



# BUILDING A SUSTAINABLE LOCAL ECOSYSTEM TOGETHER

DADA GROUP 2023 ESG REPORT

# CONTENTS

01	○	About This Report	02	○	Enhancing Service Quality and Improving User Experience	05	○	Upholding Rider Rights to Support Flexible Employment
02	○	Message from Management	21	●	Quality Management	45	●	Rider Interest Protection
03	○	ESG Performance Highlights	23	●	User Experience	50	●	Rider Development
05	○	Spotlight: Building the Convenient Living Circle to Make Happiness within Reach	25	●	Innovation-Driven	52	●	Rider Care
01	○	Strengthening the Governance and Responsibility Framework	26	●	Intellectual Property	06	○	Promoting Green Development and Actively Giving Back to Society
09	●	Governance Structure	03	○	Establishing Win-Win Cooperation Across Industry Value Chain	55	●	Environmental Management
10	●	Risk Management	28	●	Responsible Sourcing	60	●	Social Welfare
12	●	Business Ethics	29	●	Merchant Collaboration	06	○	Appendix
13	●	Information Security	30	●	Brand Collaboration	63	●	2023 Key Performance Metrics in the Environmental Dimension
16	●	ESG Governance	31	●	Industry Communication	63	●	2023 Key Performance Metrics in the Social Dimension
			04	○	Enabling Employee Development and Improving Workplace Happiness	66	●	2023 Greenhouse Gases Verification Statement
			36	●	Talent Attraction			
			38	●	Talent Development			
			41	●	Occupational Health and Safety Assurance			
			41	●	Employee Care			



# ABOUT THIS REPORT

## Report Introduction

This report is the third Environmental, Social, and Governance (ESG) Report published by Dada Group, aimed at all stakeholders of the company. It primarily discloses our management, practices, and performance in the areas of economics, environment, social, and corporate governance.

## Reporting Period

The coverage period for this report is from January 1st, 2023, to December 31st, 2023. Some content may retrospectively cover previous years or extend into 2024.

## Report Scope and Boundaries

This report encompasses Dada Group, referred to as "Dada," "the company," or "we," and all its subsidiaries.

## Reporting Standards

The compilation of this report is guided by the Global Reporting Initiative (GRI) Standards and also considers the issues covered by United Nations Sustainable Development Goals (SDGs), MSCI (Morgan Stanley Capital International), and S&P (Standard & Poor's) ESG Ratings, and aims to reflect our current development stage and ESG performance. The report is prepared through steps including identifying and ranking important stakeholders and ESG issues, defining the ESG reporting boundaries, collecting relevant materials and data, drafting the report based on information collected, and reviewing the report's content to ensure its completeness, materiality, accuracy, and balance.

## Report Language and Format

This report is available in both Chinese and English and is provided in digital format. In the event of any discrepancies in interpretation between the two versions, the Chinese version shall take precedence. For more information about Dada Group's background, business development, and sustainability philosophy, please visit our official website at <https://ir.imdada.cn/>.

## Report Preparation Process

The preparation of this report involved forming a work team, collecting data, conducting interviews with stakeholders, distributing stakeholder surveys, establishing the framework, writing the report, designing the report, and being reviewed by relevant departments and senior management.

## Confirmation and Approval

This report was confirmed by management and approved by the Board of Directors on May 30th, 2024.

## Contact Us

We highly value the opinions of our stakeholders and invite readers to contact us through the following means. Your feedback will help us improve the disclosure and management of ESG issues.

Email: [ir@imdada.cn](mailto:ir@imdada.cn)

# MESSAGE FROM MANAGEMENT

2023 is the "Year of Consumption Boost," with consumer spending continuing to recover. Consumers are increasingly focusing on value-for-money, while also demanding greater convenience in their purchases. We believe that on-demand retail platforms and on-demand delivery networks will be key carriers of this consumer demand and a new driving force for high-quality economic and social development. In the process of steadfastly implementing strategies for on-demand retail and on-demand delivery, Dada Group is committed to continuously integrating ESG factors into our daily business operations. We aim not only to improve our own ESG management but also to leverage our influence to enhance ESG development among all participants in our platform ecosystem, thus laying a solid foundation for sustainable development.

The company continuously optimizes its internal governance structure and upholds its responsibilities to all parties. Adhering to business ethics and compliance with laws and regulations is the basic principle of our business operations. We have established a compliant and harmonious operational environment and continuously strengthen our business risk management to support the company's high-quality development.

We always maintain a customer-centric approach, continually optimizing our products and services to swiftly respond to consumer needs and market changes, thereby enhancing customer satisfaction. In May 2024, our on-demand retail service was officially upgraded to JD NOW, aiming to bring quality goods to consumers at top-notch speeds under a new brand identity. Through active implementation of platform merchant and product quality management, fulfillment service experience enhancement, customer service optimization, and user benefits upgrades, JD NOW is committed to enhancing user experience by making the shopping journey smoother and continuously improving selection, speed, quality, and value.

As of the end of 2023, the JD NOW platform (previously known as JDDJ) has connected more than 500,000 offline retail stores and collaborated with over 300 brands. We always practice a win-win development philosophy, actively seeking long-term stable cooperation with reliable suppliers, high-quality merchants, and leading brands, leveraging complementary strengths to drive industry development and progress.

Talent is a key strategic resource that drives innovation and development at Dada Group. We are committed to advancing a diversified talent strategy and have established a comprehensive talent management system. We continuously protect the rights of our employees, and have built a multi-tiered training program, a variable compensation mechanism and promotion channels to facilitate employee development. Additionally, we enhance organizational cohesion through open communication mechanisms and a variety of employee activities.

Riders are a cornerstone of the Dada Group ecosystem. In 2023, more than 1.2 million riders earned income through the Dada Now platform, our on-demand delivery arm. We see riders as respectable fighters and creators of a better life, deserving of proper protection and rights. The company has implemented a series of measures such as implementing pilot project of work-related injury insurance, optimizing product functions, enhancing training systems, and enriching care projects to strengthen rider protection, care, and support, thus improving their sense of belonging and satisfaction.

We pay close attention to climate risks and opportunities and align closely with national development strategies to support the goals of peak carbon emissions and carbon neutrality. We promote carbon reduction across the industry chain leveraging our business model advantages, and have set our operational carbon neutrality goals, aiming to contribute to green, low-carbon sustainable development. We actively undertake social responsibilities, advancing the "Dada Charity" project, coordinating our resources, and collaborating with merchants, brands, and riders to participate in poverty alleviation, education support, environmental protection, and disaster relief efforts.

Moving forward, we will strengthen corporate governance to further stabilize our development foundation. Continuing to uphold the mission of "Bring People Everything on Demand," we seek high-quality growth in the fields of on-demand retail and on-demand delivery, focusing on the sustainable development along with employees, customers, merchants, brands, riders, and communities, thus creating long-term value for shareholders and society.

Bing Fu, Interim President of Dada Group

# ESG PERFORMANCE HIGHLIGHTS

## Chapter 1 Strengthening the Governance and Responsibility Framework

- ★ We place great importance on board independence and diversity, with independent directors currently representing **60%** and female directors **80%**.
- ★ We strictly implement business ethics standards, with compliance training covering **100%** of employees.
- ★ We continue to strengthen information security and privacy protection, implementing comprehensive systems and product technologies for end-to-end control. Our core system has newly received **ISO 27001** and **ISO 27701** certifications.
- ★ We regularly conduct stakeholder surveys, with **24** significant ESG issues identified and updated during the reporting period.

## Chapter 2 Enhancing Service Quality and Improving User Experience

- ★ We strengthen product quality management through onboarding screening, platform rules, credit scores, special rectification campaigns, and merchant training, resulting in an over **30%** decline in Call per Order (CPO) for quality related issues among all JD NOW orders from 23Q1 to 23Q4.
- ★ We dedicatedly guarantee fulfillment quality through customized fulfillment solutions, operational automation, tiered rider fleet structure, and extensive rider training, with Dada Now's on-demand delivery service achieving a fulfillment rate of over **95%**.
- ★ We enhance customer service levels by improving the knowledge pool, conducting regular quality inspections and exams, and upgrading processes and systems, resulting in after-call satisfaction rate of approximately **90%**.
- ★ Continuous optimization across the entire transaction journey from products, fulfillment to after-sales has led to a consistent rise in JD NOW user NPS, with a **15%** increase from 23Q1 to 23Q4.

## Chapter 3 Establishing Win-Win Cooperation Across Industry Value Chain

- ★ We enhance **supply chain ESG management** by incorporating ESG factors into supplier tendering and performance assessments, and conducting themed training on green and low-carbon practices.
- ★ We collaborate with over **500,000** merchant stores and more than **300** brands, aiming to promote high-quality development in the on-demand retail industry through operational support and optimization, system development and iteration, training empowerment, and co-creating campaigns.
- ★ We actively collaborate with university platforms and autonomous vehicle manufacturers to explore and implement cutting-edge technologies.
- ★ We participate in the development of standards such as "On-demand Delivery Service Standards" and "On-demand Retail Industry Terminology and Key Indicators," continuously aiding industry development.



# ESG HIGHLIGHTS

## Chapter 4 Enabling Employee Development and Improving Workplace Happiness

- ★ We foster a diverse and fair workplace, where women make up **40%** of the overall and mid-to-senior level employees, with median employee compensation for female being **0.2% higher** than that for overall employees.
- ★ We firmly implement employee rights protection, establishing complaint and rapid response channels, and achieving **100%** coverage of collective agreements.
- ★ We adopt effective employee incentive system, with performance-based variable pay covering **100%** of employees and equity incentives covering **19%** of employees.
- ★ We develop a diverse training system to empower employees to enhance their professional and leadership skills, with a training coverage of **100%** and an average annual training duration of **7.6** hours per person.
- ★ The average employee satisfaction score for the year was **4.39** out of 5, and the voluntary turnover rate decreased by more than **3** percentage points year over year.

## Chapter 5 Upholding Rider Rights to Support Flexible Employment

- ★ We fully leverage our role as an inclusive flexible employment platform, with over **1.2 million** riders completing orders on Dada Now throughout the year, of which **12%** are female riders.
- ★ We relentlessly upgrade the end-to-end rider safety management mechanism that includes training, reminders and prohibitions, timely discovery, and post-incident handling and right protection, achieving an average rider satisfaction rate of over **85%** with platform safety measures.
- ★ We continually optimize training content and channels for riders, conducting **114,000** offline training sessions that cover over **340,000** participants, and online training contents were accessed by riders for over **ten million** times throughout the year.
- ★ We implement various rider care programs, launching approximately **1,000** offline care events throughout the year, while initiating new projects including the Education Fund.

## Chapter 6 Promoting Green Development and Actively Giving Back to Society

- ★ We conduct comprehensive analysis on Scope 1, 2, & 3 greenhouse gas emissions, and have obtained third-party verification. We implement energy saving and emission reduction efforts and realized an **18%** reduction in Scope 1 and 2 carbon emissions.
- ★ We continue to increase the coverage of green packaging, with the proportion of biodegradable plastic used during the year increasing to **92%**.
- ★ We fully utilize the low-carbon advantage of on-demand delivery service, with delivery distance exceeding **2.2 billion** kilometers during the year, resulting a reduction of carbon emissions by **600,000** tons.
- ★ We faithfully implement "Dada Charity" program leveraging our platform's strength together with merchants, brands, and riders, to engage in poverty alleviation, education support, ecological protection, etc.

## BUILDING THE CONVENIENT LIVING CIRCLE TO MAKE HAPPINESS WITHIN REACH

The "on-demand plus" business model is leading a new paradigm in Chinese commerce, where on-demand retail is the most vital application of the "on-demand plus" concept, serving as an essential infrastructure for local 15-minute convenience circles. This ecosystem not only creates new growth opportunities for e-commerce but also opens new development spaces for physical retail, becoming a joint growth point for both online and offline space.

Centering on the three elements of on-demand retail—immediate demand, local supply, and instant delivery—Dada Group leverages the integration of digital and physical retail to promote consumption, support physical businesses, and stabilize employment. The company strives to build a "Happiness within Reach" ecosystem where merchants, brands, consumers, riders, and the platform collaboratively benefit, driving sustainable and high-quality industry development.

### Promoting Consumption Share Happiness



In Dongcheng District, Beijing, Elder Zhang and his wife are used to ordering bulky items including fruits and staples on JD NOW, which will be delivered within minutes at no extra charge. For the elderly, this saves money and effort, allowing more time for walks and leisure. Elder Zhang has since shared this "new skill" with neighbors, believing happiness should be shared.

### Promoting Consumption Deliver Warmth



In Yubei District, Chongqing, a regular overtime worker, Xiao Zhang, has gotten used to ordering daily necessities from JD NOW. He usually places an order after work, and the goods arrive as he gets home. At one night, after being cut by glass, he quickly found and ordered band-aids on JD NOW, which were delivered within an hour. This "on-demand" care warmed the hearts of many overtime workers like him.

On-demand retail has kept evolving to enhance the breadth and depth in coverage, providing consumers within a 3-kilometer radius convenient and seamless shopping experience. This business model greatly improves consumer experience by meeting consumers' needs across categories and throughout day and night, all within 1 hour.

### Promoting Consumption Delivering Happiness Instantly

With the rapid development of on-demand retail, penetration among "new youth" and "new elderly" demographics is quickly increasing. As a leading local on-demand retail and delivery platform, Dada Group's service ensures delivery within hours, and even within minutes. This service meets the demand for upgraded services, unlocks greater consumption potential, and brings unprecedented convenience to consumers, serving as an indispensable part of the local 15-minute convenience circles.

### Promoting Consumption Bring Convenience



In Xi'an, Shaanxi, young couple Yang and He, while out with their child, quickly purchased the latest iPhone model via JD NOW. "Spending time with our child while grabbing the latest gadget for my wife, all at once!" This is the happy moment that an on-demand retail platform brings to families like theirs.





Supporting Physical Businesses

Digitalizing Over 500,000 Physical Stores

Behind the ultimate experience of "get it now" is the rapid evolution of the innovative on-demand retail model. On-demand retail has resolved the long-standing dichotomy between online and offline retail, and is believed to be one of the most promising business models in retail for the next five to ten years. Dada Group connects local physical stores and warehouses with consumers through digitalization capabilities and on-demand fulfillment infrastructure, enabling a closed loop of ordering online, and delivered within one hour from nearby stores.

Supporting Physical Businesses

Empower Small Stores



In Fengtai District, Beijing, 53-year-old Han, a "Beijing drifter," has realized a shift in his hardware community store from offline to online through the easy-to-operate online tools on the JD NOW platform. Soon after going online, the store's monthly sales reached tens of thousands of yuan. "This transformation is like my second entrepreneurship!" exclaimed Han.

Supporting Physical Businesses Boost Store Sales



At a Mi Home store in Hulunbair, Inner Mongolia, which has expanded its service range to a 3-5 kilometer radius through JD NOW, even people outside the free shipping area of traditional ecommerce can enjoy the joy of on-demand shopping. This has visibly boosted store sales. This store is just one of over 47,000 mobile phone stores nationwide that have listed on JD NOW by the end of 2023, allowing more people to enjoy the on-demand consumption experience.

Supporting Physical Businesses Facilitate Digital Transformation



At the Century Lianhua store in Nanhui, Pudong New District, Shanghai, manager Wang, who has worked there for 17 years, has witnessed the store's transformation. By adopting digital tools offered by JD NOW and adapting to digital workflows, store staff can simultaneously manage tens of thousands of SKUs online and offline. As a result, the store realized omnichannel digital transformation and significantly boosted sales.

By the end of 2023, JD NOW has brought online over 500,000 physical stores across categories, from national chain supermarkets like Walmart China, Yonghui, and CR Vanguard, to medium to small stores across various categories. Our platform enables stores to expand their service radius, boost traffic and sales, and brings business owners sustainable and high-quality growth, while improving convenience for consumers.





Stabilizing Employment

Helping Millions of Riders Improve Earnings

On-demand delivery is one of the key capabilities supporting on-demand retail and is considered "new infrastructure" for modern urban life. Dada Now, as a crowdsourcing on-demand delivery platform, has created numerous flexible employment opportunities for the workforce.

Stabilizing Employment

Enrich Local Employment Opportunities



Yang Lili is the team leader of a crowdsourced fleet at Dada Now for a Walmart store in Xichang, Sichuan, which mostly comprises riders born after 2000. The team's riders generally earn over RMB7,000 per month, nearly twice the local average income. This year, he planned to build a new house for his parents using his savings. Dada Now allows residents of the Greater Liangshan region to experience the convenience of 1-hour delivery while helping young people in small towns achieve employment at their doorstep, giving them more confidence and motivation to stay at hometown.

Stabilizing Employment

Provide Care for Special Groups



Hu Guifu, a 45-year-old disabled rider at Dada Now, has never bowed down to life despite physical challenges. The longest-distance order he has ever taken was a ride of 60 kilometers long. For tourists who frequently suffer from altitude sickness upon entering Tibet, he has delivered nearly a thousand orders of oxygen tanks and altitude sickness medication a year. "If we deliver a bit faster, sometimes it's about saving a life." Today, Hu earns about RMB10,000 a month, enabling him to provide a better life for his wife and three children, which is his biggest motivation to keep going.

Stabilizing Employment

Add Helpers to Improve Efficiency



Since autonomous vehicles became a "new partner" in the work of Zhao Yongqiang and his wife Mo Yan, even in terrible weather, they can deliver goods timely and safely. Mo Yan works as a loader at the supermarket, loading the goods into the unmanned vehicle and then giving motion instructions before the vehicle departs; Zhao Yongqiang unloads at the junction point and then rides a balance bike to deliver to customers. The couple, teaming up with an autonomous vehicle, can deliver over 2,000 orders a month. Technological innovation not only promotes rapid iteration of capabilities but also creates many new jobs.

Stabilizing Employment

Enable Ordinary Workers to Realize Self-Worth



Ke Chun has tried her luck in various places and last year decided to come to Shanghai looking for better job opportunities. Initially, she joined Dada Now just to try it out, not expecting to find a more stable and decent income. Because of her meticulous and professional on-demand delivery service, she not only gained recognition from merchants and consumers but also received a care package from the platform during the Mid-Autumn Festival. Even though this is just a part-time job, Ke Chun has gained significant self-worth from the service she delivers to consumers.

Currently, Dada Now's business covers over 2,600 cities and counties nationwide, and has attracted more than 1.2 million annual active riders. This flexible employment model has become one of the important ways for local workers to increase their income and assist in local development.



# STRENGTHENING THE GOVERNANCE AND RESPONSIBILITY FRAMEWORK



Governance Structure /09

Risk Management /10

Business Ethics /12

Information Security /13

ESG Governance /16

## STRENGTHENING THE GOVERNANCE AND RESPONSIBILITY FRAMEWORK

Dada Group is dedicated to creating a robust corporate governance system. By continuously improving our governance structure, strengthening risk control management, adhering to business ethics, enhancing information security and privacy protection, and strengthening ESG governance, we safeguard the interests of shareholders and other stakeholders, and continuously enhance corporate value.

### GOVERNANCE STRUCTURE

Dada Group rigorously establishes a comprehensive corporate governance structure in strict accordance with relevant laws and regulatory requirements of the listing locations to ensure compliant operations.

The Board of Directors is responsible for leading and overseeing the company's business and strategic decisions. Board committees including the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee manage specific affairs within their scope, ensuring robust company operations. For more information about the duties of each committee, please visit the corporate governance section on Dada Group's official website.

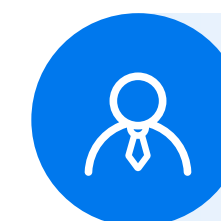
#### Optimized Governance ▼

Dada Group understands that promoting diversity on the Board of Directors facilitates more scientific and prudent decision-making, thus enhancing governance as a public company. The nomination of board members considers a range of diversity factors, including but not limited to gender, nationality, age, and professional background.

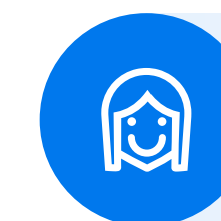
As of the release date of this report, the Board of Directors of Dada Group consists of five directors, including three independent directors and four female directors, ensuring the board's independence and diversity of perspectives. The professional backgrounds of board members cover various sectors

including the internet, advanced technologies, logistics, retail, flexible employment, and finance, which help the board gain a more comprehensive and integrated perspective and ensure compliant operations and scientific decision-making.

Position	Name	Sex	Industry Expert	Risk Expert	Financial Expert
Chairman	Ian Su Shan	Male	√		√
Director	Christina Xiaojing Zhu	Female	√	√	
Independent Director	Baohong Sun	Female		√	
Independent Director	Jian Han	Female	√		
Independent Director	Laura Marie Butler	Female			√



**60%**  
Independent Directors



**80%**  
Female Directors

The Board of Directors has three specialized committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. Except for the Nominating and Corporate Governance Committee, the other committees are purely composed of independent directors. Each committee fully leverages its know-how in finance, corporate operations, organizational incentives, and risk management, providing professional opinions and suggestions that strongly support the board's scientific decision-making process.

