2020, we further opened Shanghai green channel for consumer complaints and won the honorary title of "Consumer Rights Protection Contact Point" recognized by Shanghai Market Supervision Bureau. Via the cooperation with government and the ODR platform, we are able to promote and implement online settlement mechanism for consumer rights and interests protection, so that consumer satisfaction rate can be greatly improved.

Customer Service Management System

The Group has established a comprehensive customer service management system, including the VMO-BPO Communication Rule, Complaint Ticket Assignment Rule, BPO Service Specification Feedback Mechanism, and Emergency Response Mechanism for Backlog Incidents. We strictly follow the process set out by these rules to manage user complaints, and have formulated assessment standards for the customer service team from multiple dimensions.



With the high-standard customer service management system, our customer service operations earned the widely recognized COPC (Customer Operations Performance Center) certification at the end of 2020. We consistently promote our standardized and high-quality customer service operations among front-line customer service representatives, providing users with professional and thoughtful services.

In order to meet the customer service demand at peak time such as during pandemic and floods, we dynamically adjusted customer service capacity based on order forecasting and efficiency monitoring, so as to ensure the get-through rate and the timeliness of customer services while maximizing utilization rate. For example, during the pandemic when problems such as untimely delivery and inventory shortage occurring at a higher frequency, we added customer seats in a timely manner to fully assist users in dealing with these problems. At the same time, we formulated special rules for handling order-related problems during special periods, and improved overall delivery service efficiency by properly coordinating delivery capacity, thereby safeguarding the needs and rights of our users.

User Experience Improvement

Bringing first-class experience to users is the consistent pursuit of the Group. We are committed to achieving self-driven improvement, constantly improving our products and service processes by proactively exploring user needs beforehand, actively handling user issues during the process, and revisiting and reviewing them afterwards to keep improving products and experiences for our users.

- Regularly conduct interviews with JDDJ and Dada Now users online and offline
- Implement comprehensive NPS project to identify product and practices in need of improvement in depth

Gaining consumer insight beforehand - user research team

- · Handle customer complaints
- -Open multiple channels to receive user feedback
- -Ensure customer complaints are handled within 24 hours
- -Continuously improve customer service process and knowledge base
- Resolution rate approximately 100%
- · Leverage big data analysis to proactively identify and resolve problems

Efficient problem solving - customer service team

- · Regular text survey among users that submit a ticket
- · Special working team to improve product and processes following text survey

Improving business process afterwards - customer service team together with relevant business units

In terms of gaining consumer insight beforehand, our user research team has been conducting regular interviews and surveys with users of JDDJ and Dada Now both online and offline, for at least once a month. On top of regular interviews and surveys, we also carry out special user survey projects to focus on specific issues. In addition, during the reporting period, the Group launched a comprehensive NPS[NPS:NetPromoterScore] project to measure user experiences in every link of our business operating processes as well as that of competitors. The NPS project allows us to collect our platform participants' feedback from multiple dimensions and in a more granular, efficient, and precise way, which can in turn help to improve our business in ways such as further upgrading our products and services, finding new business opportunities, and keeping up with market development trends.



Dada Now 2021 NPS Project

In 2021, we conducted the comprehensive NPS survey among Dada Now participants, including individual users, corporate users, merchants and riders. In order to look into Dada Now's customer experience in depth, we designed 36, 39 and 62 indicators related with experience throughout our service process for users, merchants and riders respectively. In the end, we identified 35 core issues that negatively affected customer experience.

Based on the analysis of reasons of dissatisfaction and user expectation related these issues, we come up with targeted improvement plan, including more accurate address recommendation in the App search bar, a more convenient complaint channel, etc. In addition, we set up an NPS target management schedule together with relevant business units to ensure that follow-up actions are implemented and customer experience is improved.

In terms of solving problems for users, the Group has established multiple complaint collection and handling channels for users, riders, and merchants, including service hotlines, online customer service, and self-service entry point on Apps. Complaints will be handled by our customer service team through customer service system within 24 hours.

In order to ensure a comprehensive and standardized complaint handling process, we have developed a general complaint handling process for the customer service team to follow, so as to provide consistent complaint handling services to users. Besides, we actively review our performance in complaint handling and keep upgrading our customer service process and knowledge pool in line with development, to enhance the effectiveness of customer complaint handling and improve customer satisfaction rate.

During the reporting period, we handled a total of 920,000 customer service and after-sales tickets related to consumer privacy, rider privacy, food safety, product quality, and rider safety, with a resolution rate of about 100%.

In addition to passively solving customer complaints, we also proactively identify business issues based on data analysis, to help improve user experience and the quality of platform and merchant services.

In terms of reviews and follow-up actions, we conduct satisfaction surveys via SMS on a quarterly basis among consumers, merchants and riders whose complaints have been properly dealt with. Our survey questions cover users' opinion on our customer service, platform rules and procedures etc., to listen to the voice of users and fully understand their needs, so that we can make continuous improvements. During the reporting period, the SMS satisfaction rate of JDDJ platform was about 60%, and the SMS satisfaction rate of Dada Now platform was 73%.

Based on the results of the SMS satisfaction survey, we actively identify and analyze the general problems, and persistently carry out improvement and optimization work. Specifically, the Group's quality inspection team selects 50 survey results with "very dissatisfied" answers for JDDJ and Dada Now each, and analyze the issues led to dissatisfaction on a weekly basis, which may range from customer service quality, platform rules and processes, to merchant's quality. After issues are identified, we come up with plans for improvement and supervise the implementation process, so as to ensure the improvement of user experience.

Service Capability Enhancement

High-quality customer service is inseparable from the support of the customer service team. The Group attaches great importance to the professionalism and capability of customer service personnel. We enhance the service ability and quality of the team by strengthening customer service training to ensure user experience.

The Group has established a training platform for general customer service capabilities, service awareness, service mindset, and management capabilities, which provides sufficient knowledge and skills for customer service employees' horizontal or vertical career development in the future. Customer service training covers both onboarding training and on-the-job training, running through the entire growth journey of the staff in customer service positions. Onboarding training lasts three months, and during the reporting period, a total of 273 internal and outsourced customer service staff participated in onboarding training, with a 98% pass rate. On-the-job training is dedicated to enhancing business knowledge and continuously improving service capability.

A comprehensive training is provided to prepare employees for the job, including various courses covering business process, knowledge pool, application of system tools, among others, which are supplemented by semi-practical approach such as business simulation and trial phone-answering. In addition, one-on-one coaching is available, through which senior employees share experience and skills with staff newly enrolled in customer service positions. Onboarding **Training** Training is also provided to outsourced customer service staff with the same standard, so as to ensure the consistency and quality of our customer services. Business knowledge training and assessment: Service ability: Focusing on soft skills such as Training contents evolve with the upgrade and communicating to improve the service quality and user expansion of our customer service knowledge pool, satisfaction when interacting with customers. The generally covering dedicated program, workbench course had a satisfaction rate of 95%. management, new system training, merchant management rules, etc. Ability to interpret laws and regulations: The training is Capability improvement training: designed for the Arbitration Operation Department, which Focusing on improving the overall competency, centers around the Law of the PRC on the Protection of the On-the-Job covering service ability, law and regulation Rights and Interests of Consumers and provides illustration interpretation, presentation and reporting, etc. **Training** of use cases of the law. General training for external service providers: We organize regular trainings for external service **Presentation and reporting skills:** The training is aimed providers, including their management team and for all employees in customer service and experience outsourced customer service staff, to ensure our improvement team to facilitate more efficient customer service standard and philosophy are implemented across the board.

Product Innovation

The Group's R&D strategy is centered around user needs, user feedback and business strategies. We are committed to supporting business with technology and providing user-oriented products. Adhering to the attitude of being responsible to users, we continuously improve the convenience of transactions and the efficiency of fulfillment, bringing reliable and innovative products to users.

R&D Management

Intellectual property protection is an important foundation for safeguarding innovative achievements. The Group has formulated the *Intellectual Property Management System*, which provides detailed rules and procedures for patent applications, trademark applications, and copyright applications. For example, when applying for the use of a trademark, the partner must complete the license application process in our OA system and obtain the authorization letter for the use of the trademark issued by the Group. At the same time, we provide a wealth of intellectual property training for relevant department personnel to promote their understanding of intellectual property related knowledge, strengthen all employees' awareness of compliance, and enhance the support for product innovation. During the reporting period, the Group conducted 90 sessions of trainings related with intellectual property.

