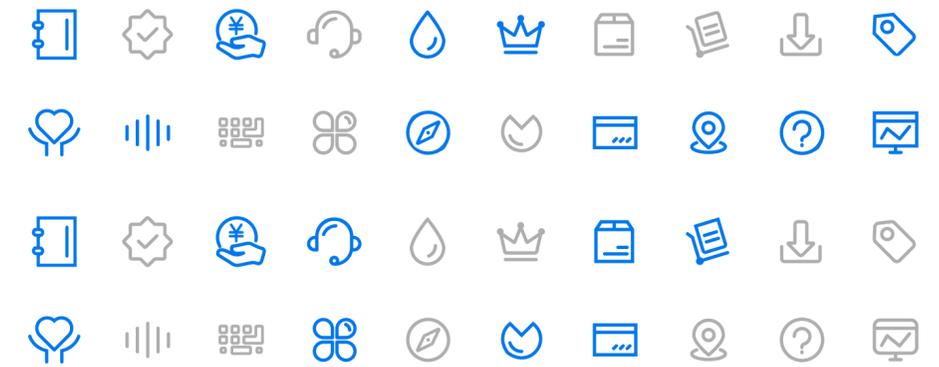




Creating Value with Sustainability

Dada Nexus Limited
2022 Environmental, Social and Governance Report

ESG



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About the Report

Overview

This report is the second 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, 2022 (hereinafter referred to as the reporting period), with certain information and activities prior to 2022 or pertaining to 2023.

Reporting Scope & Boundary

This report covers operations directly under Dada Nexus Limited (hereinafter referred to as "the Group", "the Company", "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 (<https://ir.imdada.cn>) 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 May 30, 2023 after being confirmed by the management.

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.

About Dada



Founded in Shanghai in 2014, Dada Group was listed on NASDAQ in June 2020. At the end of February 2022, JD.com increased its stake in Dada, after which Dada became a wholly-owned subsidiary of JD.com and the two parties further deepened their cooperation in intra-city retail and delivery.

Dada Now is China's 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. Currently, Dada Now covers more than 2,600 cities and counties in China, serving chain merchants and small and medium-sized enterprises across various industries, as well as individual users. In 2022, total orders fulfilled by Dada Now exceeded 1.9 billion. Through massive amount of orders supported by the leading crowdsource-based model and technology, Dada Now has created a large number of flexible employment opportunities for the industry. In 2022, the number of active riders on Dada Now platform reached 1 million.

JDDJ is China's leading local on-demand retail platform operated by Dada. Leveraging the extensive cooperation with local retailers, JDDJ provides consumers with one-hour shopping experience for retail products across various categories, including supermarket and convenience store goods, consumer electronics and home appliances, fresh fruits and vegetables, and medicines and health products. In 2022, JDDJ generated GMV of over RMB63 billion and served more than 78 million users. In 2021, JDDJ and JD.com further deepened cooperation in on-demand retail and jointly launched the Shop Now brand, aiming to lead the industry growth leveraging their respective strengths in traffic, supply, and digitalization. Shop Now can be accessed through multiple entry points within JD App, including search results and Nearby tab on the homepage. In 2022, GMV generated by Shop Now more than doubled and served as an important growth driver for JDDJ. In addition, the successful integration of JDDJ and JD.com also set a good example in the industry for e-commerce platforms to embrace omni-channel commerce.

Message from the Management

2022 marked a year in which the on-demand retail and delivery industries made great strides forward. Despite the triple pressures of shrinking demand, supply shocks, and weakening expectations in the overall Chinese economy, the on-demand retail and delivery industry withstood the impact and steadily supported the consumption in the face of uncertainty.

We firmly believe in the value of the services that Dada provides. As a new form of consumption model, on-demand retail provides consumers with enhanced shopping experience through convenient shopping and quick delivery, while playing an important role in online and offline integration for retailers and brand owners. Meanwhile, on-demand delivery service acts as the essential infrastructure for the development of on-demand retail and serves as the "capillaries" that drive economic efficiency and spark urban vitality.

Dada has always adhered to the principles of co-creation and win-win. With continuous innovation and as an open platform, we use technology to better empower partners and serve consumers. Facing the huge industry potential brought about by the evolvement of consumption needs towards faster fulfillment, Dada's on-demand retail platform, JDDJ, dives deep to cooperate with various brick-and-mortar retailers and brands, and empower them in all aspects of their O2O business, including traffic support, system integration, marketing and promotion, and end-to-end fulfillment, aiming to facilitate high-quality and sustainable growth to retailers and brands. So far, JDDJ has onboarded more than 300,000 brick-and-mortar stores across all categories and partnered with approximately 300 brands, with service available in more than 2,000 cities and counties. Dada's on-demand delivery platform, Dada Now, aims to become an upgraded infrastructure for on-demand retail and guarantee ecosystem partners both efficiency and experience, leveraging three core competencies, i.e., the end-to-end fulfillment capability in terms of warehousing management, omni-channel picking, and one-hour delivery, reliable fulfillment quality, and technology innovation. Dada Now's business has covered more than 2,600 cities and counties, and created flexible employment opportunities for one million riders and over 50,000 pickers in 2022.

As a fast-growing enterprise in an emerging industry, Dada has always stayed proactive while remaining down-to-earth. We are committed to creating a corporate culture that is progressive, open, and adventurous, while also integrating environmental, social, and corporate governance (ESG) concepts into our business management and decision-making processes. We actively shoulder corporate social responsibility with efforts including: creating a diverse, equal, and harmonious workplace by offering employees and riders with ample growth opportunities, and fair and reasonable salary and benefits; creating large-scale, flexible and inclusive employment opportunities; enabling more people to enjoy convenient and reliable consumption experience; paying attention to caring for the vulnerable and enhancing community sustainability. We are also constantly improving our corporate governance, via enhancing the diversity and expertise of our Board of Directors, strengthening risk prevention and control, and adhering to high standards of business ethics, so as to enhance our comprehensive value creation capability in the economic, social, and environmental aspects.

Every long journey begins with small steps. Upholding the mission of "To Bring People Everything on Demand", Dada works relentlessly to bring convenient one-hour shopping experience to consumers nationwide, leveraging our continuously improving on-demand retail and logistics infrastructure as well as our industry partners. Down the road, we are committed to advancing the digitalization of China's retail industry and promoting the sustainable development of the real economy.

Jeff Huijian He
President of Dada



👑 2022 ESG Performance Highlights

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Responsible Governance

- ◆ **Improving board diversity:** Female directors exceed **66%** and independent directors account for **50%**; Directors are experienced in a wide range of industries.
- ◆ **Comprehensive risk management:** Internal audits cover **100%** of business operations backed by audit data monitoring platform.
- ◆ **Strengthening anti-corruption management:** Over 20 training sessions were held in 2022 and so far **100%** of employees and board members have been covered with business ethics trainings; All suppliers are required to sign a Business Ethics Commitment Letter.

Nurturing Talents

- ◆ **Interest protection:** Over **95%** of employees are covered by collective agreements; We stick to equal pay for equal work principle, with median pay gap between male/female employees and overall workforce around **±2%** in 2022.
- ◆ **Incentive pay:** Performance-based variable pay covers **100%** of employees, and long-term equity incentives have been granted to **18%** of employees by end of 2022.
- ◆ **Career advancement:** Diverse online and offline training courses are available to empower employees with **100%** of employee coverage; We facilitate employees' career development by implementing promotion program twice a year, with **13%** of employees promoted in Fall 2022.
- ◆ **Open communication:** Effective channels are created for employees to communicate with executives and employee feedbacks are collected through satisfaction surveys, with employee satisfaction score **approaching 90 points** in 22Q4.

Serving Users

- ◆ **Product quality:** We bring convenient shopping experience to consumers via innovative on-demand retail model, while continuously optimizing quality management of merchants and products, with product quality-related after-sales rate on JDDJ platform at only **0.35%** in 2022.
- ◆ **Fulfillment service quality:** We remain devoted to improving fulfillment quality by optimizing technology and rider training, with fulfillment rate of **95%** and average delivery time of less than **30** minutes on Dada Now platform in 2022.
- ◆ **User experience and communication:** Through interface and process refinement, comprehensive user communication channels and high-quality customer services, after-sales satisfaction rate reached **80%** on JDDJ platform in 2022.
- ◆ **Privacy protection:** We have continuously upgraded App design to optimize privacy protection based on principles including minimization of data collection, with privacy protection related NPS for JDDJ scored **76** in Nov 2022.

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Empowering Partners

- ◆ **New forms of employment:** Our crowdsource-based platform creates a large number of job opportunities, with **1 million** annual active riders in 2022, of whom over **80%** are from lower-tier cities, and over **50,000** annual active pickers in 2022, of whom over **70%** are women.
- ◆ **Rider safety protection:** We provide all-round protection measures before, during, and after the delivery process to ensure rider health and safety, with accident rate per one million orders decreased by **37%** in 2022; We proactively engage in pilot program for work-related injury insurance, which covered **220,000** Dada Now riders by end of 2022.
- ◆ **Rider earning guarantee:** Driven by a more comprehensive reward and incentive system, reduction of penalty scenarios and improvement in delivery efficiency, Dada Now riders' hourly earnings grew by over **10%** year-on-year in Dec 2022.
- ◆ **Merchant empowerment:** We provide comprehensive support including onboarding, training, system integration, fulfillment and favorable policies to digitalize offline retailers, with annual active stores on JDDJ platform exceeding **220,000** in 2022.
- ◆ **Brand enablement:** We help brands achieve sales growth through innovative marketing activities, and digitalize their promotion, supply optimization and user operation processes, with the number of partnering brands exceeding **280** in 2022.

Co-Building Community

- ◆ **All-electric delivery fleet:** We deploy electric vehicles for intra-city on-demand delivery, leading to a reduction of carbon emissions by **500,000 tons** in 2022, while actively promoting clean energy-based battery swapping services for riders' e-bikes.
- ◆ **Workplace carbon emission reduction:** With growing awareness for energy-saving among employees and the implementation of cost-reduction measures, per capita operation-related carbon emissions reduced by **43%** to 0.35 tons in 2022. A further goal was set to achieve operation-related carbon neutrality in five years.
- ◆ **Sustainable packaging:** With improving packaging utilization and a shift towards green packaging, packaging material consumption decreased by **20%** in 2022, of which **77%** was biodegradable plastic bags, covering **70%** of orders on JDDJ.
- ◆ **Social care:** We continued to serve elderly and disabled consumers through aging-friendly and barrier-free version of JDDJ App, which supported nearly **1,000** users every day and generated a total of **330,000** orders and over **RMB57 million** GMV in 2022.
- ◆ **CSR recognition:** We are included in the "2022 List of Excellent Private Enterprises in Corporate Social Responsibility (CSR)" released by the All-China Federation of Industry and Commerce, being the only Shanghai-born enterprise awarded.

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Since its inception, Dada has always focused on technology innovation. We continuously upgrade our technological capabilities to make every node in local on-demand retail and delivery smoother. As retail industry enters new era, we are committed to facilitating the digital transformation of brick-and-mortar retail industry, and working shoulder-to-shoulder with industry partners for high-quality growth. Upholding our vision of "To Bring People Everything on Demand", we are making every effort to create a better shopping experience for consumers nationwide through technology innovation.



Voice From a User

"Today is my kid's birthday, but I didn't think of buying a cake for her until this afternoon. Fortunately, with JDDJ's capability of bringing local stores online and real-time order dispatching, I can enjoy the convenience of 'ordering online, picked from a local store, and delivered within one hour'. I placed an order for my kid's favorite cake and a long-desired toy, and the rider rang the doorbell in less than an hour. My daughter was surprised with a bright smile when receiving the gift beautifully packaged by the merchant.

Dada's aging-friendly design gives seniors more shopping options, with larger fonts and minimalist features that make my parents willing to embrace the convenience of technology as well. They placed orders for my daughter's favorite snacks through JDDJ, and prepared surprises for her just like young people do.

With Dada, there is no haste but only joy today."

Launched in 2015 as one of the pioneers in the on-demand retail industry, JDDJ leverages LBS technology to digitize local retail. In 2022, GMV on JDDJ increased by 47% year-on-year to RMB63.3 billion. Founded in 2014, Dada Now leverages the intelligent logistics system integrating smart dispatching and real-time route planning to provide users with an instant delivery experience. In 2022, Dada Now delivered a total of 1.9 billion orders to users' homes.



Voice From a Merchant

"Today is the day before holiday, and our order volume increased significantly. Dada's technological empowerment has helped us digest the anxiety caused by busyness.

The stable and reliable delivery service provided by Dada Now allows us to focus on our core business and save our labor costs while meeting our need for service customization. The Haibo System builds a bridge between our offline system and multiple online sales channels, which not only improves our operating efficiency but also helps us maximize sales. The crowdsource-based picking solution Dada Picking helps us digitize picker management and picking processes, while reducing personnel shortage and improving picking efficiency.

Thanks to Dada, we no longer complain about the tiredness brought by the workload increase, but instead enjoy the convenience and sense of order brought by technology."

Dada Now leverages its intelligent logistics platform to constantly improve fulfillment efficiency and quality. The platform is able to process over 10 million orders per day, and fulfillment rate remained over 95% in 2022.

Haibo System is a mid-end SaaS system developed in-house by Dada, providing digital solutions for chain retailers to manage omni-channel O2O business. Haibo is empowered by five capability modules of fulfillment optimization, merchandise management, membership management, marketing management, and digital dashboard, which helps chain retailers improve operating efficiency, reduce costs and boost sales. As of the end of 2022, Haibo has covered over 9,200 stores across 200 merchants.

Dada Picking is crowdsource-based and digitalized picking service pioneered by Dada. With the self-developed Canghai Picking Management System, Dada Picking effectively matches flexible labor supply with picking needs for online orders, and achieves optimal picking efficiency through dynamic picking route design. In 2022, number of active pickers of Dada Picking exceeded 50,000, of which over 70% were female, and orders fulfilled by Dada Picking increased by approximately 200% year-on-year.

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Voice From a Brand Owner

"Today is the day of year-end review, and we are delighted to see the growth brought by our cooperation with Dada.

Dada's Monica system enables us to integrate budget, data, and operation management in one-stop, with functions including onboarding, information maintenance, smart promotion, smart budget management and sales data analysis. The Kunce platform further helps us to manage SKUs more granularly and identify problems and opportunities more precisely under a grid-based perspective, which leads to supply optimization, sales growth and efficiency improvement.

This is a win-win cooperation inspired by technological revolutions."

The Monica system, developed in-house by Dada and launched in 2018, is a data management system designed specifically for brands' O2O business. It provides brands with insights into sales, consumers, promotions, and other dimensions of data. As of the end of 2022, approximately 300 brands adopted Monica system to manage their business on JDDJ.

The Kunce platform extends from the core function of Monica system to provide brands with supply optimization strategies at grid or even store level as well as a digital management tool to implement the strategies, thereby helping brands improve the online availability of core products and generate incremental sales.



Voice From a Rider

"Today is just an ordinary day, busy as usual, but at Dada Now, I can still look forward to a different and wonderful experience.

After omni-channel O2O orders flow into the AI-powered smart logistics system that has accumulated massive data, it will respond in real time in terms of order dispatching, route planning, and dynamic pricing, so as to improve delivery efficiency and guarantee fulfillment quality while making our en-route experience safer and easier.

Thanks to Dada Now's smart platform, delivery becomes a journey, awaiting me to unlock more

exciting experiences and earn trust from users. The busy journeys turn into romantic deeds that guard the city's daily operations as we deliver to the doorstep of thousands of households."

Dada Now Smart Logistics System integrates various sub-systems, including the proprietary Ark Monitoring System, Star Warning System and Simulation System. Based on massive amount of data and AI technologies, it supports delivery model matching, order volume prediction, automatic order dispatching and merging, and real-time smart route planning. This system is an important factor that underpins Dada's reliable and fast-growing on-demand delivery service.



Voice From an Autonomous Delivery Vehicle

"Today's meaning is beyond my understanding because for me it's just a string of numbers. But my engineering colleagues have told me that I need to deliver everyone's goods on time before this string of numbers arrives.

After the launch of Dada's autonomous delivery open platform, my "career" began under the support of systems including order management, smart dispatching and human-machine interaction. Sometimes, I also cooperate with Dada Now riders, who take care of the last-100-meter delivery.

Maybe I still can't understand the meaning of "the day" or the happiness behind the smile, but I have heard that the autonomous delivery open platform can lower upstream and downstream development costs and facilitate the scaleup of unmanned delivery that reduces carbon emissions. Therefore, I am willing to keep cooperating with the open platform, upgrading myself and serving everyone in the on-demand delivery industry."

Dada Autonomous Delivery Open Platform was officially launched in 2021, leveraging Dada's operational and technological experience in on-demand delivery. Collaborating with autonomous vehicle manufacturers, we provide efficient and stable autonomous delivery services for merchant partners, enabling them to benefit from technology advancement. In addition, the operational management systems embedded in the platform, including order management, smart dispatching, and human-machine interaction, can effectively digitalize the operation of autonomous vehicles. As of March 2023, the platform has facilitated autonomous on-demand delivery of more than 100,000 supermarket orders, which makes us the largest autonomous delivery platform for supermarkets in China.

Our technology aims to make every day beautiful and our service aims to bring every one smile.

01

Responsible Governance for
Sustained Corporate Value



2022
DADA GROUP
ESG

☘ Responsible Governance for Sustained Corporate Value

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At Dada, we understand that sound corporate governance is the cornerstone of sustainable business development. We are firmly committed to ensuring the legality and compliance of our operations and embedding sustainability into our strategic planning and operations management through our solid governance structure, comprehensive risk control system and well-established ESG management mechanism. Through these efforts, we translate the philosophy of “understanding, shouldering and fulfilling responsibilities” into action, ensuring adequate protection for the rights and interests of shareholders and stakeholders.

Corporate Governance

Our Commitment

Dada observes strict compliance with the *Company Law of the People's Republic of China* and other laws and regulations wherever we operate. We work every day to improve our corporate governance structure and standards and ensure operational compliance and integrity, so as to strengthen the foundation for robust business growth and contribute value to society.

Our Governance

Governance Structure: The Board of Directors leads the formulation of corporate strategies and oversees their implementation. It has three committees, namely the Audit Committee, the Remuneration Committee and the Nominating and Corporate Governance Committee, which assist in the monitoring of our operations and financial performance, while focusing on various areas including strategy development, audit, human resources and remunerations to ensure that the Company's internal control and risk management system operates as intended. The Terms of Reference of the Board and its committees are available on our official website (For more information, please visit: <https://ir.imdada.cn/corporate/corporate-governance>).



Dada Group's Board Structure

Board Diversity: We firmly believe that a diverse leadership is central to corporate sustainability, and we have upheld the principle of meritocracy since day one. Our rigorous process for nominating and appointing Board members entails a comprehensive analysis weighing each candidate's education background, industry experience, expertise and employment record to ensure that they are well-qualified and aligned with our values. In addition, we have paid ongoing attention with respect to increasing our Board diversity in terms of gender, age, ethnicity, geography, culture and other relevant factors.

As of the end of the reporting period, **female directors account for over 66% of the Group's board members, and 50% of the board is composed of independent directors.** To ensure independence, the shareholding in Dada by each independent director is far below 1%. In addition, all six directors have a wealth of experience in relevant fields, such as internet, logistics, retail, flexible employment, finance and accounting.

Name	Gender	Position	Industry	Risk	Financial
Lijun Xin	Male	Chairman of the Board of Directors	√	√	
Jeff Huijian He	Male	Director	√	√	
Christina Xiaojing Zhu	Female	Director	√	√	
Baohong Sun	Female	Independent Director		√	√
Jian Han	Female	Independent Director	√*		
Laura Butler	Female	Independent Director			√

Note: Professor Han is a member of Global Future Council on the Future of Job Creation at World Economic Forum, who has deep insight into the flexible employment industry that Dada Now operates in.

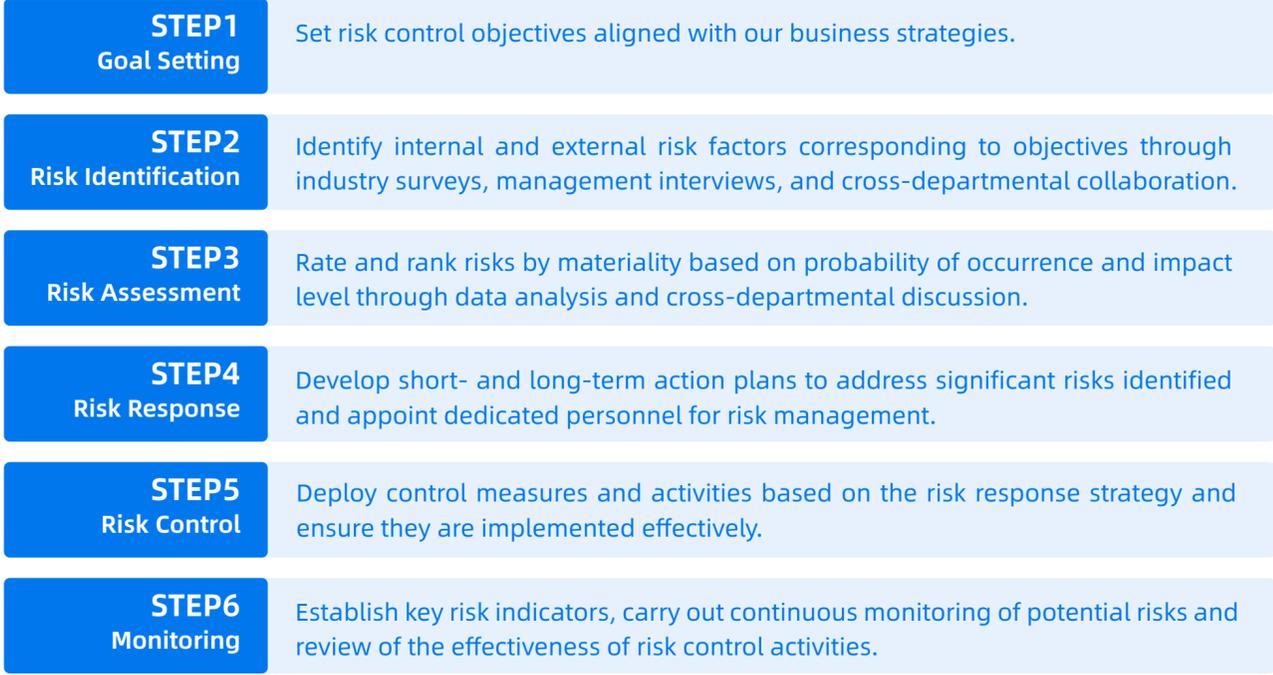
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Our Management Approach

On top of our sound corporate governance structure, we have instituted a combination of additional measures to enhance governance in specific areas including risk control, anti-corruption, information security, marketing compliance and intellectual property rights (IPR) protection.