Committees	Members
Audit Committee	Laura Marie Butler; Jian Han; Baohong Sun
Compensation Committee	Jian Han; Laura Marie Butler
Nominating and Corporate Governance Committee	Baohong Sun; Ian Su Shan; Jian Han

### Compensation and Performance ▼

The Compensation Committee is responsible for establishing compensation policies and structures that meet the business development needs of the company and conducting regular reviews of the compensation for directors and senior management, as well as reviewing the company's employee stock incentive plans, to ensure that the compensation levels are appropriate and that employees are properly motivated.

Additionally, through a series of mechanisms such as long-term interest deferral and clawback, we encourage directors and senior management to pursue long-term sustainable development.

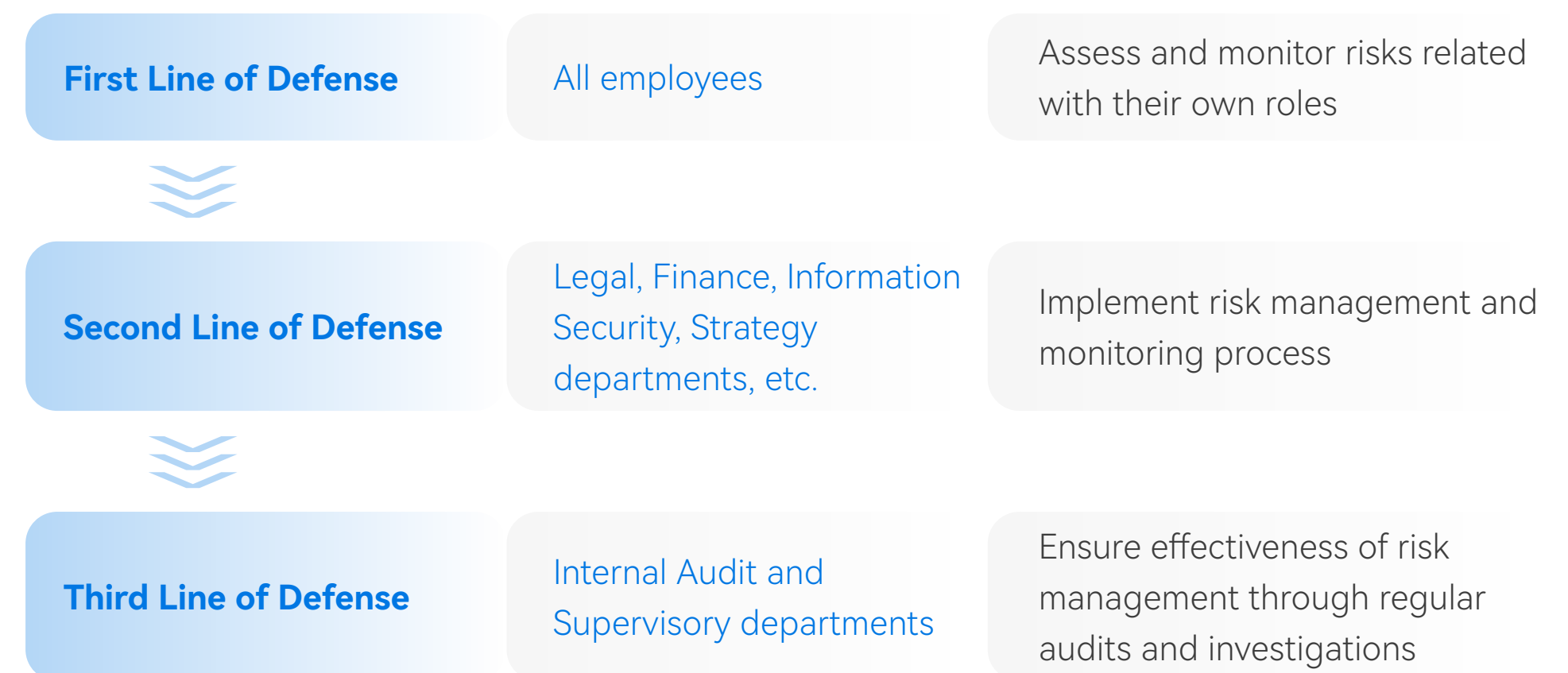
## RISK MANAGEMENT

Dada Group adheres to a comprehensive risk management approach, having developed and implemented policies such as the "Risk Assessment Management System" and "Risk Review Mechanism." Additionally, we are integrating social and environmental factors into our risk

management framework, regularly identifying and assessing new types of risks, and actively promoting a culture of risk awareness within the company.

### Management Framework ▼

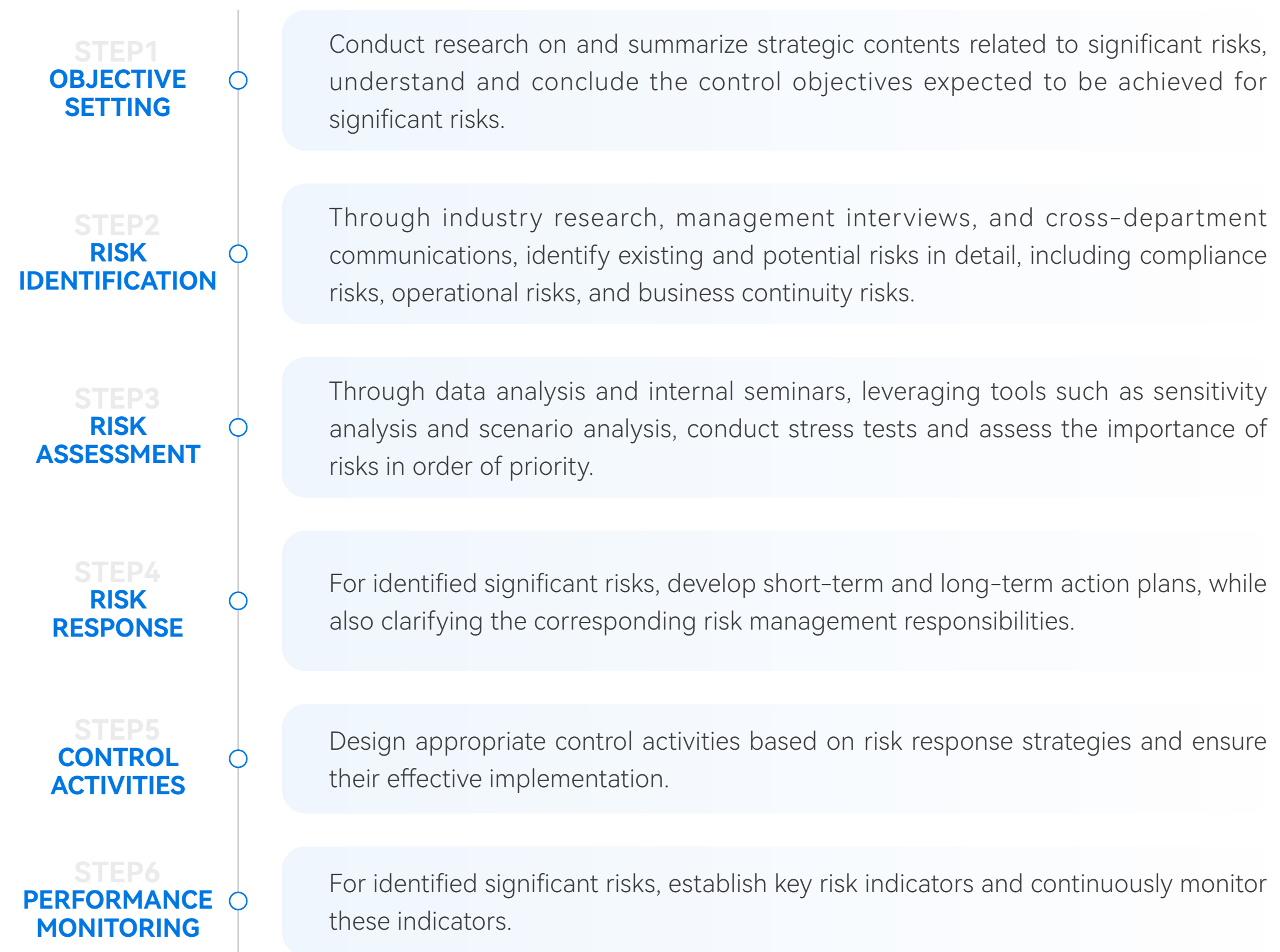
Dada Group follows a risk management system that covers all business departments of the company. At the governance level, the Audit Committee is responsible for approving the overall objectives, preferences, and related strategies for risk management and continuously oversees the effectiveness of management's risk handling. At the implementation level, employees themselves are the first line of defense in risk management. The Human Resources and Compliance departments continually advance the company's risk management culture, enhancing employees' awareness of risk management. A professional team consisting of the Legal, Finance, Information Security, and Strategy departments forms the second line of defense. Through cross-team collaboration, this team effectively controls and manages risks related to business operations, compliance, and finances. The Internal Audit and Supervisory departments serve as the third line of defense, responsible for risk investigation and governance.



Dada Group Risk Management Mechanism



Relevant departments at Dada Group implement a risk management framework that forms a closed loop from goal setting to indicator monitoring, implementing risk identification and assessment mechanisms across various business sectors.



Dada Group Risk Management Framework

Furthermore, we follow the above management process for ESG-related risks including climate change, business ethics, human rights, etc. In particular, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we comprehensively assess the physical and transitional risks related to climate change faced by the company and have developed targeted management measures. For more information, please see the chapter "Promoting Green Development and Actively Giving Back to Society" in this report.

## Review and Assurance ▼

As the gate keeper of the "three lines of defense," the company's Internal Audit and Supervisory departments operate completely independently of daily operations, upholding principles of fairness, justice, and independence, and supervising the compliance of various business activities. Through regular internal control self-assessments and oversight inspections, we continuously monitor the operation of the company's compliance system. For any anomalies detected, we adhere to the principle of "discover and rectify immediately," promptly implementing corrective measures and formulating rectification plans.

During the company's routine internal audit process in 2023, we identified certain suspicious transactions related to online advertising and marketing revenue. Upon discovering the issues, the company immediately convened a meeting of the Audit Committee, which appointed third-party professional advisers to conduct a special independent review. The independent review identified that the transactions were conducted primarily to meet revenue targets. While managerial oversight could be enhanced, and certain management-level executives should have followed up on the indicia of suspicion that had come to their attention, the independent review did not uncover any direct evidence that the company's management-level executives orchestrated these transactions.

This event highlighted the effectiveness of the company's third line of defense in risk management but also exposed deficiencies in our internal controls. Therefore, aside from taking serious actions against the involved employees, we commit to strengthening the company's internal policies, systems, and controls, enhancing monitoring and oversight mechanisms, and have planned special risk investigations and implemented employee awareness trainings to further enhance the company's risk management level.

## Awareness and Advocacy ▼

We are committed to integrating risk management culture into the entire process of corporate culture building, and strengthening advocacy work on risk management for employees, by conducting appropriate risk training for all employees and implementing target assessment and evaluation system, to ensure the achievement of risk management objectives, and enhance the overall risk awareness and control capabilities of the company.

During the reporting period, the company conducted one compliance training that included risk control for all employees, and held 36 sessions of various risk trainings, on topics including business risk assessment and rider management, for employees across different business lines.



**1 Session**

of Overall Risk and Compliance Training



**36 Sessions**

of Business-Specific Risk Management Training

## BUSINESS ETHICS

Dada Group adheres to relevant laws, regulations, and recognized standards of business ethics, upholding the principles of "universal anti-corruption," "zero tolerance," and "managerial accountability." Through developing management systems, facilitating reporting channels, and conducting trainings, we rigorously implement the company's business ethics management mechanisms.

### Management Framework ▼

In strict compliance with the "Company Law of the People's Republic of China," "Anti-Unfair Competition Law of the People's Republic of China," "Interim Provisions on Prohibiting Commercial Bribery," and other relevant laws and regulations, including those applicable overseas, Dada Group has formulated various internal policies. These include the "[Dada Group Code of Business Conduct](#)," "Dada Group Supervisory System," "Dada Group Whistleblower Protection and Reward System," and "Dada Group Employee Handbook." We regularly revise these documents to ensure their effectiveness

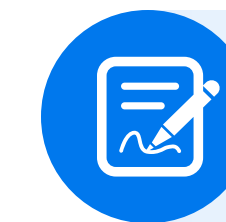
in light of the latest legal and regulatory developments. Additionally, we standardize the business ethics of all employees to avoid corruption, bribery, extortion, fraud, money laundering, monopolistic practices, insider trading, and other improper behaviors, continually solidifying a foundation of integrity. Moreover, while requiring all employees to sign an "Anti-Corruption Commitment," we also demand that all suppliers and partners adhere to and uphold the company's anti-bribery and anti-corruption policies by signing an "Anti-Commercial Bribery Agreement."

After becoming the subsidiary of JD Group, we optimized our business ethics governance structure by integrating into a management mechanism led by the CEO of JD Group, with the participation of the Dada investigation team from the Supervisory Department. As an entity entirely independent of the company's operations, the Supervisory Department conducts reviews across all Dada Group operations, identifies internal integrity risks, and investigates and combats corrupt activities.

During the reporting period, based on routine inspections, whistleblower reports, and special reviews, the company handled four corruption cases, and have treated the involved employees strictly in accordance with relevant requirements.



"Anti-Corruption Commitment"  
Signed by **100%** of Employees



"Anti-Bribery Agreement" Signed by  
**100%** of Suppliers and Partners


### Reporting Mechanism ▼

Dada Group steadfastly maintains a core philosophy of integrity and compliance, actively advocating and encouraging all employees, suppliers, and other partners to participate in the integrity supervision system. We not only strictly monitor the integrity and diligence of our employees but also effectively address any actions that may violate the company's ethical guidelines, system regulations, or laws and regulations. We have established an open and transparent compliance reporting and consultation system to facilitate the reporting process. Whistleblowers can report issues to the company both anonymously and non-anonymously via telephone, email, letters, QR code, and scheduled visits. Upon receiving reports, we respond promptly and efficiently, meticulously and objectively investigating the incidents leveraging comprehensive internal and external resources.

If the reported misconduct is verified, we will take appropriate corrective measures as necessary



and provide corresponding rewards to the whistleblower or reporting entity, so as to encourage stakeholders to participate actively in the company's integrity building efforts. Moreover, the company firmly protects the legal rights of whistleblowers, adheres to confidentiality principles during investigations, and ensures that the Supervisory Department, as the sole department investigating disciplinary violations within Dada Group, conducts investigations without interference from other departments. The Supervisory Department strictly keeps confidential all personal information of whistleblowers and all materials provided by them, strictly prohibiting the disclosure of such information to the reported individuals or personnel unrelated to the handling of the report. Additionally, the company strictly prohibits any form of retaliation against whistleblowers. Any retaliation will be dealt with severely according to national laws and regulations and Dada Group's policies, and legal responsibilities will be pursued if the actions are illegal.

Reporting Channels	Methods
Telephone	400-601-3618, extension 4
Email	jiancha@jd.com
Letter	Supervisory Department at JD Group Headquarter, Building A, No. 18 Kechuang 11 Street, Yizhuang Economic and Technological Development Zone
QR Code	
Others	Schedule a visit to report or any other method deemed appropriate by the whistleblower

## Awareness and Advocacy ▼

Dada Group is committed to creating a culture of integrity and compliance and conducts various anti-corruption and integrity promotion activities aimed at directors, all employees, suppliers, and other stakeholders, integrating business ethics into daily operations. We require all employees to participate in at least one comprehensive anti-corruption, integrity, and compliance training annually and to pass the corresponding assessment with full score. In addition, new employees must complete an online anti-corruption training course and pass the assessment before turning full-time employees. Moreover, we raise employee awareness of integrity by posting integrity promotion posters during holidays including the Dragon Boat Festival, Mid-Autumn Festival, and Spring Festival, and by setting up integrity reminder signs in the headquarters workplace and our city stations across the nation.

During the reporting period, we conducted ten internal training sessions on business ethics, covering topics such as integrity compliance and commercial secret protection, reaching all employees. In terms of supplier management, through activities like the Supplier Integrity Compliance Training on the Risk Control Theme Week, we emphasize to our suppliers the proper business values, integrity and compliance systems and regulations, typical anti-corruption cases, and reporting channels, aiming to jointly create an environment of integrity together with our suppliers.

## INFORMATION SECURITY

On-demand retail and on-demand delivery businesses, leveraging internet technologies, generate a vast amount of operational data. Dada Group recognizes that ensuring information security and user privacy is paramount in business development. We strictly adhere to relevant laws and regulations by establishing a robust management system, implementing information security and privacy protection measures, and conducting comprehensive trainings to safeguard stakeholder interests and enhance the effectiveness of information security governance. During the reporting period, the company experienced no disputes related to data breaches or other information security issues.

## Management Framework ▼

Dada Group places a high priority on information security and privacy protection, strictly following the “Cybersecurity Law of the People’s Republic of China,” “Data Security Law of the People's Republic of China,” “Personal Information Protection Law of the People's Republic of China,” and other related regulatory requirements, as well as international standards like ISO27001/ISO27701. We also adhere to JD Group's comprehensive information security and privacy management rules, including “JD Group Information Security Management System,” “JD Group Data and Privacy Security Management Specifications,” “JD Group Cybersecurity Management Specifications,” “JD Group Application Development Security Life Cycle Management Specifications,” and “JD Group Data Classification and Grading Guidelines,” covering all business lines to ensure full-spectrum security for all stakeholders involved in Dada's operations.

As a subsidiary of JD Group, Dada Group follows JD Group's unified security management strategy. The JD Group Security and Risk Control Committee, as the highest decision-making body for information security, is responsible for directing joint responses to major emergency security and risk control events for loss prevention. It regularly reviews and makes decisions on major information security and risk control projects, and regularly reports to the Board of Directors and Strategy Execution Committee. The Security and Risk Control Committee oversees the Data Security and Privacy Compliance Task Force and the Security Execution Working Group, composed of multiple business units and departments including Dada, which specifically implement and advance various network and data security capabilities, while monitoring, assessing and managing related risks.

Safety and Risk Control Committee



Data Security & Privacy Compliance Task Force



Safety Execution Working Group

JD Group Information Security and Privacy Protection Governance Structure

## Implementation Measures ▼

Dada Group provides robust information security measures for internal and external information, through comprehensive measures before, during, and after any potential events.

### STEP1 Preventive Measures

- Utilize distributed technology architecture to avoid single point of failure, deploy distributed storage systems, and establish mechanisms for data backup and recovery.
- Implement data classification and grading management, apply encryption, watermarking, and data masking to sensitive data during storage, transmission, usage, and backup, and restrict data sharing scenarios.
- Establish a unified permission management platform, using the RBAC (Role-Based Access Control) model to minimize and unify the control over data permissions by system and personnel.
- Conduct regular exercises, including phishing drills, emergency drills, and red vs. blue team exercises, to enhance overall information security awareness and improve monitoring and emergency response capabilities.

### STEP2 Monitoring and Response During Events

- Utilize host monitoring, application logs, and network traffic analysis to continuously monitor the network operational status and cybersecurity events.
- Establish a professional anti-scraping system to monitor and intercept abnormal activities such as black and gray market deals, ensuring the security and stability of platform transactions.
- Deploy threat intelligence and monitoring mechanisms to promptly detect information security events.

### STEP3 Post-Event Handling and Improvement

- Strictly grade security incidents according to the “JD Group Information Security Incident Grading Management Rules” and handle incidents including security vulnerabilities, data breaches, network attacks, and personal information leaks based on the “JD Group Information Security Incident Emergency Response Operation Manual”.
- Conduct a comprehensive review of issues exposed by security incidents and implement improvement measures.