In order to encourage innovation and R&D activities, we are committed to creating an innovative corporate atmosphere and have implemented a series of measures to incentivize employees, ranging from launching grand events to cultural shaping.

Technology innovation competition:	R&D Projects of the Year:	Quarterly performance review:	Building an engineering culture:
The R&D departments of both JDDJ and Dada Now organize internal Hackathon event every year to encourage technological innovation and empower business development.	We recognize best R&D projects each year, and one of the assessment dimensions is innovation.	For the quarterly performance evaluation of employees in the R&D position, we attach great importance to their contributions to the enhancement of the Group's technology capabilities via innovation.	Through JDDJ Sharing Officer Plan, the internal e-magazine of Technology Monthly, etc., our technology capability and achievements are shared with and understood by employees in all other departments.

R&D Investment

As of the end of 2021, around 30% the Group's employees were in research and development position. In 2021, our R&D expenses were RMB574 million, representing 9.3% of our total revenue [where last-mile service revenue was adjusted to be recorded on net basis for the full year]. With the persistent investment in R&D activities and the high growth potential driven by technology innovations, the operating entities of both JDDJ and Dada Now platforms are recognized as High and New Tech Enterprises.





R&D Achievement

As a result of our strong technological innovation capability and encouragement mechanism, we have achieved fruitful results in product innovation. During the reporting period, the Group added 675 trademarks and patents. As of the end of the reporting period, the Group had a total of 71 software copyright certificates, 1,385 trademarks and patents, and has made breakthroughs in many frontier areas of business development.

At the same time, we continued to upgrade the Group's self-developed systems, including Smart Logistics system, Haibo system, Dada Picking Canghai system, and Monica system, to both improve internal operating efficiency and empower external partners, e.g., retailers and brand owners.

In terms of new R&D projects, during the reporting period, we launched a series of features and functions to fully support our business development, including the introduction of "Nearby" tab on JD App (which is one of the entry points of JD Shop Now service), the launch of the three-in-one coupons that integrate incentives from merchants, brands and platforms, the extension of offline promotion capabilities to Shop Now, the improvement of user address locating accuracy, the official launch of Dada Now Smart Delivery SaaS, etc.





We also actively explore technology solutions that improve efficiency in the long run. For example, the Group is engaged in the trial of autonomous delivery service. Leveraging our experience and advantages in on-demand delivery order dispatching, routing, human-machine interaction, etc., and our partners' knowhow in hardware, we are honored to participate in the brand-new delivery model that will improve the efficiency of on-demand delivery in the long run. Since the official launch of the Dada Autonomous Delivery Open Platform in July 2021, we have been committed in cooperating and enabling upstream and downstream partners. As of early March 2022, the platform had facilitated the delivery of more

than 30,000 supermarket delivery orders, with more than 20 autonomous vehicles in operation and more than 20 areas covered. At the same time, the delivery fulfillment rate of our autonomous delivery service remained stable at over 95% even during heavy promotional periods and bad weather.

Sharing Activities

As a leader in the field of on-demand retail and delivery, the Group is committed to contributing to the development of the industry via sharing. We actively communicate with outstanding peers on occasions such as industry summits. Moreover, we share our R&D experiences and insight to the public through our WeChat account - "Dada Technology" so that a broader number of fellows can benefit from them.

Oriental IT Club

On May 8, 2021, Oriental IT Club, consisting of a group of technology executives from well-known enterprises, visited the group to learn about JDDJ's technology highlights. During the visit, the front-end, back-end and operation and maintenance architects of JDDJ presented JDDJ's technology infrastructure, capability and innovation in great details. This sharing event further enhanced the Group's influence in the R&D field. In addition, via the sharing, we are establishing a long-term communication and sharing mechanism with experts in the industry, so as to enable business growth through technology.





China Software Technology Conference

China Software Technology Conference is an annual elite event of the highest standard in China's software and information technology service industry, and it is also the best stage to demonstrate industry leadership and share opinions on technology. In 2021, the theme of the event was "Software Empowers Digital Future", and the engineer of the Group shared JDDJ's practice in quality assurance systems and the exploration ahead.



Sample articles published by Wechat account "Dada Technology"



Enabling Partners

Mutual benefit and win-win cooperation promises a shared future. In the digital era, the Group conforms to the development trend of new business formats. We provide part-time opportunities to flexible workers, leverage our platform advantages to empower our merchant partners, cooperate closely with brands in digital marketing, and promote the industrial development via various solutions and sharing activities.



Job Creation and Rider Interest Protection

The Group adheres to the people-oriented principle. To safeguard the legitimate rights and interests of all riders, we have established a rider management system, which covers rider categorization, remuneration and safety management rules, and implemented a series of measures to ensure the safety and health of riders. We also provide online and offline training channels for all riders, and create an inclusive, friendly and supportive work environment through rider communications and care activities.

New Forms of Employment

Over the last few years, the number of workers engaged in new forms of employment, delivery riders being a typical example, has increased significantly, which plays a prominent role in stimulating employment and improving the quality of employment. The Group creates a large number of flexible employment opportunities via our crowd-source based rider network while firmly protecting the rights and interests of these workers.

Leveraging our brand image and our initiatives including referral programs, we continuously attract new riders to our Dada Now platform. During the reporting period, the Group added more than 3 million registered riders. The expansion of our rider pool provides solid support for our business growth.

At the same time, we enhance the stickiness of riders to our platform through a series of incentives such as rewards for consecutive order-taking. During the reporting period, the next-month retention rate of active crowdsourced riders on Dada Now maintained at above 80%. In the future, we will further optimize the hierarchical rider rights system to further improve the rider experience and retention rate.

In addition, leveraging our technology knowhow in crowdsource-based system, the Group launched a Dada Picking service in the second half of 2020, which further enriches the job opportunities for flexible employees provided by the Group. Since the launch of Dada Picking, more and more retail stores have adopted the service, and the number of pickers keep growing. In March 2022, monthly active pickers on Dada Picking platform exceeded 10,000, of which more than 80% were women.

Work-related Injury Insurance

Flexible employment is a significant trend in the current employment field in China. With the vigorous development of the digital economy, platform economy in particular, a large number of new-generation workers are engaged in new forms of employment as on-demand delivery riders, food delivery riders, ride-hailing drivers, and online truck drivers on freight-matching platforms. In order to safeguard the rights and interests of this vast group of workers, in July 2021, the Ministry of Human Resources and Social Security and other seven central departments jointly released the *Guiding Opinions on Protecting Labor and Social Security Rights and*

Interests of Workers Engaged in New Forms of Employment. As the operator of crowdsource-based on-demand delivery platform, the Group is committed to comprehensively safeguarding and ensuring the protection of the rights and interests of Dada Now riders. In September 2021, four ministries and commissions including the Ministry of Human Resources and Social Security, the Ministry of Transport, the State Administration for Market Regulation, and the All-China Federation of Trade Unions met with 10 leading platform companies to provide joint administrative guidance on the issue of safeguarding the labor rights and interests of workers engaged in new forms of employment. Dada participated as one of the representatives and reported on the progress of our preparation work. In January 2022, the Ministry of Human Resources and Social Security, together with the Ministry of Transport, the State Administration of Market Supervision, and the All-China Federation of Trade Unions, once again met with 11 leading platform companies including the Group, where the authority fully recognized the progress made by the attendees.

Implementing work-related injury insurance is an important initiative in the process of enhancing the protection of labor and social security rights and interests of workers engaged in new forms of employment. Under the guidance of the Ministry of Human Resources and Social Security and other ministries and commissions, the Group has actively participated in the policy discussion and formulation of work-related injury insurance for employees engaged in new forms of employment, including cooperating with government agencies to conduct business research and speaking in government symposiums, etc. We are among the first batch of companies to be engaged in the pilot program of work-related injury insurance. At present, the Group is still smoothly preparing for the pilot work of work-related injury insurance, including participating in the regular meetings held by the Ministry of Human Resources and Social Security, establishing an internal working group especially responsible for the operational issues related with the insurance, and connecting with the government's information system, etc. Via cooperation with the government, we hope every Dada Now rider can be covered with work-related injury insurance in the future.