Risk Control: The Group follows a dynamic and comprehensive risk prevention and control approach to identify and manage potential risks across our operations. Building on this approach, we have also formulated internal policies such as the *Management System for Risk Assessment*, which clarifies the risk management structure, defines duties at all levels and provides detailed guidance on risk identification, assessment and control.

We have also established a “six-step” framework for risk management to better implement internal risk controls in our daily operations. This framework describes, identifies and evaluates risk scenarios in various business units and management processes across on-demand retail, on-demand delivery and back-office support. The result is a dynamic closed-loop risk control mechanism featuring a “comprehensive system, controllable risk, compliant operations and sound growth”, which supports the sound development of the Company.

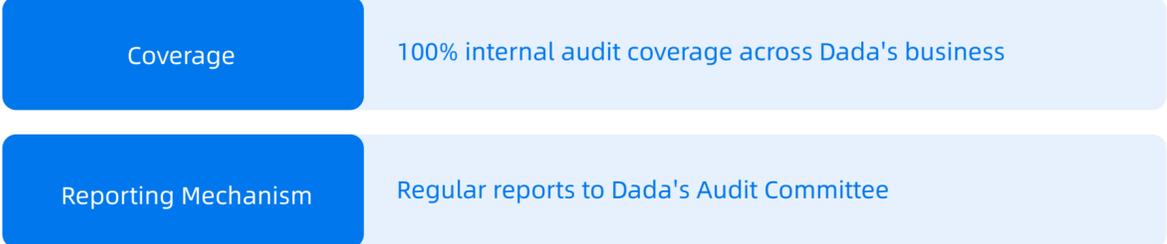


Dada Group’s Six-Step Risk Management Framework

To further enhance internal risk control, **the Group has formulated the *Dada Group Internal Audit Charter* and authorized the internal audit department to perform risk-based internal audits**, evaluate the effectiveness of our internal risk management and control system and strengthen risk control across each business unit and its management team, so as to promptly identify and respond to hidden risks.

In addition, **leveraging Dada’s audit data monitoring platform, which provides functions such as dynamic integrated risk identification and real-time early warning**, we continuously monitor data on orders, revenue, receivables, payables and expenditures at the headquarters, city and station level, further enhancing the accuracy and efficiency of our internal risk control audits.

During the reporting period, **we went above and beyond our ongoing group-wide business risk monitoring protocol and carried out more than ten special auditing programs covering business operations, back-office functions, compliance and other areas.**



Dada Group’s Internal Audit Scope and Reporting Mechanisms

To ensure the professionalism and objectivity of our risk management processes, we engage third-party auditors to perform audits and issue SOC 2 (Report on System and Organization Controls) audit reports for all our core operations systems in accordance with the AICPA TSP (American Institute of Certified Public Accountants Trust Services Criteria) Section 100 principles and criteria for security, availability, processing integrity, confidentiality and privacy. This approach facilitates the continuous strengthening of our stakeholder protection efforts.

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Anti-Corruption: We place the utmost priority on the values of anti-corruption and business integrity and our corporate philosophy is grounded in the principles of fairness and compliance. Observing strict adherence to all relevant laws and regulations, **we have formulated and updated a number of internal management policies such as the *Dada Group Supervision System* and the *Dada Group Employee Handbook*, which set out business ethics standards for all employees and strictly forbid behaviors such as corruption, bribery, extortion, fraud, money laundering, monopoly and unfair competition, and insider trading.** These policies form the foundation of our ongoing anti-corruption efforts.

We are committed to the three principles of “anti-corruption for all”, “zero tolerance” and “holding management accountable”, and we do everything in our power to enhance our internal anti-corruption efforts. We have designated a **board-level committee, the Audit Committee, as the highest body to oversee anti-corruption issues, and the Supervision Department as an independent regulator. We carry out internal audits and self-inspections based on our business ethics and anti-corruption policies wherever we operate on an as-needed basis.**

We have also formulated comprehensive management measures for both our employees and suppliers, to ensure that they carry out all business activities in line with our business ethics standards.

<p>We provide employees of all types, including interns and outsourced employees, with business ethics trainings to ensure compliant behavior. We also require all employees to sign the Employee Confirmation Letter and the Anti-Corruption Letter, which detail their obligations regarding ethical behavior. During the reporting period, we reached 100% employee coverage under the two written confirmation policies.</p>	<p>We have formulated and optimized policies for external suppliers including the Agreement on Anti-Bribery, the Sunshine Agreement and Provisions for Conflict of Interest. We also require all suppliers to sign the Business Ethics Commitment Letter and the Anti-Corruption Agreement, requiring them to hold themselves to Dada’s standards for business ethics.</p>
Employee Management	Supplier Management

Dada Group’s Anti-Corruption Measures for Employees and Suppliers

In addition, we strictly forbid employees to participate in any forms of political campaigns and organizations. So far, we have made no monetary contributions to political campaigns since inception.

In 2022, the Group conducted **over 20 anti-corruption compliance training** sessions for all employees in managerial positions, as well as those in high-risk roles such as procurement. **Dada promptly handled all corruption/violation cases and notified all employees of the results**, ensuring that our anti-corruption efforts are visible throughout the organization in order to deter breaches which could cause management risks. **In the first quarter of 2023, the Group expanded mandatory anti-corruption compliance training, including post-training examinations, to all Group employees.**

The Group has established a variety of channels to facilitate the timely identification of relevant risks, including hotlines and email addresses where stakeholders can anonymously report violations. We rapidly and efficiently respond to all reported cases and fully mobilize internal and external resources to conduct rigorous and objective investigations. If a reported violation is verified, we adopt corrective measures whenever necessary and reward the whistleblower or the reporting unit in order to encourage all stakeholders to participate in the Group’s anti-corruption efforts. In addition, **Dada Group has established a *Whistleblower Protection and Reward System*, and adopts stringent confidentiality measures to fully protect the legitimate rights and interests of whistleblowers and prevent retaliation or unfair treatment of any kind.**

As a member of the Sunshine Integrity Alliance and the Research Association of Internal Control and Anti-Fraud, Dada participates in practical exchanges with external partners to share best practices on anti-corruption management and do our part to build and grow a healthy and positive business ecosystem.

Compliance: We are committed to benchmarking ourselves against industry best practices and compliance requirements, and we are continuously improving our compliance processes. We have developed standardized, differentiated and effective mechanisms across a host of dimensions including cybersecurity, responsible marketing and IPR protection in order to safeguard our sustainable growth and operations.



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Cybersecurity

Dada strictly adheres to the *Cybersecurity Law of the People's Republic of China* and other relevant laws and regulations, and has built a comprehensive cybersecurity management system.

Physical Security	Network Security	Applicaiton Security
We monitor for fire, earthquakes, theft and various access issues to ensure security at the physical level.	We carry out full-traffic monitoring of data server rooms for data leakages and security attacks, and install integrated anti-virus software and host security software on office and business networks to ensure network security.	We analyze and test security needs at each node of the product R&D process and perform regular security analysis and enhancement for mobile Apps.

Dada Group's Cybersecurity Management Measures

Dada has formulated business continuity management processes such as crisis management and disaster recovery protocols to enhance coordination among departments in the event of an information security incident. We also carry out regular emergency drills to ensure that we can achieve rapid recovery in the shortest time possible with zero data loss in the event of a system failure or other operational disruptions.

In addition, we work closely with external partners to ensure business continuity. To promote alignment with our external partners, we have designed the *Security Management System for System Service Providers*, which includes a contingency plan for our business continuity and sets out both parties' obligations in case of an accident incurred by system service providers.

We organize annual group-wide cybersecurity trainings for all classes of employees, including interns and outsourced employees, to enhance awareness of cybersecurity issues and strengthen our defenses. All employees are required to pass exams following the training. We also regularly conduct special trainings regarding cybersecurity for product R&D personnel.

Responsible Marketing

In strict compliance with relevant laws and regulations, the Group has formulated and refined internal policies and standards such as the *Dada Group Advertising Compliance*

Specification, the *Promotional Content Review Standard* and the *Dada Group Review Standard for Financial Materials Placement*, through which we exercise strict scrutiny over the compliance of all advertising campaign materials to eliminate any exaggerated, deceptive or false content. We have also established a standard workflow for reviewing promotional content to ensure comprehensive marketing content management.

Management Measures for Internal Activities	Management Measures for Third Parties
To enhance our marketing compliance, we established and updated the <i>Self-Inspection Standard for Marketing Materials</i> to facilitate the day-to-day internal review of marketing materials.	Third parties are required to provide documents including business license, business permit and trademark authorization to be reviewed by us before marketing campaigns are approved to go live.

Dada Group's Management Measures for Marketing Activities

To raise internal awareness of responsible marketing practices, we organize regular trainings on marketing compliance for relevant business functions such as marketing and operations. In 2022, we conducted 12 special training sessions covering topics including prize promotion compliance and advertising compliance for the "Three Categories of Products and One Category of Device" (drugs, health supplements, food for special medical purposes and medical devices). We also published the *Self-Inspection Standard for Marketing Materials* to facilitate the day-to-day self-inspection of promotional materials across publicity-intensive functions such as marketing and public relations. These concrete steps ensure that we continue to observe responsible marketing practices.

IPR Protection

IPR protection is fundamental to safeguarding innovation. Dada strictly observes relevant laws and regulations, and has standardized intangible asset management workflows covering patent and trademark rights based on internal policies, including the *JD.com Patent Management Measures*, *JD Copyright Service Platform Guidelines* and *JD Trademark Application System Handbook*. We also conduct regular IPR trainings to enrich our staff's knowledge of IPR concepts, raise group-wide compliance awareness and enhance the protection of our R&D achievements.

During the reporting period, Dada filed three patent applications and 222 trademark applications, and had one patent and 72 trademarks approved. As of the end of the reporting period, we had obtained a total of 113 valid patents and 1,345 trademarks.

ESG Management

ESG management is an essential component of corporate governance and a key factor in achieving sustainable corporate development. At Dada, we are committed to optimizing our ESG management system and to establishing win-win partnerships with stakeholders that support the Company's progress on the path to sustainability.

Our Commitment

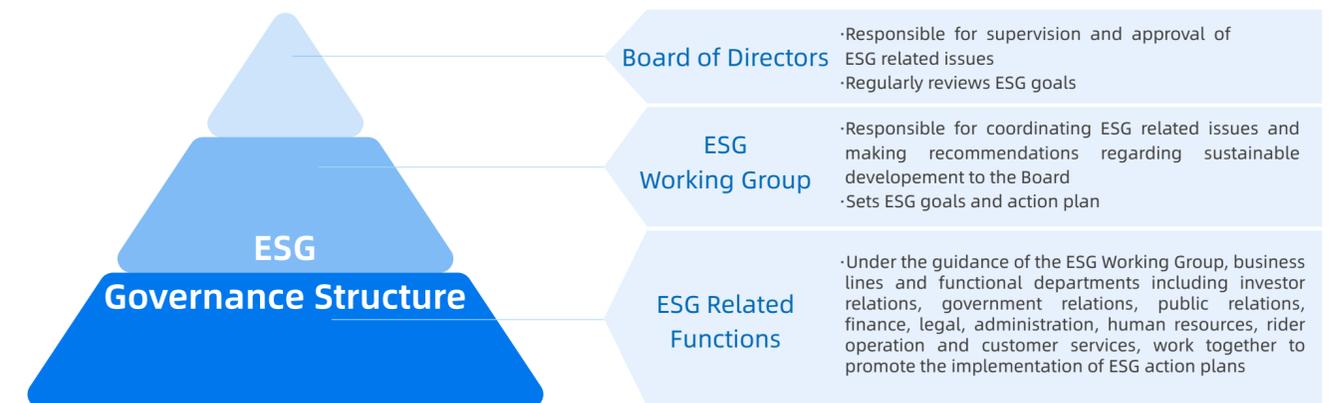
We place great importance on building a robust ESG system and practicing sustainability in our daily operations to achieve a balance between economic, environmental and social benefits. We also pay close attention to the core needs of our stakeholders and enhance our ESG management performance on an ongoing basis. We aim to create long-term value through collaboration with all of our partners.

Our Governance

ESG Strategy: As China's leading platform for local on-demand retail and delivery, we are committed to improving our ESG performance by leveraging our businesses and services in line with the sustainability goals and expectations of our internal and external stakeholders. We actively fulfill our environmental and social responsibilities while creating economic value, and continuously improve our capabilities in response to shareholders, employees, consumers, riders, merchants, brands, industry partners, communities and other stakeholders. In addition, we have integrated the United Nations Sustainable Development Goals (SDGs) into our operational decision-making, as set out in the following table.

	Topic	Stakeholder	SDGs
ESG Strategy	Responsible Governance	Enterprises/ Shareholders	16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS
	Nurturing Talents	Employees	3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY; 10 REDUCED INEQUALITIES; 8 DECENT WORK AND ECONOMIC GROWTH
	Serving Users	Consumers	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Empowering Partners	Riders; Merchants; Brands; Industry institutions and other partners	3 GOOD HEALTH AND WELL-BEING; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 17 PARTNERSHIPS FOR THE GOALS; 8 DECENT WORK AND ECONOMIC GROWTH
	Co-building Communities	Environment/ Society	1 NO POVERTY; 2 ZERO HUNGER; 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND

ESG Governance Structure: We have set up a three-tier ESG governance structure consisting of the Board of Directors, the ESG Working Group and ESG related departments, ensuring that ESG initiatives are well executed with clearly defined authorities and duties at all levels. As the highest body responsible for ESG management and public disclosure at Dada, the Board of Directors takes overall responsibility for our sustainability strategy, ESG policy and goal setting, and ESG performance. The Board meets regularly to oversee ESG implementation, receive reports on the progress of ESG programs and adjust ESG priorities as per suggestions from the ESG Working Group.



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Our Management Approach

We have established a full range of seamless and efficient communication channels with stakeholders that offer them insight into management’s decisions and company operations. Through these interactions, we regularly identify and assess ESG metrics in an effort to continuously improve our ESG performance which also helps us live up to the expectations that our stakeholders require while at the same time building solid relationships with them.

Stakeholder Engagement: Through various communication channels such as email, phone calls, on-site visits and discussion panels, we gain a comprehensive understanding of the key concerns from various stakeholders including employees, shareholders and suppliers. By assessing each of these issues, we can accurately and efficiently gauge the demands of each stakeholder seeking to offer constructive guidance for our sustainable development. The table below presents key areas of interest of Dada’s stakeholders and primary communications channels used during the reporting period:

Stakeholder Group	Key Areas of Interest	How We Engage	Frequency in 2022
Shareholders/ Investors	<ul style="list-style-type: none"> ·Board Diversity ·Compliant operations ·Anti-corruption ·Antitrust and fair competition ·Information security and privacy protection ·Rider health and safety 	<ul style="list-style-type: none"> ·Periodic reports and announcements ·Emails and meetings with investors 	<ul style="list-style-type: none"> ·Quarterly earnings conference calls ·20+ global investor conferences ·100+ in-person and online meetings ·1,000+ participants in online shareholder/investor meetings
Employees	<ul style="list-style-type: none"> ·Salary and benefits ·Promotion opportunities and career development ·Training ·Occupational health and safety ·Employee right protection ·Diversity and equal opportunity 	<ul style="list-style-type: none"> ·Internal office automation systems ·Employee feedback ·Regular townhalls gatherings ·Training activities ·Trade unions 	<ul style="list-style-type: none"> ·At least four face-to-face communications with leaders ·Periodic employee well-being initiatives ·Periodic activities by the Company’s trade union
Users	<ul style="list-style-type: none"> ·Product and service quality assurance ·Customer service and complaint management ·Information security and privacy protection ·Compliance management ·Supplier and partner management 	<ul style="list-style-type: none"> ·Customer service channels ·Customer satisfaction surveys ·Management policies and user agreements 	<ul style="list-style-type: none"> ·Real-time customer service feedback ·Update of user agreements on an as-needed basis ·Conduct customer surveys or interviews at least once a month ·Conducts NPS survey once a month
Business Partners	<ul style="list-style-type: none"> ·Supplier and partner management ·Environmental protection ·Product and service quality assurance ·Antitrust and fair competition ·Compliant operations 	<ul style="list-style-type: none"> ·Merchant onboarding ·Contracts & agreements ·Site visits ·Surveys and questionnaires ·Daily communications & support 	<ul style="list-style-type: none"> ·Daily communications and support ·Contracts and agreement ·Periodic surveys and questionnaires, on-site visits, closed-door meetings, and support programs

Stakeholder Group	Key Areas of Interest	How We Engage	Frequency in 2022
Riders	<ul style="list-style-type: none"> ·Rider health and safety ·Product and service quality assurance ·Customer service and complaint management ·Information security and privacy protection 	<ul style="list-style-type: none"> ·Customer service channels ·Regular surveys and feedback ·Training 	<ul style="list-style-type: none"> ·Periodic rider care activities ·Periodic face-to-face meetings with rider in each city ·Periodic rider satisfaction surveys
Government & Regulators	<ul style="list-style-type: none"> ·Compliant operations ·Anti-Corruption ·Antitrust and fair competition ·Public welfare ·Energy management ·Water resource management ·Sustainable packaging 	<ul style="list-style-type: none"> ·Information disclosure and reporting ·Company visits ·Project cooperation ·Supervision and inspection 	<ul style="list-style-type: none"> ·Regular communication and reporting ·Periodic on-site supervision and inspection ·Periodic participation in seminars
Media	<ul style="list-style-type: none"> ·Product and service quality assurance ·Customer service and complaint management ·Information security and privacy protection ·Rider health and safety ·Supplier and partner management ·Social public welfare ·Response to climate change ·Carbon emissions management 	<ul style="list-style-type: none"> ·Daily communications ·Monitoring and responding to public opinion ·Public disclosures ·Interviews ·Participation in offline and online forums 	<ul style="list-style-type: none"> ·Regular public opinion monitoring and response ·Periodic communication ·Periodic media interviews ·Periodic engagement in offline and online media events
Industry Associations	<ul style="list-style-type: none"> ·Supplier and partner management ·Compliant operations ·Anti-Corruption 	<ul style="list-style-type: none"> ·Participation in Industry events such as forums and summits ·Participation in industry standard setting ·On-site visits 	<ul style="list-style-type: none"> ·Periodic industry activities

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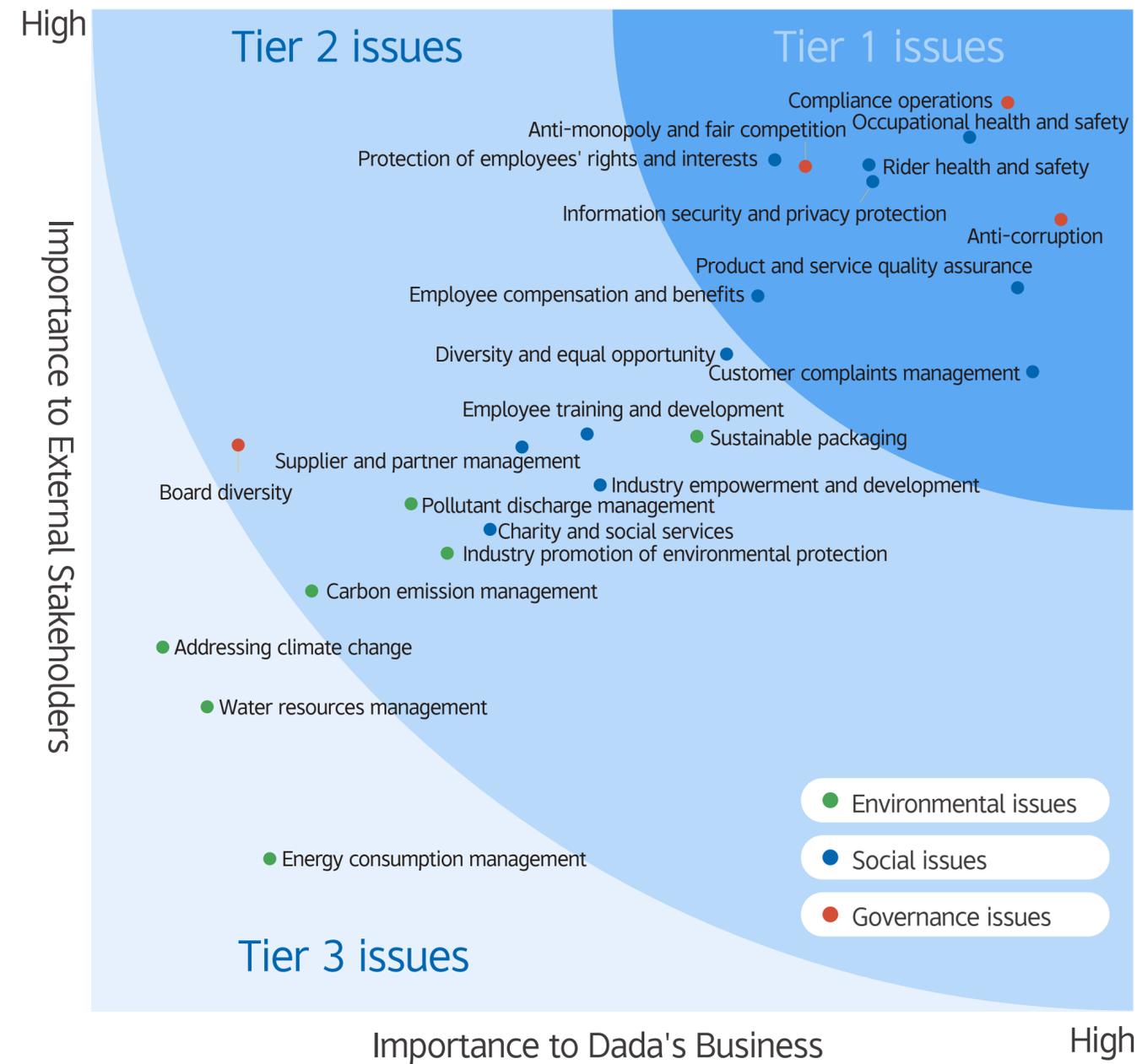
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Materiality Identification: After reviewing questionnaire results, conducting research via public information and referencing best global practices, we integrated concerns from various stakeholder groups and identified 22 key ESG issues. Using the “double-materiality” approach, which considers the significance of each key issue to both the Group and stakeholders, we ranked these issues to create a materiality matrix. Based on this matrix, we devote ongoing efforts to implementing action plans and improving disclosure quality.