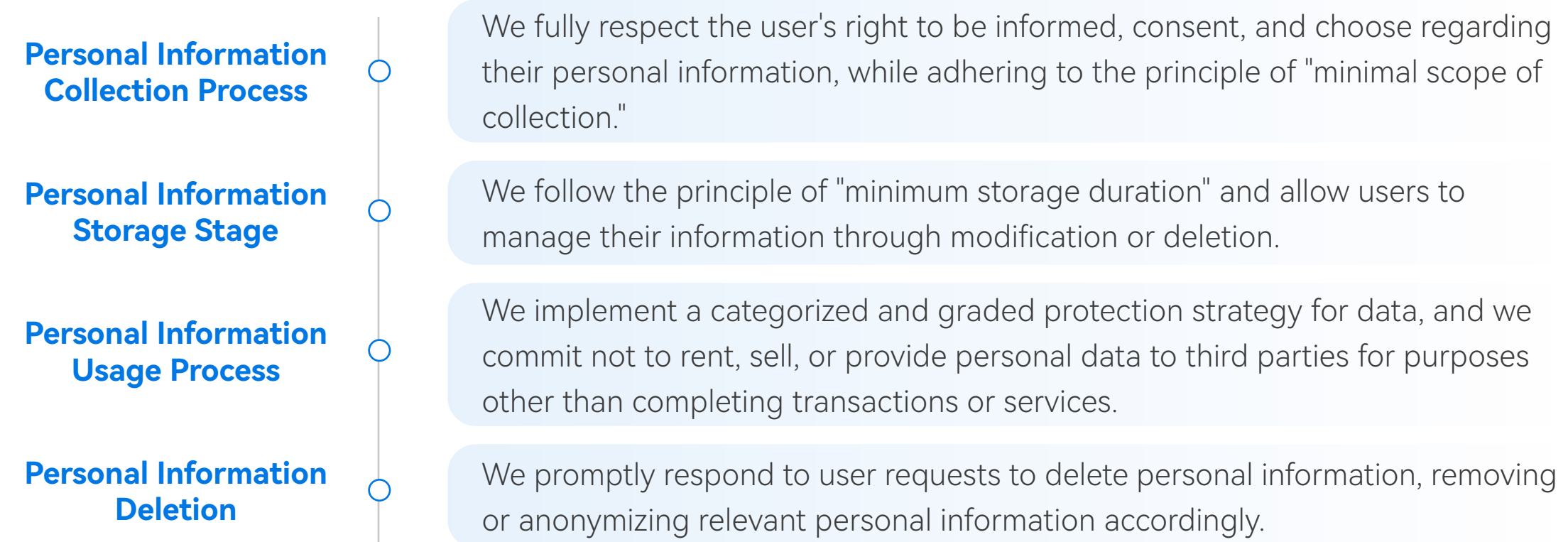
Dada Group Information Security Assurance Mechanism



We protect the information security of Dada stakeholders with the strictest data security policies, committed to continuously improving information security management, actively obtaining relevant certifications, and implementing information security assurance through both external third-party audits and internal audits. Currently, the JD NOW system and Dada Now system have both received the "Information System Security Level Protection Level Three Certification" issued by the Ministry of Public Security, as well as "Communication Network Security Protection Level Three Certification" issued by the Ministry of Industry and Information Technology. In addition, the Haibo system of JD NOW has obtained ISO27001 and ISO27701 certifications. During the reporting period, the company conducted one information security audit led by the Information Security Department and another by an external certification agency, along with three rounds of audits conducted by the Internal Audit department. Additionally, we engaged a third party to conduct a data security risk assessment on the Dada Now system, and the results have been reviewed and approved by the relevant regulatory body in Shanghai.

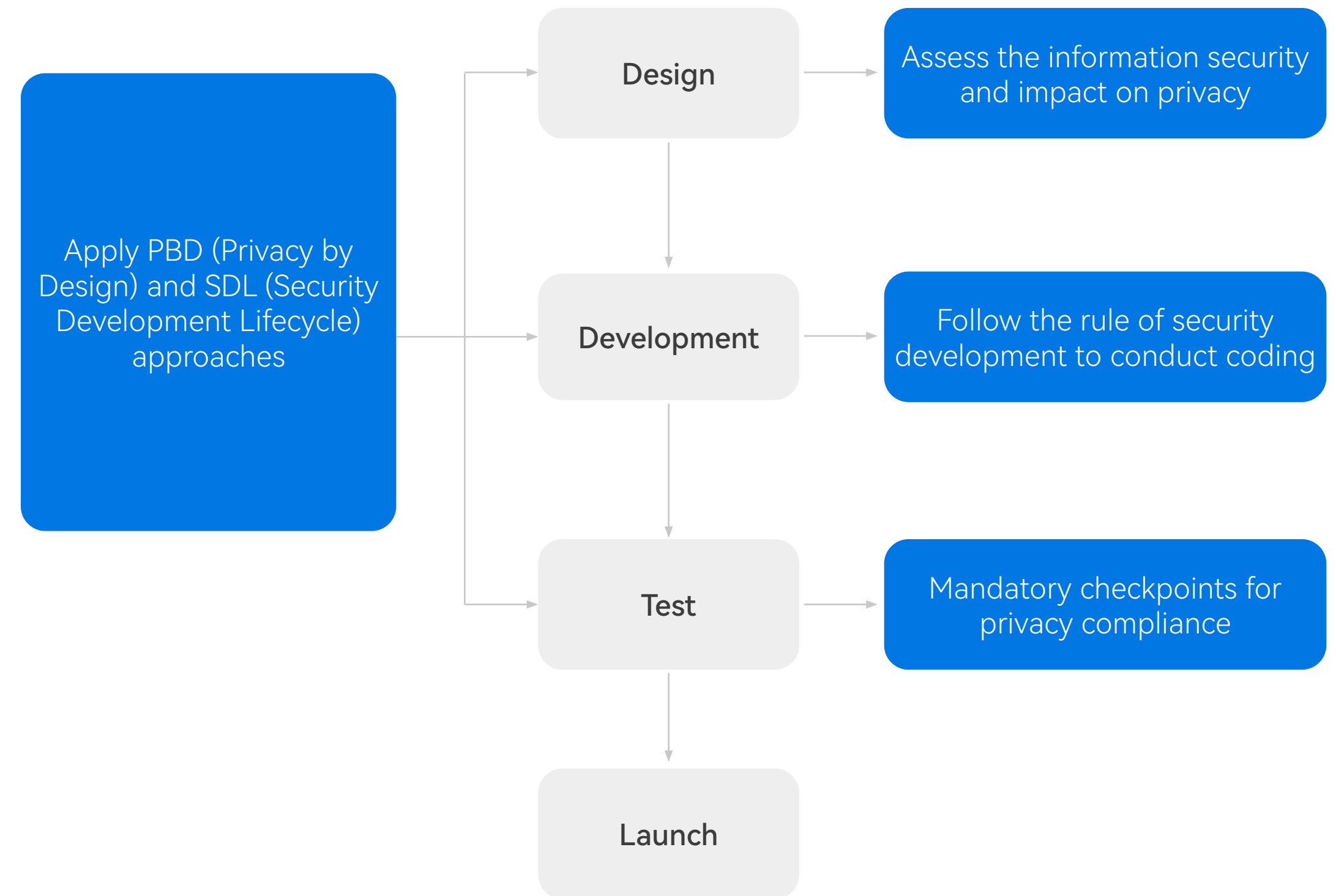
## Privacy Protection ▾

Dada Group deeply understands the importance of personal information. We strictly comply with legal and regulatory requirements and uphold the principles of user rights protection, meticulously controlling every aspect of data collection, storage, processing, use, sharing, and destruction. We have developed and publicly disclosed a series of comprehensive privacy protection requirements that cover all entities, such as the "Privacy Policy" and "Personal Sensitive Information Authorization Agreement."



Dada Group's Privacy Protection Measures for the Entire Lifecycle of Personal Information

We also strive to integrate privacy protection into the development stages of our various applications, fully safeguarding user personal information and effectively protecting user privacy. We integrate Privacy by Design (PBD) and Secure Development Lifecycle (SDL) principles throughout our R&D processes. During the system solution design phase, we conduct security requirements reviews and privacy impact assessments. Through policies such as the "R&D Code Review Key Points," we emphasize security, including privacy protection, as a critical focus in code reviews to identify security requirements and risks early on. During system development, we adhere to secure coding standards. In the system testing phase, we establish mandatory privacy compliance checkpoints, ensuring that only systems passing privacy compliance tests are launched.



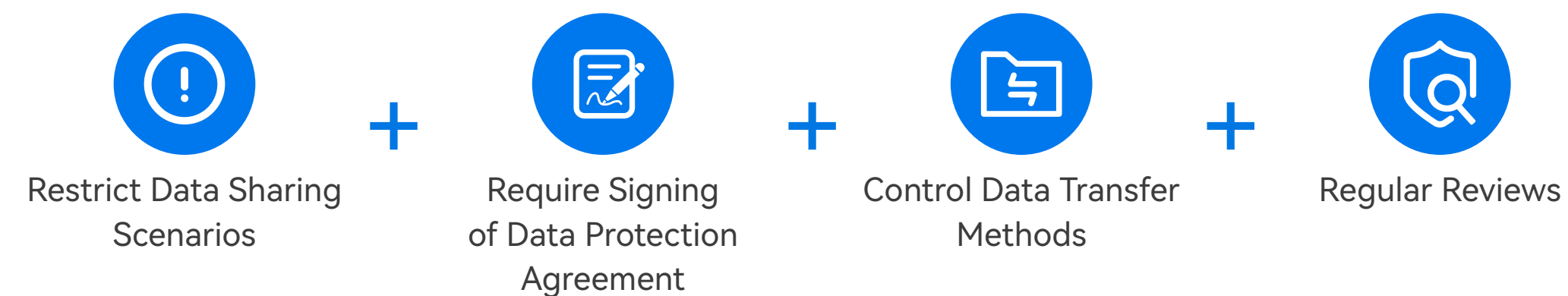
The Integration of Privacy Protection in the Whole R&D Process



### Dada Leveraging the Internal Detection Platform to Enhance Privacy Compliance Efficiency

We continuously explore technological innovations and applications for personal information protection. Relying on privacy security detection tools developed by JD Group that feature three engines of APK/SDK static scanning, APK dynamic scanning, and privacy policy detection, we create professional and comprehensible detection reports. These reports provide the Product Research and Development Department with professional compliance and security rectification bases, comprehensively enhancing the level of user privacy protection.

Moreover, except for necessary service requirements, the company does not proactively rent, sell, or provide personal data to third parties. For necessary third-party data sharing, we have formulated and publicly disclosed the "Personal Information Sharing List," clearly stating the types of information to be shared, sharing purposes, and shared data content. We adhere to a "zero tolerance" attitude towards privacy data breaches, requiring third parties not to misuse personal information improperly. Any discovered misuse will result in penalties such as enforcing fines and store delisting. We also clarify the responsibilities and rights of data processors and data owners by signing "Data Protection Agreement" with third parties, ensuring data transfers are legal and compliant. In terms of transfer methods, we restrict third parties to accessing data only through Application Programming Interfaces (APIs) and Software Development Kits (SDKs), with strict authentication logic for interfaces, various security checks and data protection measures. Additionally, we periodically audit select third parties to ensure suppliers and partners comply with the company's data security requirements.



### Training and Advocacy ▼

To further enhance overall information security awareness and strengthen internal information security management, we have designed diverse information security awareness programs for all employees according to different roles and positions. During the reporting period, we held a cybersecurity awareness week and conducted six special information security training sessions, covering topics including "collaborative office work," "eight red lines," "permission minimization," "email security," "beware of third-party survey," "protecting commercial secrets," "user privacy protection," and others.

#### Information Security Training for Dada Employees

In 2023, in addition to online training for all employees, we conducted multiple special information security awareness training sessions and exams focused on "Information Security Eight Red Lines" for operations staff and front-line staff, with a total of 2,426 participants. These trainings helped employees understand the importance of adhering to information security guidelines in their daily work.

#### Information Security Training for Dada Riders

In December 2023, we conducted information security awareness activities for 32,000 Dada riders at various city stations nationwide, helping them understand potential privacy leakage scenarios during delivery services. Through case sharing and other methods, we strengthened riders' awareness of privacy protection.

## ESG GOVERNANCE

Dada Group is committed to integrating ESG governance closely with its development strategy and operational activities. By establishing a scientific ESG governance structure, enhancing stakeholder communication, and optimizing the assessment of significant issues, we continually improve our ESG management level to drive the company's sustainable development.

## ESG Governance Structure ▼

To continuously consolidate the Board of Directors' leadership role in ESG governance and clarify its accountability in related matters, the company has established an ESG governance structure and management system led by the Board of Directors. This structure lays the organizational foundation for the company's sustainable development measures. During the reporting period, the Board of Directors listened to quarterly reports from the company's ESG working group on ESG-related matters.

Role	Unit	Responsibility
<b>Decision-making</b>	Board of Directors	Makes decisions and supervises the progress of significant ESG issues, including ESG risk identification and response, ESG management improvement, ESG disclosures, and stakeholder communication.  Decides and updates overall ESG goals.
<b>Planning</b>	ESG Working Group	Develops and updates specific ESG goals, systems, and workflows, ensuring their effectiveness.  Assesses and develops work plans for significant ESG issues, including ESG risk identification and response, ESG management improvement, ESG disclosures, and stakeholder communication.  Regularly summarizes the progress of works related with significant ESG issues and reports to the Board of Directors.
<b>Execution</b>	ESG-related Departments	Responsible for specific ESG goals and the effectiveness of ESG task execution.  Tracks, collects, and analyzes ESG work progress, ESG-related information and data on an annual basis.

Dada Group ESG Governance Structure

## Stakeholder Engagement ▼

Identifying and involving stakeholders is crucial to Dada Group's ESG management. The company has established communication mechanisms covering all business lines to understand stakeholders' expectations and requirement regarding ESG, ensuring their right to know and participate. The insights from continuous stakeholder engagement are integrated into the company's operations, enabling us to drive sustainable development in collaboration with stakeholders.

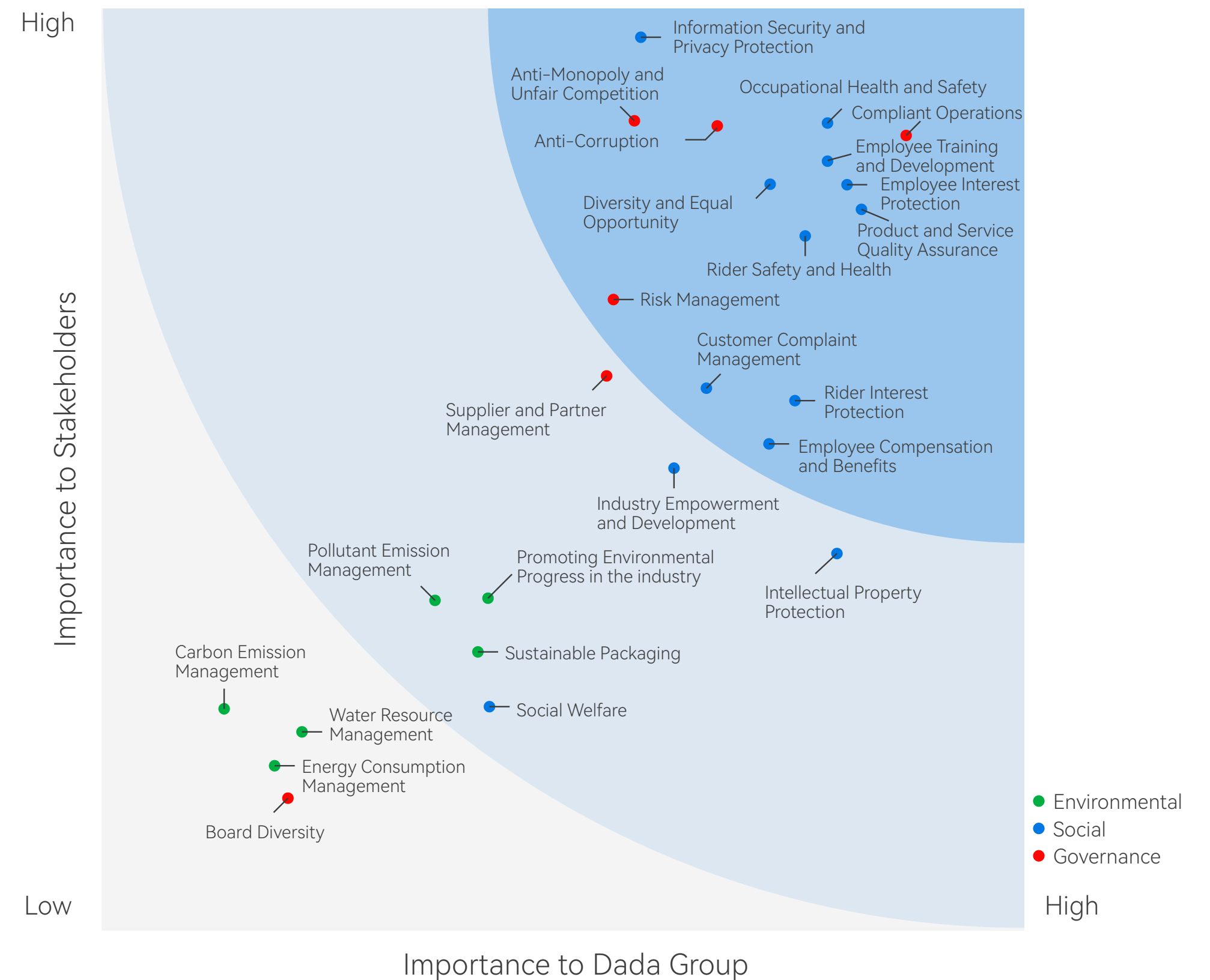
Stakeholders	Topics of Interest	Communication Channels	Communication Frequency
<b>Shareholders/ Investors</b>	<ul style="list-style-type: none"> <li>Board diversity</li> <li>Compliant operations</li> <li>Anti-corruption</li> <li>Anti-monopoly and unfair competition</li> <li>Information security and privacy protection</li> <li>Rider safety and health</li> </ul>	<ul style="list-style-type: none"> <li>Regular reports and announcements</li> <li>Investor emails, and meetings</li> </ul>	<ul style="list-style-type: none"> <li>Four quarterly earnings calls</li> <li>Ten global investor summits</li> <li>Communications with over 1,000 shareholders/investors online and offline</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employee compensation and benefits</li> <li>Training and development</li> <li>Occupational health and safety</li> <li>Employee rights protection</li> <li>Diversity and equal opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Internal office systems</li> <li>Regular communication and feedback surveys</li> <li>Internal events</li> <li>Training activities</li> <li>Labor union</li> </ul>	<ul style="list-style-type: none"> <li>At least four face-to-face interactions with employees</li> <li>Various employee care activities</li> <li>Irregular union events</li> </ul>
<b>Consumers</b>	<ul style="list-style-type: none"> <li>Product and service quality assurance</li> <li>Customer complaint management</li> <li>Information security and privacy protection</li> <li>Compliant operations</li> <li>Supplier and partner management</li> </ul>	<ul style="list-style-type: none"> <li>Customer service channels</li> <li>Customer satisfaction surveys</li> <li>Management policies and user agreements</li> </ul>	<ul style="list-style-type: none"> <li>Real-time feedback through customer service</li> <li>Periodic updates to user agreements</li> <li>At least monthly customer surveys or interviews</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>Supplier and partner management</li> <li>Promoting environmental progress in the industry</li> <li>Product and service quality assurance</li> <li>Anti-monopoly and unfair competition</li> <li>Compliant operations</li> </ul>	<ul style="list-style-type: none"> <li>Merchant/brand onboarding</li> <li>Contracts and agreement</li> <li>Site visits</li> <li>Surveys</li> <li>Events and communications</li> </ul>	<ul style="list-style-type: none"> <li>1-on-1 contracts and agreements</li> <li>Irregular surveys and site visits</li> <li>Irregular communication events</li> </ul>

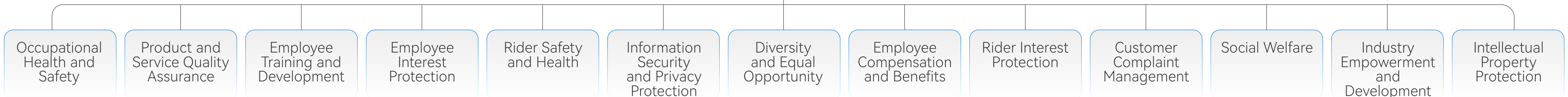
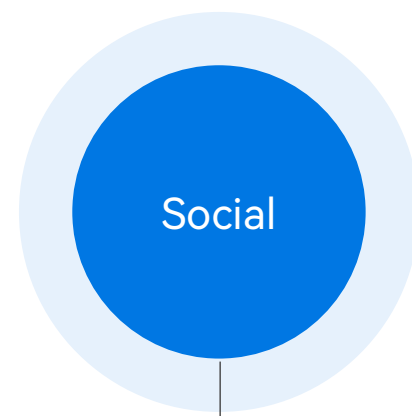
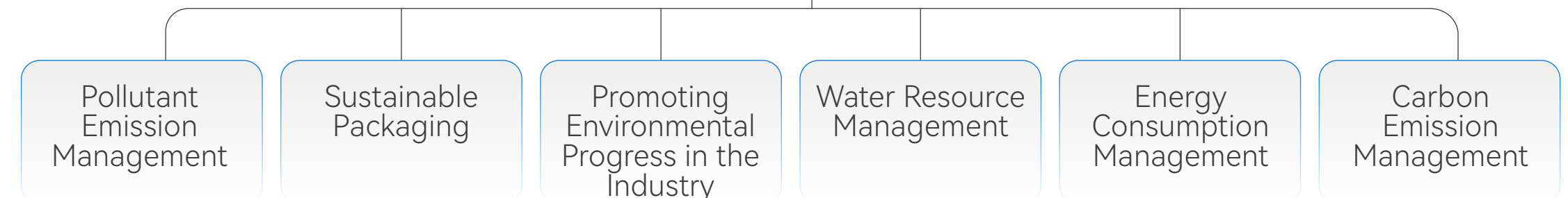
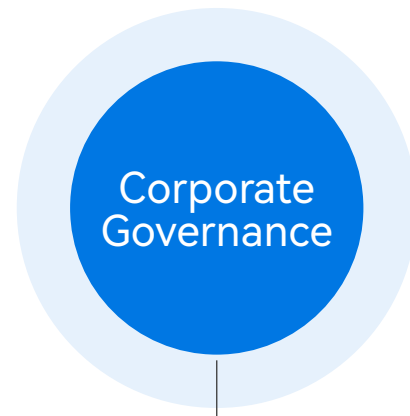