Rider Management System

In terms of remuneration management, the Group has established a well-defined rider remuneration structure to respect the efforts of every rider. On top of the basic delivery service fee per order, we give additional incentives to riders based on factors including the weight of goods being delivered, delivery distance, delivery time period, and weather conditions.

Meanwhile, we firmly stick to the principle of "Safety First" and attach great importance to the safety management of riders. Through a series of management policies such as the *Rider Safety Management Mechanism, Dada Management Instructions* and *Service Score Rules*, we set out explicit guidelines on safety related issues and processes, including vehicle qualifications, traffic safety, prohibited items, etc., to ensure that riders are well informed of and implementing safety measures. Our well-functioning safety management mechanism lays a solid foundation for rider safety. In 2021, the injury rate per 1 million orders delivered by Dada Now was 6.27, and we will strive to better protect riders' safety in the future.

Prohibited items

Dada explicitly prohibits the delivery of illegal products. Dada Now riders need to check the items being delivered before taking an order. For the items strictly prohibited by national laws and regulations as shown in the registration agreement and lessons on Dada Now Rider Academy, Dada Now riders need to cancel the order immediately, take photos of the prohibited items to keep as evidence, and report to the platform at the same time.

Accident handling

Through the Administrative Measures for the Reporting, Investigation and Handling of Safety Accidents of Dada Group, we strengthen the management of safety accidents, effectively formulate corrective and preventive measures. As the same time, we proactively learn lessons from accidents, to prevent and reduce the recurrence of similar accidents.

Safe driving

The "Safety Instructions" module is available in the platform's rider App to regularly update the safety driving related content for riders, including topics such as "Rider Delivery Safety Hazard Identification" and "How to Avoid Traffic Accidents with Electric Bicycles", making it convenient for riders to learn and remember.

Rider health

For riders engaged in the delivery of food and snacks orders, the platform requires a valid health certificate. If the health certificate is about to expire, we will remind the rider to take a new medical checkup and upload the latest health certificate to ensure the health of the rider.

Rider Training System

The Group has established a comprehensive rider training system, covering the entire delivery process, including risk avoidance, en-route safety, insurance claims after incidents, etc. Through online and offline trainings, we aim to improve riders' service skills and delivery safety.

Rider Training System						
Pre-order training	Re-training	Routine	training	Special training	Other training	
After reviewed by the platform, the newly registered riders need to complete relevant training courses before they are ready to take orders. The training content includes order-taking operations, traffic safety, insurance, etc.	Riders who have violated the rules need to be re-trained before taking new orders.	Traffic safe public secu basic trainir riders, and station will to learn fro time.	rity are the ngs for each city urge riders	With the growth of our business, new services are launched to expand our offering to users. For newly launched services, we will add special training in a timely manner, one example is the picking safety training for Dada Picking service.	We update and enrich training contents to reflect seasonal features and rider needs, such as trainings on vehicle compliance and protection from severe weather.	
Or	Online training Offline training					

Online training via Rider Academy

Riders can access a series of training resources through the Rider Academy module of Dada Now Rider App, including basic training, skill training, special training, safety training, etc. For safety training in particular, the safety operation department creates training contents that cover traffic safety, public security, insurance, protection measures against severe weather, and overall safety for workers engaged in new forms of employment. After completing the training, riders need to take the corresponding exams to deepen impression, so as to improve their awareness of safety and enhance special skills.



During the reporting period, Dada Now riders studied online for more than 1.5 million times, among which 900,000 are related with new rider training. In addition, more than 60,000 offline training sessions were held, covering more than 150,000 riders.

Rider Care and Communications

The Group listens to the voices of riders by establishing multiple communication channels for the riders through questionnaires, offline discussion panels, etc., to listen to and effectively address the real concerns of the riders. In 2021, we held hundreds of offline discussion panels with riders in our city stations across the nation.

- · Time: November 2021
- · Format: Qualitative telephone interview + quantitative online questionnaire
- Results and data: 375 sets of survey results were collected from in-depth interviews and questionnaires, based on which we figured out the reasons for the loss of top riders and identified key issues for optimization, so as to improve the retention of top riders.

Survey on top riders' turnover

- · Time: October 2021
- · Format: Telephone interview, online questionnaire, and offline discussion panels
- Results and data: a total of 7,601 sets of survey results were collected, including 175 from offline discussion panels, 63 from telephone interviews, and 7,601 from online questionnaires. Based on the results, we were able to better understand the reasons why riders choose Dada Now platform, the channels through which they register on Dada Now, existing pros and cons of our platform, preferences for weather, factors affecting attendance, level of engagement in rider activities, etc., so that we can enhance our strengths and improve on the weakness.

General rider discussion panels

At the same time, the Group carried out a series of caring activities for riders throughout the year, including annual assistance plan for the children of riders, gifts for female riders on International Women's Day, heat prevention packs for riders in summer, stay-warm supplies for riders in winter, gathering event during the Spring Festival, rider stations providing conveniences such as drinking water and charging service, pandemic prevention materials during pandemic resurgence, etc. Moreover, through activities such as grand rider festival and annual rider award ceremony, we further enhanced riders' sense of achievement with their work.

Grand Rider Festival on September 27

Date: September 27, 2021

Format: Various online and offline activities were held to bring a festive carnival to hundreds of thousands of Dada Now riders across the country.

Activities:

- · Cooperating with Satine to launch "Marvelous Riders" Competition on Tik Tok platform.
- Launching promotions in Dada Mall: Providing discounts and exclusive coupons for riders.
- Launching online lucky draw on Rider App: On September 27, riders who completed a crowd-sourced delivery order were able to participate in the lucky draw on Rider App.
- Holding offline rider festival activities: Our city stations across the nation held offline celebration activities of the Rider Festival with the theme of "Overcoming All Obstacles To Complete Every Delivery".
- Sending video blessings: Managers and Executives at Dada, and celebrities, all sent their greetings and blessings to the Dada Now riders via video.



The grand rider festival covered all rides online and around 2,000 riders in 39 city stations offline. The survey post the festival showed that the riders' satisfaction rate for this event reached 90%.



"Rider of the Year" Award Ceremony

Time: Every January

Form: In previous years, the ceremony was mainly held offline at our headquarter office. For "Rider of 2021" ceremony, in order to stay compliant with pandemic control policies, activities were launched locally in each city station, and riders in different cities met with each other "in the cloud".

Activities:

A number of honorary titles such as "High-quality Service Rider", "Sunshine Positive Energy Rider", "Combat Power Rider", and "Annual Excellent Rider for Brand Service" were granted to riders whose services were most appreciated by users, whose deeds passed on positive energy to the society, who delivered most orders throughout the year, and whose services were most recognized by chain merchants.





The Group cares about the physical and mental conditions of our riders and pays attention to the health care of female riders. Moreover, bearing social responsibility in mind, we further extend our care to the families of riders.

Annual assistance plan for riders' children

During the reporting period, we continued to carry out the annual assistance plan for children of riders, in the form of Children's Day activities. The Group held the Children's Drawing Competition on Children's Day under the theme of "Rider Heroes in My Heart". Families with good artworks were granted medical checkups, special fund for fulfilling kids' wish and stationery gift packs.



Care event for female riders



On March 8, the International Women's Day, the Party branch and the Youth League branch of the Group, partnered with the Shanghai Yangpu District sub-branch of All-China Women's Federation, to hold public-spirited health activities for female riders. We invited aromatherapists to share health knowledge with Dada Now female riders. By learning the techniques of shoulder and neck conditioning, female riders can relieve the discomfort in shoulder and neck, and prepare for delivery work in a more energetic way.

Gathering during Chinese New Year

During the reporting period, the Party Branch of the Group initiated the Chinese New Year Celebration event at Shanghai city station, where riders gathered and were greeted by the party branch. During the event, we prepared rice and cooking oil for each participating rider, along with lucky draw activities featuring cash prizes, Bluetooth headsets, new jackets, helmets, Bluetooth speakers, electric kettles, thermal pots, Dada dolls and other prizes. As a result, riders were greatly satisfied with the event.