Dada Group's ESG Materiality Matrix

Environment	
No.	Issues
1	Energy consumption management
2	Water resource management
3	Carbon emissions management
4	Sustainable packaging
5	Pollutant discharge management
6	Industry-wide promotion of environmental protection

Governance	
No.	Issues
1	Compliant operations
2	Anti-corruption
3	Antitrust and fair competition
4	Board diversity

Society	
No.	Issues
1	Product and service quality assurance
2	Customer satisfaction
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	Public welfare

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02 Nurturing Talent for Greater Business Value



2022
DADA GROUP
ESG

🌀 Nurturing Talent for Greater Business Value

Our employees are the key drivers of our sustainable corporate development and success. We ensure the basic rights and interests of our employees and foster a sense of unity through a diversified and fair employment policy, science-based training and promotional system, competitive incentives, and a healthy and supportive work environment. This enables our employees to become the strongest driving force behind our sustainable business growth.

Talent Attraction

Our Commitment

At Dada, we prioritize the development and well-being of our employees as crucial strategic resources for our sustainable corporate development. We address employee needs and cultivate a compliant, inclusive and equitable workplace through the continuous improvement and standardization of our human resource management practices. Additionally, we offer competitive salaries and benefits to attract and reward high-caliber talent.

Our Governance

We adhere to international conventions such as the *ILO Declaration on Fundamental Principles and Rights at Work*, the *Ten Principles of the UN Global Compact*, and the *UN Guiding Principles on Business and Human Rights*. We also comply with the *Labor Law of the People's Republic of China* and other applicable laws and regulations in our operating locations and ensure legal, compliant, and fair employment practices through our internal management policies such as the *Dada Group Regulations on Recruitment Management*. Through these efforts, we aim to ensure mutually beneficial outcomes for both our company and our employees.

Our Management Approach

Employees are essential for ensuring our development. Guided by this principle, we are committed to fostering an environment of equality, fairness, and inclusivity. We achieve this through equitable and diverse recruitment campaigns, standardized and comprehensive protection of employees' rights and interests, and competitive compensation packages. By identifying, attracting, and retaining talent, we continuously infuse our business development with vitality.

Recruitment

Continuously expand recruitment channels to engage talents widely

Employees' rights and interests

Protect employees' rights and interests and shape a diverse, respectful and inclusive workplace

Salaries and benefits

Satisfy differentiated needs of employees while being incentive-oriented

Recruitment: To effectively support the growth of our business, we strategically maintain a pool of talent directly aligned with our internal requirements and actively engage with a diverse range of talent to bridge any skill gaps. We utilize various online and offline recruitment channels such as campus recruitment, job fairs and competency-based job transfers, to continuously strengthen our talent pool and drive the high-quality development of our business.

Dada recruits and hires talent based on merit, ensuring fairness, objectivity, and standardization of all hiring activities. **Our internal rules, including the *Employee Handbook of Dada Group*, explicitly reject any form of discrimination and strictly prohibit practices such as child and forced labor. We are committed to safeguarding the rights and interests of job applicants, providing them with legal, fair, equal and transparent job opportunities.**

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We prioritize the well-being of **disadvantaged groups**. We actively promote employment opportunities for individuals with disabilities which accounted for nearly 1% of our workforce by the end of 2022.

We regularly provide training programs for interviewers at Dada to enhance recruitment efficiency and quality. These programs also reflect our image as an inclusive and humble company to potential recruits.

Employee Rights and Interests: Our internal guidelines, including the *Dada Group Employee Handbook*, explicitly prohibit any discrimination against gender, age, race, nationality, religion, ethnicity, sexual orientation, or illness in hiring, promotion, compensation, and redeployment. We also respect employees' freedom of association, ensuring a fair, transparent, diverse, respectful, and inclusive workplace.

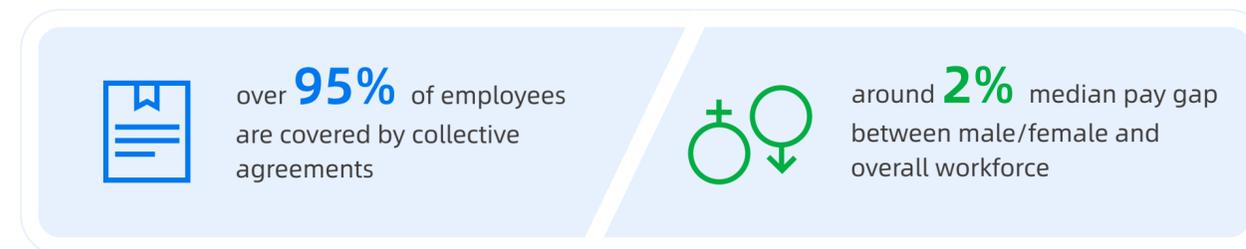
Furthermore, we have entered into collective agreements with employees through our trade union to ensure their rights and interests. During the reporting period, **over 95% of our employees were covered by such agreements.**

We ensure equal pay for equal work and prioritize fairness in areas such as promotions, compensation packages, and other benefits. We regularly review and analyze salary metrics to guarantee that male and female employees receive equal pay for comparable positions, experience and performance. **In 2022, the difference between the median salaries of male/female employees and the entire workforce was approximately ±2%. This demonstrates our commitment to safeguarding the equality rights of all employees.**

2022	Gender	Difference between the median salary of entire workforce and male/female employees	Difference between the average salary of entire workforce and male/female employees
Total workforce	Male	2.2%	5.0%
	Female	-2.1%	-7.4%
-Junior employees	Male	-2.4%	-0.6%
	Female	5.9%	0.8%
-Senior employees	Male	3.8%	4.9%
	Female	-7.7%	-7.8%
-Top management	N/A	N/A	N/A

Note: Calculated as (Median or average salary of male or female employees - Median or average salary of entire workforce) / Median or average salary of entire workforce × 100%.

Furthermore, we develop and regularly update internal guidelines aligned with labor contracts and applicable laws and regulations to **continuously optimize the offboarding process and provide compliant severance pay to departing employees, ensuring the protection of their rights and interests as well as ours.**



Compensation and Benefits: Our employee's compensation is comprised of a fixed salary and short- and long-term incentives. We annually review and adjust the fixed salary to align with market standards. **As an incentive-driven organization, we have implemented a variable compensation system for all employees, with performance metrics tailored to different positions. This allows us to meet our employees' diverse and individual incentive requirements.** Additionally, we offer a performance-based employee incentive plan for middle and senior management as well as top-performing frontliners, to drive their motivation and active engagement in the company's growth.

We prioritize employee needs and offer statutory insurance and housing provident funds to all of them. We have established comprehensive group-wide benefit policies that include healthcare, subsidies, gifts and policy guarantees to support employee recruitment, retention, and motivation. Additionally, we established a charity fund that accepts voluntary contributions from employees and departments to provide financial assistance to colleagues who face significant illnesses, accidents, or family hardships. This initiative aims to foster a compassionate and supportive workplace.

Salary benefits	Endowment insurance, medical insurance, maternity insurance, unemployment insurance, employment injury insurance, and housing provident fund	
Non-Salary benefits	Healthcare	Supplementary medical insurance, regular medical check-ups
	Work subsidies and paid leave	Subsidies for dinner and transportation related with overtime work, cellphone, etc.; Paid leaves for parental purposes etc.
	Gifts and care during events	Survivor benefits, wedding gifts, pregnancy gifts, birthday gifts
	Other life services	Household registration, relief fund, housing security fund

Employee Benefits Provided by Dada Group

Our Progress

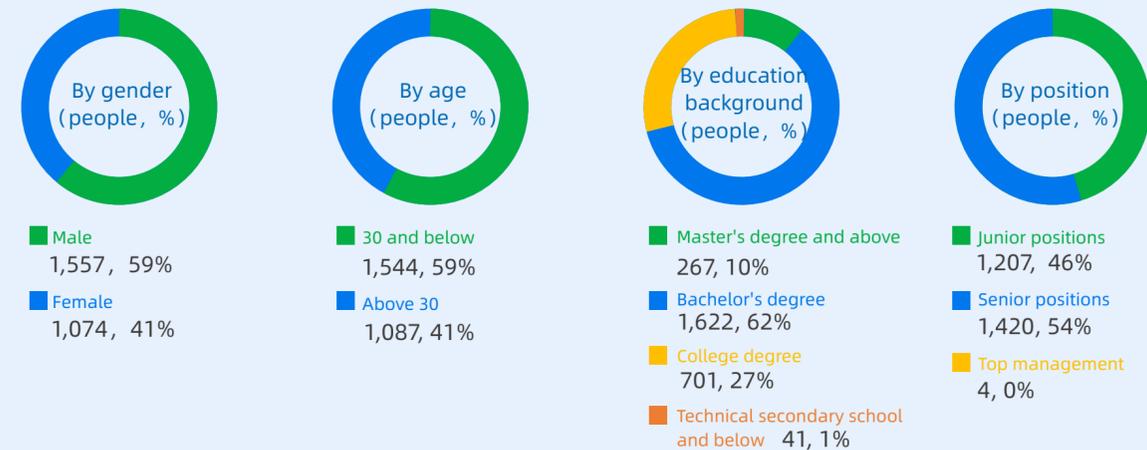
Amidst the complex macroeconomic landscape in China and increased operational uncertainties in 2022, Dada implemented measures to improve cost efficiency. By optimizing employee operational productivity, we aim to drive business growth in a healthier, more agile, and efficient manner. Consequently, our headcount decreased to 2,631 employees at the end of 2022 when compared to last year. However, we continued to actively recruit top talent to sustain organizational vitality and drive growth. In 2022, we onboarded nearly 400 new employees with approximately 50% being female.

Dada Campus Recruitment: Project Supernova

During the reporting period, Dada Group launched Project Supernova, a campus recruitment and talent training initiative. This project identifies exceptional graduates across the globe who demonstrate enormous potential for rapid growth and professional development. To ensure success at the beginning of their careers, we offer competitive compensation, attractive benefits, clear promotion pathways, personalized development plans, mentors, and comprehensive learning resources.



By the end of the reporting period, Dada Group had 2,631 employees. Breakdowns by different segments are set out below:



To motivate our employees, we implemented a KPI-based variable compensation system for everyone. Additionally, we also put in place an equity incentive plan for top performers. By the end of the reporting period, Dada Group granted shares to 468 current employees, representing 18% of the year-end workforce.

In the current competitive job market, talent is highly mobile and frequently jump across different businesses. However, our robust systems for protecting employee rights, ensuring fair compensation, and fostering a supportive work environment have helped us to retain talent effectively. In 2022, 481 employees resigned, representing a voluntary turnover rate of 16.7% (calculated as number of employees resigned divided by average number of employees at the beginning and end of the period), a significant decrease of 6 percentage points when compared to last year..



Employee Development

Our Commitment

Our talent pool is the cornerstone for corporate development and the driving force behind innovation and growth. At Dada, we are dedicated to attracting and uniting people who are passionate about our business, and strive to motivate them through performance assessments in an effort to continuously nurture top-performing and high-potential talent. By providing employees with a broad stage for their development, we aim to actualize our vision of mutual development for both the Group and our employees.

Our Governance

We uphold the philosophy of providing customized training programs that cater to the specific needs of businesses and employees. Through extensive research and analysis of talent development across multiple channels, we design annual training plans that effectively enhance professional skills and overall competency.

Our Group has established a transparent performance appraisal mechanism to assess employee performance. We conduct quarterly and semi-annual performance evaluations in accordance with the *JD Retail Sub-Group Performance Management Regulations*. These evaluations serve as a basis for promoting employees in line with our *Promotion Process and Guidelines*, which are designed to assist employees in shaping their career paths. Additionally, we have implemented an *Internal Employee Transfer Mechanism* and other relevant management systems to encourage employees to continuously explore their potential and maximize their contributions. These mechanisms provide opportunities for employees to seek new challenges and grow within the organization.

Our Management Approach

We have implemented a robust training system that empowers employees to effectively unlock their potential and elevate their overall competence. Meanwhile, we have established a performance evaluation management system that ensures fairness and transparency. Through regular evaluations, we assess employee performance and provide constructive feedback to support their growth and development so that they can grow along with the Company.



Employee Training: In accordance with our annual training plan, we offer a comprehensive range of long- and short-term training programs that are specifically tailored to meet the unique needs of both our business and employees. Our aim is to support employees at different stages of their careers, enabling them to quickly and effectively adapt to their roles, while simultaneously enhancing their professional skills and overall competence. **We offer various types of training including new employee training, general training, professional skill training and leadership training** to help enhance their career development, as well as **special training on anti-corruption, information security, etc.** **Through our comprehensive training initiatives, we foster a dynamic learning environment that not only supports employees' career development but also bolsters our corporate governance framework.**

Training modules	Descriptions
New employee training	·A series of onboarding courses designed to quickly familiarize new recruits with the working environment and their job responsibilities and align them with the value propositions of the Company.
Graduate training	·To help graduates better adapt to their new identity as working professionals, we introduce tutoring programs and engage them in project practices to enhance their professionalism. We also provide diverse training on different professional skills, enabling them to grow into high-caliber talent.
General training	·We provide a variety of general training courses on and offline on different themes suited for all levels of employees to address everyday issues at work and strengthen their professionalism.
Professional skill training	·We attach great importance to professional competence for all positions and encourage employees to continuously excel in their expertise. Through extensive courses offered in the formats of e-learning, offline sessions, coaching, and live streaming, we aim to give full support to their professional accreditation.
Leadership training	·We provide tailored enhancement courses for all managerial employees to help them improve their management skills and transform their management mindsets to better adapt to new roles brought by promotions. ·We also include leadership training for non-managerial employees to help them experience different perspectives and lay the foundation for their future career development. ·Currently, our leadership training has covered all our employees.
Other special trainings	·Besides business competence training, we also offer special courses to raise employees' awareness of risk management, anti-corruption, compliance, information security protection, etc.

Training Modules for Dada Employees

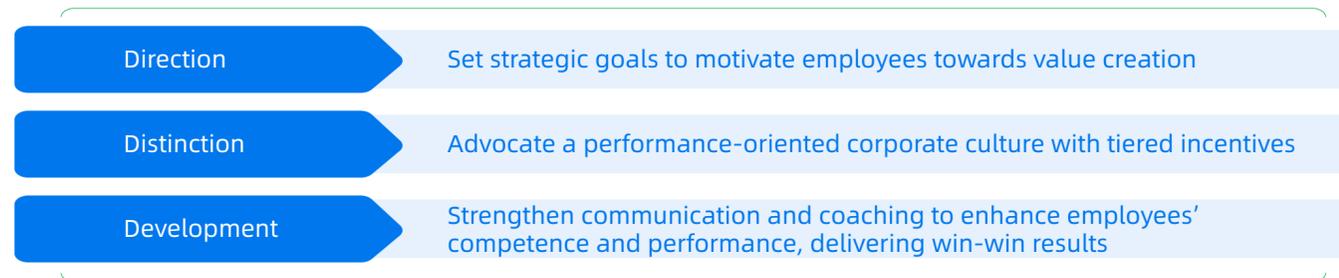
Additionally, we offer personalized development programs that are designed to cater to the unique learning status, daily performance, goals, and assessment results of each employee. These programs encompass a range of strategies, including job rotation, challenging assignments, mentorship, developmental feedback, executive sharing, and internal classroom learning. By providing a diverse array of development opportunities, we empower our employees to grow in a manner that aligns with their individual preferences and strengths.

We also encourage employees to actively participate in external training and development opportunities. **All employees are eligible to apply for support in academic and professional certifications, including but not limited to financial allowances and paid holidays,** to pursue their long-term plans for personal career development.

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Performance Evaluation: We conduct regular performance evaluations on a quarterly and semi-annual basis to assess employees' competencies. On top of performance evaluations, we launch multidimensional performance appraisal program "360 Degree Feedback" once a year for employees to receive feedbacks from both leaders and colleagues within and across department. These evaluations incorporate various elements such as self-reviews, feedback from leaders, and objective scoring based on position requirements. This comprehensive approach ensures that employees receive fair promotion outcomes while gaining valuable insights into their own competitiveness. It also enables them to proactively prepare for sustained personal growth, thereby contributing to the overall development of the Company.

To reinforce a positive incentive framework, we remain committed to implementing the 3D (Direction, Distinction, Development) principle of performance management. This principle serves as a cornerstone for enhancing the systematic and standardized nature of our employee performance management processes.



Dada Group's 3D Principle of Performance Management

Promotion and Development: At Dada, we uphold a steadfast commitment to selecting talents through an open, fair, and equitable process, providing transparent career development opportunities for our top-performing individuals. We believe in fostering an environment where employees can thrive and advance based on their professional and managerial capabilities. To facilitate this, we have established promotion cycles twice a year, allowing employees to pursue vertical advancement within the Company.

Furthermore, we recognize the importance of horizontal mobility and encourage our employees to explore different positions that align with their skills and aspirations. Through our internal transfer mechanism and diverse horizontal development channels, individuals have the opportunity to broaden their career paths and embark on a journey of self-improvement. In addition, by participating in general or specialized training courses, employees can enhance their expertise and compete for positions through internal reshuffling and healthy internal competition.

Moreover, we conduct a comprehensive talent inventory assessment for all our employees, aimed at identifying their individual strengths, areas for improvement, and developmental suggestions.

This process enables us to formulate effective internal talent development and training strategies, thereby driving the accelerated growth of our workforce.

By analyzing the results of the talent inventory, we can **identify suitable candidates for various management positions within the organization. We then create customized training and development plans that focus on enhancing their leadership, business acumen, and other relevant capabilities.** These plans are designed based on the anticipated succession timeline, ensuring a robust pipeline of skilled individuals to support the successful implementation of our corporate strategy.

Our Progress

During the reporting period, we organized multi-dimensional training sessions of various levels to holistically enhance the general skills, leadership, and professional skills of our employees.

General Training: Online Courses to "Recharge" Employees

Since April 2022, Dada's online learning platform Dadao Learning Hub has introduced a 'Courses Recommended for You' Program, which recommends courses to employees that cover 4 sections including project management, technology R&D, career development and team management. Employees can choose courses freely to learn via course videos or graphics to keep improving themselves after work, which substantially consolidated their knowledge base. During the reporting period, the general courses online were leant by employees for more than 3,000 times.

Graduate Training: Empowering Newcomers to Thrive in the Workplace

In 2022, we proudly continued our initiative of the Supernova Project city camp that is exclusively designed for graduates. This program aimed to foster cultural integration, enhance business understanding, and facilitate professional transformation among graduates. Throughout the camp, we conducted a series of empowering activities including industry sessions, strategic planning workshops, comprehensive business introductions, and professional competence and skills enhancement sessions. These courses received a satisfaction score of 10 out of 10 from participants, with the NPS reaching 100%.



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Leadership Training: The Sailing Program for Logistics Business

Throughout the reporting period in 2022, we successfully implemented the Sailing Program, a management empowerment and leadership training initiative targeting employees from Dada Now's last-mile service, KA service, R&D, and other functional areas. The program received a high satisfaction rate of 95% for the instructors involved. The Sailing Program also created a comprehensive set of courses, designed to enhance participants' management capabilities. These courses included Performance Management, Target Setting and Breakdown, Performance Evaluation and Feedback, and Advanced Communication.

By offering this diverse range of training modules, we aimed to establish a solid foundation for aligning management concepts and improving management skills among the participants.



During the reporting period, through a variety of trainings including business training, general training, and compliance training, in diversified forms such as live streaming, offline activities, and online course library, we achieved a 100% training coverage rate for employees.

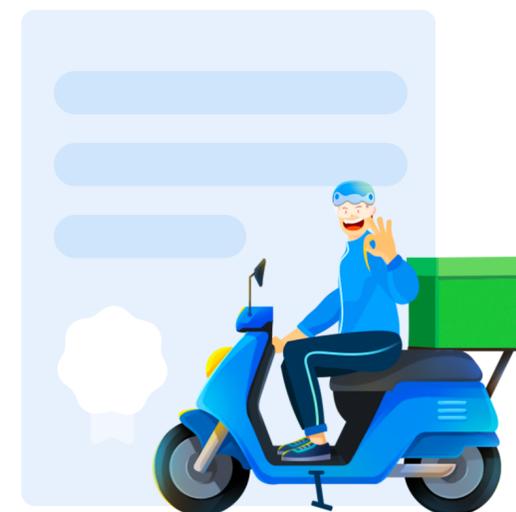
In addition, in 2022, we conducted regular performance evaluations and talent inventory assessment for all employees. These evaluations served as the foundation for employee promotion and development decisions. We launch group-wide promotion activities twice a year. For example, in the second promotion season in Fall 2022, 332 employees, representing 13% of the workforce, were successfully promoted to higher positions.