Stakeholders	Topics of Interest	Communication Channels	Communication Frequency
<b>Riders</b>	<ul style="list-style-type: none"> <li>Rider safety and health</li> <li>Rider rights protection</li> <li>Product and service quality assurance</li> <li>Customer complaint management</li> <li>Information security and privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Customer service channels</li> <li>Communication and surveys</li> <li>Training activities</li> </ul>	<ul style="list-style-type: none"> <li>Various rider care activities</li> <li>Irregular offline communication sessions</li> <li>Quarterly rider satisfaction surveys</li> </ul>
<b>Government and Regulatory Bodies</b>	<ul style="list-style-type: none"> <li>Compliant operations</li> <li>Anti-corruption</li> <li>Anti-monopoly and unfair competition</li> <li>Social welfare</li> <li>Energy consumption management</li> <li>Water resource management</li> <li>Sustainable packaging</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure and reporting</li> <li>Visits and receptions</li> <li>Project cooperation</li> <li>Supervisory inspections</li> </ul>	<ul style="list-style-type: none"> <li>Regular communications and reports</li> <li>Periodic site supervisory inspections</li> <li>Irregular participation in panel discussions</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Product and service quality assurance</li> <li>Customer complaint management</li> <li>Information security and privacy protection</li> <li>Rider safety and health</li> <li>Supplier and partner management</li> <li>Social welfare</li> <li>Climate change response</li> <li>Carbon emission management</li> </ul>	<ul style="list-style-type: none"> <li>Communication and feedback</li> <li>Media monitoring and response</li> <li>News disclosures</li> <li>Interviews and talks</li> <li>Offline forums and online events</li> </ul>	<ul style="list-style-type: none"> <li>Periodic media monitoring and response</li> <li>Irregular communications</li> <li>Irregular interviews</li> <li>Irregular offline and online events</li> </ul>
<b>Industry Associations</b>	<ul style="list-style-type: none"> <li>Supplier and partner management</li> <li>Compliant operations</li> <li>Anti-monopoly and unfair competition</li> </ul>	<ul style="list-style-type: none"> <li>Forums and conferences</li> <li>Cooperation in industry standards setting</li> <li>Communications and visits</li> </ul>	<ul style="list-style-type: none"> <li>Irregular communication events</li> </ul>

## Significant Issues ▼

Dada Group is dedicated to actively listening to the opinions and suggestions of all stakeholders, integrating their core expectation into the company's decision-making and operational processes to make sure that our direction of sustainable development is on the right track. During the reporting period, we reviewed and updated significant issues previously identified in 2022 by conducting stakeholder surveys and interviews, as well as analyzing global sustainability trends, which serves as an important guide for the company's ESG efforts in the coming year.





# ENHANCING SERVICE QUALITY AND IMPROVING USER EXPERIENCE



Quality Management /21

User Experience /23

Innovation-Driven /25

Intellectual Property /26

2023  
DADA GROUP  
ESG



## ENHANCING SERVICE QUALITY AND IMPROVING USER EXPERIENCE

Dada Group consistently adheres to the principles of technological openness, shared capabilities, and win-win cooperation. Driven by innovation, we continuously optimize platform supply, enhance fulfillment efficiency, and upgrade service experiences, aiming to provide consumers with convenient and high-quality services.

### QUALITY MANAGEMENT

Dada Group continually enhances the platform's quality management capabilities, prioritizing merchant and product quality management and fulfillment quality management. We strive to perfect our internal systems and continuously refine our quality management mechanisms to comprehensively improve the quality of products on our platform and services we provide.

#### Merchant and Product Quality Management ▼

As a leading on-demand retail platform, by the end of 2023, JD NOW had onboarded over 500,000 offline retail stores. To ensure the product quality of cooperating merchants and fulfill platform responsibilities, JD NOW strictly adheres to the "Product Quality Law of the People's Republic of China" and other legal regulations, implementing the "JD NOW Merchant Behavior Management Specifications" and other platform rules. We rigorously control the entire process from merchant admission to exit, and conduct merchant credit scoring, merchant empowerment and training, and spot-check audits to ensure the robust operation of our merchant management system. During the reporting period, the company strengthened the management of merchants selling counterfeit, pirated, near-expiry, or expired goods, through continuous iterations in the "Product Management" module of the JD NOW Merchant Center related with food, cosmetics, pharmaceuticals, and other categories, and various special rectification campaigns for low-quality stores.

#### Basic Specifications

**National Laws and Regulations:** Require merchants to comply with qualifications and quality requirements in categories including food and medicine.

**Platform Specifications:** Require merchants to comply with platform rules established by JD Group and Dada Group, including "JD Open Platform Merchant Violation Management General Rules" and "JD NOW Merchant Behavior Management Specifications", to regulate the quality of goods sold by platform merchants.

#### Credit Scoring System

**Credit Scores:** Evaluate merchants based on fulfillment performance, product out-of-stock ratio, post-sales service, and negative reviews. Higher-scoring merchants receive traffic weighting and other rewards, thus incentivizing merchants to focus on and improve product quality.

#### Platform Governance

**Counterfeit Goods Management:** Build a CCR model (Counterfeit Complaint Rate) to mark high-risk counterfeit products and stores through texts analysis across multiple channels, iteratively improve rules and supplement regulations on counterfeit goods management, and implement graduated penalties and fines.

**Virtual and Low-Quality Store Management:** Carry out special governance and inspections.

**Product Quality Management:** Classify merchant quality issues into three categories: non-compliance with product quality, food safety issues, and near-expiry products, based on post-sale data, and implement penalties and warnings according to the severity of the merchant's violation.

#### Empowerment and Training

**Online and Offline Trainings:** Conduct regular training for merchants on product quality through offline interactions and the online merchant portal.

**Digital Empowerment:** Provide tools and services including Haibo system and Dada Picking service, to help merchants optimize inventory management and picking processes, so as to enhance sales conversion rates and improve service quality.

Merchant and Product Quality Management Mechanism on JD NOW

## JD NOW Implementing Spot-Checks and Rectification Campaigns to Ensure Merchant and Product Quality

In 2023, JD NOW conducted a round of special spot-check on high-end cosmetics, through which we identified certain product quality issues. In response, we conducted special governance on high-end cosmetics category, gradually implementing measures including raising entry thresholds, requiring merchants to provide brand authorization and proof of purchase channels, and collecting security deposits, aiming to enhance the quality of merchants in this category. After continuous governance measures, the overall consumer negative feedback index for cosmetics on JD NOW decreased by 20%.

In the fourth quarter of 2023, we also established a platform governance group, focusing specifically on rectifying the issue of virtual stores. During the reporting period, this special governance initiative identified and removed 37,000 virtual stores.

During the reporting period, there were no merchants on JD NOW involved in product quality-related penalties or warnings. In addition, as a result of the effective implantation of the above quality assurance measures, the Call per Order for JD NOW orders related with product quality issues saw an over 30% decline in the fourth quarter of 2023 compared with the first quarter of 2023.



Comprehensive Quality Management Measures by JD NOW Led to a **30%+** Decline in Quality-related CPO from 23Q1 to 23Q4

## Fulfillment Quality Management ▼

As a leading third-party intra-city delivery platform, Dada Now fulfilled 2.2 billion orders in 2023, with more than 1.2 million annual active riders, covering over 2,600 cities and counties. The company continuously optimizes fulfillment quality to provide better merchant services and user experiences.

We develop targeted fulfillment solutions based on different scenarios and categories, establish a rapid response and review mechanism that integrates the efforts of employees in various operational

positions across headquarters, city stations and categories, as well as functional departments, and conduct regular on-site inspections, aiming to provide the most efficient and high-quality fulfillment services for merchants and consumers. We actively carry out digital upgrades, using and continuously optimizing automation in early warning, operational adjustments and dynamic pricing to facilitate refined operations and improve operating efficiency. The company's rider capacity organization model also continuously evolves based on customer demands and efficiency improvement goals. During the reporting period, we further improved our layered capacity strategy and innovated a new model of circle-based stationed riders. Combined with flexible crowdsourced capacity, we provided customers with various capacity organization models such as pure crowdsourced riders, a combination of crowdsourced and store-based stationed riders, and a combination of crowdsourced and circle-based stationed riders, to ensure fulfillment quality, increase delivery efficiency and reduce delivery costs.

Dada riders are those who directly provide fulfillment services to our customers. Therefore, on top of the fulfillment strategies above, we provide comprehensive training to our riders to ensure high-quality fulfillment services. During the reporting period, Dada Group conducted 114,000 offline training sessions and more than 10 million online learning sessions, covering 100% of riders.

Additionally, to prevent and respond promptly to unexpected situations, adverse weather, system failures, and other exceptional scenarios, we have developed and adhere to internal systems such as the "Real-Time Early Warning Mechanism for Fulfillment Anomalies" and "Emergency Response Mechanism for Exceptional Scenarios," effectively ensuring the stability of our fulfillment service. Specifically, the company established an emergency response team for fulfillment anomalies, developing targeted handling mechanism for different exceptional scenarios such as adverse weather that integrates problem reporting, problem solving and coordinated review processes, to accelerate response times, minimize potential losses, and ensure a reliable fulfillment experience for our customers.

During the reporting period, Dada Now's on-demand delivery service reached a fulfillment rate of 95.2%, with an average delivery time of 23.3 minutes. Based on high-quality fulfillment services and stable operational support, Dada Now received recognition from strategic cooperation customers such as Luckin Coffee and CHAGEE during the reporting period.



Fulfillment Ratio for On-demand Delivery Orders  
**95.2%**



Average Delivery Time for On-demand Delivery Orders  
**23.3 mins**



## USER EXPERIENCE

Dada Group puts customer needs and experience at center and adheres to responsible marketing principles when conducting marketing campaigns. Additionally, the company employs various measures such as waiving delivery fees to enhance the shopping experience for users. Moreover, with the attentive service provided by our customer support team, we maintain positive communication and interaction with customers, together with whom we aim to build a sustainable on-demand retail and delivery industry, and drive the healthy development of the company.

### Responsible Marketing ▼

The company strictly adheres to the "Advertising Law of the People's Republic of China" and other relevant regulations, as well as internal standards such as "Dada Group Advertising Compliance Specifications" and "Promotional Content Review Standards," to ensure the compliance, reasonableness, and authenticity of the company's marketing activities on our own platform and through third-party channels.

In terms of advertising placed by brands on our JD NOW platform, brand department is responsible for coordinating marketing contents, and before such marketing campaigns are launched on JD NOW, they are collectively reviewed by the business, marketing, and UED teams. In addition, daily review of our platforms' page displays is conducted to promptly identify and replace any marketing content that negatively affects consumer experience, so as to ensure that responsible marketing is rigorously implemented.

In terms of our own marketing materials distributed to the public, the contents are confirmed only after a joint review by the Legal, Public Relations, Public Affairs, and Security departments.

To enhance employees' awareness of responsible marketing, we regularly organize compliance marketing trainings covering departments including marketing, on topics such as interpretation of "Internet Advertising Management Measures" and algorithmic compliance.

## Enriching User Benefits ▼

The company consistently maintains a user-centric approach, continually constructing services that enhance user experiences. Through measures such as waiving delivery fees, collaborating with merchants to offer affordable quality goods, and optimizing after-sales services, we provide users with more cost-effective and reliable on-demand retail services.

### JD NOW Introducing Delivery Fee Waiver Program and Maintaining Flat Delivery Fees During the Chinese New Year

In August 2023, JD NOW introduced a free delivery measure for orders over RMB59. While most on-demand retail platforms are raising their free delivery thresholds, JD NOW aims to provide users with more substantial platform benefits. In February 2024, JD NOW further reduced the free delivery threshold to RMB29, reaffirming its commitment to enhancing user experience. As of April 2024, the delivery fee waiver initiative for orders exceeding RMB29 has covered around 90% of orders on JD NOW.

In addition, during 2024 Chinese New Year festival, despite tight rider capacity, JD NOW still committed not to charge extra for delivery during the festival, ensuring users' on-demand shopping needs during the holiday.

### JD NOW Providing Attentive Service to Meet Diverse Purchasing Needs

Upgrading 3C and home appliances during the 11.11 shopping festival has become a habit for many consumers. During the 2023 Double Eleven event, JD NOW launched significant discounts in consumer electronics and digital products category. In addition, in collaboration with mobile phone merchants, we introduced the "30-180" service, which allows for returns within 30 days and exchanges within 180 days due to quality issues, ensuring a worry-free shopping experience.

In home appliance category, for small appliances that do not require installation, consumers could enjoy 1-hour delivery services based on Dada Now's on-demand fulfillment capabilities. For major appliances that usually require post-sale installation, the company, in conjunction with merchants, created a "one-stop delivery and installation" service to enable next-day delivery and installation, greatly improving the shopping experience for major appliances.



## Optimizing Customer Service ▼

The company has established internal standards such as the "Business and Customer Service Collaboration Process," "Customer Complaint Escalation Warning Mechanism," and "Customer Service Quality Inspection Requirements" to effectively fulfill its responsibilities to customers. By utilizing the Dada Customer Service Order Management System, along with a well-trained customer service team, we quickly identify customer needs and respond promptly.

Furthermore, the company places high importance on user feedback, actively identifying common pain points and implementing improvements to enhance user satisfaction. Through mechanisms such as real-time experience indicator monitoring dashboards, weekly customer service feedback reviews, and monthly NPS surveys, we comprehensively collect user feedback, propose and advance optimization measures, and conduct regular follow-ups. During the reporting period, JD NOW's user NPS score showed an upward trend, with a 15% increase in the fourth quarter compared to the first quarter. Additionally, for our enterprise customers, we actively respond to customer demands through daily interaction, periodic offline visits, and regular and special reviews to continuously enhance service quality.

### Innovative Dada Customer Service Order Management System

This system bridges the roles of customer service and merchant operations, enabling multi-parties to collaboratively solve issues online. It supports functions including work order timeliness management, issue upgrade mechanisms, order distribution and reassignment, autofill, and standardized responses.

### Enhanced Experience Monitoring Dashboard

The dashboard integrates metrics across the entire "pre-sale, during-sale, and post-sale" shopping journey, including order cancellation rates, negative review rates, fulfillment indicators, average post-sale handling time, and user complaint rates, enabling us to extensively monitor and optimize the user experience across multiple dimensions.

Dada Group's Intelligent Tools to Enhance Customer Experience

## Dada Group Launching the Dedicated "Better Living Initiative" to Enhance User Experience

During the reporting period, the company launched the "Better Living Initiative," which involved analyzing and pinpointing high-frequency and high-volume key issues using service experience data, customer service data, and after-sales data. This initiative involved collaboration with internal teams, merchant partners, and suppliers to discuss and improve solutions, thereby enhancing the shopping and service experience and ultimately contributing to a better life for customers.

For our Dada Now business, we specifically identified issues related to fulfillment timeliness, complaint reporting due to abnormality, location precision, and the experience of completing and canceling orders. We are in the process of addressing these issues one by one through iterative product functionality enhancements, customer service process optimizations, etc.

## After-Sales and Complaint Handling

To facilitate communication channels and enhance service quality, Dada Group has established a rating, complaint, and feedback mechanism for merchants, riders, and consumers. Users can rate services or provide feedback via Our Apps' online portal or by calling our hotline. If a user wishes to initiate a complaint, after informing the specifics of the incident and the reason for the complaint, a customer service complaint specialist will intervene, process the complaint, and promptly relay the resolution to the customer.

During the reporting period, the company received 750,000 complaint tickets, with a complaint rate of about 0.03% among the total number of orders completed on JD NOW and Dada Now platforms, and a complaint resolution rate of 99%.

### Enhancing Customer Service Levels

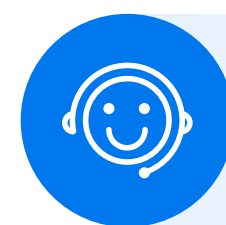
The customer service team is a crucial link connecting users and the platform. The company sets assessment targets for the customer service team on an annual basis, continuously enhances the customer service knowledge base, and regularly trains and examines the customer service staff, and keeps optimizing the functionality of the customer service tool, to improve the quality and efficiency of customer service. During the reporting period, customer satisfaction with customer service (including hotline and online services) steadily improved, with an after-call satisfaction rate of about 90%.



Complaint Rate for JD NOW and Dada Now Orders  
**0.03%**



Complaint Resolution Rate  
**99%**



Satisfaction Rate for Customer Service  
**~90%**

## INNOVATION-DRIVEN

Innovation serves as the driving force behind corporate development. Dada Group strictly adheres to the "Law of the People's Republic of China on Progress of Science and Technology" and other local laws and regulations where it operates. The company has established internal protocols such as the "R&D Self-Testing Manual" and "Test Management Operations Manual" to ensure comprehensive control over the entire lifecycle of new product/project development, testing, launch, and issue resolution.

In addition, Dada Group has established a Technical Committee, responsible for guiding and supervising R&D efforts and continuously advancing the company's core technological development. By the end of 2023, R&D personnel made up 26% of the company's workforce. In 2023, the company invested a total of RMB416 million in R&D, accounting for approximately 4% of the company's revenue.

The company strongly supports internal innovation, integrating innovative capabilities as a performance metric within the employee evaluation system, linking metrics related with innovation to compensation, and setting additional R&D incentives. These initiatives aim to ignite employees' innovative potential and contribute to operational improvements. Additionally, the company hosts Hackathons and the 1024 Programmer's Day each year to promote an engineering culture and geek spirit, encouraging technology-driven business, development efficiency, and micro-innovation in business.

Awards	Eligibility
Craftsmanship Spirit	Strives for perfection in business, delves into new technologies, resolves technical challenges, conceives and implements outstanding products/designs.
Innovation Award	Drives business growth through technological innovation; Has made significant contributions in patents and software copyrights.
Best Partner	Excels at cooperations and communications, with track record in close cooperation across teams that leads to impressive output.
Sharp Eye	For employees in the product testing position who do not overlook any potential issues, preemptively identify code risks, and prevent problems before launch.
Code King	For employees who excel at coding.

Dada Group R&D Incentive Measures

To further improve customer experience, the company actively engages in the iteration of technologies and products. During the reporting period, the company achieved fruitful results in technological and product innovation.

Project	Background	Result
<b>Bluetooth Signal Marker Device</b>	Purely relying on rider location to identify whether riders have arrived at the designated store to pick up orders led to some cheating cases by riders due to accuracy issue.	The company developed a Bluetooth signal marker device in-house, with a 99.5% success rate per use. Deployment of this device in stores improved fulfillment rates by 0.6 percentage points.
<b>Precise Positioning</b>	Traditional logistics use "residential complexes" as the last delivery unit, with accuracy around 200–500 meters. However, the on-demand delivery industry, known for high randomness and short delivery times, demands end-point accuracy at the "building block" level. As a result, we have received feedback about difficulties in precisely locating building blocks, which impacted riders' delivery experience and customers' shopping experience.	The company used clustering algorithms based on massive on-demand order and rider trajectory data to recalibrate end addresses more precisely. Now, among on-demand delivery orders, the accuracy of locating a destination within a 200-meter has increased to 96.5%, and the accuracy within 50 meters has improved by over seven percentage points.
<b>Operational System Automation</b>	Some orders are difficult to deliver and result in long wait times before any rider picks it up, affecting merchant satisfaction and user experience.	The company implemented an automated operational system to predict the probability of an order being accepted in real-time and dynamically adjust subsidies and rider benefits, leading to two percentage points increase in order completion rate.

Key Innovative Projects at Dada Group

## INTELLECTUAL PROPERTY

Dada Group places great importance on intellectual property protection to maintain its core competitive edge and ensure operational security. As a subsidiary of JD Group, it strictly follows the "JD Group Patent Management Regulations," "JD Group Trademark Management Regulations," "JD Group Copyright Management Regulations," "JD Group Domain Management Regulations," "JD Group Trade Secrets Management Guidelines (Trial)" and other internal management procedures to regulate and protect patents, copyrights, and other intellectual properties. Additionally, the company conducts employee outreach on patent law and intellectual property knowledge to strengthen their awareness and improve related skills. During the reporting period, the company organized seven specialized intellectual property training sessions.

During the reporting period, the company was granted four invention patents, including "A Method to Calculate Grid-Level APP Resource Storage Based on LBS Positioning." By the end of the reporting period, the company held a total of 12 valid invention and design patents.