In 2021, in cities with pandemic resurgence, the Group quickly responded with safety protection measures for riders. We distributed materials to riders in a timely manner, including hundreds of thousands of masks to thousands of riders, organized nucleic acid testing and vaccination for riders in an orderly manner, and provided anti-pandemic insurance free of charge.





Nucleic acid testing for Dada Now riders

Merchant Support

Our JDDJ platform is committed to establishing win-win cooperation with retailers. We provide merchants with trainings in their full lifecycle on our platform, and empower merchants with innovative digital tools so that they can carry out on-demand retail business more efficiently. In addition, in response to the national call, the Group supports the digital transformation and upgrading of retailers, by waiving the platform deposit, so as to reduce the operating pressure of merchants and promote the digitalization of the industry.

Merchant Training

The Group provides comprehensive training for enrolled merchants, during both onboarding phase and daily operations. The trainings cover a wide range of topics including the onboarding process, financial settlement, operating skills, after-sales service, etc. The training is conducted in various formats including online merchant learning and training center, online working group, offline 1-on-1 guidance, etc.



01 Onboarding training

The onboarding training is provided to all newly enrolled merchants, which covers basic store setup skills, marketing, fulfillment, etc. The training is available in online merchant learning center, online working groups overseen by JDDJ operations staff, offline guidance, and Q&A. In 2021, the operators of more than 90,000 stores participated in the training.

02 Trainings during daily operations

The platform provides a wealth of training support for merchants to get familiar with platform rules, solve pain points and improve operating efficiency. Training courses are offered in both the training center within merchant management system and the JDDJ WeChat public account for merchant service, for merchants to access at any time. The views of these training courses totaled hundreds of thousands of times.

Merchant Empowerment

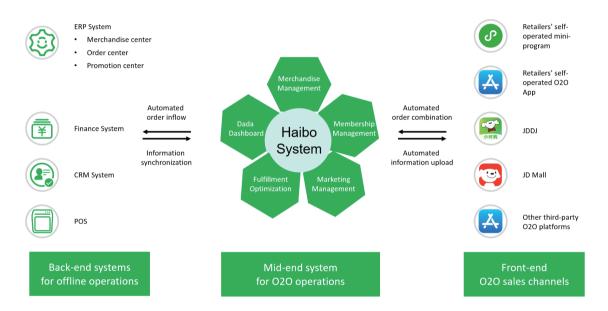
Apart from providing trainings to merchants, the Group is committed to empowering merchants in every aspect of O2O business through digital tools, dedicated marketing campaigns and professional customer service support. In particular, we help merchants drive sales and improve sales conversion rate via super merchant campaigns, and we enable merchants to improve operating efficiency and labor productivity via Haibo and Dada Picking service, which in turn help merchants improve overall service quality while enhancing brand image and competitiveness.

Haibo – Mid-end operating system that enables merchants to conduct O2O business across multiple channels efficiently

Haibo is a mid-end O2O operating system, through which merchants are able to manage its O2O business across multiple sales channels efficiently. Leveraging JDDJ's deep understanding in O2O operations, Haibo continuously upgrades modules to address merchants' pain points and evolves with merchants' needs, so that merchants are able to enhance operational and cost efficiencies while boosting sales.

Based on the characteristics of openness, neutrality, flexibility and continuous upgrading, Haibo system is welcomed by more and more retailer chains. By the end of January 2022, it has been deployed by 6,000 chain retailers' stores. In addition, Haibo has a very high customer satisfaction and retention rate among retailers.

The deployment of Haibo system at Wangzhongwang, a leading supermarket chain in Jiangxi province, was acknowledged by China Chain Store & Franchise Association (CCFA), for the impressive digital transformation achievements. This merchant had hoped to boost sales through O2O channels, but was struggling with losses caused by a lack of detailed operational data and subsidy efficiency. By adopting Haibo system, they were able to automate financial reconciliation process for omni-channel businesses. And Haibo's visualized dashboard enables them to analyze operational data across dimensions, including sales channels, stores, product categories and SKUs. Post adopting the Haibo System, the merchan's omni-channel O2O sales increased by over 50% from previously. In addition, the profit margin of their O2O business improved by 3.5 times.



Dada Picking – Digitalized picking service that enables merchants to improve picking efficiency and address labor shortage

Order picking is an important step for O2O order fulfillment. For the picking operations, supermarket merchants are faced with challenges including insufficient picking staff, high picking costs and unstable fulfillment quality. In order to help merchants alleviate these problems, the Group launched Dada Picking, a digitalized picking service leveraging crowdsourced workers. Compared with full-time pickers, Dada Picking can help merchants increase picking speed by 25%, reduce labor cost per item by 30%, and increase picking fulfillment rate by 20 percentage points, leading to significant improvement in operating efficiency and service quality.

At present, Dada Picking is adopted by supermarket chains including Walmart China, Yonghui, CR Vanguard, 7Fresh, Carrefour China and others.



Super Merchant Day - Dedicated promotion campaign for merchant to boost sales



For nationally and regionally leading retail chains, JDDJ provides them with the opportunity to launch dedicated Super Merchant Day campaign on the platform, which caters to the strength of different merchants in terms of product categories and helps merchants engage with consumers effectively, leveraging our comprehensive support in terms of fulfillment, traffic, marketing and technology. The campaign enables merchants to enjoy sales boost in addition to their own marketing festivals and general promotion seasons.

In January 2021, JDDJ launched Super Merchant Day together with G-Super. Leveraging the supply chain advantages of G-Super in terms of imported goods and the timing of consumers stocking up for Spring Festival, the campaign featured "Curated Selections from the World to Celebrate the Chinese New Year".

The 9-day "Super Merchant Day" campaign helped G-Super's sales and order volume on the JDDJ platform both break historical records. Compared with the same period last year, the merchants saw 7.4-fold increase in sales. In addition, there was a 200% sequential growth in new customers on peak days, and the order frequency of members is nearly 40% higher than that of non-members.

Brand Cooperation

As JDDJ becomes one of the fastest-growing sales channels in China for many brand owners, we have established strategic partnerships with more and more brands. We ensure the smoothness and compliance of our brand cooperation via a well-functioning brand management mechanism, while helping brand improve marketing and sales efficiency through operations tools and innovative marketing campaigns.

Brand Cooperation Mechanism

The Group has established a brand cooperation guideline, which covers our various services provided to brands and cooperation standards. One of the services we provide to brands is to launch marketing campaigns for them, including Super Brand Day, Super Couple Day, Super Fans Day, etc., to facilitate effective sales conversion. At the same time, the marketing activities launched by partnering brands on JDDJ platform must follow the *Advertising Compliance Specification of Dada Group*.

Brand Empowerment

We stick to our win-win business philosophy not only in our cooperation with retailers, but also with brands. The Group is committed to become a trusted partner to brands by empowering brands to grow sales and enhance efficiency on our platform.

Leveraging our data insights and technology capability, we launched the Monica system for brands to manage digital marketing activities, the Kunce system to help brands identify sales opportunities, and the Lailaitui App for brands to acquire customers offline more effectively.

Monica – One-stop management center to facilitate digital marketing for brands

Monica is an operating system for brands to manage sales and digital marketing activities on JDDJ. The system has established capabilities ranging from brand onboarding, basic information maintenance, smart promotion, smart budget management, to sales data analysis. Through the system, brands are able to achieve one-stop management and analysis for their sales, marketing, and budget, so as to efficiently manage and drive their O2O businesses.

Sales analysis:

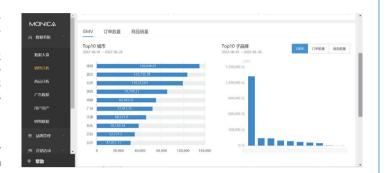
Multi-dimensional analysis of the transaction orders for brands to understand their positions in the market, which provides a solid basis for them to establish or fine-tune their marketing strategies.

SKU analysis:

Comprehensive analysis on the SKU dimension, including number of times of being "liked", abnormal cases, turnover, inventory position, among others, to help the brand optimize merchandising strategy.