Professional Skill Training: Dedicated Training Project "My Model"

In 2022, we proudly continued the implementation of our special training program "My Model." This program was designed to provide employees with valuable insights and knowledge by inviting internal experts from various fields to share their business expertise and industry insights. The aim was to enhance employees' understanding of the business and improve their analytical capabilities within their respective industries.



Through a combination of online and offline sharing sessions, these internal experts shared their own real-life cases and experiences, inspiring employees to identify with their own professional journeys. The program attracted over 1,800 participants during the reporting period. We are pleased to report a high satisfaction rate of 97.57% among the attendees, highlighting the effectiveness and value of the My Model training sessions.



100% of employees are covered by trainings



13% of employees are promoted in one of the two promotion seasons

Employee Care

Our Commitment

At Dada, we highly value and acknowledge the contributions of our employees. We are dedicated to establishing and enhancing a comprehensive employee care mechanism that prioritizes open communication and responsiveness through various channels. Our objective is to cultivate a safe, supportive, and pleasant working environment that truly reflects our commitment to providing exceptional care to our employees, making them feel warm in a family-like manner.

Our Governance

Dada prioritizes compliance with applicable laws and regulations, including the *Workplace Safety Law of the People's Republic of China*. To ensure work safety, we have established internal management measures such as the *Regulations of Dada Group on Work Safety Troubleshooting* and the *Regulations of Dada Group on Work Safety Responsibility*. We have also set up a Work Safety Commission that conducts regular meetings to oversee safety management and supervise internal safety and health measures at the senior management level. We are committed to continuously enhancing our workplace safety measures. Departments are assigned specific work safety responsibilities and safety indicators are incorporated into performance evaluations. Additionally, we appoint departmental heads and part-time safety officers to oversee work safety matters in each region and city station, ensuring individual accountability for work safety.

Furthermore, we prioritize establishing an effective communication mechanism aligned with the *Employee Handbook of Dada Group*. Upholding the principle of open and transparent communication, we actively engage with our employees and integrate humanistic care into our corporate governance practices. This approach aims to foster a heartwarming, friendly, and healthy working environment for our employees.

Our Management Approach

We prioritize the enhancement of our occupational health and safety management system, implementing proactive measures to safeguard our employees' well-being. We actively expand communication channels to foster open dialogue and strive to build a harmonious team culture through various caring activities. These initiatives aim to strengthen employees' sense of engagement and belonging in our corporate development while fostering strong team bonds.



Health and Safety: To ensure comprehensive employee health and safety management, we conduct proactive safety inspections and promptly address any identified issues. By taking thorough rectification measures, we mitigate safety risks and eliminate hidden dangers at their source. Our approach encompasses a holistic work safety management system, incorporating preventive measures, in-process intervention, and post reviews. Through these efforts, we prioritize the all-round protection of our employees' occupational health and safety.



Dada Group's Work Safety Management Procedure

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Open Communication: We prioritize the voices of our employees within the Group by fostering equal dialogue among all team members, including superiors and subordinates. We actively gather employee opinions through regular departmental meetings, ensuring follow-up responses to each category. Additionally, we organize frequent exchanges to encourage employees to express their ideas, which are then incorporated into our corporate development, fostering a sense of belonging and driving continuous improvement.

We also value employee feedback and provide multiple channels for their input, such as Admin, IT, and HR. We promptly address their difficulties and needs, making necessary corrections to create an open and inclusive workplace. Furthermore, we invite all employees to contribute their questions and suggestions for corporate development through activities like all-hands strategic meetings and face-to-face meetings with executives.

Humanistic Care: We care greatly about the well-being of our employees and offer annual medical check-ups, flexible health insurance plans, and a range of cultural and sports activities to alleviate work stress and promote work-life balance. Furthermore, we regularly organize team-building activities to strengthen organizational bonding and teamwork.

Our Progress

Regarding occupational health and safety, we are pleased to report that no work-related fatalities occurred during the reporting period. In addition, our Lost Time Injury Frequency Rate (LTIFR, defined as number of lost time injuries occurred per 1 million hours worked) decreased from 1.32 in 2021 to 0.40 in 2022, representing a year-over-year decrease of 70%. This achievement can be attributed to our robust occupational health and safety management mechanism.



Regarding open communication, in 2022, we enhanced internal employee communication through various initiatives, including fresh activities such as all-hands meetings and executive face-to-face meetings. These efforts fostered an equal communication environment for all employees.

"Hi, Jeff" - Face-to-Face Meeting with Executives

In light of employees' demand for face-to-face communication with executives, we launched the "Hi, Jeff" activity in 2022, where employees signed up to communicate and interact with Jeff Huijian He, President of the Company, and freely exchange their ideas on strategy, business, organization, talent and culture. Once launched, it was warmly received among our employees. We are further optimizing the communication mechanisms to make it a more frequent activity between executives and employees.



To deepen the communication with employees, we continuously carry out satisfaction surveys, and optimize our organizational structure and management approach based on employees' opinions.

Dada Group Employee Satisfaction Survey

Starting from Q4 2022, we have been conducting employee satisfaction surveys that focus on three aspects, i.e., organizational capability, organizational culture, and organizational mechanism, aiming to fully understand employees' real thoughts and feedback. 4.35 out of 5 points was obtained in the Q4 survey of 2022, indicating high recognition and support among employees.

Meanwhile, we tracked and analyzed the survey results in each of the three aspects, and formulated targeted improvement plans for weak spots. During this reporting year, our improvement plans iterated from employees' feedback included establishing one-on-one tutoring programs for key talents, and strengthening the incentive mechanism for employees.

Regarding humanistic care, flexible working hour is feasible for all employees, and working-from-home is allowed when necessary. In addition, in 2022, we held a variety of cultural and sport activities to enrich the life and relieve the stress for our employees, including kick-off ceremonies, Mid-Autumn Festival family gifts, New Year family gifts, Programmer's Day on October 24, and anniversary celebrations, among others.

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Snapshots of Various Activities at Dada - Lantern Festival, Anniversary Celebration, Mid-Autumn Festival, and Double 11 Shopping Festival



We also provide timely and diverse caring measures to meet the unique needs of our employees. For example, we have established dedicated baby-care rooms for female employees requiring such facilities. Additionally, we offer living and financial support to employees facing major diseases or difficulties.

03

Serving Users to
Enhance Product Value



2022
DADA GROUP
ESG

🌀 Serving Users to Enhance Product Value

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Dada is devoted to providing high-quality products and services. Leveraging technologies, we ensure our service and product quality through promoting innovation and protecting intellectual property. Additionally, as part of our long-lasting efforts to fulfilling social responsibilities, we adhere to the principle of Users Come First and efficiently enhance the quality management of the products on our platform and the service we provide, so as to protect the rights and interests of users on all fronts.

Product Innovation

Our Commitment

In consistent adherence to the principle of technology inclusion, capability sharing and win-win cooperation, Dada sees user needs as the drivers of product innovation, which enables us to win the market and establish our foothold. Building upon that, we keep leveling up our technologies, especially the core ones, to further reinforce the foundation of product innovation, create smart products, and stay on top of changes in the on-demand retail and delivery industry.

Our Governance

Dada Group strictly abides by the *Law of the People's Republic of China on Progress of Science and Technology* and other relevant laws and regulations of all countries and regions in which we operate. We have established the Dada Now Technology Committee to pursue technology breakthroughs so as to facilitate our category expansion and delivery efficiency improvement, thereby promoting high-quality growth and empowering real economy.

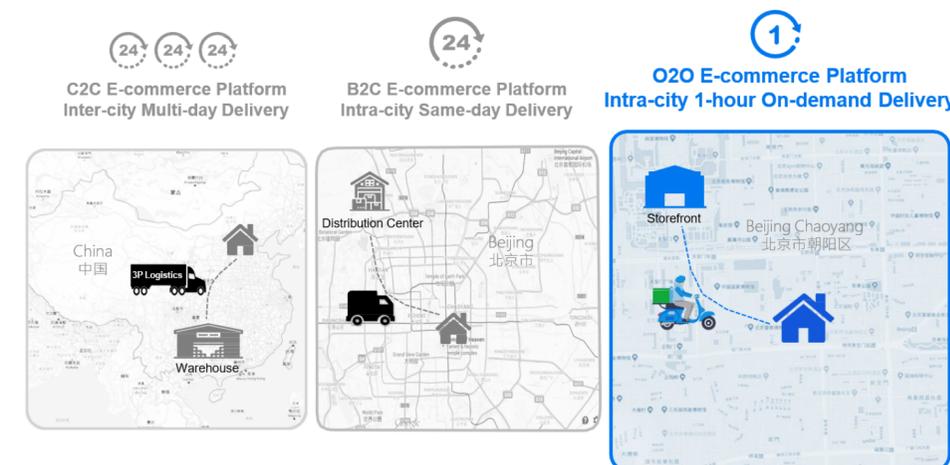
Our Management Approach

Committed to innovation-driven development, Dada Group motivates employees to innovate and aims to fully unleash their potential for innovation by making innovativeness one of the performance indicators in the employee evaluation system and one of the determinants of their remuneration. To further improve the Company's strength in technological research, we also regularly hold offline sharing sessions including Dada Now Delivery Technology Class and Dada TECH Talk, as well as competition event such as Hackathon, for employees to share experiences, best practices, and tools in using technologies, and brainstorm innovation and R&D ideas. These activities have enhanced employee innovativeness and lifted the Company's innovation atmosphere.

Our Progress

As of the end of 2022, the percentage of R&D staff in Dada Group remained close to 30%. Our ability to attract and retain R&D talents has become the fundamental driver for the continuous product innovation.

In 2014, DadaNow built a crowdsourcing-based on-demand delivery network, providing solid fulfillment infrastructures for O2O services. In 2015, JDDJ launched an on-demand retail platform that enables consumers to get physical merchandise within one hour other than food delivery, ushering in a new era of on-demand consumption that delivers everything to the doorstep.



Dada Group Leads Business Model Innovation to Promote the Shopping Experience Upgrade From Long- to Micro-Distance E-Commerce

On top of the business model innovation, Dada actively promotes technological R&D to improve our own operating efficiency and empower partners. For instance, we launched the mid-end operating system Haibo, the digitalized picking solution Dada Picking, and the autonomous delivery open platform, to boost digitalization across the industry value chain.

Quality Management

Our Commitment

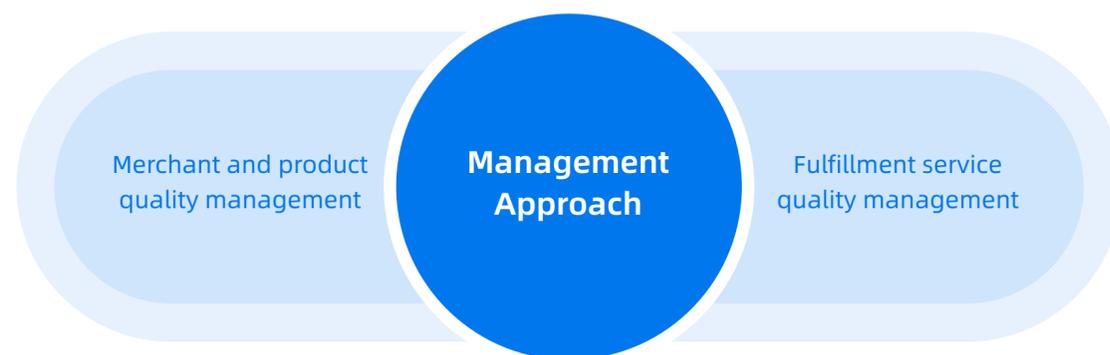
A solid assurance of product and service quality is a clear manifestation that we take the responsibilities for users seriously. It is also a long-held development principle the Company follows. At Dada, we focus on improving merchant quality management on JDDJ platform, while keeping a firm hand on platform content and product quality, so as to provide users with solid product quality guarantee. Meanwhile, we continue to optimize the quality of our customer service and delivery services. Through the comprehensive oversight over product and service quality, we are committed to providing premium shopping experience to users, and facilitating high-quality growth in the industry.

Our Governance

Dada strictly follows laws and regulations including the *Law of the People's Republic of China on Product Quality*. In addition, we have formulated internal management standards, which we firmly stick to or encourage our partners to comply with, such as the *Service Management Rules for Stores on JDDJ and Shop Now*, *Price Management Standards on JDDJ Platform*, *JDDJ Platform Service Agreement*, and *Service Quality Management Process for Crowdsourced Riders*. These guidelines have further specified the responsibilities of our partners and our platform to help us improve the quality of the products on our platform and the services provided by us.

Our Management Approach

Dada Group keeps enhancing the quality management practices by focusing on two dimensions, i.e., merchant and product quality management, and fulfillment service quality management, to comprehensively improve our product and service quality.



Merchant and Product Quality Management: To fully meet user demands and provide better services, JDDJ, as an on-demand retail platform connecting offline merchants and online consumers, keeps improving its merchant management system to better guide merchant behavior, including continuously upgrading and implementing our rules and guidelines such as operations management standards, merchant code of conduct, and merchant credit score.

Specifically, JDDJ **has in place a merchant screening process as the first line of protection for product quality on the platform**. Currently, JDDJ has partnered with most of the leading brick-and-mortar chain retailers across various categories. For example, in the supermarket category, 90 out of the top 100 supermarket chains have onboarded JDDJ. In 2022, the number of active merchant stores on JDDJ surpassed 220,000, an increase of 50% year-on-year, most of which are stores operated by chain retailers. **In the process of merchant onboarding**, JDDJ requires merchants to provide qualification materials in accordance with the platform's instructions for store opening, and only after the materials are validated can the store be launched. **After a merchant is admitted to the platform**, we will conduct constant reviews to ensure compliance, including timely supervision over updates of principal place of business, the appropriateness of product scope and store names, etc. In addition, we fine-tune our supervision, training and management measures to cater to merchants and stores in different segments based on our internal merchant classification and grading standards. For stores with leading scores in sales and quality indicators, JDDJ will tag them as Quality Store, Quality Fresh Store, Quality Cosmetics Store, etc., allowing consumers to quickly find high-quality stores in different categories. Furthermore, JDDJ has established **store credit score rule**, which rates the service quality of stores based on five fundamental indicators, i.e., picking fulfillment rate for merchants opting in for platform delivery, delivery fulfillment rate for merchants choosing self-delivery, out-of-stock rate, after-sales rate related with merchant responsibilities, customer feedback for after-sales with merchant responsibilities, and some other additional indicators. Favorable policies in resource allocation including store ranking and subsidy distribution will be given to merchants with a high credit score.

As for product management, JDDJ continuously monitors and manages the merchandises listed by the merchants in terms of factors including product description and pricing. For product description, we regularly review the product detail pages to avoid exaggeration. For pricing related tool and rules, we have built capability for merchants to compare prices with peers in or outside the platform, which helps them set competitive prices. In addition, during the COVID-19 pandemic, to provide consumers with daily necessities at reasonable prices and protect their interests, JDDJ ensured that, for daily essentials such as protective equipment, rice, flour, cooking oil, meat, eggs, vegetables, and fruits, the price increase stayed below 30%, through a combination of price monitoring tools and manual review.

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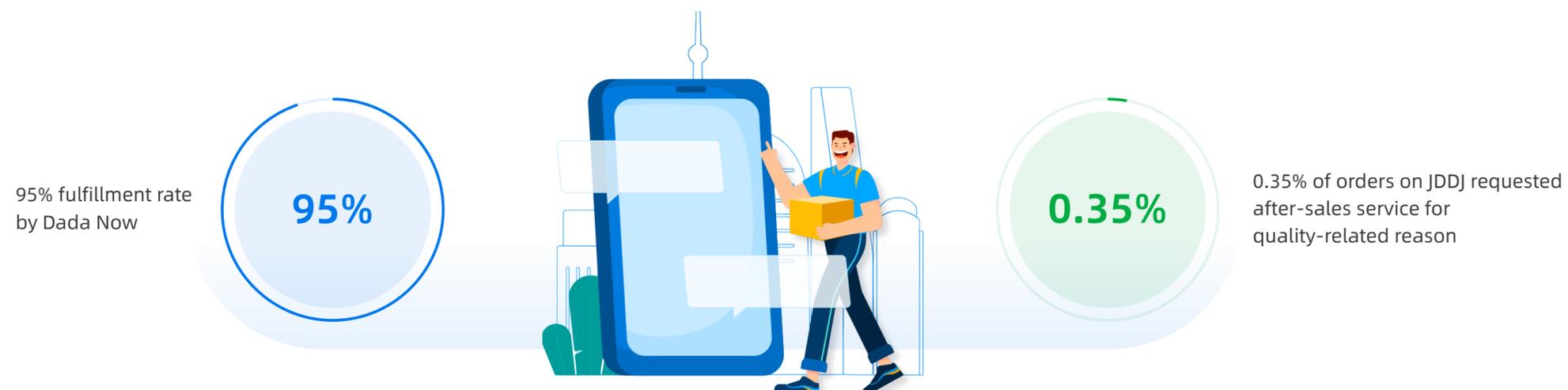
Fulfillment Service Quality Management: As an on-demand delivery platform connecting riders and consumers, Dada Now not only continuously optimizes its delivery service, but also extends from delivery to the upstream warehousing management and picking service, so as to enhance user experience and improve the efficiency and service quality of the whole O2O fulfillment value chain.

Specifically, Dada stays committed to technology innovation to ensure the quality and efficiency of delivery services. Through rider training, upgrade of order-taking model, optimization of the dispatching system, and vertical industry fulfillment solutions, we aim to provide merchants and consumers with reliable and efficient delivery services. Meanwhile, we put in place a rapid response and resolution mechanism at both headquarter and city level that integrates efforts from various departments including merchant operations, fulfillment operations and back office, so as to further improve delivery quality. On top of the delivery service, we also strive to empower merchants across the whole O2O fulfillment value chain, via strengthening our digital capabilities in warehousing management and in-store picking to launch the one-stop integrated fulfillment solution.

Our Progress

In terms of merchant and product quality management on JDDJ, with our **screening mechanism before partnership, qualification check in the onboarding process, as well as granular quality management measures during the partnership, the percentage of orders on JDDJ that requested after-sales service for quality-related reason remained low at 0.35% in 2022.** In addition, during the pandemic, **the proportion of products with price increase among key merchants on the platform was less than 1%** thanks to our effective price monitoring measures.

In terms of fulfillment service quality management, in 2022, the fulfillment rate of intra-city on-demand orders on Dada Now, which measures the proportion of orders delivered within pre-determined time frame, reached 95% on average, and the average delivery time was less than 30 minutes.



User Experience

Our Commitment

At Dada, we are fully aware that deep insights into user demands and experience are the key and core in our endeavor to create sustainable business values. Guided by our principle of Users Come First, we keep up with the customer demands. While we strive to improve our service efficiency through a variety of detail-oriented measures, we also focus on optimizing shopping experience through thoughtful approaches, thus building a competitive moat that stems from high-quality services and differentiated user experience.

Our Governance

In stringent adherence to laws and regulations such as the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and the *E-Commerce Law of the People's Republic of China*, Dada Group has formulated detailed rules and processes that focus on enhancing user experience under various scenarios. We aim to continuously improve user experience and satisfaction in a granular and comprehensive manner, to create a sustainable and virtuous cycle between consumers and Dada.

Our Management Approach

To improve user experience, JDDJ continues to upgrade App function and interface design across the lifecycle of an order. Before users place orders, the experience to get everything they see is important. Accordingly, we adjusted our algorithm to minimize the display of out-of-stock goods through downgrading the traffic weight of out-of-stock items among search results. After an order is placed, whether users are able to update their information is also important. Accordingly, we expanded the order information modification function to allow users to make a change at any time before a rider picks up the order, which helps improve user experience and reduce order cancellation rate. After an order is delivered, after-sales experience becomes crucial. In case of a quality issue, users can apply for after-sale services on the order detail page on the App, and the after-sale order will be forwarded to the merchant or the platform for review and processing. After reaching agreements with the merchant, users can apply for refund without returning the products.

In addition, JDDJ newly launched the partial-refund function that allows proportionate refund in categories such as fresh fruits, vegetables, and meats, which has not only enhanced user experience, but also reduced the potential loss for merchants by minimizing the scenarios of refund without returns.

In addition, **to make after-sales process smoother, we are implementing the “After-Sales Within 100 Minutes” initiative**, which aims to shorten the lead time for every step of after-sales service, including platform and merchant review, pickup of refunded order by riders, confirmation of receipt of refunded orders by merchants, and refund settlement.

Our Progress

In 2022, through improvement measures in out-of-stock display, order modification process, reverse logistics capability, after-sales service, fulfillment service, etc., user experience was significantly enhanced, with the percentage of unsatisfied orders on JDDJ during the non-pandemic period (take June 2022 as a typical month) decreasing by 0.5 percentage point year-on-year. In addition, the satisfaction rate of after-sales orders on JDDJ reached 80% in 2022.



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User Communication

Our Commitment

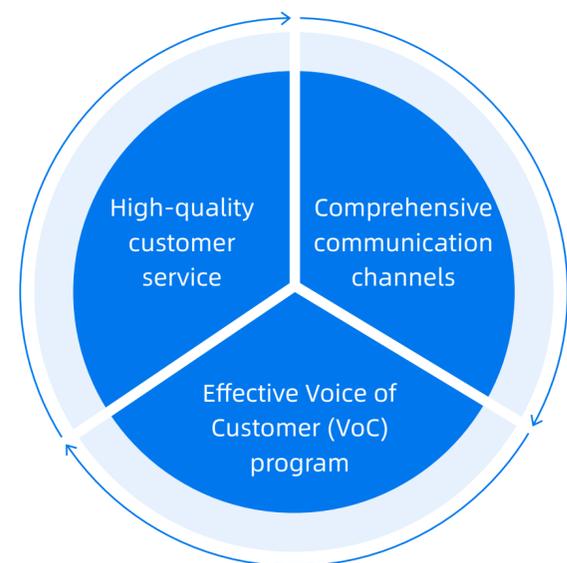
Dada Group maintains continuous communication with users and stays committed to providing users with high-quality services, to enhance user satisfaction and foster a more stable, lasting, and trusting relationship between users and the Company. We strive to enhance user satisfaction by providing premium services and pleasant experience, and timely understanding and tracking user needs and feedback, with a well-functioning user service and communication mechanism, and a professional user research and customer service team.