Intellectual Property Categories	Applications During the Reporting Period	Authorization During the Reporting Period	Total Valid at Period End
Invention and Design Patents	0	4	12
Trademarks	18	48	1,673
Software Copyrights	41	38	126

Application and Authorization of Intellectual Properties at Dada Group



# ESTABLISHING WIN-WIN COOPERATION ACROSS INDUSTRY VALUE CHAIN



Responsible Sourcing /28  
Merchant Collaboration /29  
Brand Collaboration /30  
Industry Communication /31

2023  
DADA GROUP  
ESG

## ESTABLISHING WIN-WIN COOPERATION ACROSS INDUSTRY VALUE CHAIN

Dada Group practices a win-win development philosophy, engaging in deep collaboration with reliable suppliers, high-quality merchants, and leading brands to build a new business model that benefits multiple parties. In addition, we actively communicate with industry peers to explore the foresight of the on-demand retail and delivery industries, seize opportunities, and collectively promote industry development.

### RESPONSIBLE SOURCING

The company embeds its commitment to sustainability into supply chain and pays close attention to supplier management, by establishing supplier management mechanisms and procedural standards, and regularly conducting supplier performance reviews, to ensure the sustainability performance of the supply chain, and create a fair, transparent, and traceable supply chain environment.

#### Supplier Management ▼

Dada Group has established a comprehensive management mechanism and standards for supplier management, including "[Supplier Code of Conduct](#)," "Procurement Management Rules," "Green Procurement Specifications," "Third-Party Performance Assessment Procedures," "Supplier Quality Issue Handling Procedures," "Supplier Fulfillment Issue Handling Procedures," etc., strictly regulating the processes of supplier admission, assessment, and exit.

#### Admission ○

- Standard screening through communication, inspections, sample testing, and site surveys.
- Customized screening for different categories, including qualification screening for ISO 14001, ISO 45001, ISO 9001, OHSAS 18001, etc.
- Consideration of relevant ESG indicators during specific project tenders.

#### Assessment ○

- Follow "Third-Party Performance Assessment Procedures" to assess supplier performance in multiple dimensions.
- Implement semi-annual assessment and grading management for suppliers in key categories or with significant transactions.
- Integrate ESG performance into annual performance evaluation as extra credits.

#### Exit ○

- Terminate partnership with suppliers who fail performance assessment or violate confidentiality agreements.

Dada Group Supplier Management System

When sourcing suppliers, the company includes operational qualifications, financial conditions, and certifications such as ISO 14001, ISO 45001, ISO 9001, OHSAS 18001 in the evaluation standards. After processes like communication, inspection, sample testing, and site surveys, qualified suppliers can enter our supplier list. All suppliers must sign the "Anti-Commercial Bribery Agreement" before they are included in the company's supplier database and begin the cooperation with us.

When assessing suppliers, we adopt a comprehensive and multi-dimensional evaluation approach based on the "Third-Party Performance Assessment Procedures." Additionally, we incorporate ESG performance into annual assessments, specifically, if a supplier actively engages in ESG-related activities and makes significant contributions in environmental protection, social contribution, and governance, they may receive additional credits.

In terms of supplier exit, if a supplier fails to meet performance standards or violates confidentiality agreements, they will need to implement rectification measures, or we will terminate cooperation with them.

To enhance the effectiveness of supplier management, the company also performs supplier stratification. For suppliers with significant business interactions or those significantly affected by labor, environmental, or anti-corruption ESG issues, we classify them as key suppliers and pay close attention to their performance. In 2023, Dada Group cooperated with 1,003 suppliers, including 75 key suppliers.



**1,003**  
Suppliers



**75**  
Key Suppliers

In addition, we also pay close attention to suppliers' perception of our sustainability issues, by conducting annual ESG surveys among key suppliers, after which we identify areas of improvement from the survey feedbacks.

## Supplier Empowerment ▼

The company actively empowers suppliers, conducting multiple training sessions on carbon

neutrality goals and other low-carbon transition related themes during the reporting period, so as to deepen strategic cooperation with suppliers and jointly create a resilient and sustainable on-demand retail and delivery industry chain.

### Dada Group Engaging Suppliers in Sustainable Development Training to Drive a Low-Carbon Supply Chain

In 2023, we provided trainings on topics such as "Setting Scientific Carbon Targets, Creating a Low-Carbon Supply Chain" and "Sustainable Packaging Solutions" to suppliers in categories of consumables, equipment, vehicles, and marketing prints. This initiative encourages suppliers to participate and adhere to scientific carbon target initiatives, thus driving the reduction of carbon emissions along the value chain.

## MERCHANT COLLABORATION

In the rapidly growing on-demand retail industry, consumer demands are continuously evolving. As a platform connecting over 500,000 merchant stores with a wide consumer base, JD NOW's close cooperation with merchants is crucial for enhancing consumer experience and improving the platform's ecosystem. We continuously refine our management models, provide innovative digital tools, and conduct ongoing research and training, to empower merchants and help them improve operational capabilities.

### Merchant Operations ▼

Dada Group is committed to fostering strong relationships with merchants by continuously upgrading the lifecycle management of merchants and providing comprehensive and multi-dimensional operational support, to ensure responsible, efficient, high-quality, and low-risk operations for merchants. From onboarding to product listing and daily operations, we assist merchants in realizing rapid growth and efficient business operations through measures including process parallelization and optimization, and new merchant guidance initiatives.



## Account Sharing

Integrating with JD's account system, which enables merchants to use the same account for JD NOW Merchant Center, JD Merchant Center, and JD Finance.

## Simultaneous Platform Review and Product Listing

While platform conducts qualification review, merchants can simultaneously log in to the Merchant Center to list products and complete real-name verification.

## Initial Operation Guidance

Newly introducing a task guide pop-up on the Merchant Center homepage, guiding merchants through the setup process from store creation to product listing and store operation.

## Daily Operation Support

Offering online and offline trainings, and empowering them through the Haibo system.

Support and Optimization in Various Operational Aspects for Merchants on JD NOW

## Merchant Empowerment ▼

To identify and address the challenges and pain points faced by merchants in daily operations, the company regularly conducts merchant experience surveys and establishes a two-way dialogue mechanism. During the reporting period, JD NOW conducted two merchant surveys covering aspects like merchant experience, daily business progression, and issue feedback. Based on survey results, JD NOW coordinates our product and merchant operation teams to continually optimize the product functions and operational processes with an aim to enhance merchant experience and operational efficiency.

We have also established a comprehensive training system for merchants, covering new feature rollouts, campaign schedule, important business progress, etc., via both online portal and offline events, aiming to ensure efficient operations for merchants.

Additionally, we utilize the "Insight Sharing Salon" as a platform to engage in deep industry dialogue with merchant partners, discussing challenges and opportunities in the on-demand retail industry, and sharing experiences and insights in areas including merchandize capability, customer acquisition, and brand marketing.

## BRAND COLLABORATION

Brands are another crucial component of the JD NOW platform ecosystem, and on-demand retail is a significant growth channel for many brands. By the end of 2023, we had established stable cooperation with over 300 brands. Together with these brands, we co-create marketing tools and campaigns to drive innovation and healthy development in the on-demand retail industry.

### Brand Communication ▼

We tailor operational strategies for different brands in terms of marketing campaigns and resource allocation. For key brands, we enter annual cooperation frameworks with them, and aim to enhance brand satisfaction by regularly reviewing their sales performance, promptly identifying issues and negotiating solutions for them. For smaller brands, we optimize ad tech tools to lower the barriers to ad placements, enabling them to deploy ads smoothly and effectively.

In our communication with brands, we strive to maintain bilateral dialogue through both online and offline channels. Online, we use our proprietary Monica system to post system notices and training materials, reaching all cooperating brands and their service providers. Offline, our brand teams regularly visit partnering brands, and we design events for the top management from both sides to interact effectively, to help brands boost their business on the JD NOW platform. Besides direct communications with brands, we also collaborate with renowned consulting firms to conduct brand satisfaction surveys, the result of which forms important feedback for us to further improve our platform feature and process.

### Mutual Cooperation ▼

We are committed to exploring innovative projects with brands, co-creating efficiency-enhancing tools and marketing campaigns to inject vitality into the on-demand retail industry. As more brands embrace sustainability, JD NOW actively communicates with partner brands on ESG plans and seeks opportunities to co-organize ESG-oriented campaigns such as green organic events and ESG-oriented new product launches, aiming to foster consumer mindsets for sustainable consumption and drive the sustainable development of the on-demand retail industry.

### The Hongtu System Enhancing Brand Marketing Efficiency and Optimizing Supply

In September 2023, JD NOW launched the Hongtu system, the first grid-level operation tool leveraging Location-Based Service (LBS) in the on-demand retail industry. This tool utilizes comprehensive data analysis across B2C and O2O data to assist brands in identifying and analyzing supply and demand dynamics based on grid dimensions. It facilitates business diagnostics, channel analysis, consumer insights, marketing enhancement, and supply improvement.

By the end of January 2024, the Hongtu system had served 17 brands across FMCG, electronics, and healthcare categories. Pilot brands adopting the Hongtu solution saw a 12% increase in ad click-through rates and a 37% reduction in the average cost of new customer acquisition.



### Regional Marketing IPs Boosting Sales for Local Brands

During the reporting period, JD NOW created regional marketing IPs such as "Regional Takeoff" and "Fresh to Your Home" in four major regions. These IPs are planned for regional brands, local heritage brands, small brands, and national brands' regional teams to enhance the brand's regional visibility and sales growth.

In November 2023, the local Sichuan brand Hao Ren Jia collaborated with JD NOW to launch the campaign for its series of ready-to-cook condiments, including hot pot bases, fish seasonings, and recipe-based sauces. Supported by efficient LBS traffic allocation, Hao Ren Jia achieved a 125% week-over-week increase in sales on the JD NOW platform the month the campaign was launched, with the sales of blockbuster items increasing nearly fivefold.

### JD NOW Launching Dual Billion Brand Plan at Brand Conference

On September 7, 2023, JD NOW held the "JD NOW Brand Cooperation Strategy Sharing Session" at JD's headquarters under the theme "Drawing the Big Picture, Winning Globally." Over 500 brand partners and retail e-commerce professionals from companies like Procter & Gamble, Unilever, Yihai Kerry, Xiaomi, Decathlon, and L'Oréal participated in the conference. At the event, JD NOW officially launched the "Dual Billion Brand Plan," aiming to support over ten brands to achieve sales of over RMB1 billion each and create a benchmark brand with sales exceeding RMB10 billion.



## INDUSTRY COMMUNICATION

As a leading company in the on-demand retail and delivery industries, our JD NOW and Dada Now platforms have been actively promoting the standardization of the industry. Leveraging our extensive experience in the sector, we participate in various associations and activities within the industry, offering insights and contributing to its development. We also engage in innovative research projects, participate in drafting national industry standards and publishing industry white papers together with supply chain partners, aiming to contribute to the industry's advancement.



## Industry Exchange ▼

Dada Group steadfastly adheres to the principle of collective industry development and actively engages with industry associations. To date, the company has joined the China Chain Store & Franchise Association and the Intra-city Delivery Branch of the China Federation of Logistics & Purchasing, among others. We participate in exchanges with peer enterprises to discuss the opportunities and challenges of on-demand retail and delivery development, with an aim to promote healthy industry growth.

Based on the technological and operational knowhow accumulated by JD NOW and Dada Now in on-demand retail and delivery, we actively participate in various industry activities, continually sharing technology and expertise with industry partners to enhance overall industry efficiency and promote high-quality industry development.

### JD NOW at CCFA China Retail Innovation Conference: Co-Driving High-Quality Growth in New Era of On-demand Retail

On May 23, 2023, the 2023 China Chain Store & Franchise Association (CCFA) China Retail Innovation Conference officially commenced at the Shanghai International Convention Center. On the same day, JD NOW hosted a themed forum titled "Leveraging On-demand Retail to Co-build High-Quality Growth," attracting many retail peers to listen and participate in discussions about the development path of on-demand retail. Leaders from JD NOW's supermarket division, FMCG division, and Haibo division, gathered with representatives from merchants and brands including Metro and Johnson & Johnson, shared on topic of how physical retailers and brands can seize opportunities and achieve high-quality growth during the new development phase of on-demand retail.



### JD NOW at the CCFA Retail Summit: Leveraging Three Major Capabilities of On-demand Retail to Promote Sustainable Development



On December 12, 2023, the 2023 China Retail Leadership Summit was launched in Shanghai, with the theme of "Across Cycles, Gathering Consensus, Starting Again". Invited by the China Chain Store & Franchise Association, JD NOW attended the summit and delivered a keynote speech titled "Co-building the On-demand Retail Ecosystem, Promoting Sustainable Industry Development," sharing insights on "How to Collaboratively Create and Build a Sustainable Development Model for On-demand Retail in the New Economic Cycle" with industry partners.

### Dada Now at Annual Conference for Intra-city Delivery Industry: Refined Operation of On-demand Delivery to Boost High-Quality Growth

On September 11, 2023, the annual industry conference for intra-city delivery, organized by the China Federation of Logistics & Purchasing, was launched, where Mr. Bing Fu, General Manager of Dada and Interim President of Dada Group, delivered a speech titled "Refined Operation of On-demand Delivery Helps Boost High-Quality Growth." The on-demand delivery industry is serving merchants across categories, and evolving towards personalization, diversification, and non-standardization. The enormous potential in lower-tier markets, in particular, deserves attention as the O2O industry progressively penetrates these markets. Faced with new opportunities and trends, Dada will continue to optimize personalized service solutions based on different customer needs, providing high-quality, efficient, and professional services to both businesses and individual users.





## Cooperation and Exploration ▼

"Mutual benefit and win-win" is one of the guiding principles upheld by Dada Group. We engage in friendly cooperation with universities, autonomous vehicle manufacturers, and other external entities, exploring advanced technologies applicable to the industry, innovating along the path, and injecting vitality into Dada's development while accelerating the robust growth of emerging sectors.

### Dada Group Collaborating with Universities to Explore Path Planning Algorithm Optimization

In October 2023, Dada Now initiated a university collaboration project with Beijing Institute of Technology and Beijing Foreign Studies University. This corporate-academic cooperation project aimed to enhance the rider delivery experience and improve the order matching efficiency, by exploring cutting-edge solutions in the field. By conducting in-depth onsite research and providing problem scenarios and anonymized data, Dada Now aims to support advanced algorithm research, and promote the application of intellectual property outcomes.

### Dada Group Cooperating with Autonomous Vehicle Manufacturers to Pioneer Autonomous On-demand Delivery for Supermarket Orders

Since launching the Dada Autonomous Delivery Open Platform, we have established deep cooperation with several autonomous vehicle manufacturers. In this collaboration, Dada's Autonomous Delivery Open Platform provides order sources, algorithm dispatching capability, human-machine interaction capability, and last-100-meter delivery capacities, while the vehicle manufacturers provide the hardware to enable autonomous delivery on public roads. The two parties jointly promote the smooth application of autonomous on-demand delivery in supermarket scenarios.

By the end of 2023, the Dada Autonomous Delivery Open Platform had completed 280,000 deliveries, further solidifying its position as the largest autonomous delivery platform for supermarkets' O2O orders in China. Additionally, thanks to increased order density and optimizations in dispatch algorithms and operational processes, the average cost per autonomous delivery has significantly reduced. By the end of 2023, our average cost had decreased by approximately 20% compared to the end of 2022, and the service provided for certain stores has achieved a positive gross margin, which lays the foundation for large-scale applications in the near future.

Moreover, Dada Now is currently extending autonomous delivery scenarios to include long-distance orders beyond the 5-kilometer radius, aiming to further supplement rider delivery capacity.

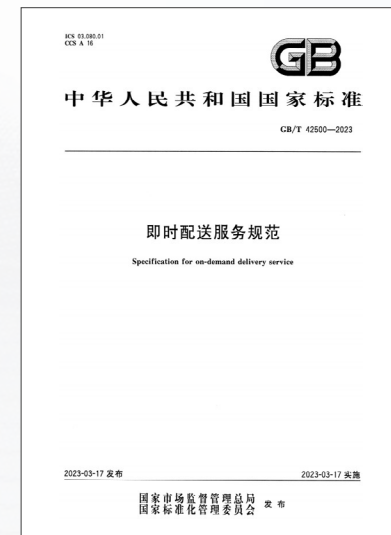




## Industry Development ▼

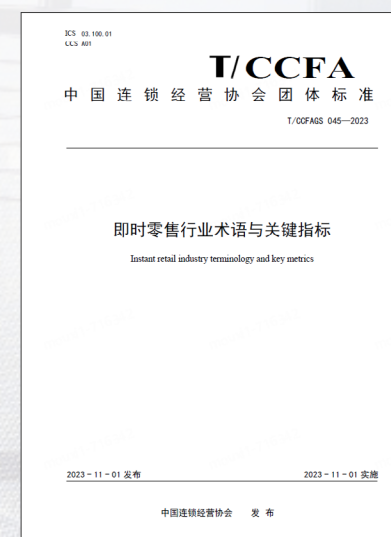
As the on-demand retail and delivery industries rapidly develop, the refinement of related standards and regulations is crucial. Dada Group fully leverages its years of deep involvement in the on-demand retail and delivery industry to participate in the drafting of multiple standards and white papers, promoting the standardized management and development of the on-demand retail and delivery industries, and contributing to the industry's healthy and sustainable development.

Dada Group Participating in Industry Standard Setting



### On-demand Delivery Service Standards

In March 2023, the State Administration for Market Regulation and the National Standardization Management Committee issued a notice approving the national standard for "On-demand Delivery Service Standards (GB/T 42500-2023)," proposed by the National Committee on Logistics Standardization. This is also the first national standard in the field of on-demand delivery, with Dada Now participating throughout the drafting process.



### Terminology and Key Indicators for the On-Demand Retail Industry

In November 2023, the "Terminology and Key Indicators for the On-Demand Retail Industry" (T/CCFAGS 045-2023), the first group standard for the on-demand retail industry, was officially released by the China Chain Store & Franchise Association (CCFA), with representatives from Dada Group among others participating in its formulation. The establishment of this standard fills a gap in domestic and international retail standards in the field of on-demand retail, promoting the healthy and sustainable development of the industry.

Dada Group Sharing Industry Insights Together with Partners



In September 2023, JD NOW, together with Mengniu, and Nielsen IQ, released the "White Paper on Ambient Dairy Products in On-demand Retail".



In October 2023, JD NOW, in cooperation with the China International Electronic Commerce Center, published the "'Instant+' --- White Paper on 2023 On-Demand Retail Development Trend".



In December 2023, JD NOW, in collaboration with the China Chain Store & Franchise Association (CCFA), published the "White Paper on the Sustainable Business Model of On-Demand Retail".



# ENABLING EMPLOYEE DEVELOPMENT AND IMPROVING WORKPLACE HAPPINESS



Talent Attraction /36

Talent Development /38

Occupational Health and Safety Assurance /41

Employee Care /41

2023  
DADA GROUP  
ESG



## ENABLING EMPLOYEE DEVELOPMENT AND IMPROVING WORKPLACE HAPPINESS

Talent is fundamental to the operation and development of a business. Dada Group considers its employees as its most valuable asset. We highly value talent development, care for employee safety and health, and fully respect and protect the basic rights of every employee. We stimulate organizational vitality and encourage employees to grow alongside the company through measures including competitive compensation and benefits, a pleasant working environment, and comprehensive training programs.

### TALENT ATTRACTION

Dada Group adheres to equal and compliant employment practices, and ensures effective employee rights protection scheme, to create a respectful, fair, inclusive, and warm working environment.

#### Talent Recruitment and Retention ▼

The company complies with the "Labor Law of the People's Republic of China," the "Labor Contract Law of the People's Republic of China," and other relevant national laws and regulations, as well as internationally recognized human rights norms such as the core conventions of the International Labour Organization. We have established internal regulations such as the "Dada Group Employee Handbook" and the "Dada Group Recruitment Guideline" to ensure a legal, compliant, equal, and transparent recruitment process. We always uphold the principles of "standardization, fairness and openness, comprehensive evaluation, job-based recruitment, merit-based selection, and talent utilization" in talent recruitment. Our policies, outlined in documents like the "Dada Group Employee Handbook" and the "[Dada Group Human Rights Statement](#)," strictly prohibit any form of child labor and forced labor and forbid discrimination based on race, religion, gender, nationality, age, or ethnicity, striving to provide equal employment opportunities for all applicants.

To strengthen our talent pipeline, the company has established a comprehensive recruitment management process, developed professional talent profiles, and implemented a demand-oriented strategic talent pool plan. We evaluate current talent skill gaps to measure recruitment needs and widely attract diverse talent. We utilize various recruitment channels such as campus recruitment, social recruitment, and internal transfers, combining online and offline methods to attract outstanding talents in various fields. Additionally, we regularly conduct training programs for interviewers to continuously promote the concept of fair employment, and improve recruitment efficiency and quality.

In terms of talent retention, the company maximizes employee retention through continuous optimization of organizational structure, empowerment incentives, cultural development, and welfare care. We regularly monitor and review employee turnover rates, analyze reasons for employee departures through special organizational diagnostics and exit interviews, and implement targeted improvement measures. During the reporting period, the voluntary turnover rate of the company's overall employees was 13.6%, a decrease of over 3 percentage points compared to the previous year.