Consumer profile:

Rich consumption-related tags to help brands gain insights into user preferences and behavioral habits; Analysis on the behavior of new and existing customers to help brands attract new customers and retain existing ones.





Smart marketing operation:

Automated marketing process management, covering event initiation, creation, execution, management, and feedback, for brands to conduct efficient marketing activities and reach different types of user groups easily.

Kunce - Grid-based data analysis system for brands to optimize supplies and grow sales



The Kunce platform provides brands with insight on supply optimization down to a 3x3 km grid level. Specifically, it helps brands to identify issues and opportunities in terms of point-of-sales coverage, so that brands can quickly respond with follow-up actions to boost sales, including inventory replenishing and SKU expansion in existing cooperating stores, and seeking partnerships with new stores with sales potential within the grid. So far Kunce has served more than 30 brands, covering food and beverage, grain and oil, mom-and-baby products and other categories.

During the reporting period, a world-famous mom-and-baby brand adopted Kunce to formulate operating strategy. As a result, this brand made its products available in 98% of the high-potential grids in core cities, and the breadth of its core

SKUs in these grids increased two times. At the same time, the penetration of maternal and infant categories on JDDJ in core cities increased three times, and the GMV contribution of milk powder on JDDJ also increased. Overall, Kunce system helps bring win-win results for both brands and JDDJ.

Smart Promoter – Crowdsource-based promotion service for brands to improve offline promotion efficiency

When brands carry out offline promotions, they often encounter the problem that it is not cost efficient to recruit a dedicated promoter in each store because the turnover at a single store may not be high enough. Leveraging crowdsourced promoters on our Lailaitui App, brands can more effectively promote their products while greatly improving efficiency. At the same time, the promoters guide consumers to claim membership of the brand, so as to digitize offline customers, track consumer behavior to build user profiles. In addition, leveraging our Smart Promoter service, brands can re-activate users to cultivate customer loyalty, increase user consumption frequency and increase sales.

At present, the monthly active crowdsourced promoters on JDDJ exceeded 150,000, covering more than 8,000 chain stores, including those of supermarket chains and mom-and-baby chains.





Innovative Digital Marketing

In the process of digital transformation and technology upgrading in the retail industry, JDDJ has innovatively created a series of O2O marketing campaigns for brands, including Super Couple Day, Omni-channel Marketing, etc., to help brands improve sales conversion rates.



1小时极速到家

Super Couple Day launched by Yili and Yihai Kerry

- \cdot Super Couple Day campaign aims to stimulate the cross-category consumption leveraging our data insight, so that participating brands can reach potential consumers interested in another category. During April 22 to 24, 2021, Yili and Yihai Kerry launched a Super Couple Day on JDDJ with the theme of "Milk and Oil Couple".
- \cdot During the campaign, JDDJ once again launched on-hour e-commerce live streaming event held by company executives, in which executives from Yili Group and Yihai Kerry participated in the livestreaming to interact with consumers. As a result, the sales of Yili and Yihai Kerry on the day of livestreaming increased by more than 4.7 and 2.7 times respectively.

Omni-channel Marketing launched by Wall's China

- \cdot With brands selling through more and more channels, omni-channel marketing activities become increasingly important to create deeper impression among consumers and drive higher sales conversion across channels.
- \cdot On May 20, 2021, JDDJ innovated a brand-new promotional campaign called "Omni-Channel Super Brand Day" together with JD.com and the dairy brand Wall's China. The event effectively integrates online O2O, online B2C and offline marketing activities to allow brands to precisely target consumers and digitalize the entire marketing process.
- \cdot As a result,On May 20,2021,Wall's China's sales on JDDJ platform increased by 3.7 times year-over-year and JDDJ became the biggest O2O channel for Wall's China.



Driven by the Group's comprehensive and effective empowerment initiatives for brands and industry-leading digital marketing innovations, number of our partnering brands keeps expanding. In 2021, JDDJ directly cooperated with a total of 215 brands, a year-on-year increase of 38%.

Industry Development

The Group adheres to the principal of growing together with the industry. We actively participate in industry conferences to share leading operational and technical experience. In addition, we are committed to improving the overall efficiency of the industry and promoting the high-quality and sustainable development of the industry, by growing our businesses in the right direction.

Improving Efficiency for Retail and Logistics Industry

As a leading on-demand retail and delivery platform, the Group endeavors to play our role in protecting market entities and ensuring the stability of the supply chain. We implement the work arrangement of the "six stabilities" (stable employment, finance, foreign trade, foreign investment, domestic investment, and market expectations) and "six guarantees" (ensuring job security, basic living needs, operations of market entities, food and energy security, stable industrial and supply chains, and the normal functioning of primary-level governments) put forward by central government, by sticking to our positioning as "an enabling platform rather than a competitor to retailers". In this way, we aim to contribute to the development of the entire industry chain, and the steady growth of our real economy.

We support the initiative of "ensuring people's basic living needs" among the "six stabilities" and "six guarantees" by continuously ensuring the supply of necessities for people's livelihood through our localized supply model and efficient delivery network.

Ensuring people's basic living needs

We support the initiative of "ensuring the operations of market entities" and "ensuring stable supply chains" among the "six stabilities" and "six guarantees" by fully unleashing the benefits of on-demand retail model, to help the real economy maintain growth momentum through the development of new consumption formats.

Promoting growth

We actively support the initiative of "ensuring stable employment" and "ensuring job security" among the "six stabilities" and "six guarantees" by providing hundreds of thousands of flexible employment opportunities to the society.

Stabilizing employment

Apart from directly supporting "six stabilities" and "six guarantees" via promoting new formats of consumption and expanding on-demand delivery network, we are also committed to empowering the industry through continuous service and technology upgrades. We provide digital products and services such as "integrated fulfillment solutions covering warehousing, picking and delivery", Dada autonomous delivery open platform, Dada Smart Delivery SaaS, etc., to help the industry address pain points in O2O operations and fulfillment and improve the overall efficiency of the on-demand retail and delivery industry.



- · Promoting new forms of consumption
- Ensuring people's living needs efficiently leveraging local supplies
- · Empowering partners via systems including Haibo, Monica, etc.



- · Providing massive flexible working opportunities via crowdsourced platforms
- · Enhancing fulfillment efficiency via integrated services
- Driving industry progress via technology solutions including autonomous delivery open platform, Smart Delivery SaaS, etc.

JDDJ

Dada Now

Insight Sharing

The Group actively launches and participates in industry events including the JDDJ Brand Partner Conference, CCFA Retail Innovation Summit, and CNBC East Tech West, to share experience and technology, and explore opportunities and challenges in the future development of the industry.

JDDJ Brand Partner Conference

On September 23, 2021, JDDJ held its first Brand Partner Conference. Focusing on the theme of "Joining Hands in the New Era of Omni-channel", hundreds of international and local brands including Nestlé, Mengniu, Yili, Yihai Kerry, and Procter & Gamble gathered to discuss the prospects of omni-channel digital transformation of the retail industry in the era of micro-distance e-commerce, so as to grasp the development opportunities of on-demand retail.

In the backdrop of retail industry evolution, JDDJ demonstrates its determination to provide more support to brand owners from various aspects such as omni-channel operation, digital empowerment, and marketing upgrade, while promoting the synergies among the platform, merchants, and brands, and closely cooperating with JD.com. We will join hands with brand owners and retailers to capitalize on the opportunities in on-demand retail.



CCFA Retail Innovation Summit - JDDJ Session

On May 25, 2021, at the 2021 China International Retail Innovation Summit held by the China Chain Store & Franchise Association (CCFA), JDDJ held a panel discussion entitled "How to Gain Business Growth in the Omni-Channel Era". A number of executives from the Group, including Huijian He, Vice President, shared our thoughts and insights with around 200 participants from retailers, brand owners and industry experts.

In the meetings, we had an in-depth discussion on topics covering industry trends, O2O growth drivers, and efficiency improving solution, to jointly explore the future paths of omni-channel retail and help retail enterprises achieve innovation-driven development.