Our Governance

Dada Group has established internal customer service management systems, including the *VMO-BPO Communication Rule*, the *Complaint Ticket Assignment Rule*, the *BPO Service Specification Feedback Mechanism*, and the *Emergency Response Mechanism for Backlog Incidents* to ensure smooth user communication via optimizing the customer complaint handling process and standardizing assessment criteria for our customer service team.

Our Management Approach

Dada Group aims to build a comprehensive management system to truly understand and maintain high responsiveness to user demands. To drive sustainable business growth, we continue to improve our interaction with users by pulling three levers, i.e., comprehensive communication channels, effective Voice of Customer (VoC) program, and high-quality customer service.



Comprehensive Communication Channels: To uncover user needs and improve user satisfaction, we have deployed a wide range of approaches including dedicated user research, NPS survey and multiple customer service touchpoints to collect as many user feedbacks as possible and address the issues accordingly to fully meet user needs.

<ul style="list-style-type: none"> ·We conduct dedicated user research from time to time to identify users' needs during the shopping journey on JDDJ in different categories, and accordingly optimize product functions and processes. ·We also conduct sample-based monthly NPS survey among JDDJ users to continuously track user satisfaction from the perspectives of product, fulfillment and after-sales experience. 	<ul style="list-style-type: none"> ·Users can interact with JDDJ's customer service team via multiple channels including App, phone call and transaction page, where they can ask questions and get solutions within the promised time frame. ·To monitor and improve the quality of our customer service, we conduct monthly SMS satisfaction survey to continuously improve customer service based on user feedback.
User Research	Customer Service

Effective VoC Program: Dada Group is dedicated to putting the principle of Users Come First into practice. We keep collecting user feedbacks to optimize our service process by maximizing the scope of user voice monitoring through an effective VoC program consisting of social listening, internal feedback and consistent indicator tracking.

Social Listening	Internal Feedback	Indicator Tracking
<p>We monitor various types of user feedbacks across different media channels on a regular basis, and implement a closed-loop management mechanism consisting of problem identification, early warning and issue solving, to ensure timely response.</p>	<p>We encourage employees to put themselves into users' shoes and speak up for users on experience issues. In 2022, 35 issues regarding shopping experience on JDDJ were collected from employees across six dimensions spanning App design, product, service, fulfillment, marketing and fee charge.</p>	<p>Based on regular NPS survey, we consistently track and analyze the trend of user-experience related indicators, so as to identify issues that require special attention and immediate action.</p>

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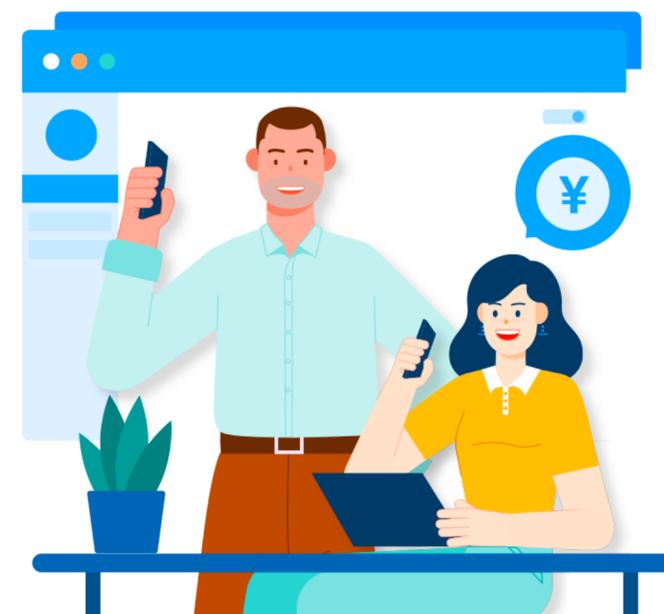
Commitment to Philanthropy

High-quality Customer Service: Providing high-quality customer services is one of the important measures to ensure smooth communication and satisfactory shopping experience. Our customer service is readily accessible and available across multiple channels including service hotline, online customer service and self-service complaint entry point, so as to interact with consumers in a timely and effective manner. Internally, to enhance the capability of our customer service team, we have in place various customer service procedures such as process for complaint handling, and provide comprehensive trainings. While ensuring our team to strictly implement our service standard to meet users' needs for a particular case, we also conduct continuous analyses on customer service records to identify general areas for improvement and enhance our products and services, thereby maximizing the value of user interactions.

Our Progress

In terms of proactively tapping into user needs, we launched over 20 dedicated user research projects in 2022, which provided in-depth insights into user voices and enabled us to improve product experience. For example, given that sales promotion is an important factor influencing purchasing decision on JDDJ, we carried out a user research project centering on promotion mechanism. We analyzed more than 2,000 entries of user comments and followed up on 20 consumers via 1-on-1 interviews, thereafter summarized measures to streamline the mechanism for coupon distribution and redemption on JDDJ so that consumers can get a clearer perspective on promotional campaigns.

In terms of responding to users via customer services, Dada's customer service team handled approximately 10 million inbound calls from users in 2022, with a 100% resolution rate. In addition, the SMS customer service satisfaction rate among JDDJ users (mainly consumers) reached 59% in 2022 (excluding the fourth quarter when the overall user experience was severely impacted by the pandemic outbreak), an increase of more than 1 percentage point year-over-year. Likewise, the SMS satisfaction rate among Dada Now users (mainly riders) was 74% in 2022, a year-on-year increase of over 1 percentage point.



20+ dedicated user research projects



10 million inbound calls handled



1ppt increase in satisfaction rate for customer service

Our Honors and Awards

We are included in the national platform of ODR (Online Dispute Resolution), a green channel for complaint handling, to facilitate the consumer right protection. In addition, our Customer Service team has been certified as a COPC (Customer Operations Performance Center) Customer Service Provider, reflecting the recognition we have received for our professional and scientific services.

Privacy Protection

Our Commitment

We regard the protection of users' personal information as the top priority in the development and internal management of our platform. With strict adherence to relevant laws and regulations, Dada has rolled out comprehensive management measures and policies to ensure personal information protection and established a standardized management process to fully protect data security and user privacy.

Our Governance

Since JD Group became the controlling shareholders of Dada in February 2022, we have been following JD Group's governance structure, standard and practices regarding data security and privacy, while our Information Security Department continues to implement work plans on a daily basis.

Dada strictly abides by laws and regulations such as the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, and adheres to the internal rules including *JD Group Data and Privacy Security Management Policy* and the *JD Group Data Classification Guideline*, to safeguard the personal information security of users on all fronts. **Both JDDJ and Dada Now platforms have publicly available and easily accessible Privacy Policy, which cover 100% of Dada Group's business lines.**

In terms of governance structure, at JD Group, the Safety and Risk Control Committee is appointed as the highest decision-making body, which is responsible for leading joint response and damage control when major emergencies and risk control incidents occur, as well as conducting regular reviews and making decisions on information security and risk issues. Under the Safety and Risk Control Committee, there is a Task Force for Data Security and Privacy Compliance and a Working Group for Safety Enforcement, which are responsible for coordinating and implementing work plans related to privacy and data security.



JD Group Information Security Management Governance Structure

Our Management Approach

In the process of data collection, storage, calculation, usage, sharing and destruction, Dada Group strictly follows the requirements of laws and regulations as well as internal principles of protecting users' rights and interests, to ensure data lifecycle management.

In the data collection stage, we fully respect users' right to be informed, consent and choose regarding their personal information. We uphold the principle of "data collection minimization", where our Legal and Information Security Departments evaluate the necessity of data collection in relation to the business purposes. For data collection that is necessary to serve business purposes, we further identify scenarios where "separate consent" is required. For data with different natures or purposes, such as cross-border transmission, sensitive personal information processing, sharing personal information with third parties, and disclosing personal information, we will ensure that separate letters of authorization is obtained before the related function goes live on the App.

In the data storage stage, we follow the principle of "minimum storage duration", unless statutory retention requirements are otherwise mandated. For example, the *E-Commerce Law of the People's Republic of China* requires us to keep information about goods, services, and transactions for a period of at least three years from the date of completion of the transaction. In this case, after the retention period expires, we will delete or anonymize the users' personal information if there is no additional authorization or the order has no dispute or controversy.

In the data destruction stage, for users who no longer use our platform or have deleted their accounts, they can require us to delete their personal information, and we will instantly delete or anonymize the information as requested. Furthermore, we will notify the entity who obtained the users' personal information from us to delete the information in time, thus providing the greatest assurance for the security of users' personal information.

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Right to be informed	Right to consent	Right to choose	Right to control
We send users the <i>Privacy Policy</i> and display the "double list" of personal information to be collected and shared in a prominent place on the App, clearly informing users of the rules of personal information collection and usage, protective measures, user rights and other related content.	Only after users signs <i>Privacy Policy</i> , the <i>Personal Sensitive Information Authorization Provision</i> and <i>Authorization Agreement</i> online, can we use the relevant information.	We provide convenient touch points for users to inquire, correct or supplement personal information. In addition, when our Privacy Policy and related information collection methods and types are updated, users will be informed in time and choose to whether agree on the update or not.	Users can request the deletion of information at any time by means including account deletion. Once the user requests to delete the information, Dada will respond timely, and simultaneously inform third-parties with the relevant information shared by us to delete as well.

In the data usage and sharing stage, we have adopted a tiered data protection strategy based on internal information classification guideline, and promise not to rent, sell, or provide personal data to third parties for purposes other than completing transactions or services. We also keep strengthening the security of personal information shared to third parties with necessary business purpose by setting forth standardized requirements on the information security capability of these third parties to ensure that their security level is in line with Dada's requirements. Additionally, we have introduced information security tools for the compliance review regarding personal information protection by third parties, thus safeguarding the security of personal information throughout the usage and sharing process.

Sound approval mechanism	Strict monitoring process	Well-developed responsibility mechanism
Any business operations involving the sharing and transmission of users' personal information must go through the approval process through a dedicated portal.	Data de-identification and internal audits must be conducted before sharing personal information to third parties.	When cooperating with third parties, we require them to sign the <i>Personal Information Protection Commitment</i> to clarify their responsibilities and codes of conduct in data security management.

Dada Group's Requirements When Sharing Personal Information with Third Parties

In terms of technical measures to ensure data security, we have established a comprehensive security system, including an active defense mechanism that comprises data encryption (including data de-identification and data watermarking), permission isolation, access control and other measures, as well as a passive defense mechanism consisting of firewall, intrusion detection and other approaches to protect users' personal information security in all aspects.

To further raise employees' awareness of information security, **our Information Security Department and Legal Department conduct group-wide training programs on information security and privacy protection every year to all types of employees, including interns and**

outsourced employees. These programs shed light on the definition of personal information, interpretation of regulations, "double lists", personalized recommendations, information de-identification, and many other topics, to strengthen the fundamental line of privacy protection by building a security-savvy workforce.

In addition, we also pay close attention to technology innovations in the field of personal information protection, those identified as applicable will then be integrated into our product R&D process. For example, currently, **the virtual phone number technology has been applied in every order placed on JDDJ to minimize scenarios with personal information leakage risk and effectively safeguard users' information privacy.**

Our Progress

In terms of external certification and audits, the operating systems of JDDJ and Dada Now are both granted "Level III MLPS Certification" by the Ministry of Public Security. In addition, we conduct **external information security audit at least once a year and internal audits for multiple times each year.** During the reporting period, no significant incidents related to information security occurred in the Group.

In terms of product upgrade to support personal information protection, we keep optimizing App functions and page display in consistent with external requirement and internal guidelines. For example, regarding the function of personalized recommendations, both the JDDJ App and the Dada Now App have added a Close button to safeguard users' right to choose. **In addition, since 2019, Dada Group has been applying the virtual phone number technology, with the goal to hide consumers' real phone number from merchants and riders. This initiative is implemented throughout the order process on JDDJ to protect personal information of JDDJ users. It is also available to merchants adopting Dada Now's delivery service, so that they can enhance the information protection for users on their own channels.**

Illustration on how Dada Group applies virtual phone number technology to protect user privacy

Once a consumer places an order on JDDJ, a virtual phone number will be automatically generated for the merchant to contact the user and for the display on the order receipt, which usually expires after 3 days. When the order flows to Dada Now's order pool awaiting delivery, another virtual phone number will be generated for the rider to contact with the consumer, which usually expires after 4 hours. By hiding the consumers' real phone number from merchants and riders, this initiative provides strong protection to JDDJ users' privacy.

In addition, for external customers (including KA merchants) of Dada Now's on-demand delivery services, we can also generate a virtual phone number for contact between the rider and the consumer on an as requested basis after receiving the delivery orders from the merchant.

Thanks to our awareness and well-implemented measures for user privacy protection, the NPS for the metric of privacy protection on JDDJ reached 75.7 in a survey we conducted in November 2022.

04 Empowering Partners to Drive Industry Value



2022
DADA GROUP
ESG

Empowering Partners to Drive Industry Value

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Dada has always been a firm believer of the win-win philosophy in our development. Collaborating closely with the leading retailers and brand owners in China, we enable our partners to seize the opportunity of on-demand retail with continuous improvement in cost efficiency. We've established an on-demand retail ecosystem together with brands and merchants to driver synergies and digitalize brick-and-mortar retail, so as to create long-term value for the industry. Meanwhile, leveraging crowdsourcing model of our on-demand delivery platform, we create a large number of flexible employment opportunities and provide better service and experience for consumers jointly with riders, pickers and merchants.

Rider Interest Protection

Our Commitment

Dada Group was founded with a vision to promote and serve the digitalization of brick-and-mortar retail, and provide opportunities for riders, pickers and other workers engaged in new forms of employment (NFE) via our flexible crowdsourcing model. While maintaining robust development, we continue to leverage our business advantages to improve the sustainability of career development of riders. Although riders are not our employees, we keep a close eye on and devote to the protection of riders' interests and rights. We aim to keep strengthening the protection of riders' labor rights with a focus on health and safety while driving continuous service improvement, via optimizing our internal management mechanism and rider care measures, thus delivering a win-win outcome between the Group and NFE workers.

Our Governance

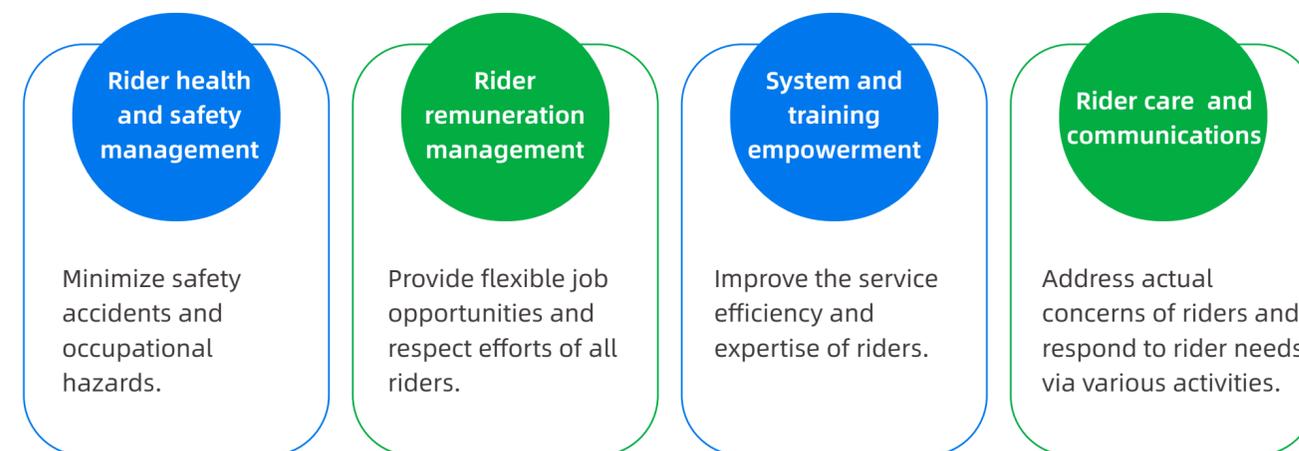
In 2021, eight Chinese ministries and commissions including the Ministry of Human Resources and Social Security jointly released the *Guiding Opinions on Protecting Labor and Social Security Rights and Interests of Workers Engaged in New Forms of Employment* (the *Guiding Opinions* for short). As an on-demand delivery platform primarily based on a crowdsourcing model, Dada Group has established a well-functioning governance structure following the Guiding Opinions to further protect Dada Now riders' rights and interests.

Pursuant to the Guiding Opinions, as one of the platforms engaged in the pilot program of work-related injury insurance for NFE workers, Dada has officially launched a work-related injury protection project on July 1, 2022. We have set up a Work-related Injury Protection Taskforce and designated full-time employees as point of contact in the 7 pilot cities and provinces, so as to ensure the smooth operations and implementation of the work-related injury insurance.

In addition, we have put in place a series of internal and external management policies such as the *Emergency Response Mechanism for Backlog Incidents*, the *Administrative Measures for the Reporting, Investigation and Handling of Safety Accidents of Dada Group*, the *Rider Safety Management System*, the *Dada Management Instructions*, and the *Dada Now Rider Service Score Rules*, to provide sufficient protection to riders' health and safety. To establish an all-round, top-down governance system, we keep offering trainings and awareness-raising activities to riders and service staff to ensure that policies and procedures are well-implemented.

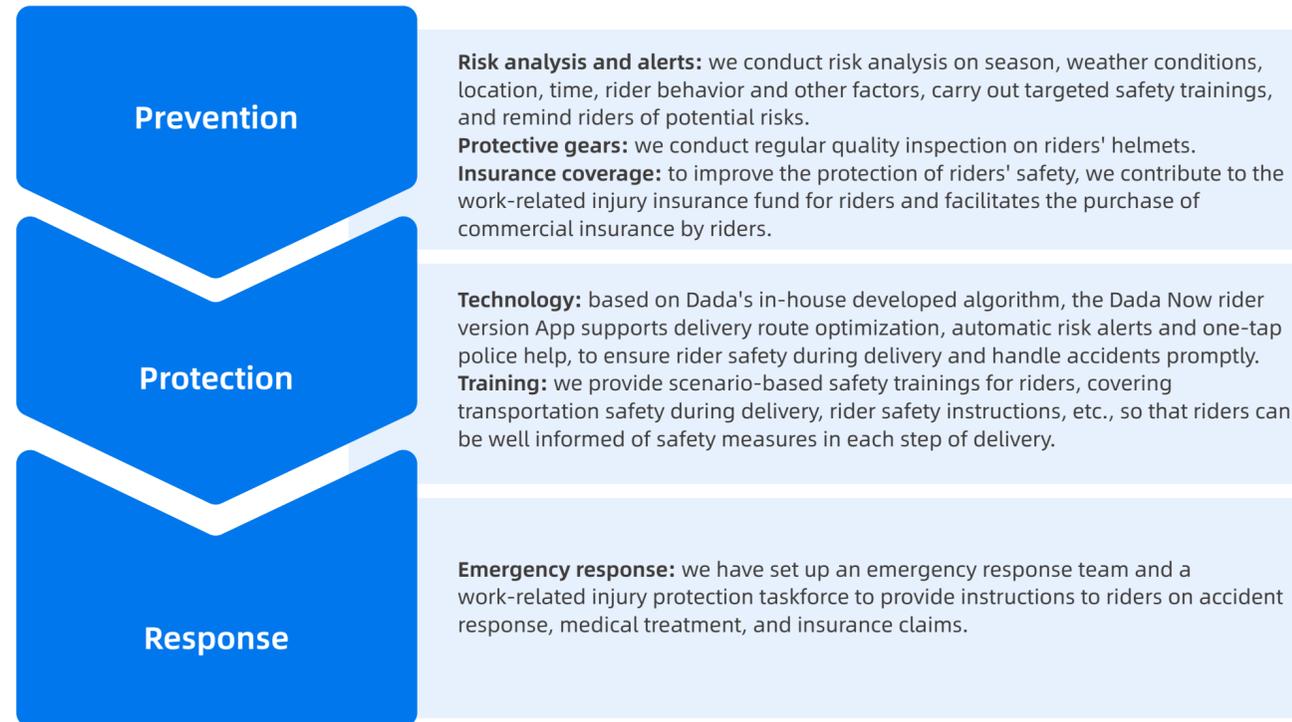
Our Management Approach

Dada attaches great importance to rider management and always sees the health and safety of riders as our top priority, continuously protecting and safeguarding legitimate rights and interests of riders. On top of safety management, with our well-established remuneration management system, training management system and humanistic rider care initiatives, we aim to empower all the riders and remain devoted to creating a positive, caring and inclusive working environment for riders.