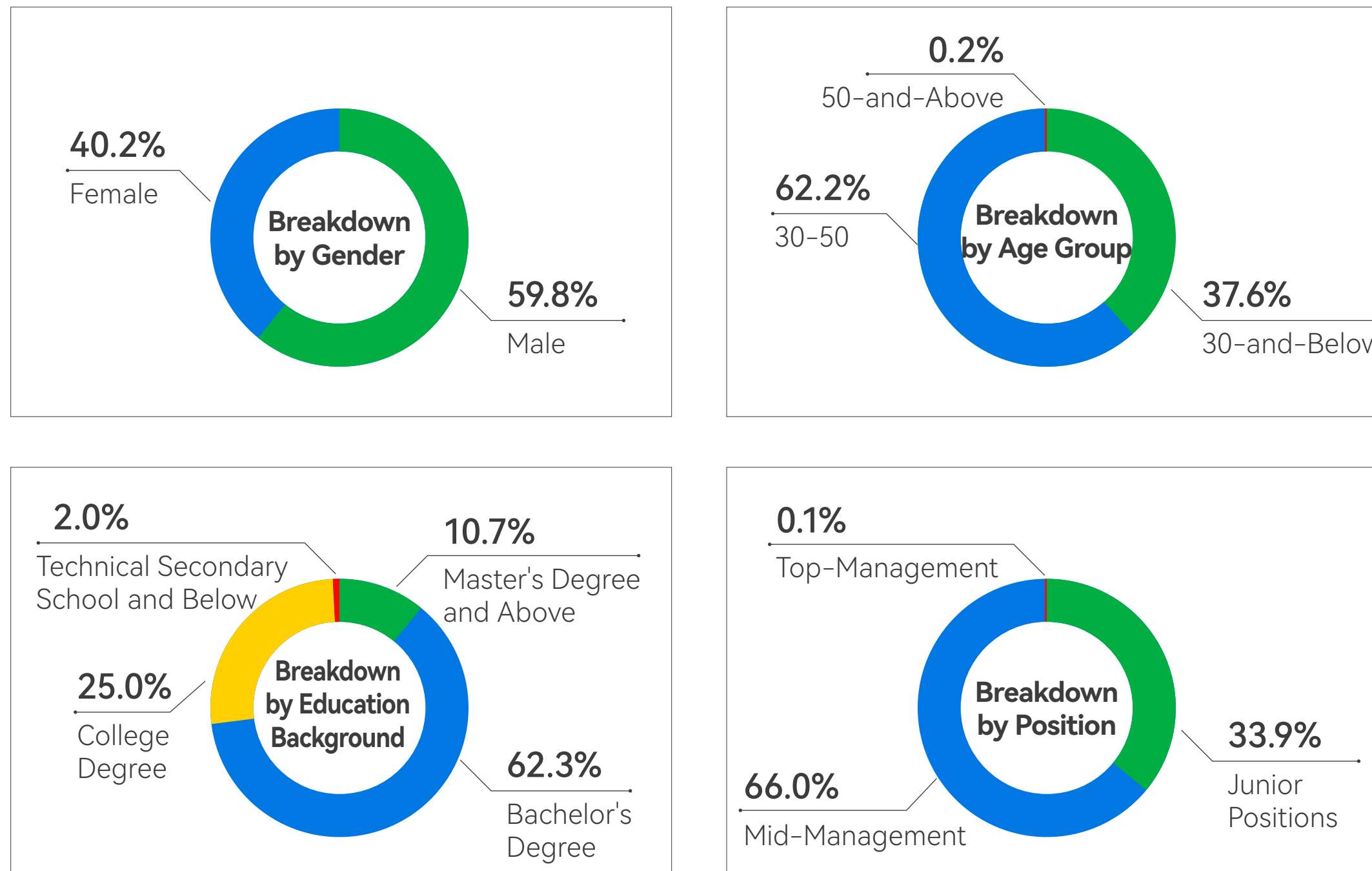
Voluntary Turnover Rate Declined by Over  
**3** Percentage Points

## Employee Diversity and Rights Protection ▼

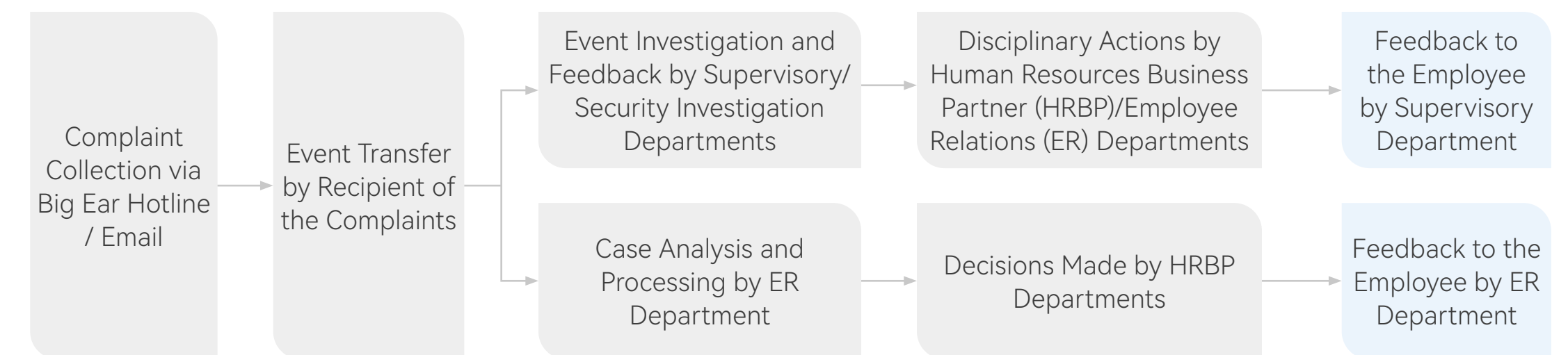
The company values diversity among employees, cares for female employees, respects the living habits and religious beliefs of employees of different nationalities and ethnicities, and recruits disabled employees for various positions, striving to create an inclusive working environment with equal opportunity for all. As of the end of the reporting period, the company had 2,376 employees, including 954 female employees, accounting for 40.2%. Among middle and top management, female employees accounted for 39.9%, which is comparable to the overall female employee ratio. Additionally, there were 85 ethnic minority employees and 27 disabled employees as of the end of 2023.

The company strictly adheres to internal policies such as the "[Dada Group Human Rights Statement](#)" and the "Dada Group Employee Handbook," upholding the principles of fairness and justice to provide comprehensive rights protection for employees. These policies explicitly state that we prohibit the use of child labor, forced or compulsory labor, respect women's rights, prohibit violence and harassment, respect employment diversity, oppose discrimination, and protect the freedom of association and collective bargaining rights. Specifically regarding anti-harassment, the company strictly follows internal policies such as the "JD Group Workplace Anti-Sexual Harassment Management Measures," establishing guidelines for action, as well as reporting and investigation mechanisms, to protect the legal rights of employees and business partners including suppliers and customers. Additionally, through the labor union, the company signs collective agreements with employees, achieving a 100% collective agreement coverage rate for Dada Group employees during the reporting period.

To address unjust treatment in different scenarios, the company has established channels such as the Big Ear Hotline and Big Ear Email for complaints and feedback. In terms of response time, we commit that employees shall receive a response within 24 hours, the investigation be completed within 48 hours, and the investigation conclusion be communicated to the complainant within 72 hours, with complex cases resolved within no more than 7 working days to the greatest extent possible. When investigating and handling complaints, the company follows the "JD Group Whistleblower Protection and Reward System," taking effective measures to protect the personal privacy of the individuals involved and prohibiting any form of retaliation against whistleblowers. Any form of retaliation will be dealt with severely according to national laws and regulations and Dada Group's policies. Legal responsibilities will be pursued if the actions are illegal. Additionally, we regularly conduct training on non-discrimination and non-harassment in the workplace to enhance employees' awareness of their legal rights. During the reporting period, the company did not receive any reports of discrimination or harassment.



Breakdown of Dada Group Employees at the End of 2023



Process for Handling Unfair Treatment at Dada Group



### Dada Group Strengthening Anti-Harassment Awareness to Create a Harmonious Workplace

In November 2023, the company conducted comprehensive compliance training for all employees and organized a "Workplace Anti-Sexual Harassment Class" specifically for those in mid and top management positions to emphasize the principles of prohibiting workplace sexual harassment and protecting employees' legal rights, with 100% training completion rate.

## TALENT DEVELOPMENT

Dada Group values the growth and development of every employee. To unlock employee potential and facilitate self-improvement, we have established a transparent compensation and performance management framework, diversified promotion pathways, and customized and diverse training programs, aiming to empower employees in all aspects and support their career development.

### Employee Compensation ▼

The company continuously improves its compensation system. On top of ensuring that all employees receive wages higher than the minimum wage standards and sufficient to meet living needs, we regularly monitor and analyze compensation indicators and adjust employee salaries annually based on market wage levels to ensure competitive compensation within the industry.

We adhere to the principle of equal pay for equal work to ensure fairness in wages and benefits. We continuously analyze employee compensation, and during the reporting period, the median salary for male employees was 0.5% lower than the overall median, while the median salary for female employees was 0.2% higher than the overall median, underscoring the further narrowed compensation gap between male and female employees.

Additionally, we provide differentiated compensation plans for employees in different positions and

levels. Beyond fixed salaries, we offer short-term incentive plans such as performance bonuses and long-term incentive plans like stock incentive plans to attract and retain talent. As of the end of the reporting period, 453 employees were granted stock incentives, representing 19% of total employees.

#### Basic Compensation

Composed of fixed salary and performance bonuses, with performance-based variable pay covering 100% of employees.

#### Mid- and Long-term Incentives

Based on performance evaluation results, middle and senior management and outstanding employees can participate in the stock incentive plans.

#### Other Coverage

Social security benefits including pension insurance, medical insurance, maternity insurance, unemployment insurance, work injury insurance, and housing fund.

Dada Group Employee Compensation Structure



Ensure Fair Compensation, Median Pay for Female Employees **0.2%** Higher than Overall



Grant Long-term Incentives, Stock Incentive Plans Covering **19%** Employees

### Performance Management ▼

The company has established a clear performance evaluation mechanism following the "JD Retail Sub-Group Performance Management Regulations." Guided by the 3D principles of direction, distinction and development, and catered to the characteristics and strategic orientation of each department, we formulate evaluation frameworks and rules while continuously optimizing assessment strategies to align with business development stages. The evaluation frequency varies, with most employees assessed quarterly, frontline business positions monthly, and leaders annually. Beyond performance evaluations, we offer 360-degree assessments, providing feedback from superiors, subordinates, and colleagues to help employees improve self-awareness. During the reporting period, the coverage rate of performance evaluations and career development assessments among Dada Group employees was 100%.



**Performance Evaluation for General Employees**

Primarily evaluate the magnitude of goal achievement, at monthly or quarterly frequency.

**Performance Evaluation for Leaders**

Mainly dependent on team's performance, at annual frequency.

**360-degree Evaluation for All Employees**

Help employees understand their strengths and weaknesses from different perspectives, at annual frequency.

## Dada Group Employee Evaluation Methods

To ensure performance transparency and fairness, the company has established a disclosure mechanism for performance target and result. Managers shall organize at least one disclosure meeting annually to present business plans and targets for the unit. Employees rated A+ and A are on the list of public disclosure within the department. Furthermore, the company has a performance feedback appeal mechanism where employees can appeal performance results within one month of announcement, with responses provided within three working days.

**Talent Promotion ▼**

The company offers employees two promotion opportunities annually, with clearly defined promotion standards, pathways and processes, and management for promotion and internal transfer is treated seriously. We break conventional constraints in promotion nomination conditions, eliminating rigid requirements like tenure or interval between promotions, encouraging diverse talent recognition. During

promotion reviews, the company adheres to the principle of "evaluations based on a holistic talent profile," emphasizing value contribution and professional/management capabilities, so as to provide ample growth and development opportunities for employees with good performance and great potential.

To ensure fairness in promotions, the company follows a promotion feedback and disclosure mechanism. If employees have objections to their promotion results, they can initiate feedback directly. Upon receiving feedback, the company organizes the employee's superior, HRBP, or review committee chair to address queries and provide guidance. Once confirmed, promotion results are announced within the department with a seven-day notice period when employees can provide email feedback on the promotion list.

**Employee Training ▼**

The company adheres to the training philosophy of "connecting business, emphasizing practicality, and closely aligning with talent development needs," continuously focusing on business and employee development needs to build a comprehensive training system. Additionally, we conduct talent evaluations to help employees identify strengths and areas for improvement, which also help us refine talent development and cultivation strategies.

Our training programs are designed to cater for the needs of different employee groups, including fresh graduates, new employees, all employees, and managers at various levels. We provide comprehensive trainings on dimensions including general knowledge, professional skills and leadership, with an aim to help employees enhance their professional qualities and capabilities, and facilitate their growth and development.

During the reporting period, the company developed and organized various courses covering professional skills, technology, leadership, quality management, business integrity, information security, and other topics. The average training duration per employee was 7.6 hours, with a 100% training coverage rate.



Training Type	Details
New Employee Training	<p>Through the New Employee Onboarding Training Series, we help new hires familiarize themselves with the work environment and quickly understand their responsibilities.</p> <p>During the reporting period, 4 sessions were conducted, with a total training duration of 19 hours and an average satisfaction rate of 99.5%.</p>
Professional Skill Training	<p>We develop and refine quality courses based on real business scenarios and classic case studies to enhance employees' problem-solving skills, and allow employees to access anytime through online videos.</p> <p>During the reporting period, 63 sessions were conducted, covering 3,222 employees, with a total training duration of 90.5 hours and an average satisfaction rate of 97.6%.</p>
Leadership Training	<p>We offer a wealth of leadership courses online for all employees. In addition, we specially design offline leadership enhancement programs for managers, including the Dragon Plan for junior managers and the Eagle Plan for senior managers. These programs help employees shift their management thinking, expand management perspectives, and improve management capabilities.</p> <p>During the reporting period, 23 sessions were conducted, covering 886 employees, with a total training duration of 114 hours and an average satisfaction rate of 98.9%.</p>
Other Specialized Training	<p>We launch specialized trainings from time to time, covering topics such as risk management, quality management, compliance, commercial secret protection, information security, and anti-workplace harassment.</p> <p>During the reporting period, over 50 sessions were conducted, covering more than 9,000 participants, with a total training duration of 23.5 hours and an average satisfaction rate of 98.0%.</p>

Dada Group Employee Training Programs and Coverage

In addition to regular trainings, the company encourages all employees to enhance themselves and achieve their long-term career development plans through external training and obtaining certifications, by providing financial rewards, exam fee subsidies, and other support such as vocations. For example, the company encourages employees in the finance related positions to obtain CPA, CFA, and other relevant certificates, with incentives and fee subsidies available once certificate is granted.

### Dada Group Launching Management Culture Integration Activity to Enhance Team Management Capabilities

During the reporting period, the company organized the offline training project "Eagle Plan", covering approximately 50 employees in management position.

In terms of enhancing culture perception, activities were designed to help managers understand the core values of the company's culture, hone their willpower, and enhance cohesion.

In terms of sharing skills, we introduced external copyright-certified courses for the first time, enabling managers to systematically learn management skills and tools, enhance their leadership capability and influence, and solve complex business and team management problems.





## OCCUPATIONAL HEALTH AND SAFETY ASSURANCE

Dada Group strictly adheres to the "Occupational Disease Prevention Law of the People's Republic of China," the "Work Safety Law of the People's Republic of China," and other relevant laws and regulations, as well as the "JD Group Occupational Health and Safety Management Policy" and other group policies. Additionally, the company has established internal regulations such as the "Dada Group Safety Production Accident Hazard Investigation and Management Measures" and the "Dada Group Safety Production Responsibility Management Measures." Building on this foundation, we continuously enhance our occupational health and safety management framework, actively integrating into the JD Group Occupational Health and Safety Committee system, leveraging various supports such as training, technology and resources, to conduct unified supervision of occupational health and safety, and to ensure that occupational health and safety measures reach every employee.

The company regularly organizes safety inspections across various departments and implements comprehensive rectifications for identified issues, aiming to prevent safety accidents and risks from the root. This ensures a full-process control system covering prevention before the event, intervention during the event, and review after the event. Additionally, we reinforce employees' awareness of occupational health through training and assessments. During the reporting period, Dada Group did not experience any work-related fatalities and recorded one work injury incident, with the number of lost workdays per million work hours decreasing by 82% year-over-year to 2.8.

Moreover, we provide annual health check-ups and commercial supplementary insurance for every employee, make available of health consultations, and organize themed employee activities to ensure employees lead healthy lives and enjoy their work.



Lost Workdays per Million Work Hours  
Decreasing by **82%**

### Dada Group Engaging in Fire Safety Training to Enhance Fire Safety Awareness

The company follows the "JD Group Office Fire Safety Management Regulations" and regularly conducts fire safety training sessions. These sessions educate employees on fire safety knowledge and demonstrate the correct use of fire extinguishers, thereby enhancing employees' awareness of fire safety.



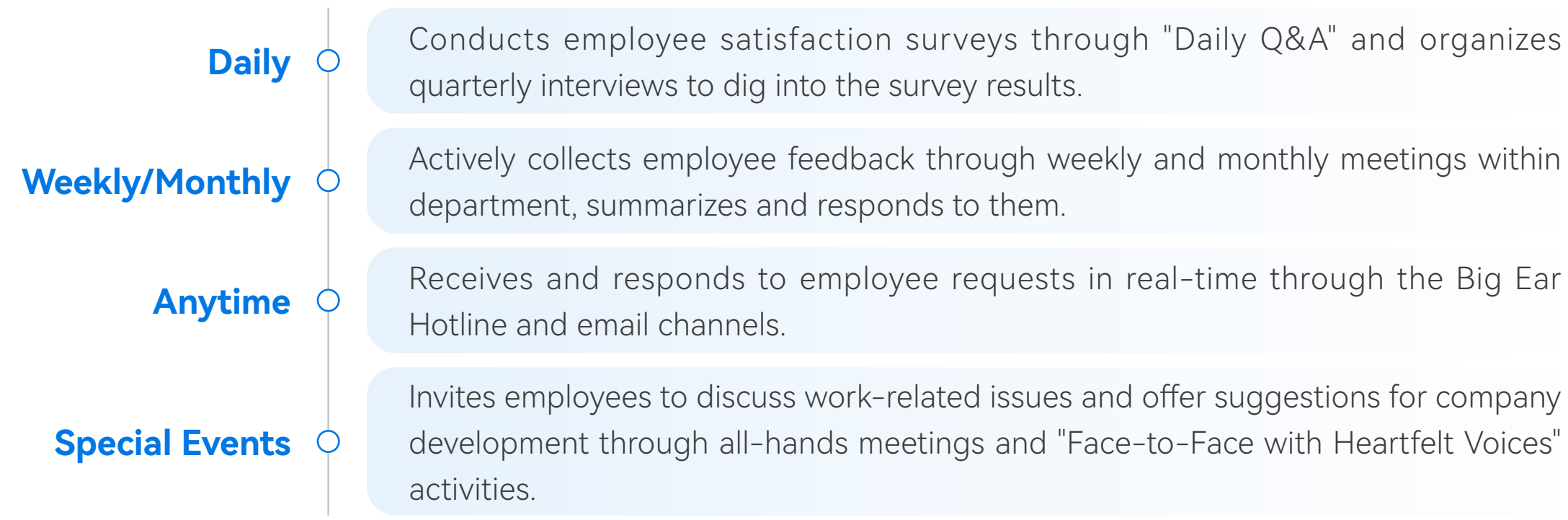
## EMPLOYEE CARE

Dada Group cares about the work and life of every employee, actively listens to their voices, continuously strengthens care services, to enhance employees' sense of belonging and happiness.

### Employee Communication ▼

Maintaining effective communication with employees is fundamental to ensuring aligned development goals between the company and its employees. The company values employees' opinions, continuously improves communication channels and methods, and actively identifies and responds to employee needs. We encourage equal dialogue between employees and between superiors and subordinates, aiming to foster an open communication atmosphere.





Dada Group Employee Communication Channels

### Dada Group Continuously Conducting Organizational Health Surveys and Implementing Improvement Measures to Enhance Satisfaction

To comprehensively understand employees' thoughts and feedback, the company actively organizes health surveys covering dimensions such as employee vitality, employee engagement, incentives, talent, culture, strategic goals, structure and responsibilities, and rules and processes through the "Daily Q&A" format. Each quarter, we analyze the survey results and implement improvement measures in areas of organization structure, cultural perception, and talent enhancement based on the issues raised by employees, aiming to continuously improve employee satisfaction.

In 2023, our organizational health survey covered an average of 51.8% of employees each quarter, with an average overall score of 4.39 out of 5, with result in the second half of the year improving from the first half. In particular, the employee engagement dimension scored 4.42, while the employee vitality dimension scored 4.54, reflecting high employee satisfaction and resilience within Dada Group.