CNBC East Tech West

In December 2021, the 2021 CNBC East Tech West, a global technology conference, was held in Guangzhou. This conference brought together business elites and technology leaders from all over the world to discuss cutting-edge developments and future trends in the field of technology. Jun Yang, the co-founder and chief technology officer of the Group, shared in the discussion panel of "how to seize industry opportunities while digitalization is accelerating" that the infrastructure and capability to empower the upgrade of the industrial Internet is very important, and it is the cornerstone of the next stage of digital growth. Dada is in possession of such capability. We provide brand owners and retailers with integrated digital solutions encompassing technology, traffic, marketing and operation support,



to enable physical retail to reduce cost, enhance efficiency, and improve sales performance. We also actively explore technology solutions at the forefront, including unmanned delivery, to lay the foundation of future delivery efficiency improvement.

In addition to participating to industry conference, the Group also actively engages in public sharing via whitepaper publishing, industry standard setting, etc., to promote the standardized and orderly development of the industry. We have published a number of white papers leveraging our data and industry understanding to provide retailers and brands with insight into consumer trends. We participated in the drafting of the retail industry's first digital terminology group standard *Terminology of Digital Transformation in the Retail Sector* initiated by the China Chain Store & Franchise Association (CCFA). We are participating in the preparation of the recommended national standard *On-demand Delivery Service Specification* led by China Federation of Logistics and Purchasing and in the preliminary discussion of the recommended industry standard General Principles of Safety Management for On-demand Delivery Enterprises led by China Federation of Logistics and Purchasing.

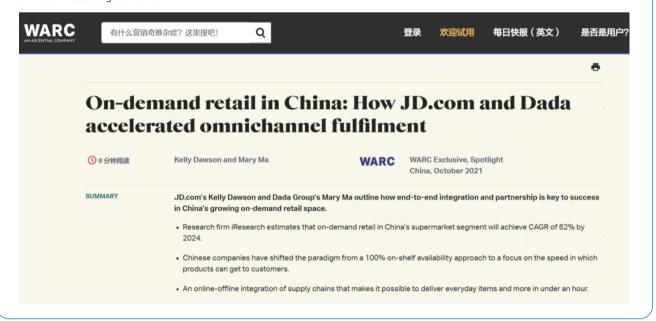


International Communications

With the rise of the on-demand retail industry, changes and progresses are taking place in all aspects from inventory management model to the online/offline marketing approaches. In this new wave of ecommerce, China is undoubtedly at the forefront. During the reporting period, the Group participated in international events including contributing to WARC together with JD.com, the vertical media and think tank in the marketing industry, and participating in the online forum of the British Accelerating E-commerce Week. In these events, we shared on-demand retail development status in China, our fulfillment solutions, etc. By sharing China's practices to audience across the world, we hope to promote the development of on-demand retail model globally.

Introducing new retail trends in China together with JD.com

As consumers have increasingly higher expectations for the convenience of retail services, on-demand retail in China, especially in the supermarket sector, is experiencing explosive growth. In O2O operations, integration of supply chain management, marketing and fulfillment is critical to customer experience. Under this background, Dada and JD.com jointly contributed to WARC, the marketing industry's vertical media and think tank, to introduce the rise of on-demand retail in China and how JD.com and Dada accelerated omni-channel fulfillment. After publishing, the article was featured in "Special Focus", a column on how international brands embrace new retail trends and improve omni-channel strategies in China.



Sharing on the online forum of British Accelerating E-commerce Week



Globally, the pandemic continues to affect the consumption market. When containment measures are enforced, consumers cannot go out of their homes and can only make purchases through online platforms, and their expectations for delivery efficiency are gradually rising. As a result, fulfillment capability becomes an important differentiator for players amidst the market competition. In early 2021, the delivery of most goods still took days overseas, while Chinese consumers have been enjoying one-hour on-demand delivery for quite a long time. In February 2021, Guo Yu, General Manager of the Group, attended the "Accelerating Ecommerce Week" forum held by the British "Retail Week" as the only invited Chinese speaker. In the forum, Guo shared Dada Now's on-demand retail fulfillment solutions with UK e-commerce brands and delivery companies, on the topic of "How to balance last-mile profitability and productivity".

OG Creating a Harmonious Society



Creating a Harmonious Society

Promoting "Green" Philosophy

Clean water and a lush natural landscape are our legacy to future generations. Adhering to the concept of green and low-carbon development, the Group pays close attention to reducing the negative impacts on the environment during our daily operations. We are committed to a strategy of sustainable development and to fulfilling our corporate responsibility to environmental protection by taking practical actions.



Response to Climate Change

Climate change is one of the important challenges facing the world today. The Group have made responses to climate change a pillar of green management, to support the national goal of carbon dioxide peaking before 2030 and carbon neutrality before 2060 (the "dual carbon" goal). Referring to the recommendations proposed by TCFD[TCFD: Task Force on Climate-related Financial Disclosures], we have responded to long-term expectations for environmental responsibility through forward-looking risk management. We have identified physical risks and transition risks as well as their parameters, and developed targeted countermeasures by assessing the relevance of the risks to the Group's business and their degree of impact, so that we are not only able to reduce potential risks, but also seize the opportunities by exploring the direction of a low-carbon transition and improving the Group's green development capabilities.

Risk categor	у	Risk parameter	Dada's Countermeasures	
Physical risk	Acute	Extreme weather events such as typhoons, floods, droughts, extreme heat and cold	 Close follow-up of weather forecasts to ensure rider safety and adequate operational support. Development of emergency plans to deal with the impact of unexpected acute weather events on operations. 	
rnysicatrist	al risk Chronic Impact from changes in temperature and rainfall Prospective risk id risks, and taking		 Prospective risk identification and assessment for chronic climate risks, and taking these risks into consideration in developing emergency plans for delivery in various regions. 	
	Policies and	Release of relevant policies for energy conservation and emission reduction Stricter requirements on reporting and compliance of emissions	 Understanding and being compliant with relevant laws and regulations in a timely manner. Taking environmental factors into consideration in the process of business development and operation management. 	
Transition risk	laws	Industry regulatory requirements and standard changes	Continuous updating and improvement of the Company's packaging material procurement standards.	
Tansitori risk	Low-emission business transition Technology Low-emission technology transition	 Understanding government incentives for low-carbon technologies in a timely manner. Continuous implementation of the concepts of energy conservation and emission reduction in the process of business 		
		Low-emission technology transition	development and operation management. More effective feasibility analysis of low-carbon projects or businesses to reduce the risks of investment failure and unstable performance.	

Risk categor	у	Risk parameter	Dada's Countermeasures
	Market	Customer preference for low-carbon business	Paying close attention to low-carbon technologies and operational measures and actively promoting low-carbon upgrades in the operating processes of packaging, delivery and others.
Transition risk		Increase in purchasing cost	 Analysis of the price trends of raw materials such as green packaging materials and effective management of the risk of rising procurement costs through communication with suppliers and resource integration.
Hanstonnisk	Customer emphasis on c responsibility Reputation	Customer emphasis on corporate responsibility	Gradual transition towards low-carbon business to meet the expectation of users. Paying more attention to disclosure requirements related to sustainable development and climate change, and optimizing external communication channels for corporate social
		Stakeholders' attention to negative news	responsibility while ensuring compliance. Paying close attention to and participating in relevant international and domestic environmental protection activities.

Environmentally Friendly Practice

The Group is committed to green-oriented practices, as it regards green management as an important way to fulfill its responsibility to the environment. We strictly abide by relevant laws and regulations in regions where we operate, including the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, while continually reducing the impact of commercial operations on the environment. During the reporting period, the Group had no violations or major accidents related to the environment.

In terms of workplace management, we adhere to the concept of green offices. We implement paperless offices for visitor registration, applications for office supplies, and other processes that can be made paper-free to reduce waste of resources and protect the environment.

In terms of business operations, we proactively explore measures to reduce waste and pollutions. For example, we leverage our business presence to promote the concept of environmental protection. We call on Dada Now riders to become propagandists of "Empty Plate Campaign", in which they paste food saving posters on vehicles and delivery boxes, and hand out anti-waste leaflets to users.