Dada Group's Measures to Protect Rider Interests

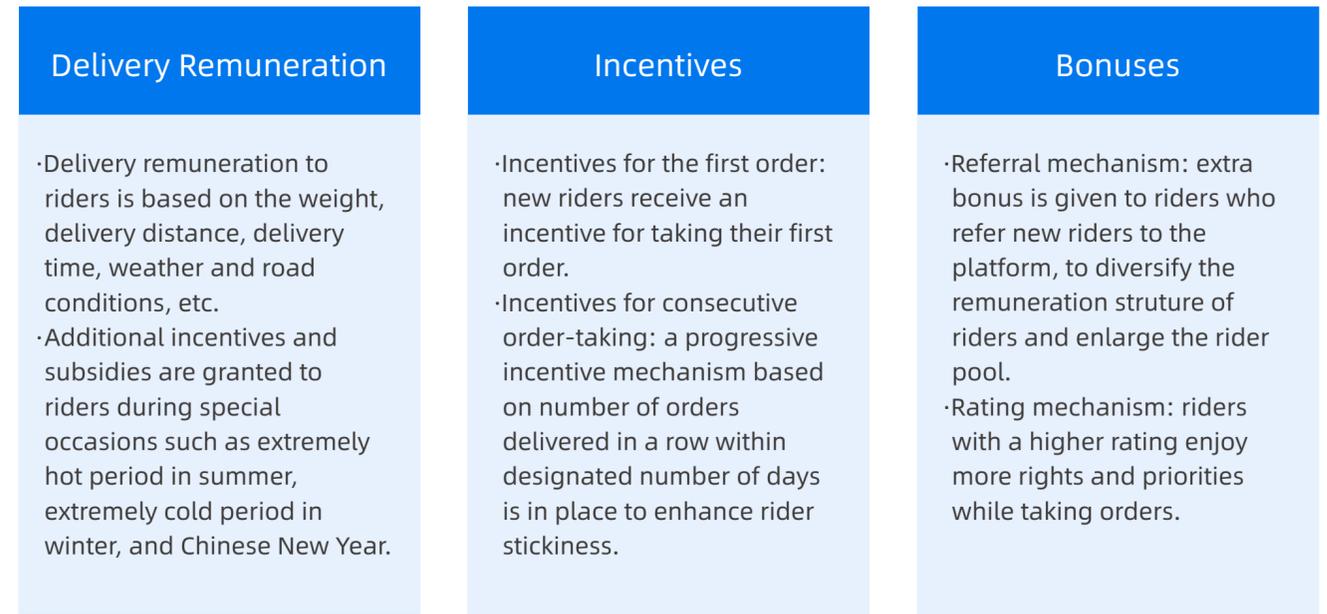
Rider Health and Safety Management: To enhance the health and safety management of riders and reduce accident rate, Dada has established an all-round protection mechanism to safeguard riders' health and safety, covering risk alerts, protective equipment, insurance coverage, knowledge training, and emergency responses.



Dada Group's Measures to Ensure Rider Health and Safety

Rider Remuneration Management: Dada respects the work and efforts of all riders. We conduct regular benchmarking to provide a competitive remuneration for our riders. Meanwhile, we constantly optimize the remuneration structure of riders with diversified rewards such as cash incentives and bonuses to motivate them and enable them to earn higher income.

In addition to offering delivery remuneration and incentives, Dada also places restriction on imposing penalties on riders and reviews the rationale behind each penalty. For example, we have rolled out a penalty-free initiative for new riders. Moreover, we apply exemptions for penalty in special scenarios. Specifically, our in-house developed system recognizes the traffic and weather conditions and exempts the rider from a penalty if a delivery is delayed due to external forces. Furthermore, we provide riders with a complaint channel to appeal against penalties imposed by the platform.



Dada Now Riders' Earnings

Empowerment Through System and Training: In terms of delivery system, Dada continues to improve the order-taking and delivery efficiency through technological optimization. For instance, based on the algorithm parsing and semantic analysis of order history, **our in-house developed algorithm has reached a positioning accuracy of over 99%**, 4-5 percentage points higher than that of third-party map service providers, which can assist riders to pinpoint a building in a neighborhood more quickly and thus speed up the delivery. Moreover, thanks to the significant improvement of positioning accuracy, Dada Now is able to correct the addresses and navigation routes that had a high error rate, halving the percentage of abnormal cases with mismatches between nominal address and actual point of delivery, and slashing map-related rider complaint rate by over 40%, leading to a remarkable experience improvement for riders.

In terms of training empowerment, Dada has established a comprehensive multi-level rider training system based on our business development and market dynamics. We provide offline trainings in city stations and online trainings via the Rider Academy module in the Dada Now Rider Version App, Weixin official account "I am Dada" and Douyin account "Dada Now Rider", covering topics including general and task-specific skills, as well as transportation safety. There are almost 100 training courses available to riders, including new rider training, rider safety instructions, traffic rules, work-related injury insurance, and notices on general complaint types. We are committed to enhancing the competence and expertise of riders through diversified trainings. Additionally, in 2022, the scenario-based training is embedded into the order delivery process on the Dada Now Rider Version App. Different from conventional preboarding trainings, riders are instructed with pop-up tips in a scenario training during the order-taking, order pickup and delivery completion process, which helps enhance delivery quality as well as riders' safety awareness throughout the whole delivery process.

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Rider Care and Communications: We listen to the voices of riders by establishing multiple communication channels, and optimize and iterate our management based on their feedback, to create a convenient and comfortable work environment as well as a friendly platform. At the same time, **the Group has a comprehensive care system to provide general care, festival care and subsidy, care for riders with children and female riders, etc., aiming to enhance the sense of belonging and recognition among riders. Moreover, we actively create opportunities for riders to engage in activities held by government authorities including Party Committee, the Communist Youth League, the Trade Union, the All-China Women’s Federation, etc.**

Discussion Panels in City Stations	Online Feedback via A Dedicated Portal
<p>We hold regular fireside chats and annual gatherings to communicate with riders, and listen to their suggestions and opinions on the delivery platform and software.</p> 	<p>We encourage riders to speak out via our Dada Think Tank program, and grant medals as well as cash rewards to riders whose suggestions or comments are adopted.</p> 

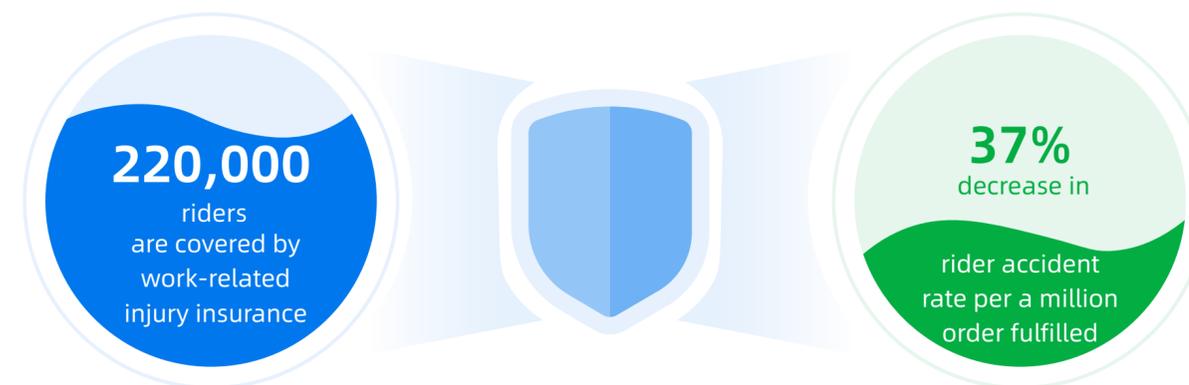
Dada Now Rider Communication Channels

Our Progress

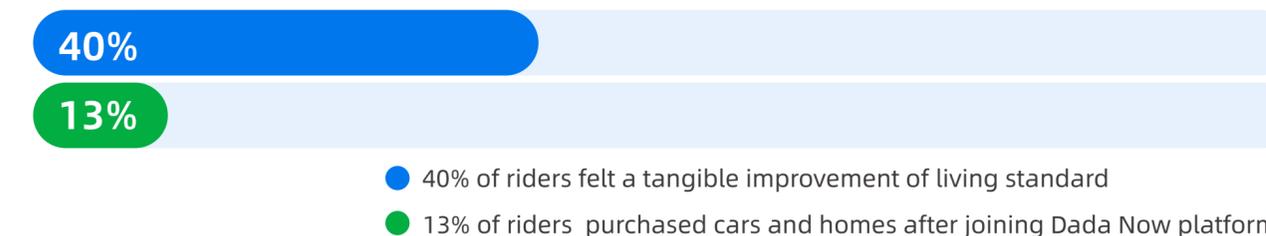
In terms of job creation, as a crowdsource-based platform with an increasing amount of orders and a well-established rider management system, Dada Now boasts a growing number of riders, creating numerous flexible employment opportunities for the industry. **In 2022, the number of active riders on the platform reached 1 million, an increase of 40% year-on-year, and over 80% of the riders were from lower-tier cities.** Also, in the picking process, Dada Picking pioneered a crowdsource-based picking model that enables merchants to hire pickers flexibly, which creates a large number of jobs for more diversified groups of people. **In 2022, the active pickers on Dada Picking exceeded 55,000, of whom over 70% were female.**

 <p>In 2022, Dada Now provided flexible job opportunities for 1 million riders, of whom over 80% were from lower-tier cities.</p>	 <p>In 2022, Dada Picking provided flexible job opportunities for over 55,000 pickers, of whom over 70% were female.</p>
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In terms of health and safety, from July 2022 when the pilot program of work-related injury insurance was launched in 7 cities provinces to the end of 2022, we have covered over 220,000 intra-city on-demand delivery riders on Dada Now with the insurance. During the period, a total of 1,427 riders reported accidents under the insurance and 473 cases were submitted, of which 47 have been settled with insurance claims exceeding RMB1 million. On the whole, **thanks to our all-around rider safety management measures, rider accident rate on Dada Now platform fell 37% year-over-year to 3.9 per million orders fulfilled in 2022.**



In terms of earnings guarantee, with our remuneration and incentive mechanism and improved delivery efficiency, the hourly earnings for active riders on Dada Now increased by over 10% year-over-year in December 2022. On top of **the competitive delivery remuneration** provided by the platform, **we also make proactive efforts to help riders apply for additional subsidies from the government.** For example, Dada Now actively applied for government subsidies on behalf of riders engaged in delivering daily necessities during the Chinese New Year holiday in 2023 in cities including Shanghai, Guangzhou, Shenzhen, Tianjin, Suzhou, Hangzhou, Nanjing and Xiamen, and a total of nearly RMB100 million of incentives and subsidies provided by both the platform and governments were distributed to Dada Now riders. The extra earnings opportunity we create have improved the quality of life for riders, as the survey we conducted in 2022 shows that 40% of riders felt a tangible improvement of living standard after they started working on Dada Now.



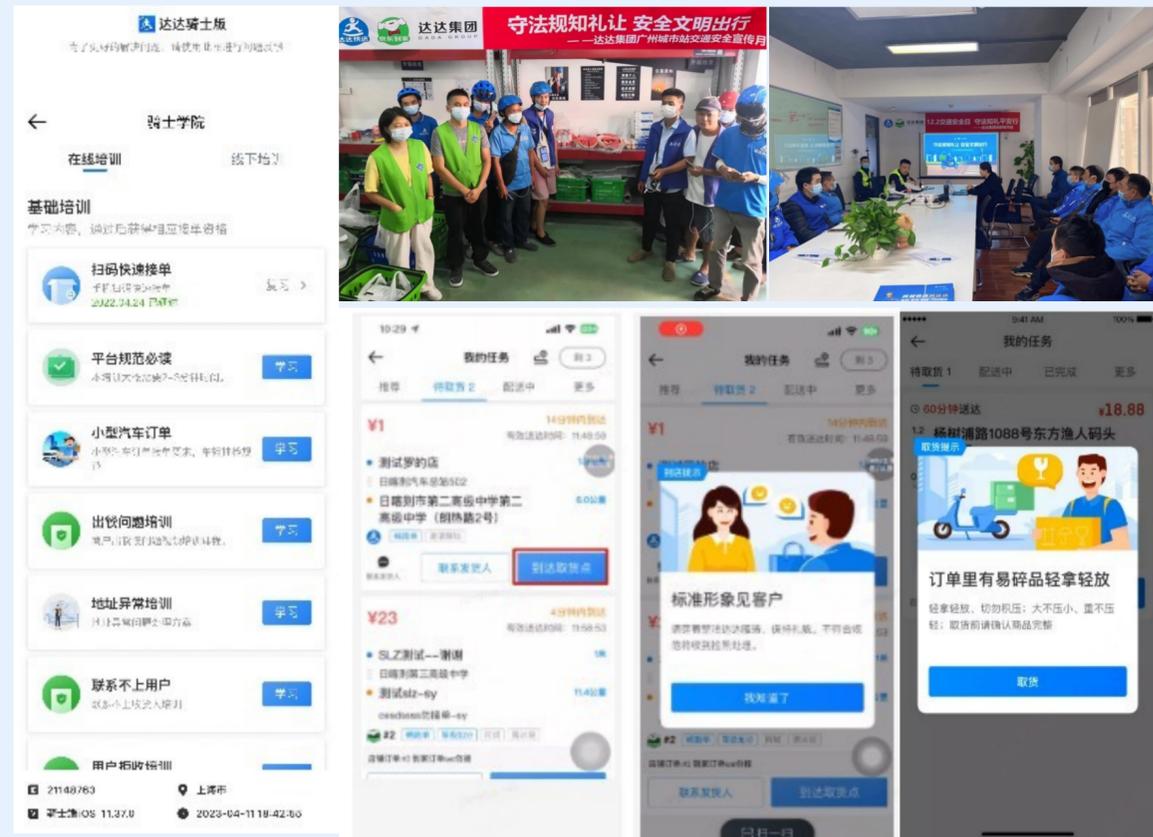
In terms of training, both online and offline trainings are readily accessible for riders. For offline sessions, in 2022, we organized more than 1,000 offline training sessions per month with over 10,000 monthly participating Dada Now riders. For online trainings, the online courses in the Rider Academy module on Dada Now Rider Version App were learnt by over 9 million times in 2022.

20%

50%

- Over 20% riders have a college degree and above
- Over 50% riders have training plans for further development

Online and Offline Trainings for Dada Now Riders



In terms of rider care and communication, during the reporting period, Dada Group has held festival activities, general care events and support programs, awarding activities to enhance the happiness and bonding of riders. Additionally, with the ongoing Hero Riders program, we have recognized and awarded hundreds of riders with altruistic behaviors such as helping people in need and returning lost valuables. Meanwhile, we are also proactively engaged in driving better public appreciation and recognition of delivery riders by making documentary films.



Dada Now platform is perceived by riders to be:
Professional, Caring and Flexible

Festival Activities for Dada Now Riders

During the reporting period, Dada organized a series of festival activities for riders, including the "Romantic Riders" on the International Women's Day, "Top Contributing Riders" on the International Labor's Day, and "Rider Mobilization Campaign" for the Dragon Boat Festival. During festivals, we send gifts such as delivery kit, health examination vouchers, small home appliances and power banks to riders, as a way to encourage them to spark more positive deeds and share with them the festive vibe.



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Material Support for Dada Now Riders

During the reporting period, the Group continued to roll out the "Summer Care" and "Winter Care" initiative. We conducted a survey to learn about the types of gift that riders desire the most, and distributed nearly 100,000 protective supplies to riders across China, safeguarding their wellbeing during the delivery journey.



General Care Events for Dada Now Riders

During the reporting period, the Group organized care events in the rider service stations of over 50 cities in China. Through fireside chats and on-site visits, we learned their needs and challenges, and took corrective actions or offered assistance accordingly. Dada remains committed to providing diversified care events to demonstrate our solicitude and appreciation of riders and increase their happiness.



Trade Union Benefits for Dada Now Riders

In November 2022, Shanghai Federation of Trade Union ("SFTU") launched the "2022 Warming Service for NFE Workers" series events, to which Dada and other platform enterprises were invited. At the event, the SFTU leadership handed out gifts to our rider representatives as a token of solicitude.



Award Ceremonies for Dada Now Riders

To enhance the riders' sense of belonging to the platform as well as their sense of honor, in our Weixin official account, Dada has created a dedicated column for riders' stories, featuring riders who saved lives, helped others with brave deeds, fought against the pandemic, returned lost valuables and participated in flood relief, to advocate the chivalry of Dada Now riders. What's more, we initiated a "Rider of the Year" award ceremony. In 2022, based on dimensions including number of orders delivered, number of new riders referred, number of years on the platform, service quality, team of excellence, safety awareness, and altruism, 461 people were named as excellent riders and received a trophy and a new year gift pack.



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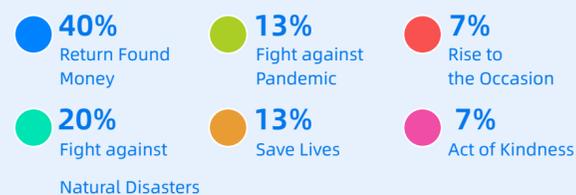
“Hero Riders” Program for Dada Now Riders

In 2019, Dada officially launched the “Hero Riders” program and continued to roll it out during the reporting period, recognizing and encouraging riders’ altruistic behaviors.

“Helping others is what everyone would do.” On July 15, 2022, Dada Now rider Lu Kuan, and another rider from a peer platform received orders of cephalosporin and beer placed by the same consumer in Hangzhou, they then sensed unusualness and called the police, which saved the girl who was going to commit a suicide. Their astute and courageous deeds were featured by the media and highly recognized on the Internet. On August 18, 2022, the Hangzhou Municipal Market Supervision Bureau and the Hangzhou Federation of Trade Union commended Lu Kuan in a ceremony, and he was also shortlisted for the “Top 10 Riders in Hangzhou”.



Breakdown of "Hero Riders" by act of good deeds



Rider-Centric Documentaries to Promote Public Awareness

During the reporting period, Dada Group also made a short film People Looking for Life and a micro documentary series Riders’ Adventure, presenting the real life of riders to call on the general public to show more solitude and appreciation to riders.



Merchant Support

Our Commitment

The on-demand retail industry is expected to grow into a trillion-RMB market, and the ever-increasing demand in this segment is underpinned not only by open retail platforms as an infrastructure, but also by the growth and development of brick-and-mortar retailers. JDDJ, in response to the national call for “boosting consumption on all fronts” and “innovating consumption models”, has established an open platform with strong partnerships with merchants to empower new forms of business and new models of consumption. Also, we lend great support to the digital transformation and upgrade of retailers by helping merchants build mid-end technology capabilities and providing innovative digital tools, to improve their operations and grow online retail business sustainably.

Our Management Approach

JDDJ aims to establish a mutually beneficial partnership with merchants, supporting and enabling merchants in their full lifecycle on our platform with onboarding and training support, system and fulfillment empowerment, merchant-friendly platform policies, etc.

Onboarding and Training Support	System and Fulfillment Empowerment	Friendly Platform Policies
<ul style="list-style-type: none"> ·Provide merchants with an easily accessible and well-functioning online channel, saving them the cost of building proprietary platforms. ·Provide merchants with training resources covering entire O2O operation processes. 	<ul style="list-style-type: none"> ·In addition to providing reliable on-demand delivery service, we also help merchants improve operational efficiency through our Haibo system, and increase picking efficiency with Dada Picking. 	<ul style="list-style-type: none"> ·For merchants in key categories, we provide support such as green channel for onboarding, commission waiver/reduction, and traffic resources to help merchants quickly launch online business and reduce operating costs.

Onboarding and Training Support: As a neutral and open on-demand retail platform, JDDJ offers convenient and low-cost opportunities for local retailers in all categories to launch and grow their online business. In 2022, JDDJ’s annual active consumers exceeded 78 million, which served as a high-quality source of online traffic for merchants on the platform.

On top of our partnership with the majority of chain retailers, JDDJ also provides additional onboarding support to smaller merchants, facilitating the digital transformation of small and micro merchants. **In 2022, we streamlined the onboarding process and automated the review procedure, which enabled small merchants to save 70% of the time to open their stores on the platform.** In addition to higher onboarding efficiency, we have also rolled out product listing tools and features for merchants to quickly expand their online business after store opening.

Moreover, via our Merchant College training program, online chatgroups and other channels, merchants can obtain training resources on all fronts to achieve sustainable development in their online business. With the onboarding training and trainings during daily operations in place, we empower merchants to achieve higher-quality growth.

<p>The onboarding training topics include basic store setup skills, marketing, and fulfillment. The training is available in the online merchant learning center, online chatgroups overseen by JDDJ operations staff, offline tutoring, and Q&A, covering 100% newly-enrolled merchants.</p>	<p>During daily operations, the platform offers a wealth of training support for merchants, which are available in the training center within the merchant management system and the Weixin official account JDDJ Merchant service, helping them address daily operational issues and improve efficiency.</p>
Training during Onboarding	Training during Daily Operations

System and Fulfillment Empowerment: JDDJ is committed to empowering merchants in every aspect with our system and service, helping merchants drive sales conversion rate, service quality, employee productivity and other key indicators, thereby improving their O2O business efficiency and overall competitiveness. Meanwhile, we conduct regular surveys on merchants to collect their feedback and advice on the operational process, system and products, to facilitate the upgrade and iteration of our digital products and services.

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Haibo System
- Merchandise and order management

Connected with merchants' ERP system to improve merchants' operating productivity via enhancing SKU listing efficiency, synchronizing the inventory and promotion across online and offline channels, etc.

Dada Picking
- Picking and packing service

Addressing labor shortage in stores with crowdsourcing model and improving picking efficiency through digitalization of the picking process.

Dada Delivery
- On-demand delivery service

Reducing merchant costs and improving consumer satisfaction with fast, stable, and cost-efficient delivery services.

Merchant-friendly Policies: JDDJ introduces assistance measures to support merchants with different needs, across their lifetime on the platform and in times of difficulty. There is a plethora of examples. In September 2022, JDDJ rolled out the “Double-Zero” policy for the upcoming Singles Day Promotion, waiving deposits and platform usage fees for merchants newly onboarding Shop Now, which enabled them to easily grow on-demand retail business via the platform. In December 2022, JDDJ introduced a 6-month deposit waiver for community fresh produce stores and merchants in other categories, which alleviated their operating pressure and attracted more merchants to the platform, thus further diversifying the supplies on the platform. In 2023, prior to the Chinese New Year Shopping Festival, JDDJ also initiated a marketing resource pack dedicated for new stores, covering over 35,000 newly launched stores.

Our Progress

With our comprehensive support and empowerment to merchants, JDDJ deepens the trust with existing merchants while continuously signing up new partnerships. In 2022, there were over 220,000 active stores on JDDJ, covering more than 30 categories such as supermarkets, convenience stores, pharmacies, fruit stores, wet markets, flower stores, computers & accessories stores, cellphone stores, home furnishing stores, home appliances stores, mom & baby stores, cosmetics stores, pet supplies stores, liquor stores, apparel stores, and shopping centers. Furthermore, JDDJ has initiated the “A Million Store” program in 2023, which aims to empower more brick-and-mortar retailers in over 100 cities to start their online business.