**50%+** Employee Coverage by the Health Survey

**Steady Increase** in Overall Health Score

Higher Score in **Employee Engagement** and **Vitality** Dimension

### Welfare Benefits ▼

The company has established a comprehensive welfare system, fully caring for employees' work experience and quality of life. Beyond wages and social security benefits, we cover all employees with non-compensatory benefits such as supplementary medical insurance, employee health check-ups, and a love assistance fund. Additionally, we implement a flexible working system for part of employees, including those in the R&D department and senior managers.

- Subsidies and Paid Leave** Overtime dinner and transportation subsidies, phone bill subsidies, parental leave, fully paid sick leave, etc.
- Health Protection** Commercial supplementary insurance, free health check-ups, health consultation rooms, etc.
- Living Supports** Talent settlement, housing security fund, love assistance fund, etc.
- Female Care** Prenatal check-up leave, maternity leave, breastfeeding leave, mother-and-baby rooms, etc.

Welfare Benefits Provided by Dada Group Beyond Wages and Social Security

### Employee Activities ▼

The company encourages employees to enrich their daily lives outside of work through various means, such as providing free fitness facilities and equipment, and organizing diverse employee activities. These efforts promote employees' physical and mental health, enhance organizational cohesion, and boost employee vitality and sense of belonging.



## Dada Group Celebrating 519 Veteran Employee Day to Promote Corporate Culture Inheritance

Every year on May 19th, the company celebrates Veteran Employee Day, holding award ceremonies across all departments nationwide to present gold and silver medals to newly inducted veteran employees, acknowledging and thanking them for their continued contributions. We also advocate for managers to provide more training and support to veteran employees, allowing corporate culture to be passed on through daily work.



## Dada Group Encouraging Regular Team-Building Activities to Enhance Cohesion

The company allocates a team-building budget for each department to organize internal or cross-department team-building activities, enhancing employees' cohesion and sense of belonging.





## UPHOLDING RIDER RIGHTS TO SUPPORT FLEXIBLE EMPLOYMENT



Rider Interest Protection /45

Rider Development /50

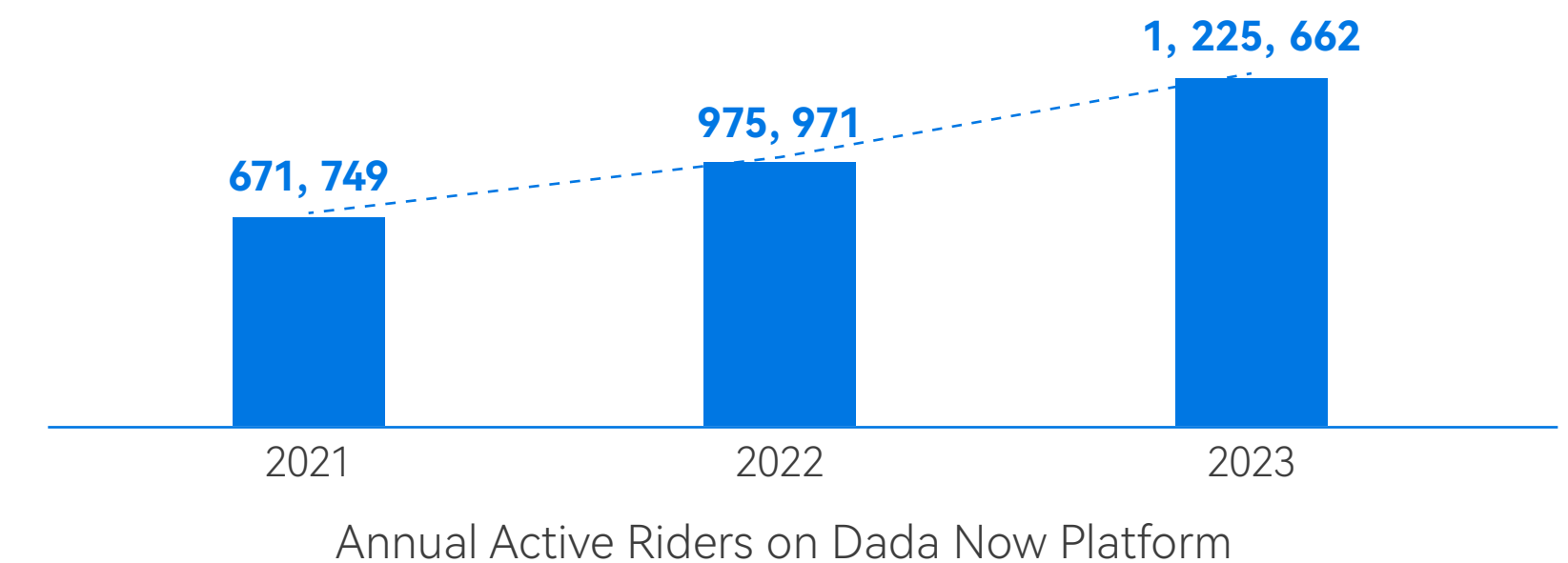
Rider Care /52

2023  
DADA GROUP  
ESG



## UPHOLDING RIDER RIGHTS TO SUPPORT FLEXIBLE EMPLOYMENT

Dada Group, through its Dada Now platform, provides extensive flexible employment opportunities for riders and other new forms of employment, fully leveraging its social value as an "employment reservoir." We protect the rights and interests of all riders, prioritizing the construction of the rider ecosystem by consistently improving the rider compensation system, relentlessly strengthening the safety assurance mechanism, actively listening to rider feedback and enhancing their delivery experience, and continuously optimizing the rider development, training and care system. These efforts aim to continually enhance the sense of achievement, safety, and happiness for riders on our platform. In recent years, the number of active riders on the Dada Now platform has steadily increased, surpassing 1.2 million in 2023.



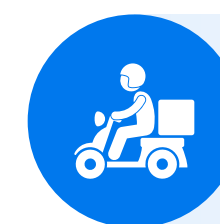
### RIDER INTEREST PROTECTION

Dada Group attentively accepts guidance from the Ministry of Human Resources and Social Security and other departments, actively responding to policies such as the "Guiding Opinions on Protecting the Labor Rights and Interests of Workers in New Forms of Employment," "Guidelines for Protecting the Rights and Interests of Workers in New Forms of Employment for Rest and Labor Remuneration," "Guidelines for Publicizing Labor Rules for Workers in New Forms of Employment," and the "Service Guide for Protecting the Rights and Interests of Workers in New Forms of Employment," striving to ensure the protection of riders' rights in terms of reasonable labor remuneration, occupational health, and safety. In addition, we have actively supported the policy formulation related with new forms of employment, and was formally recognized by government authorities in the form of letter of thanks..

### Fairness and Diversity ▼

Dada Group advocates for inclusivity and equality, establishing fair rider admission policies and a just evaluation system. We strictly prohibit any form of discrimination during the rider recruitment process, respecting riders' differences and embracing diversity to ensure all riders enjoy equal employment rights.

During the reporting period, among the more than 1.2 million riders earning income on the Dada Now platform, approximately 12% were female riders. Additionally, by the end of 2023, a total of 447 hearing-impaired riders had taken orders on our platform.



Over **1.2 Million** Annual Active Riders



Around **12%** of Female Riders

## Dada Now Adopting a Special Support System to Assist Disabled Riders' Employment

Dada Now accepts workers from all walks of life with an open and inclusive principle. In addition to regular new rider benefits like trial runs and waiver of liabilities, hearing-impaired riders registered on the platform receive targeted support and training measures to help them better earn delivery income.

Specifically, during user interactions, the platform exempts hearing-impaired riders from penalties for not reaching customers by phone and facilitates them to provide SMS notifications to recipients upon delivery. In customer service, the platform offers text communication channels for hearing-impaired riders to consult and resolve delivery issues via text. Moreover, with the support of the Yangpu District Disabled Persons' Federation and Youth League in Shanghai, the platform has launched a silent training course at Dada Academy module on the Dada Now Rider Version App to help hearing-impaired riders understand platform rules and improve delivery skills.



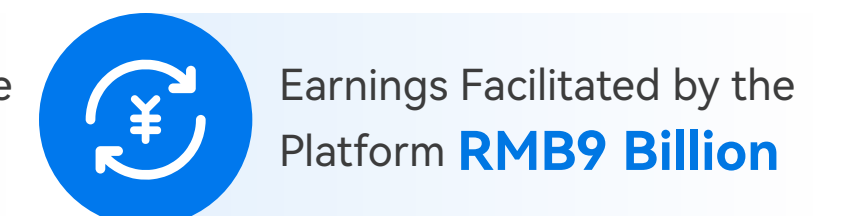
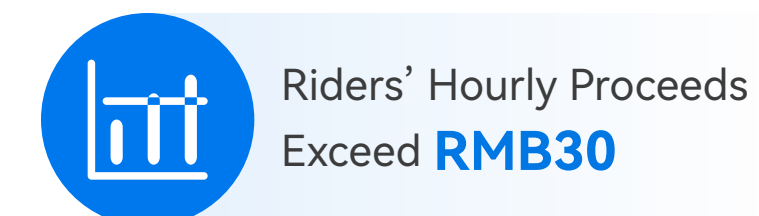
## Compensation Management ▼

Regarding pricing for delivery services, we provide riders with a base fare for each order based on factors such as city tier, delivery distance, order type, order weight, fulfillment requirements, and delivery difficulty, with dynamic adjustments based on real-time factors including weather conditions and supply situations. In addition to the delivery fee, the platform offers bonuses for consecutive order-taking and special period subsidies to riders. During the reporting period, the average hourly proceeds for Dada Now riders exceeded RMB30, higher than the minimum wage standards in all cities nationwide.

In terms of compensation payments, for crowdsourced riders, who account for the majority of our rider base, their remuneration is settled on a per order basis, and they can apply for direct withdrawal at any time, typically receiving funds within the next three days (depending on bank processing times). For stationed riders, their compensation is settled on a monthly basis by the service providers cooperating with Dada Now. Leveraging our in-house online payroll platform, we manage the entire compensation determination and payment process, from configuring rider compensation plans, calculating payroll and generating bills, to setting payroll times. In addition, we have set up a dedicated rider compensation complaint channel. These measures ensure we have a closed-loop control of our service providers' obligation to riders, so that riders receive their compensation properly and promptly.

Moreover, Dada Group continuously improves rider management rules. For example, we have proactively identified penalty-exemption scenarios and gradually embedded these into product functions, and requires customer service team to promptly handle rider penalty appeals, to ensure fairness in rider's compensation. In addition, for riders who've violated platform rules, we have optimized penalty standards, shifting from direct bans to education in the forms of guidance, training, and warnings in circumstances where regulatory red lines are not crossed, so as not to deprive riders of additional earnings opportunities.

During the reporting period, riders on Dada Now completed around 2.2 billion on-demand delivery and last-mile delivery orders, generating approximately RMB9 billion delivery fees. This has made our platform a significant income source for flexible employment workers.





## Health and Safety ▼

Dada Group upholds the concept of "safety above all," with internal regulations such as the "Dada Group Emergency Management Measures for Safety Production" and the "Dada Group Safety Production Accident Reporting and Investigation Management Measures," and rider-related rules like the "Rider Safety Management Rule," "Prohibited Items Rules," and "Safety Instructions," we aim to ensure riders follow safety standards strictly and the company handles safety incidents appropriately.

In terms of governance structure, the Dada Group Safety Department is responsible for the end-to-end management of rider safety issues, covering everything from strategy formulation to product functionality and operational implementation, reporting to the company president or interim president. Specifically, employees at headquarter are responsible for formulating rider safety strategies, optimizing safety product features, and conducting safety education activities, while employees at regional offices are responsible for implementing local government regulatory policies, safety policy advocacy, and incident handling. The company implements various health and safety measures from top to bottom, striving to ensure all riders' health and safety.

In terms of specific measures, the company has established a comprehensive safety management mechanism covering pre-event, in-event, and post-event stages to safeguard rider health and safety. With the effective implementation of this mechanism, rider satisfaction with the platform's safety measures has continued to increase. During the reporting period, the company conducted four quarterly rider safety perception surveys, covering over 25,000 participants. The results showed an average rider satisfaction rate of over 85% with the platform's safety measures, with an upward trend each quarter.

### Pre-event Training, Reminders, and Prohibitions

**Pre-event Training:** Courses on traffic law education, abnormal scenario protection, government regulation, fire safety, and public security compliance, with comprehensive online and offline reach through the "Dada Safety Officer" persona, making safety awareness deeply ingrained. During the reporting period, special safety training covered 1.6 million participants.

**Pre-event Reminders:** Pop-up prompts and training under scenarios such as severe weather and for rider groups including high-risk riders, reducing traffic accident rates by at most 45%.

**Pre-event Prohibitions:** Measures like identifying prohibited items through sensitive word recognition, controlling night orders across rivers, and prohibiting orders in extreme weather, blocking high-risk orders and ensuring rider safety.

### In-event Timely Detection and Reporting

**Algorithmic Anomaly Detection:** Analyzing rider travel paths, prolonged stops, and special location data (e.g., medical institutions, intersections) to establish a real-time early warning mechanism (trial), predicting potential accidents and improving response timeliness.

**One-click Reporting:** One-click reporting function on the Dada Now Rider Version App, enabling riders promptly report accidents.

### Post-event Standardized Handling and Assurance

**Emergency Response:** Different emergency response procedures and rider protection plans for various business lines with continuous standardization efforts, ensuring efficient handling by the emergency response team immediately after an accident.

**Insurance Claims:** Comprehensive post-accident protection through 100% commercial insurance coverage and trial run of work-related injury insurance in seven pilot provinces and cities.

Dada Rider Safety Assurance Mechanism



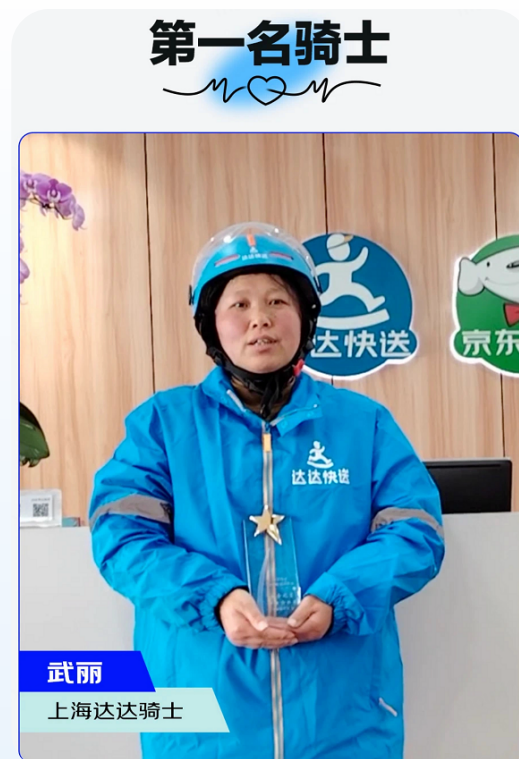
In terms of pre-event safety education and training, we continuously optimize and iterate training courses and outreach channels to enhance riders' safety skills and awareness. Topics include traffic safety, work validation for risk riders, safety instructions for new riders, abnormal scenario protection, traffic rule education, government regulation, fire safety, and public security compliance. Online, we leverage Dada Academy module, message reminders, pop-up links, and homepage banners; Offline, we conduct special safety training to reach platform riders comprehensively. In 2023, the company developed 41 online safety courses, configured over 50 online safety test questions, and conducted safety trainings that covered 1.6 million participants, with an average rider satisfaction rate of 93% for platform safety skills training.

Beyond training, to further enhance rider safety awareness, we launched the "Safety Star" award to establish rider safety role models.

The company also collaborates with local traffic police departments through participation in promotional activities led by traffic management departments and engagement in data exchanges between the platform and traffic police systems, to enhance rider safety awareness and improve the handling efficiency of rider traffic violations.

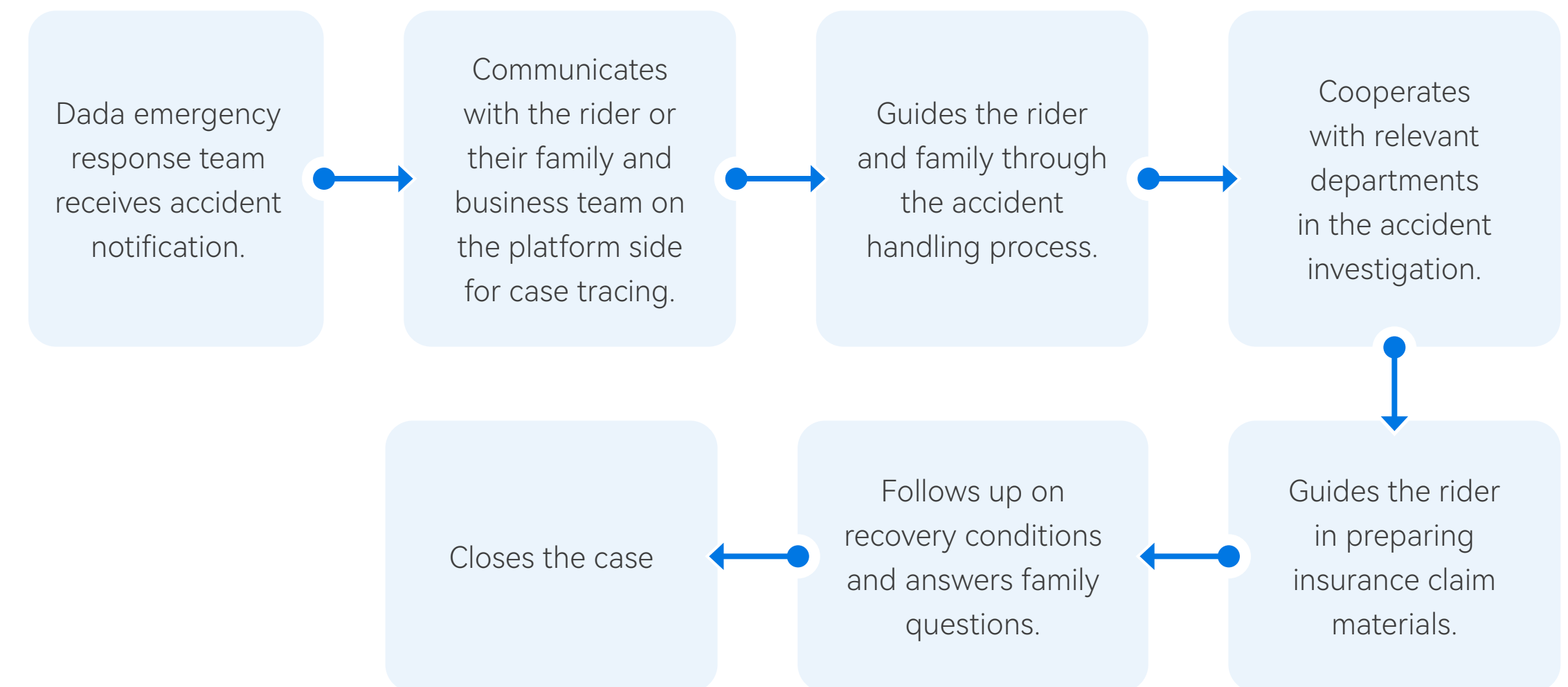
During the reporting period, the rider accident rate on the Dada Now platform was 4.7 per million orders. For reported safety incidents, the Safety Department immediately traces the case, guides riders and their families in handling the accident, assists with insurance claims, and cooperates with relevant departments in accident investigations. The typical handling and follow-up process is as follows:

### Dada Now Launching "Safety Star" Award to Promote Safety Awareness



In August 2023, Dada launched the quarterly "Safety Star" award, with two sessions held in 2023 and over 2,000 riders participating nationwide. The selection process involves rider sign-ups, nomination confirmed by regional managers, scoring based on years of delivery, orders delivered, accident rate, training participation rate, and outstanding personal safety achievements. The top 20 receive prizes, with the top 5 awarded a "Safety Star" trophy.

In Q4 2023, the first-place "Safety Star" was the Shanghai rider Wu Li. With over eight years on the Dada Now platform, Wu had no accident or violation record, actively participated in local community activities, often helped elderly people cross the road, and upheld the spirit of integrity by returning lost items found during deliveries.



Rider Accident Handling Process at Dada Group

## Dada Group Participating in Pilot Program of Work-related Injury Insurance and Assisting Riders in Insurance Claims

As one of the platforms participating in the pilot for work-related injury protection for new forms of workers, Dada Group launched the trial work-related insurance on July 1, 2022, and established a work-related injury protection team with dedicated specialists in seven pilot provinces and cities, who are responsible for the end-to-end protection work for work-related injuries.