In addition, we actively transitioned to sustainable packaging. In strict accordance with national standards including GB/T 38082-2019 Biodegradable Plastic Shopping Bags, we upgrade the packaging bags used by JDDJ orders to biodegradable packaging

bags, continually optimize the quality of biodegradable packaging bags, and improve the utilization rate of packaging bags to minimize usage. We abide strictly by relevant laws and regulations by using fully compliant biodegradable packaging in plastic-restricted cities. Moreover, we enabled the complete transition from general plastic bags to biodegradable bags in plastic-restricted cities one month ahead of the schedule required by regulations.



To share our practices and experience in green development practices, we participated in the Shanghai E-commerce Industry Green Development Promotion Conference during the reporting period to launch the "Shanghai E-commerce Green Development Proposal" together with government commission and other e-commerce companies. The proposal aims to improve the green development capabilities of Shanghai's e-commerce industry and support the construction of an ecological civilization and high-quality development in Shanghai.

Low-Carbon Operations

Adhering to concept of low-carbon operations, the Group integrates requirements for energy conservation and emission reduction into its daily operation and management.

From energy consumption management in office areas to environmentally-conscious planning of business trips, we promote low carbon in all aspects of our workplace management. For example, on the World Environment Day of 2021, the Group launched a light-off campaign to improve the



awareness of creating a low-carbon and green workplace among employees. Starting June 2021, the Group began turning off the lights for one hour at noon to reduce electricity usage at office. Thanks to the daily practice of switching off light at noon, the Group's electricity consumption in office areas decreased 4% as compared to the same period of 2020.

We also promote and facilitate low-carbon operations in our own business operations as well as those of our upstream partners. Specifically, we implement carbon emission reduction measures across the entire fulfillment process of O2O business, covering warehousing and picking, packaging, and delivery, driving low carbon operations either directly or indirectly through efficiency

improvement. Via digital empowerment and technology applications, we reduce the carbon emission of activities controlled by our own or empowered by us, so as to contribute to the achievement of our nation's "dual carbon" goal.

 We provide digital solutions, including the Haibo system and Dada Picking service, to improve the operating efficiency for merchants and reduce labor hour and energy usage in warehousing and picking process, thereby indirectly reducing carbon emissions. We are gradually replacing general plastic packaging by biodegradable packaging with lower carbon emissions throughout the life cycle of the usage, so that carbon emissions in the packaging process are reduced consistently.

- · In terms of vehicles, orders delivered by electric vehicles accounted for nearly 100% of our intra-city and last-mile delivery orders, which greatly reduces the use of fossil fuel and carbon emissions.
- In terms of delivery efficiency, internally, we leverage our in-house Dada Smart Logistics system, and externally, we provide Dada Smart Delivery SaaS for third-party delivery agencies. Through optimized dispatching and routing enabled by the system, we help improve the delivery efficiency for the entire industry, and reduce carbon emissions by reasonable reductions of delivery mileage.
- We are also exploring autonomous delivery model together with industry partners to prepare for future efficiency improvements in on-demand delivery industry.

Warehousing and Picking Process

Packaging Process

Delivery Process

The Group's environmental performance data during the reporting period are as follows:

Indicators	Unit	2021
Electricity consumption in office	KWh	2,401,745
Electricity consumption in delivery process	KWh	13,869,567
Energy consumption	Tonnes of standard coal	295
Energy consumption intensity	Tonnes of standard coal per RMB1,000 revenue	0.004
Scope 2 greenhouse gas (GHG) emissions	Tonnes of CO2e	1,690
Scope 3 GHG emissions (delivery process)	Tonnes of CO2e	10,425
Total GHG emissions	Tonnes of CO2e	12,114
Scope 2 GHG emissions intensity	Tonnes of CO2e per RMB10,000 revenue	0.002
Scope 3 GHG emissions intensity	Tonnes of CO2e per RMB10,000 revenue	0.015
Water consumption	Tonnes	7,315
Water consumption intensity	Tonnes per RMB10,000 revenue	0.011

- The electricity consumption in delivery process is calculated according to T/CCPITCSC 077-2021 Technical Specification for 100-kilometer Range of Electric Bicycle issued by China Institute of Standardization, and the maximum energy consumption limit is applied for calculation.
- The energy consumption was calculated according to the General Principles for Calculation of Comprehensive Energy Consumption (GB2589-2020) issued by the State Administration for Market Regulation and the Standardization Administration of China.
- · The density of environmental indicators is calculated based on the total revenue of Dada in 2021.
- The greenhouse gas generated by the electricity consumption of electric vehicles is calculated based on the average emission factor for grid according to the Average Emission Factor Data of Regional Power Grid released by the National Climate Center.
- Greenhouse gas emission is presented in terms of carbon dioxide equivalent, and is based on Industrial and Other Industries Companies Greenhouse Gas Emission Accounting Methods and Reporting Guidelines issued by the National Development and Reform Commission.

Delivering Social Values

Good deeds will be rewarded. We hold it that our achievements should be shared with the community. For that purpose, we have established a number of charity and volunteer projects based on our industrial and technological strengths, quality service systems and strong integration of industry resources. We have continually expanded the content and practice of social responsibility and actively contributed to charity. We fulfill our social responsibility by supporting charity undertakings, fighting COVID-19, conducting relief work for natural disasters, and carrying out programs for poverty alleviation and industrial digital construction to help build a harmonious society.



Commitment to Philanthropy

Philanthropy in China will fulfill a new mission in the new era, from "important social security supplement" to "the role of the third-time distribution". Over time, the Group's contributions will grow alongside our business growth. We practice philanthropy in order to create positivity and help build a beautiful community, inside the Group as well as in society as a whole. We leverage the strengths of JDDJ and Dada Now platforms to carry out charity works, so that our philanthropy practices can resonate with our business growth.

Our philanthropy activities center around the Dada Charity Program, which is led by the



Party branch, the League branch and the Public Affairs Department of the Group, and is supported by different functional and business teams. The Program consists of various projects independently initiated by the Group, including poverty alleviation through e-commerce and industry, rider care, educational aid, environmental protection, and public medical and health care, as well as projects jointly launched with merchants and other partners. During the reporting period, the Group was consistently recognized for our philanthropy, which encouraged us to continue with such undertakings.

"Waiting for a Good Book - Squirrel Project"

We fulfill our social responsibility in part by supporting education, which is crucial to the development of our country. We support national efforts to promote rural education, grassroots cultural construction and local education.

From November to December 2021, Dada Now launched the "Waiting for a Good Book - Squirrel Project" together with the Yangpu District Youth Volunteer Association and the Shanghai Cultural Cafe "THE PRESS" to donate books to children living in the mountainous area of Lijiang, Yunnan.

During that period, Dada Now provided free delivery services for book donors in Shanghai. All the books were sent to the Youth League Committee of Lijiang City and then distributed to children in need. Meanwhile, on top of each book received from donors under the project, THE PRESS will donate one more book, and Dada Now will donate a bubble machine as a New Year gift for the children.





Guardianship Program





In honor of Women's Day, we launched a "Guardianship Program" with maternal and infant brands in order to provide consumers with quality maternal and infant products and delivery services, so that love is not only shared between parents and children, but reflected in social understanding and support for mothers and women.

By the end of the reporting period, maternal and infant products were available in 45,000 stores on JDDJ, among which 4,000 are specialty stores, providing mothers and children with diverse selections and convenient shopping experience.

The "Guardianship Program" is one of the initiatives under the Dada Charity Program. In the future, we will cooperate with government, private foundations and other social institutions to further promote a child friendly society and bring care to mothers and children.

Anti-Epidemic Measures and Flood Relief

We attach great importance to the coordinated and healthy development of the society. We pay attention to current social topics and actively practice corporate social responsibility. While providing users and customers with professional, convenient, high-quality services, we actively give back to society by engaging in social relief activities.

Ensuring supplies in pandemic-stricken cities

In 2021 and first few months of 2022, Shijiazhuanq, Shanghai, Beijing and some cities in the provinces of Guangdong, Jiangsu, Zhejiang and Jilin were hit on and off by the resurgence of pandemic. As a key enterprise designated by the central and local governments to ensure supplies, we actively played our role in ensuring people's living needs. Specifically, we established supply alliances with local merchants, increased the capacity of delivery and picking services, provided advises to merchants on merchandizing with the help of big data, ensured supplies of daily necessities including fresh vegetables, meat, poultry, eggs, milk, rice, noodles, grains, oils and convenience foods. Meanwhile, we paid close attention to people with special needs, such as the elderly and disabled, and supported the distribution of medical equipment and materials to these groups. Local governments were effusive in their praise for our work.