By the end of 2022, Haibo system has served almost 50% of the top 100 supermarket chains, covering over 9,200 chain retailers’ stores. In 2022, the omni-channel O2O GMV processed by Haibo increased by more than 100% year-over-year.

By the end of 2022, there were over 600 supermarket stores adopting Dada Picking service, and the volume of orders fulfilled by Dada Picking tripled year-over-year in 2022.

Brand Cooperation

Our Commitment

Today, on-demand retail has become one of the most important growth drivers for brand owners. As a new engine powering our brand partners' growth, JDDJ is committed to creating best practices for brands in O2O field in terms of omnichannel operation, digitalization and marketing upgrade, leveraging the close cooperations among the platform, merchants and brands.

Our Management Approach

JDDJ proactively establishes and maintains strategic partnership with brands, providing comprehensive support across onboarding, training, marketing innovation, system empowerment and other aspects to create a win-win outcome.

- We provide a complete brand partnership system for enrolled brands to support their steady growth.
- Once a brand is onboarded, our Monica system allows it to continuously track sales and user data, manage marketing campaigns, and conduct financial reconciliation.
- Meanwhile, we continue to provide trainings for partnering brands in daily operations and during system function upgrades.

Onboarding and Training Support

- We continuously innovate marketing campaigns to help brands accumulate user assets and drive sales conversion.
- We empower brands to improve promotion efficiency with integrated marketing.
- We help brands achieve supply optimization and incremental sales with our Kuncce system.
- We support brands in improving the efficiency of sales assistants and increase the user repurchase rate through the Cloud Store Program.

Marketing Innovation and System Empowerment

Onboarding and Training Support: As on-demand retail is steadily penetrating each local retail category, JDDJ has established extensive partnerships with brands in fast-moving consumer goods (FMCG), fresh produce, mom & baby products, etc., to jointly drive the robust development of the retail industry.

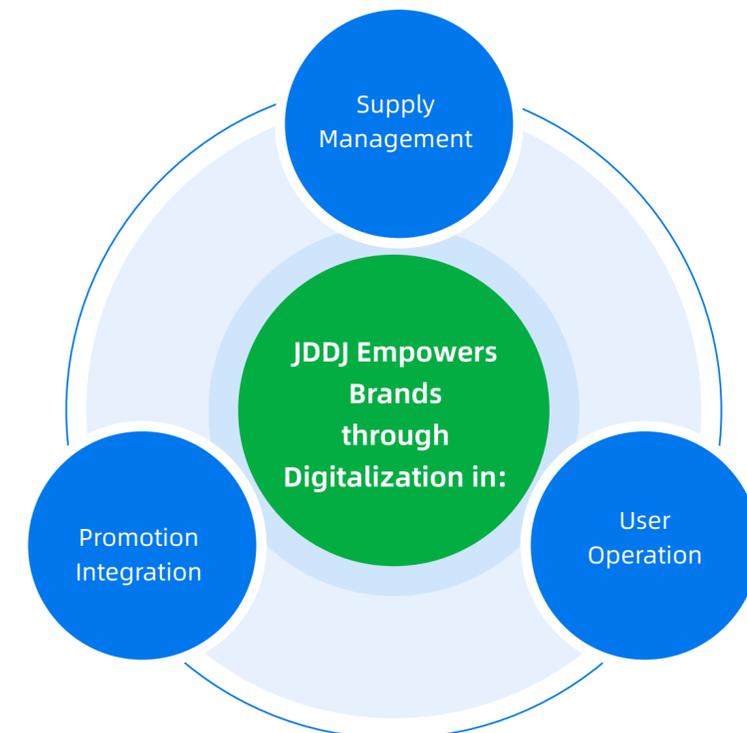
JDDJ offers a sophisticated brand cooperation mechanism for cooperating brands. Once enrolled on JDDJ, brands can start using Monica, our proprietary operating system designed for brands,

which integrates smart promotion, budget management, sales data analysis and other capabilities, enabling brands to efficiently manage and analyze their O2O business.

In addition, JDDJ has put in place a well-established brand training mechanism. To address brands' pain points and respond to their ever-evolving needs, we continuously provide trainings in daily operations and during system feature upgrades to support brands in their on-demand retail business.

Marketing Innovation and System Empowerment: As consumer needs keep evolving, innovative marketing campaigns are of high significance to attract users. JDDJ, an on-demand retail platform with profound user insights, co-creates innovative and effective marketing campaigns together with brands to help them accumulate more user assets and drive sales conversion.

Built on the basic capabilities of our Monica system, JDDJ further iterates our system and product tools based on insights into the challenges as well as opportunities for brands in operations and marketing. Focusing on digitalization in promotion, supply management and user operations, we empower brands to improve promotion efficiency and open up new possibilities for incremental sales.



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In terms of promotion digitalization, to help brands improve promotion and marketing resources allocation efficiency, JDDJ pioneered the integrated marketing model in on-demand retail in 2021. With the capability to pool brands' marketing budgets across multiple divisions and allocate coupon expenses by SKU, this model enables decentralized location-based marketing with tailored promotion plans at the store level. In this way, we not only help brands digitalize and enhance the productivity of their organizations, but also improve their subsidy efficiency.

In terms of supply digitalization, to optimize brands' supply at local point-of-sales, JDDJ introduced the Kunce system in 2022, a grid-based supply management tool for brands. It provides brands with a "perfect store" solution based on grid-level sales and inventory data. The solution boasts supply expansion strategy and management tools, helping brands identify and implement supply expansion opportunities, thus optimizing O2O supplies and creating incremental sales.

In terms of digitalization in user operations, to help brands manage offline users more efficiently, JDDJ launched the Cloud Store Program in 2022. Utilizing Weixin ecosystem and our on-demand retail platform, the program creates multiple touch points for brands to interact with offline users, which helps improve the conversion rate for brands' sales assistants, and maximizes the lifetime value of offline consumers for brands.

Our Progress

Thanks to our friendly onboarding and cooperation policies, easy-to-use and comprehensive brand operating system, well-rounded training support, and multifaceted brand empowerment initiatives, the number of partnering brands on JDDJ expanded to more than 280 in 2022, a year-over-year increase of over 30%. In the same year, the online marketing revenue on JDDJ increased by over 90% year-over-year, demonstrating brands' recognition of and trust in JDDJ.

In terms of marketing innovation, during the reporting period, we launched a series of marketing campaigns including Super Brand Days, Super Couple Days, Super Brand Leagues, and Novelties for Gen Z, delivering remarkable sales boosts for brands.

Brand Marketing Campaigns on JDDJ



Digitalization in Promotion Integration - Integrated Marketing Pioneered by JDDJ

JDDJ's integrated marketing initiative drives the online cooperation among brands' regional teams, KA channel teams and O2O teams, and pools marketing resources across teams, thereby improving their resource utilization efficiency and ROI of promotion.

By the end of 2022, a total of 200 brands were engaged in the integrated marketing program.



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Digitalization in Supply Management - JDDJ's Kuncce System Helping Brands Optimize Supplies

Kuncce system is a tool that visualizes brands' SKU supply on a local grid level. Integrated with the channel inventory data of the brands, it helps brands to identify issues and opportunities in online supply and optimize supplies using the supply expansion management tool.

In December 2022, three leading food and beverage brands on JDDJ utilized Kuncce system to expand their supply in nationwide KA stores, and eventually increased the online availability rate of core products by more than 5 percentage points, which brought incremental sales of over 10 percentage points.



Digitalization in User Operation - Cloud Store Program Enhancing Users' Lifetime Value

The Cloud Store Program facilitates seamless interaction between brands and consumers via Weixin Work and JDDJ platform, helping brands to manage offline consumers in a closed loop to ensure end-to-end operation with full-cycle data tracking and improve user experience.

The pilot brand in the Cloud Store project saw the average number of orders facilitated by each promoter increase by 230% and the 7-day customer retention rate increase by 150%.



230%

increase in orders facilitated by each promoter



150%

increase in 7-day customer retention rate

Industry Engagement

Our Commitment

With the line between online and offline shopping increasingly blurring, the on-demand retail market continues to expand and mature. Dada Group continues to share our experience and insights, including our practice in technological application and business innovation, with industry partners to facilitate industry progress and development. In the future, we will also go all out to seize growth opportunities together with industry partners, contributing our share to a better life.

Our Progress

Industry Standard Formulation: The on-demand delivery industry is gaining great momentum and plays an active role in securing everyday supplies, improving consumer experience and boosting consumptions. Nevertheless, for a long time, there was no relevant industry standard or policy guidance in place. As a leading on-demand delivery platform in the industry, Dada has actively engaged in discussions with the government and the formulation of policies or standards. During the reporting period, we participated in the compilation and revision of *On-demand Delivery Service Specification (GB/T 42500-2023)* and *General Principles of Safety Management for On-demand Delivery Enterprises* led by China Federation of Logistics and Purchasing, to support the formulation and promotion of industry standards to drive the healthy development of the entire industry.

Industry Communications: Based on the technology and operating experience accumulated by JDDJ and Dada Now in on-demand retail and delivery industries, we have been actively participating in various industry summits to share and discuss forward-looking insights with industry partners. In 2022, we attended dozens of large-scale industry conferences, including the World Artificial Intelligence Conference, the China International Fair for Trade in Services (CIFTIS), and the Intra-city Logistics Summit.

Dada Participated in Drafting On-demand Delivery Service Specification

The screenshot shows the SAC website interface. At the top, it says '国家标准信息公共服务平台' (National public service platform for standards information) and '标准信息一站查询' (Standard information one-stop query). Below the navigation bar, it lists '达疆网络科技(上海)有限公司' (Dada Network Technology (Shanghai) Co., Ltd.) as a participating organization. A table titled '起草的国家标准' (Drafting national standards) shows the following details:

#	标准号	标准中文名称	发布日期	实施日期	标准状态
1	GB/T 42500-2023	即时配送服务规范	2023-03-17	2023-03-17	履行

JDDJ at 2022 CIFTIS: Rapid Growth in On-demand Retail as New Driver of the Real Economy

At the CIFTIS in August 2022, JDDJ delivered a speech themed "JDDJ Fully Leverages the Efficiency Advantage of an On-demand Retail Platform to Empower the Real Economy and Boost Consumptions", sharing our experience in facilitating the industry transformation and upgrade, and driving high-quality growth of brick-and-mortar retailers.



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JDDJ Merchant Salon: In-depth Discussions and New Thoughts on On-demand Retail

In March 2023, JDDJ held the second session of the JDDJ Merchant Salon, where executives and team leaders from JDDJ gathered together with business leaders from renowned supermarkets including Wumart, Jiajiayue, 7Fresh, Spar, Sofly, Beiguo and CSF Market. We discussed how supermarkets can collaborate with JDDJ in on-demand retail in the post-pandemic era to refine operations of users and products, fully leverage and integrate resources from brands, improve the capability of attracting online consumers, and improve product competitiveness and marketing competence, thereby seizing the growth opportunities.



Dada Now at the Intra-city Logistics Summit: End-to-end and Reliable Fulfillment as the New Infrastructure for Intra-City Retail

In September 2022, the Intra-city Logistics Summit was held with a theme of "Breaking Boundaries for Infinite Possibilities", where in-depth discussions about the trends, innovations and development of on-demand delivery service were made. Bing Fu, the General Manager of Dada Now made a speech at the summit, introducing Dada's pioneering one-stop on-demand fulfillment solution covering "warehouse management, picking, and delivery" and four major on-demand delivery products leveraging multiple rider dispatching mechanisms, which offers a paradigm to building new infrastructure for intra-city retail and realizing win-win outcome for ecosystem partners.



Dada Now at World Artificial Intelligence Conference: AI Empowering Better Efficiency and Experience for On-demand Delivery

In September 2022, Bing Fu, the General Manager of Dada Now made a speech at the 2022 World Artificial Intelligence Conference, on how AI empowers better efficiency and experience for on-demand delivery. Through the conference, we've conveyed the message to more people that artificial intelligence is making the on-demand delivery smarter with better efficiency and customer experience.



Insight Sharing: Based on our insights into the industry and platform data, Dada Group is devoted to keeping our peers updated to drive the collective growth of the industry. We established the Dada Research Institute, and have published a number of trend reports as well as white papers to facilitate sustainable upgrade of the industry.

Dada Group Released White Papers on On-demand Delivery and On-Demand Retail Industries

In May 2022, Dada Group and Log Research, a think tank focused on the logistics industry, jointly released the White Paper on the Fulfillment Services for On-demand Retail, 2022, which was the first industry report that offered a systematic and in-depth interpretation of on-demand fulfillment features. The white paper, based on exhaustive case studies, offers a comprehensive analysis on the pain points, solutions and prospects of on-demand delivery service in different scenarios, aiming to provide insight for industry development.



In July 2022, Dada joined hands with the China Chain Store & Franchise Association (CCFA) and JD's Consumption and Industry Development Research Institute to release the White Paper on Open On-Demand Retail Platform Model, which was the first industry white paper on the platform model of on-demand retail service. The white paper covers an analysis of the on-demand retail industry chain, an introduction to the background and driving forces behind the development of open platforms, and an overview of the status quo as well as the end game. The report casts on-demand retail platform as an instrumental driver to boost sales for merchants and facilitate the transformation of the on-demand retail industry.



05

Co-Building Community to
Deliver Social Value



2022
DADA GROUP
ESG

Co-Building Community to Deliver Social Value

Dada Group continues to promote our green transformation strategy, taking active steps to address climate change, and supporting the national "carbon peak and carbon neutrality" goal by facilitating low-carbon transition throughout our entire value chain. Furthermore, Dada is committed to social welfare causes, making proactive efforts to fulfill our social responsibility.

Response to Climate Change

Our Commitment

Climate change is one of the greatest global challenges of our time. To help mitigate its impact, Dada Group is actively responding to the *Paris Agreement* and is dedicated to driving the implementation of solutions for climate change. Through continuous innovation and exploration of new management strategies, the Group is committed to achieving sustainable operations and protecting our planet. We refer to the recommendations proposed by the Task Force on Climate-related Financial Disclosures ("TCFD Framework") to comprehensively manage our climate-related governance framework, strategies, risks, targets and indicators, by establishing a climate change risk management mechanism that is fully integrated with our corporate risk management framework.

Our Governance

At Dada, climate change governance is an integral part of our ESG management process. The Board of Directors assumes responsibility for overseeing and leading the identification and management of climate change risks, holding regular meetings to discuss climate issues, and reviewing progress and results. Additionally, the ESG Working Group plays an active role in identifying climate change risks and opportunities. This involves developing a comprehensive list of climate change risks and opportunities, coordinating the day-to-day management of ESG-related departments, and guiding the Group in taking initiatives to address climate change.

Our Objectives

We adhere to a climate change management philosophy that prioritizes sustainable development, and regularly review our operational processes through quantifiable and traceable climate targets that we have set up. **During the reporting period, we have set quantitative targets for low-carbon development, with a commitment to realize operational carbon neutrality in five years via measures including energy saving, adoption of clean energy and carbon offset programs**, thus contributing our share to low-carbon development. In addition, JDDJ is actively introducing campaigns featuring "organic" and "green" products, capturing the new trend towards green consumption.

Our Management Approach

The Group takes a proactive approach to identifying, evaluating and responding to climate change risks and opportunities. This involves systematically forming management directions to address climate change, creating short-, medium-, and long-term management strategies, and developing action plans and targeted countermeasures. In addition, we integrate climate change risk management into our corporate risk management system in line with our sustainability strategies, to enhance our resilience and adaptability to climate change.

Short-term

Conduct risk assessments, financial projections, and develop the action plans for management strategies for the next 1-2 years, including specific measures to address climate changes in the short term, on an annual basis.

Medium-term

Review and develop medium-term plans every 3 years to ensure our climate management strategies are consistent with policy trends, market developments, user needs, etc.

Long-term

Establish a long-term management strategy that includes commitments and directions to address climate change.

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Risk Category		Risk Case	Timespan	Countermeasures
Physical Risk	Acute	Increased severity of extreme weather events such as typhoons, floods, droughts, extreme heat and cold	Short-term	<ul style="list-style-type: none"> Close monitoring of weather conditions and early warning information sent to riders during extreme weather, along with the provision of emergency equipment and relevant training to ensure delivery safety Leveraging autonomous delivery and other methods to make up for capacity shortage during bad weather Development of contingency plans in different operating regions to handle unexpected weather events Identification and assessment of prospective risks associated with chronic climate risks, and incorporation of these risks into contingency plans for operations and delivery
	Chronic	Rise in average temperature	Long-term	
Transition Risk	Policies and Laws	Regulations and rules on existing products and services	Short-term	<ul style="list-style-type: none"> Ensuring timely understanding and compliance with relevant laws and regulations, such as restrictions on the use of plastic products and adherence to the safety technical specification for electric vehicles Incorporating environmental factors into business development and operational management Strengthening internal carbon emission accounting management and establishing an energy consumption and carbon emission data management system, comprehensively and continuously disclosing greenhouse gas emission data
		Stricter requirements on emission-related reporting and compliance	Long-term	
	Technology	Low-emission technology transition	Medium-term	<ul style="list-style-type: none"> Keeping abreast of government incentives for low-carbon technologies Consistently integrating energy saving and emission reduction into research and development process Encouraging electric scooter battery swapping and seeking out clean energy battery swapping service providers
	Market	Customer preference for low-carbon products	Long-term	<ul style="list-style-type: none"> Promoting green consumption through campaigns such as "green consumption season" based on market demand Vigilantly monitoring and adopting low-carbon technologies and operational measures, and actively implementing low-carbon upgrades in packaging, delivery, and other processes Analyzing price trends of raw materials, including green packaging materials, and effectively managing procurement cost risks through supplier communication and resource integration efforts
		Increase in procurement cost	Short-term	
Reputation		Customers' focus on corporate responsibility	Long-term	<ul style="list-style-type: none"> Paying more attention to disclosure requirements related to sustainable development and climate change, and optimizing external communication channels for corporate social responsibility while ensuring compliance Actively monitoring and participating in relevant international and domestic environmental protection activities to enhance industry competitiveness and corporate reputation Actively identifying and evaluating climate change risks through stakeholder engagement, and continuously improving the mechanism for stakeholders to provide negative feedback related to climate change
		Stakeholders' increasing attention to negative news	Long-term	

Opportunity Category	Opportunity Case	Timespan	Countermeasures
Sources of Energy	The emergence of new technologies	Medium-term	<ul style="list-style-type: none"> Increasing the use of renewable energy in operations and delivery (such as incorporating renewable energy in office buildings and collaborating with clean energy suppliers in the battery swap program for scooters used for delivery) in response to future volatility in the traditional energy market to ensure stable service and operational cost
Products and Services	Building a green and low-carbon image of the company to enhance market competitiveness	Long-term	<ul style="list-style-type: none"> Climate change and sustainability are increasingly in the spotlight, and consumers are becoming more conscious of the environmental impact of their choices. They are opting for environmentally friendly products and services, which raises the bar for companies to build a low-carbon culture and image. Dada Group will leverage its platform to amplify efforts in promoting green products on JDDJ platform, enhancing our green and low-carbon image, and building brand competency in sustainability

Our Progress

As we strive to address climate change, we are not only committed to decarbonizing our own operations, but also working closely with our partners throughout the entire value chain to reduce carbon emissions through technology empowerment. In terms of grasping opportunities, as a platform with a robust ecosystem, we are actively promoting green consumption and driving green development.

Business Operations: Promoting End-to-End Carbon Emission Reduction: At Dada, we are proactively exploring low-carbon solutions throughout our business operations process. We are working closely with our upstream and downstream partners to implement full life-cycle low-carbon management across picking, packaging, and delivery processes.

Dada Now, our on-demand delivery platform, is dedicated to helping consumers meet their delivery needs within a short radius of 3-5 kilometers through our fleet of riders on electric scooters. By providing this service, we aim to replace the need for truck deliveries or private car trips for shopping, thereby reducing carbon emissions within local communities. **In 2022, Dada Now's intra-city on-demand delivery service covered over 1.8 billion kilometers, with electric vehicles accounting for almost 100% of our fleet. This has resulted in a significant reduction of approximately 500,000 tons of GHG emissions compared with deliveries made with gasoline vehicles¹.**

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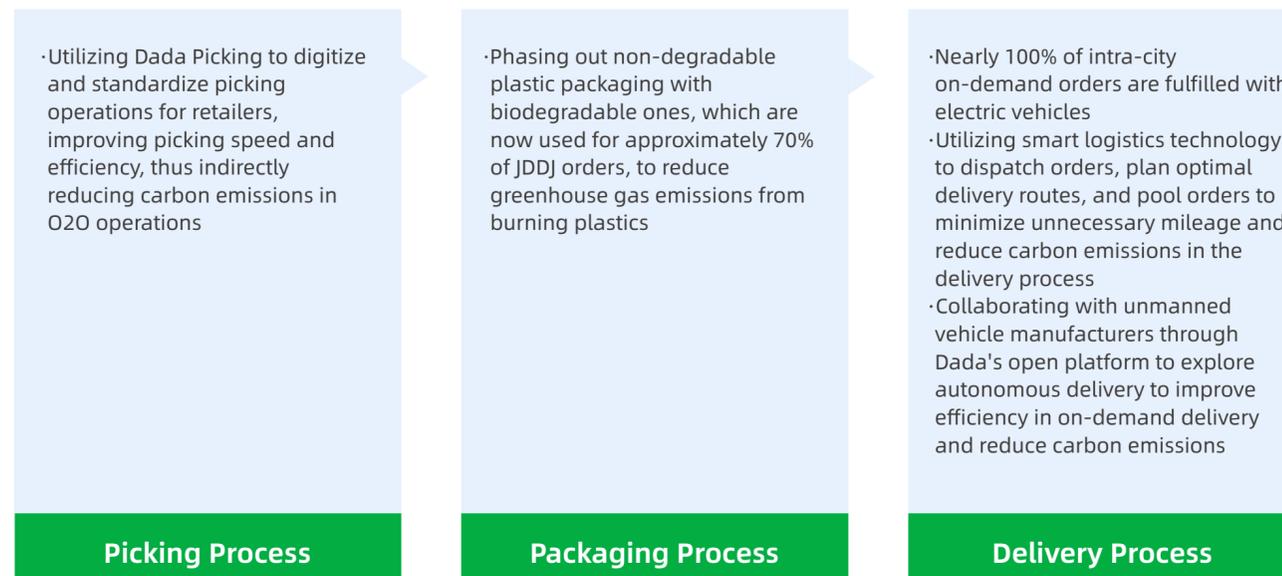
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In addition, during the reporting period, Dada Group launched a battery swap program for our riders' electric vehicles, which is now available in several provinces and cities across China, including Beijing, Fujian, Jiangsu, Shanghai, Sichuan and Zhejiang. Battery swapping significantly increases battery utilization rate, leading to reduced carbon emissions per kilometer traveled by our delivery vehicles. **Additionally, some of our battery swap partners utilize clean energy sources such as wind power to generate electricity, further supporting our decarbonization of delivery.** Therefore, the battery swap service not only saves our riders' charging time and improves their delivery efficiency, but also expedites Dada's carbon emission reduction. During the reporting period, approximately 0.4% of our active riders utilized the battery swap service, with the highest penetration rate of over 2% in Zhejiang province.