Helping merchants resume business in Henan after floods

July 2021 saw heavy floods striking Henan. We developed an emergency plan, under which JDDJ and Dada Now provided merchants with support covering anti-flood materials, commission waiver, and stable delivery services, to help brick-and-mortar stores resume operations as soon as possible and ensure supplies of daily goods. In addition, we provided guick onboarding access to new merchants, opened up citywide stations (for rest, phone charging, drinking water and snacks) to disaster-stricken citizens and riders.

During the reporting period, the Group helped more than 1,000 brick-and-mortar stores in the disaster-stricken areas of Zhengzhou to resume online business. Meanwhile, 14 riders who did outstanding work in flood relief in Henan were recognized and rewarded as "Riders with Positive Energy".



Bridging the Digital Gap

In 2021, we devoted ourselves to promoting technology and service innovation among the broader consumer groups, by bridging the digital gap and expanding digital inclusion to the elderly, so as to enable more and more users to enjoy a wonderful digital life.

Aging-friendly and barrier-free upgrade of JDDJ App

Under the guidance of the Ministry of Industry and Information Technology (MIIT), we actively engaged in our aging-friendly and barrier-free upgrade of JDDJ App. In addition, we cooperated with the Office of the Senior Education Working Group, the Smart City Development Research Institute, the University for the Elderly, and our employees, to launch activities to help senior citizens use intelligent technology and remove barriers for accessing the digital world.

In term of App upgrade, we set up a dedicated project team to develop aging-friendly and barrier-free accessibility features, integrating key resources to help the elderly and special-needs individuals bridge the digital divide and meet their demand for online instant shopping. Specifically, we completed adaptation for the native shopping process, flutter cross-platforms and certain custom components, and re-designed and optimized the interface and process to launch an elderly edition. The elderly edition features large font and minimalist function options to give more clarity and concision to page browsing, so that the elderly can quickly find the product in need and relevant information, enjoying the convenience of online shopping.

Meanwhile, we encouraged employees to teach their elders to use smartphones during the Spring Festival holiday. We also established a "Dada Flame Youth Volunteer Service Team", to bridge the digital gap for senior citizens in areas including travel, medicare, consumption and entertainment.

In January 2022, JDDJ was among the first batch of Apps to pass the aging-friendly and barrier-free assessment launched by the MIIT.

In May 2022, the Information Accessibility White Paper (2022) was issued by China Academy of Information and Communications Technology in order to promote information accessibility in China and contribute to information accessibility around the world, and Dada assisted in the preparation of the white paper.

From January to May 2022, average monthly visits of JDDJ Elderly Edition reached 200,000, with total orders exceeding 120,000 and GMV reaching RMB 20 million. We are encouraged to see that JDDJ Elderly Edition is popular among the elderly and truly facilitates the ease of buying vegetables, medicine and other products for the elderly.





Appendix

ESG Performance Metrics

Environmental performance indicators

Environmental Issues	Indicatorsa	Unit	ln 2021
	Electricity consumption in office	KWh	2,401,745
	Electricity consumption in delivery process	KWh	13,869,567
	Energy consumption	Tonnes of standard coal	295
	Energy consumption density	Tonnes of standard Coal per RMB1,000 revenue	0.004
Energy Management and Carbon Emissions	Scope 2 greenhouse gas (GHG) emissions	Tonnes of CO2e	1,690
	Scope 3 GHG emissions	Tonnes of CO2e	10,425
	Total GHG emissions	Tonnes of CO2e	12,114
	Scope 2 GHG emissions intensity	Tonnes of CO2e per RMB 10,000 revenue	0.002
	Scope 3 GHG emissions intensity	Tonnes of CO2e per RMB 10,000 revenue	0.015
Lies of December	Water consumption	Tonnes	7,315
Use of Resource	Water consumption intensity	Tonnes per RMB10,000 revenue	0.011

Social and governance performance indicators

Social and governance issues		Indicators		Unit	ln 2021
		Total number of employees		1	3,132
		To number of	Male	1	1,887
		employees by gender	Female	1	1,245
		Employees in	Male	1	241
	Number of employees	management positions by gender	Female	1	109
		Number of new employees		1	1,482
		Number of new employees by gender	Male	1	874
Employment			Female	1	608
	Employee trainings	Percentage of employees trained		%	100
		Average training time for all employees		Hours	5.77
		Average training	Male	Hours	5.87
		hours by gender	Female	Hours	5.61
		Average training hours by employee positions	Junior positions	Hours	6.17
			Management positions	Hours	3.35

Social and governance	e issues	Indicators		Unit	ln 2021
	Performance evaluation	Proportion of employees who receive periodical performance evaluation		%	100
		Number of	Male	1	6
		work-related injuries	Female	1	1
Employment		Lost Time Injury	Overall	1	1.32
	Occupational Frequency health and safety (per million la Number work-re	Frequency Rate	Male	1	1.87
		(per million labor nours)	million labor hours) Female	1	0.48
		Number of work-related fatalities occurred	Male	1	0
			Female	1	0
Information Security/	Participants in data security training			1	2,245
Network Security	Data security training sessions			1	73
			Invention patents	1	2
	Patents/trademarks acquired in the current year		Design patents	1	0
Intellectual		Trademarks		1	673
property protection			Invention patents	1	94
,	Total valid paten	ts/trademarks	Design patents	1	18
			Trademarks	1	1,273
Corporate governance	Business ethics training		Trainees covered by offline business ethics training	1	2,230

List of Laws, Regulations and Internal Policies

Internal policies

Management System for Risk Assessment

Employee Handbook of Dada Group

Regulations of Dada Group on Recruitment Management

Internal Referral Rules

Internal Job Competition Rules

Quarterly Evaluation Process and Rules

Promotion Process and Guideline

Internal Employee Transfer Mechanism

Regulations of Dada Group on Work Safety Troubleshooting

Regulations of Dada Group on Work Safety Responsibility

Data Security Classification Standard of Dada Group

Data Security Management Regulations of Dada Group

Personal Information Protection Compliance SOP

Privacy Agreement

Personal Sensitive Information Authorization Agreement

Information Provision Authorization Agreement

Advertising Compliance Specification of Dada Group

Promotional Content Delivery Review Standard

JDDJ Platform Service Agreement

VMO-BPO Communication System

Complaint Tickets Assignment System

BPO Service Specification Feedback Mechanism

Emergency Response Mechanism for Backlog Incidents

Intellectual Property Management System

Rider Safety Management System

Dada Management Instructions

Service Score Rules

Administrative Measures for the Reporting, Investigation and

Handling of Safety Accidents of Dada Group

Laws and regulations

Company Law of the People's Republic of China

Securities Law of the People's Republic of China

Supervision Law of the People's Republic of China

Anti-Unfair Competition Law of the People's Republic of China

Cybersecurity Law of the People's Republic of China

Declaration of the International Labor Organization on Fundamental

Principles and Rights at Work

Labor Law of the People's Republic of China

Labor Contract Law of the People's Republic of China

Work Safety Law of the People's Republic of China

Fire Protection Law of the People's Republic of China

Social Insurance Law of the People's Republic of China

Regulations of the People's Republic of China on Minimum Wage

Personal Information Protection Law of the People's Republic of China

Electronic Commerce Law of the People's Republic of China

Scope of Necessary Personal Information for Common Types of Mobile

Internet Applications

Advertising Law of the People's Republic of China

Measures for the Administration of Internet Advertising

Guiding Opinions on Protecting Labor and Social Security Rights and

Interests of Workers Engaged in New Forms of Employment

Environmental Protection Law of the People's Republic of China

Environmental Impact Assessment Law of the People's Republic of China

Air Pollution Prevention and Control Law of the People's Republic of

China

Water Pollution Prevention and Control Law of the People's Republic of

China

Law of the People's Republic of China on the Prevention and Control of

Environmental Pollution by Solid Wastes