Furthermore, Dada Group is actively driving upstream retailers to adopt energy-saving and emission-reducing measures powered by technology. By leveraging Dada Picking services, we have facilitated retailers to improve their picking efficiency, thereby reducing carbon emissions in the picking process and promoting green practices throughout the industry value chain, making our due contribution to building a carbon-neutral society.

In the packaging process, as an on-demand retail platform, JDDJ provided consumers with paid plastic bags for each order they place. Since 2020, we have gradually transitioned from ordinary plastic bags to biodegradable plastic bags, to minimize the carbon footprint associated with our packaging process. In addition, we display a "Promote Environmental Protection" label on JDDJ's order placing page to raise awareness for eco-friendly packaging.



Dada Group's Measures in Carbon Reduction Across the Industry Chain

Workplace Initiatives: Fostering a Low-Carbon Culture: Dada continues to promote energy saving and emission reduction in our office areas, striving to improve the energy and resource efficiency in our office buildings. To further encourage our employees to embrace low-carbon practices, we have designed a series of activities and mechanisms aimed at enhancing their awareness and engagement in green initiatives.

Driven by the growing awareness among our employees for low-carbon practices and environmental protection, coupled with the Group's proactive initiatives to improve cost efficiency, Dada reduced our per capita operational carbon emissions² by 43% to 0.35 tons in 2022.

Promoting efficient meetings	Reducing the frequency, duration, and size of meetings to improve overall efficiency and productivity
Implementing energy-saving measures	Turning off lights and cutting electricity at the end of meetings, and switching to standby mode when computer is not in use to save electricity
Encouraging green travel for business trips	Prioritizing travel via high-speed rail, planning reasonable travel routes, and promoting group travel to minimize carbon emissions from business trips

Low-Carbon Initiatives at Workplace Promoted by Dada Group

Consumption Trend: Promoting Green Consumption: At Dada, we recognize that as the operator of a platform with a vast ecosystem, our opportunities to reduce carbon emissions lie primarily in our value chain. While we are committed to achieving low-carbon transition within our own operations and for our partners' operations, we also understand our responsibility to support consumers in adopting more sustainable consumption habits. To this end, we actively launch various types of green consumption activities, leveraging the strengths of our platform to encourage consumers to make environmentally and socially responsible choices. Through these initiatives, we aim to expand the size of green consumers and increase the penetration of green consumption.

JDDJ Actively Participated in Green Consumption Season

In September 2022, focused on the themes of "green creation" and "green leadership", Dada supported the Shanghai Double Five Shopping Festival - Green Consumption Season campaign, to advocate green lifestyle and promote green consumption.

During the Shanghai Green Consumption Season, we have collaborated with retailers and brands to issue a total of consumption vouchers worth RMB100 million, with a specific focus on green food and environment-friendly goods. We highlighted products that were labeled as "green", "environmentally friendly", "natural", and other similar categories, to promote the growth of green consumption in Shanghai. In the home appliances section, to incentivize the consumption of energy-saving home appliances, we emphasized the promotion of new products featuring energy efficient in air conditioners, refrigerators, and washing machines categories, across 230 home appliance stores in Shanghai, together with a campaign to provide 5% off for replacement products.

The Group's energy and carbon emission data during the reporting period are as follows:

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Greenhouse gas (GHG) emissions			
Indicators	Unit	2021	2022
Scope 1: direct GHG emissions ³	Tonnes of CO2e	0	0
Scope 2: indirect GHG emissions	Tonnes of CO2e	1,690	997
Scope 3: GHG emissions by delivery vehicles	Tonnes of CO2e	10,424	10,896
Total GHG emissions	Tonnes of CO2e	12,114	11,893
Per capita operational GHG emissions (scope 1 and 2)	Tonnes of CO2e per person	0.61	0.35
Scope 1: direct GHG emissions intensity	Kilograms of CO2e per RMB 1,000 revenue	0	0
Scope 2: indirect GHG emissions intensity	Kilograms of CO2e per RMB 1,000 revenue	0.25	0.11
Scope 3: GHG emissions (delivery process) intensity	Kilograms of CO2e per RMB 1,000 revenue	1.52	1.16
Total GHG emissions intensity	Kilograms of CO2e per RMB 1,000 revenue	1.76	1.27

Energy consumption			
Indicators	Unit	2021	2022
Electricity consumption in offices	KWh	2,401,745	1,748,958
Electricity consumption in the delivery process ⁴	KWh	13,869,567	19,105,840
Energy consumption ⁵	Tonnes of standard coal	295	215
Energy consumption intensity ⁶	Kilograms of standard coal per RMB 1,000 revenue	0.04	0.02

¹The calculation of GHG emissions from gasoline vehicle delivery is based on the National Standard of the People's Republic of China (GB1589-2004): Limits of Dimensions, Axle Load and Masses for Road Vehicles, the National Standard of the People's Republic of China (GB 19578-2021): Fuel Consumption Limits for Passenger Vehicles, the Industrial and Other Industries Companies Greenhouse Gas Emission Accounting Methods and Reporting Guidelines issued by the National Development and Reform Commission, and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

²Per capita operational carbon emissions is denoted at sum of scope 1 and 2 GHG emissions divided by average number of employees at the beginning and end of the year.

³As an asset-light platform company, Dada Group's operations do not involve direct greenhouse gas emissions from manufacturing processes, office buildings, data rooms, or fleet of vehicles, as these facilities are not owned or operated by the Company.

⁴The 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.

⁵The energy consumption is purely related with electric energy consumption and is 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.

⁶The intensity of environmental indicators is calculated based on the total revenue of Dada in 2021 and 2022.

Environmental Management

Our Commitment

With green development as a key corporate goal, Dada aims to control and mitigate the environmental impact of our business activities in regions where we operate. We integrate environmental concepts into every step of our corporate development and strive to drive business development through digital and intelligent management while promoting the transformation of society to a green and circular economy.

Our Management Approach

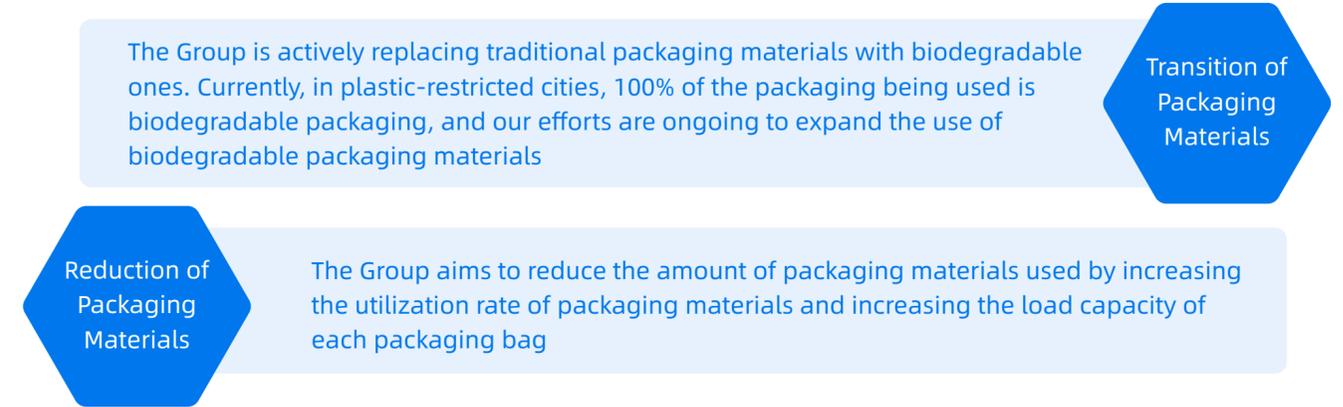
The Group is committed to complying with all applicable environmental laws, regulations, policies, and rules in the locations where it operates, promoting green operations and green packaging management. These include the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise*, the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, *GB/T 21661-2020 Plastic Shopping Bags*, *GB/T 38082-2019 Biodegradable Plastic Shopping Bags*, etc.

Green Operations: Dada sees itself as an advocate of green office in our day-to-day operations. During the reporting period, we initiated a green office initiative to raise awareness among employees about energy conservation and environmental protection, and encourage all employees to actively practice low-carbon lifestyle. We believe that small actions can make a big difference in creating a corporate culture of low-carbon and sustainability. Dada is also actively exploring more possibilities in the field of green workspace. For instance, our office building leased from JD has obtained the Three-Star Green Building Design Label*.

Save every drop of water	Turning off taps after use and avoiding unnecessary water wastage
Say no to disposable products	Using glasses instead of paper cups or bottled water; Using canvas bags as an alternative
Save paper to protect forests	Printing double-sided, recycling waste paper, reusing paper for drafting, and using online documents for convenience
Recycle and exchange	Returning used batteries to exchange for new ones

Dada Group's Green Office Initiatives

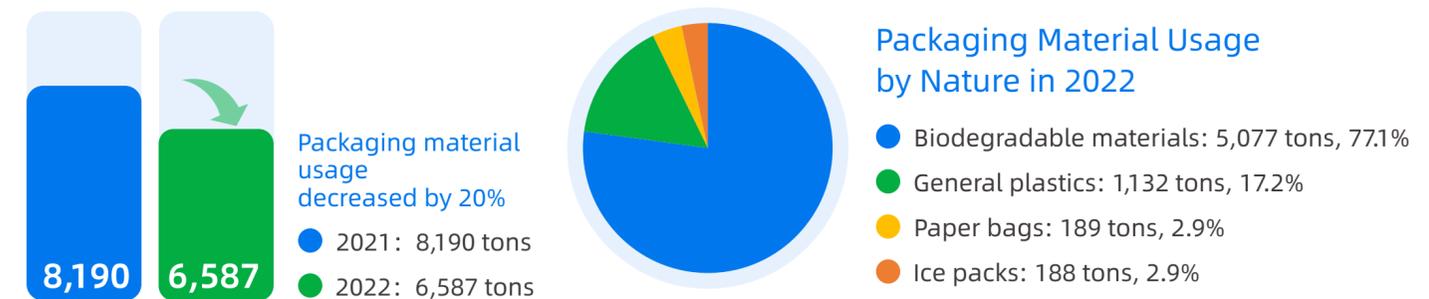
Green Packaging: Dada Group recognizes that green packaging is an essential element of our low-carbon and recycling ecosystem. On top of complying with all relevant national laws and regulations, we keep exploring innovative and practical green packaging solutions that align with the operational needs of merchants, so as to promote the adoption of green packaging.



Dada Group's Measures in Packaging Management

Our Progress

During the reporting period, **JDDJ distributed a total of 6,587 tons of packaging materials for merchants to pack the order generated on JDDJ platform, which represented a decrease of approximately 20% compared to the previous year. This is noteworthy considering there was a year-on-year growth of over 20% in JDDJ's order volume along with a significant increase in the average order size in the same period.** This achievement can be attributed to our efforts in assisting merchants in optimizing the picking process and improving the quality and load capacity of packaging bags. Notably, **among packaging materials used, 77.1% were biodegradable bags, which covered about 70% of JDDJ orders.**



*Green building rating refers to the assessment of buildings based on the Assessment Standard for Green Building (2014), which evaluates the extent to which a building meets the control items and scoring items outlined in the standard. The three-star green building standard is the highest level in the green building assessment system.

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Commitment to Philanthropy

Our Commitment

Dada Group is dedicated to achieving synergy between our own development and social progress. We actively fulfill our mission and responsibilities as a corporate citizen by integrating our operational strengths with philanthropic initiatives. Our commitment to philanthropy is reflected in our efforts including sharing technology dividends with the disadvantaged and supporting children's growth, aiming to promote inclusiveness and resilience in society, and contribute to the stability and prosperous development of communities.

Our Progress

Dada recognizes that our growth and development is indispensable to the powerful time and society we are in. As a creator, bearer, and beneficiary of social value, we remain committed to our original aspiration and are dedicated to philanthropy, aiming to contribute to the well-being of the communities we serve. We take our social responsibility seriously and strive to give back to society with gratitude. Via initiatives including supporting the healthy growth of children, and making adaptations and modifications to our Apps for the elderly and disabled, we join hands with our employees and all sectors of society to fulfill our social responsibility and promote the sustainable development of philanthropic projects.

Child Care Program: The continuation and development of society is a responsibility passed down from generation to generation. The youth is the hope and future of our nation. Dada actively undertakes our corporate responsibility by engaging in philanthropic activities, giving back to community, and caring for the growth and development of children and adolescents. This not only demonstrates our corporate responsibility, but also enables us to accompany the children with our love along their journey of growth.

Dada Now Participated in Charitable Delivery on Children's Day

In commemoration of the centennial of the founding of the Communist Youth League of China, Dada Now, in collaboration with the Yangpu District's Committee of Communist Youth League, participated in a charitable delivery on June 1, Children's Day. Customized cakes were delivered by Dada Now to 100 underprivileged minors in the district, with messages "A New Era of Youthful Heart towards the Party" and "June 1 Children's Day" marked on the cakes, giving these children a meaningful Children's Day.



Dada Group Engaged in the "Together, Let Us Donate to the Nutritious Meals" Charity Program

On August 12, 2022, Dada Group partnered with Walmart China and the China Foundation for Rural Development to engage in the "Together, Let Us Donate to the Nutritious Meals" charity program. This project aimed to raise funds through online and offline channels to provide nutritious meals for children in underdeveloped areas such as Guizhou and Guangxi Province.



Bridging the Digital Gap: China is entering an aging society with a growing elderly population. Meanwhile, there are a large number of people with disabilities. Many of the elderly and the disabled still have difficulty using digital tools in their daily lives. Therefore, Dada Group is committed to promoting accessibility and inclusiveness in the digital economy and digital life. Specifically, Dada actively participates in the Special Action Plan for Aging-Friendly and Barrier-Free Updating of Internet Applications initiated by China's Ministry of Industry and Information Technology (MIIT), facilitating the aging-friendly and accessibility upgrade of our consumer-facing Apps. During the reporting period, the elderly and barrier-free versions of JDDJ provided support to nearly 1,000 senior and disabled consumers each day, generating a total of 330,000 orders and over RMB57 million in GMV in the year.



330,000 orders supported by elderly and barrier-free versions of JDDJ

RMB57 million GMV supported by elderly and barrier-free versions of JDDJ

1,000 daily active consumers supported by elderly and barrier-free versions of JDDJ

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Aging-friendly and Barrier-free Upgrade of JDDJ App

Dada Group has been actively involved in MIIT's initiative for elderly-friendly and barrier-free upgrades since 2021, to help older users and disabled groups to overcome the digital divide.

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, Information Accessibility White Paper (2022) was issued by the China Academy of Information and Communications Technology. This white paper aims to promote information accessibility in China and contribute to information accessibility worldwide. Dada Group assisted in the preparation of the white paper.

In November 2022, JDDJ was selected as one of the outstanding cases of elderly-friendly and barrier-free services in information and communication industry in Shanghai, as recognized by the Internet Society of Shanghai. This recognition further validates Dada's efforts and achievements in helping improve older and disabled user groups' access to internet services.



Our Honors and Awards

In November 2022, Dada Group was included in the “2022 List of Excellent Private Enterprises in Corporate Social Responsibility (CSR)” released by the All-China Federation of Industry and Commerce. Dada is the only company in Shanghai that has earned this honor. This is a recognition to Dada Group's ongoing philanthropic practices and our commitment to social responsibility, which encourages us to continue moving forward with a heart for the greater good.

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Appendix

Environmental and Social Performance Indicators

Environmental Performance Indicators

Environmental Issues	Indicators	Unit	2021	2022
Greenhouse Gas (GHG) Emissions	Scope 1: direct GHG emissions	Tonnes of CO2e	0	0
	Scope 2: indirect GHG emissions	Tonnes of CO2e	1,690	997
	Scope 3: GHG emissions during delivery	Tonnes of CO2e	10,424	10,896
	Total volume of GHG emissions	Tonnes of CO2e	12,114	11,893
	Per capita operational GHG emissions	Tonnes of CO2e per capita	0.61	0.35
	Scope 1: direct GHG emission intensity	Kg of CO2e/RMB 1,000	0	0
	Scope 2: indirect GHG emission intensity	Kg of CO2e/RMB 1,000	0.25	0.11
	Scope 3: GHG emission intensity during delivery	Kg of CO2e/RMB 1,000	1.52	1.16
	Total intensity of GHG emissions	Kg of CO2e/RMB 1,000	1.76	1.27
	Energy Use	Purchased electricity	KWh	2,401,745
Electricity consumption during delivery		KWh	13,869,567	19,105,840
Total volume of energy consumption		Tonnes of standard coal	295	215
Total intensity of energy consumption		Kg of standard coal/ RMB 1,000	0.04	0.02

Social and Governance Performance Indicators

Social and Governance Issues	Indicators	Unit	2021	2022		
Employment	Total Workforce	Total number of employees	/	3,132	2,631	
		Number of employees by gender	Male	/	1,887	1,557
			Female	/	1,245	1,074
		Number of employees by age	≤30	/	2,124	1,544
			30~50	/	1,008	1,086
			≥50	/	-	1
		Number of employees by educational background	Technical secondary school and below	/	49	41
			College	/	926	701
			Bachelor's degree	/	1,860	1,622
			Master's degree	/	283	264
			Doctoral degree	/	3	3
		Number of employees by employment types	Full-time	/	3,108	2,625
			Non-full-time (i.e., part-time, interns, etc.)	/	24	6
		Number of employees by positions	Junior employees	/	1,702	1,207
			Senior employees	/	1,426	1,420
Top management	/		4	4		

Social and Governance Issues		Indicators		Unit	2021	2022
Employment	Employee Hiring	Total number of new employees		/	1,481	382
		Number of new employees by gender	Male	/	873	212
			Female	/	608	170
		Number of new employees by age	≤30	/	1,037	260
			30~50	/	444	121
			≥50	/	-	1
		Number of new employees by educational background	Technical secondary school and below	/	13	15
			College	/	402	64
			Bachelor's degree	/	904	258
			Master's degree	/	161	44
			Doctoral degree	/	1	1
		Number of new employees by employment types	Full-time	/	1,466	376
			Non-full-time (i.e., part-time, interns, etc.)	/	15	6
		Number of new employees by positions	Junior employees	/	435	192
	Senior employees		/	1,046	189	
	Top management		/	-	1	
	Employee Voluntary Turnover	Total number employees voluntarily left		/	632	481
		Number of employees left by gender	Male	/	360	285
			Female	/	272	196
		Number of employees left by age	≤30	/	443	308
			30~50	/	189	173
			≥50	/	-	-
		Total voluntary turnover rate		%	22.6	16.7
		Turnover rate by gender	Male	%	21.2	16.6
			Female	%	24.8	16.9
		Turnover rate by age	≤30	%	24.3	16.8
			30~50	%	19.5	16.5
≥50			%	0.0	0.0	

Social and Governance Issues		Indicators		Unit	2021	2022
Employment	Equal Pay	Difference with overall median employee compensation	Male	%	0.9	2.2
			Female	%	-1.0	-2.1
		-Employees in junior positions	Male	%	-0.7	-2.4
			Female	%	2.8	5.9
		-Employees in senior positions	Male	%	6.1	3.8
			Female	%	-10.2	-7.7
		Difference with overall mean employee compensation	Male	%	5.9	5.0
			Female	%	-9.0	-7.4
		-Employees in junior positions	Male	%	-0.1	-0.6
			Female	%	0.2	0.8
		-Employees in senior positions	Male	%	5.9	4.9
			Female	%	-10.1	-7.8
	Employee Training	Total percentage of employee trained		%	100	100
	Performance Evaluation	Total percentage of employees who receive periodical performance evaluation		%	100	100
	Occupational Health and Safety	Number of work-related injuries		/	7	2
		Lost Time Injury Frequency Rate (per million labor hours)		/	1.32	0.40
		Number of working days lost		Days	160	77
		Rate of working days lost (per million labor hours)		/	30.24	15.49
Information Security	Total percentage of employees covered by data security training		%	100	100	
Business Ethics	Total percentage of employees covered by business ethics training		%	100	100	
Intellectual Property Protection	Patents/trademarks applied in the current reporting year	Patents	/	6	3	
		Trademarks	/	84	222	
	Patents/trademarks obtained in the current reporting year	Patents	/	2	1	
		Trademarks	/	673	72	
Total valid patents/trademarks	Patents	/	112	113		
	Trademarks	/	1,273	1,345		

List of Laws, Regulations and Internally Developed Policies

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

Internally Developed 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
- JDDJ Privacy Policy
- Dada Now Privacy Policy
- 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



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