During the reporting period, the company continued to optimize product features and operations for the work-related injury protection pilot project. Product feature optimizations included adding homepage accident reporting instructions (covering reporting, medical treatment, and work-related injury claim processes and timeframes), a pop-up material collection guide upon successful reporting, and upgrading the claim application page. Operational optimizations involved establishing a professional knowledge pool for work-related injury positions, and writing practical operation manual covering policy interpretation, personal injury assessment knowledge, life security fee and nursing fee handling processes, loss mitigation processes, quality control standards at provincial and city level. We also established a work-related injury education knowledge base, offering online special lectures for operational staff, launching "Work-related Injury Protection" courses on Dada Academy, incorporating occupational injury content into offline new rider training, and providing frequent reminders and pop-ups to enhance safety awareness among employees and riders.

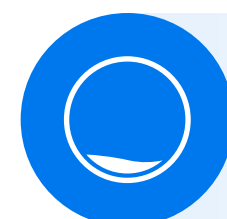
In practice, our team actively helps riders claim work-related injury insurance coverage. For example, in 2023, a Dada rider was injured while avoiding a pedestrian at an intersection during a delivery. After the incident, the rider reported the accident to apply for commercial insurance claims, but leaving out the work-related injury protection. Our team found out the case and assisted the rider to file for work-related injury case and finally obtained over RMB50,000 in compensation.



Holistic Safety Assurance Measures, with Dedicated Implementation of **Work-Related Injury Insurance Pilot** Project



Rider Satisfaction Rate for the Platform's Safety Measures Over **85%**



Rider Accident Rate per Million Orders **4.7**

## Experience Enhancement ▼

Dada Group actively listens to rider feedback through offline meetings at various city stations, NPS surveys, special surveys, customer service communications, and other measures to understand riders' needs and suggestions comprehensively, thereby continuously improving functionalities and processes and enhancing rider delivery experience on our platform. Besides actively listening, the company also conducts management "delivery & listening" activities, where managers personally experienced the delivery service process to identify and promptly optimize key issues.

### Offline Meetings

Through the "Smart Star" activity, we conduct offline meetings at city stations nationwide to listen to riders' suggestions for the platform and encourage riders to share experiences, tips, and success stories with each other.

In 2023, 80 sessions were held, covering 2,600 riders.

### NPS Surveys

We conduct quarterly NPS surveys among all riders who have completed deliveries on our platform, covering indicators such as compensation, preparation, pickup, delivery, penalty appeals, customer service, and growth empowerment.

In 2023, these surveys covered nearly 10,000 riders.

### Special Surveys

We conduct ongoing special surveys on topics such as humanitarian care activities, safety perception, and ESG.

In 2023, humanitarian care surveys covered hundreds of riders per month, safety perception surveys covered over 25,000 riders, and ESG surveys covered about 10,000 riders.

### Customer Service Communication

We actively respond to rider requests through customer service channels and identify key and common rider feedback through weekly customer service case analysis meetings.

Communication Channels with Dada Riders



Project	Feedback	Improvement
Improving Exception Reporting Function	The exception reporting function does not cover all scenarios, and lacks operational guidance, affecting riders' efficiency in handling issues independently.	Reconstructed the exception reporting function to cover most exception scenarios, allowing riders to handle issues independently through the App; Optimized page prompts and interactions, and operational steps for different exception reasons to improve rider experience.
Optimizing Rider Appeal Process	The appeal process is complex, and there lacks auxiliary information on the page, resulting in lengthy processing times for riders.	Added a quick appeal function, simplified the appeal page, and automatically included some issues' evidence in appeals to facilitates riders' efforts; Optimized customer service for appeal handling processes.
Iterating Penalty Functionality	There are some misjudged penalty scenarios that require riders to appeal for revocation, affecting their experience.	Optimized pre-judgment logic for time-related penalties, added monitoring of delivery scenarios to filter out penalties not caused by riders in advance; Improved map functionality to reduce misjudgments against riders.
Automating Distance Delivery Subsidy	Riders with orders exceeding the original distance due to delivery location anomalies need to apply for fare subsidies through customer service.	Launched an automated distance delivery subsidy system, saving riders' time and ensuring their rights. This feature currently provides automatic subsidies for over 300 orders per day, with an average distance subsidy of over RMB2 per order.

Examples of Dada's Improvement Measures Based on Rider Feedback

## RIDER DEVELOPMENT

Dada Group firmly believes that riders are the foundation for our prosperity. We tailor a diversified training and development system for riders to continuously enhance their capabilities, aiming to build an efficient and dynamic platform ecosystem.

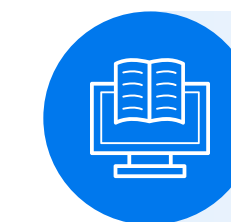
### Rider Training ▼

The company provides riders with a wealth of training courses and channels, combining in-person and online training. Through modules such as new rider training, refresher training, specialized training, and scenario-based training, we cover topics like essential skills for beginners, handling abnormalities, specialized skills, delivery techniques, and safety training. This helps riders understand platform rules and performance requirements, improve delivery techniques, enhance safety awareness, and facilitate their career development.

During the reporting period, the company conducted a total of 114,000 offline rider training sessions, covering more than 340,000 participants. Additionally, online training sessions reached over 10 million participants in the same period.



**114,000** Sessions of Offline Trainings  
Covering Over **340,000** Participants



Online Training Contents  
Reaching Over **10 Million** Participants



Online and Offline Trainings for Dada Riders



## Rider Development ▼

Dada Group values not only rider professional skill training but also provides differentiated benefits through measures such as rider grading, service score systems, and team leader mechanism. These benefits include higher number of orders allowed to be taken simultaneously, priority in order taking, and faster withdrawal processing, encouraging riders to achieve better development on the platform.

With the official inclusion of "online delivery personnel" in the national occupational classification catalog in February 2020, more workers in the on-demand delivery industry are gaining professional recognition and seeking long-term career development. Therefore, the company encourages riders to actively participate in online delivery personnel skill competitions to showcase their professional talents, strengthen their capabilities, and gain industry recognition. Additionally, the company actively explores rider stories, creates a series of star rider features, and helps riders obtain honors from local governments, with an aim to enhance their sense of professional achievement.

### Dada Riders Actively Participating in National and Local On-demand Delivery Personnel Skill Competitions

During the reporting period, Dada riders participated in the 2023 inaugural National Food Delivery Industry Professional Skills Competition, the second Shanghai Online Delivery Personnel Skills Competition, the Pudong New Area "Rider Cup" Online Delivery Personnel Skills Competition in Shanghai, and won a series of awards.



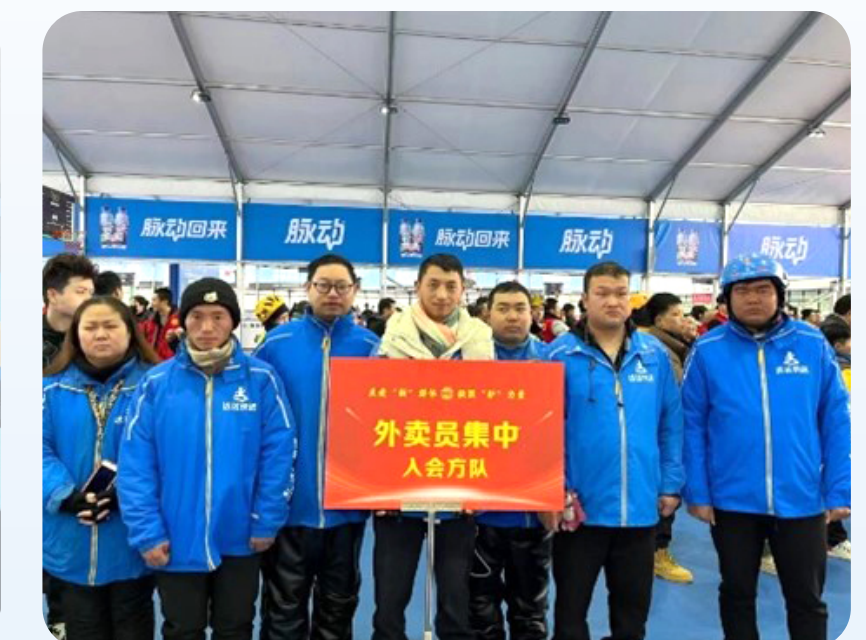
### Dada Highlighting Positive Rider Stories through the Star Rider Series



In April 2023, Dada Now rider Feng Quanming appeared as a guest reader on the People's Daily "New Media" World Book Day special program to share his personal reading experiences, being the only representative in the delivery industry.

### Dada Helping Riders Receive Local Honors

The company actively identifies high-quality riders on the platform and helps them apply for local government honors and awards. For example, during the reporting period, Dada riders were recognized as Five-Star Civilized Riders in Chengdu and selected as "Most Beautiful Delivery Workers" in Guiyang.





## RIDER CARE

Dada Group places great emphasis on humane care for riders, adhering to the philosophy of respecting, caring for, and serving riders. We comprehensively care for riders' work and life, consistently providing attentive care services on a regular basis to enhance riders' happiness and ensure they feel secure while working. During the reporting period, the company further enriched the rider care benefits system. In addition to offline care activities primarily focused on material distribution, we were actively engaged in more Party-led care initiatives, and launched new projects such as the Care Medicine Box and Education Fund.

### Dada Group Actively Launching Offline Care Activities to Distribute Care Packages

As an important measure to provide rider care and enhance communication with riders, Dada Group regularly conducts offline care activities at the city level. These activities are sometimes in collaboration with merchants and brands to provide materials for summer cooling, winter warmth, and disaster response, etc.

In 2023, the company held approximately 1,000 offline care activities, covering about 400,000 riders. Rider satisfaction with these care activities exceeded 98%.



### Dada Group Celebrating 927 Rider Festival Each Year to Foster a Culture of Care



Every year, Dada Group celebrates the "927 Rider Festival," bringing together hardworking Dada riders both online and offline to share festival experiences, exchange delivery tips, and select star riders, celebrating their journey with Dada.

For the festival in 2023, we launched activities including rider recognition, offline cycling events, online lotteries, and a Douyin live broadcast, to enhance the sense of belonging among riders. In total, we recognized and awarded 112 riders as Light of the Kings and 240 riders as Service Stars.

### Dada Group Establishing Various Hubs for Daily Rest and Emergencies



During the reporting period, Dada continues to promote the establishment of various hubs, including Care Stations, Care Refrigerators, and Care Medicine Boxes.

As of now, Dada has set up approximately 500 Care Medicine Boxes nationwide, containing basic medications, iodine swabs, masks, bandages, thermometers, adhesive bandages, and other essential supplies to meet riders' daily emergency needs.



### Dada Group Establishing the Education Fund to Fulfill Riders' Children's University Dreams

The dreams of riders' children are also the focus of Dada Group. In 2023, Dada Group launched the "Rider Children Care Program" and unleashed the Education Fund, to provide scholarships for economically disadvantaged, college-enrolled, and aspiring children of riders, encouraging them to bravely pursue their dreams and achieve success.



### Dada Group Launching Event to Care for Riders' Mental Health

A healthy mindset is crucial for work. Under the guidance of the Yangpu District Federation of Trade Unions Employee Service Center, the Dada Group Party Branch and Trade Union held a live-streamed psychological lecture for riders titled "Emotional Management and a Happy Life." Additionally, Dada partnered with YiDianLing to establish a Rider Psychological Consultation Column, incorporating the recorded lecture video into the App's course system. This initiative aims to provide riders with knowledge on psychological health, helping new and veteran riders alleviate mental stress and enhance their psychological stabilization skills.





**PROMOTING GREEN  
DEVELOPMENT AND  
ACTIVELY GIVING  
BACK TO SOCIETY**



Environmental Management /55

Social Welfare /60

2023  
DADA GROUP  
ESG

## PROMOTING GREEN DEVELOPMENT AND ACTIVELY GIVING BACK TO SOCIETY

Dada Group actively responds to the national call for energy conservation and emission reduction by continuously advancing its green transformation strategy, integrating environmental protection and green operations into various business models and scenarios, and constantly exploring environmentally friendly operational models. Meanwhile, the company remains committed to social welfare and actively fulfills its social responsibilities, striving to achieve sustainable development in harmony with society and the environment.

### ENVIRONMENTAL MANAGEMENT

Dada Group integrates the identification and response to climate-related risks and opportunities into its business strategy and is committed to strengthening climate governance. Accelerating green and low-carbon transformation is a crucial measure in addressing climate change. In our own operations, we pledge to continuously optimize energy usage, explore scenarios for clean energy utilization, and consider the applicability of carbon offsets, aiming to achieve carbon neutrality in our operations by 2028. In the upstream and downstream of supply chain, we leverage the advantages of on-demand retail and delivery models to empower the entire chain in reducing carbon emissions.

To enhance the collection and management of carbon emission data and develop a scientific emission reduction pathway, the company formed a carbon emission analysis team during the reporting period to conduct comprehensive analysis on greenhouse gas emission, and engaged a third-party institution to verify our carbon emissions, so as to ensure the completeness of emission sources, reasonableness of emission factors, rationality of calculation methods, and accuracy of calculation results.

### Addressing Climate Change ▼

To strengthen the company's ability to address climate change, Dada Group incorporates climate change governance into its ESG management process, establishing a mechanism supervised by the Board of Directors, managed by the ESG Working Group, and supported by other relevant departments.

In 2022, the company systematically identified the management directions for addressing climate change, and established short-term, medium-term, and long-term management strategies, action plans and response measures for climate change, following the Task Force on Climate-related Financial Disclosures (TCFD) disclosure methods and recommendations. During the reporting period, we reviewed and evaluated the latest climate risk identification results and related response measures. Since there were no significant changes in our business or external environment, we continued to follow the climate risk list identified in 2022, with minor refinement. Moreover, we will continue to focus on climate change issues and its impact on the allocation of related resources, aiming to further optimize our climate change management level.



Risk Types		Specific Categories	Time Dimensions	Response Measures
Physical Risks	Acute	Typhoons, floods, droughts, extreme cold, extreme heat, and other severe weather events	Short-term	<ul style="list-style-type: none"> <li>• Closely monitor weather conditions and send early warning messages to riders in case of extreme weather. Enhance rider protection and platform service quality through the provision of emergency equipment and relevant trainings.</li> <li>• Utilize autonomous delivery methods to supplement delivery capacity during adverse weather.</li> <li>• Develop targeted emergency plans based on the unique climate characteristics of different operating regions.</li> <li>• Proactively identify and assess chronic climate risks, incorporating them into the emergency plans for delivery.</li> </ul>
	Chronic	Rise of average temperature	Long-term	
Transition Risks	Policy and Legal	Regulations and requirements for existing products and services	Short-term	<ul style="list-style-type: none"> <li>• Strengthen communication with regulatory bodies to stay informed about and comply with changes in relevant regulations, ensuring service compliance.</li> <li>• Integrate environmental considerations into business development and operational management processes.</li> <li>• Enhance internal carbon emission data management, establish an energy and carbon data management system, and conduct comprehensive and continuous greenhouse gas emission data disclosure.</li> </ul>
		More stringent emission reporting obligations and compliance requirements	Mid-term to long-term	
	Technology	Transition to low-emission business	Mid-term	<ul style="list-style-type: none"> <li>• Stay informed about government incentive policies for low-carbon technologies.</li> <li>• Continuously incorporate energy-saving and emission reduction concepts into business development and operational management processes, exploring and developing low-carbon business scenarios.</li> <li>• Promote battery swapping service among riders and seek battery swapping suppliers with clean energy.</li> </ul>
	Market	User preference for low-carbon business attributes	Long-term	<ul style="list-style-type: none"> <li>• Promote green consumption development based on market demand through initiatives like "Green Consumption Season."</li> <li>• Continuously monitor low-carbon technologies and operational measures, actively pushing for low-carbon upgrades in packaging and delivery processes.</li> <li>• Analyze price trends for green packaging materials and other raw materials, effectively managing the risk of rising procurement costs through supplier communication and resource integration.</li> </ul>
		Increase in procurement costs	Short-term	
	Reputation	User emphasis on corporate responsibility	Long-term	<ul style="list-style-type: none"> <li>• Enhance attention to sustainability and climate change disclosure requirements, optimizing external corporate social responsibility communication channels while ensuring compliance.</li> <li>• Continuously participate in highly recognized and relevant international and domestic green environmental activities to enhance industry competitiveness and corporate reputation.</li> <li>• Actively conduct climate change risk identification work, strengthen stakeholder engagement, and further improve mechanisms for addressing stakeholder negative feedback.</li> </ul>
Stakeholder attention to negative feedback		Long-term		

We firmly believe that while climate change brings risks, it also injects new vitality into corporate transformation and sustainable development by integrating concepts such as low-carbon and green development.

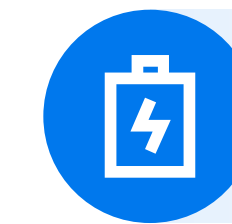
Opportunities Types	Specific Categories	Response Measures
Resource Efficiency	Adopting more efficient operational methods, improve resource use efficiency, reduce greenhouse gas emissions, pollutants, and waste, and promote sustainable development and the circular economy, to lower the company's medium- to long-term operating costs	<ul style="list-style-type: none"> <li>• Explore and enhance operational efficiency and clean energy utilization to reduce product carbon footprint.</li> <li>• Develop a circular economy system, promoting the recycling of resources such as packaging and water.</li> <li>• Prioritize renting green buildings as office spaces.</li> </ul>
Products and Services	Establishing market competitiveness by building a green, low-carbon corporate image	<ul style="list-style-type: none"> <li>• Integrate green and low-carbon concepts into product development scenarios, creating green retail and delivery services.</li> <li>• Actively monitor consumer preference trends in the market, cater to green consumption habits among consumers by offering green consumption choices.</li> </ul>
Climate Adaptability	Implement low-carbon transformation measures such as process optimization and product type adjustments to enhance corporate resilience and overall risk resistance	<ul style="list-style-type: none"> <li>• Strengthen collaboration and communication with stakeholders such as associations and partners to jointly explore green and low-carbon development pathways for the industry.</li> <li>• Develop a sustainable supply chain system, reinforcing ESG management for suppliers.</li> </ul>

### Promoting Green Office Practices ▼

Dada Group strictly complies with the "Environmental Protection Law of the People's Republic of China," the "Energy Conservation Law of the People's Republic of China," and other relevant laws and regulations. We implement environmental protection management in our own operations across various aspects, so as to build a green workplace.



Scope 1&2 GHG Emission Declined by **18%**



Electricity Consumption Reduced by **8%** on Comparable Basis

### Energy Conservation and Emission Reduction

In our daily operations, we cultivate employees' awareness of emission reduction through education and policies, and actively identify energy-saving scenarios to create an efficient, energy-saving, and environmentally friendly office environment.

Measures at Dada Group to Reserve Energy and Reduce Emissions

- Establish a shared office supplies area to improve the utilization rate of office supplies.
- Encourage employees to print double-sided and in black and white, and set up a storage area for reused paper to further increase paper utilization.
- Ensure that the power for air conditioning, lighting, and projection equipment in meeting rooms is turned off when meetings end or when the rooms are not in use.
- Require employees to only turn on the lights and air conditioning in the particular work area during overtime.
- Require employees to turn off air conditioners, computers, fans, and other electrical equipment when leaving the office area for an extended period.
- Promote green travel in the travel policy, encouraging employees to take high-speed trains for trips within 1,200 km instead of taking a flight.
- Post posters and signs in the office to encourage employees to turn off lights, save water, and conserve resources.



### Waste Management

The company strictly follows the relevant laws, regulations, and standards for pollutant discharge management, promoting the standardized disposal of pollutants to create a more sustainable operational model. Currently, the company's solid waste mainly comes from office-generated waste, which is 100% handled by property management companies.

### Greenhouse Gas Emission Management

During the reporting period, we actively promoted refined energy management to continuously reduce our carbon emissions. In 2023, the company's Scope 1 and Scope 2 carbon emissions were zero and 820 tons respectively, which collectively declined by 18% year-over-year. Excluding the impact of adjustments in office locations, the company's electricity consumption in 2023 decreased by 8% year-over-year on a comparable basis, steadily progressing towards the goal of operational carbon neutrality.

### Contributing to Carbon Reduction Across the Value Chain ▼

As a platform-based company operating with light assets, Dada Group recognizes the importance of achieving value chain emission reductions through collaboration with upstream and downstream partners. While focusing on reducing our own operational emissions, Dada Group is also committed to extending the concept of green development across our entire business development landscape. We deeply explore various low-carbon development initiatives in key upstream and downstream sectors such as packaging and delivery, contributing positively to green business development for the industry and our partners.

### Green Packaging

The company is dedicated to continuously expanding sustainable packaging scenarios and reducing the environmental impact of packaging materials by promoting biodegradable plastic bags, improving packaging material quality, and conducting packaging training.

In 2023, in terms of weight, the company used a total of 7,043 tons of packaging materials, with biodegradable plastic accounting for 92.2%, an increase of 15 percentage points compared to 2022. In terms of numbers, the company used 280 million packaging bags, with biodegradable plastic bags accounting for 82.2%, an increase of over 20 percentage points year-over-year.

#### Packaging Material Supplier Management

We have established clear packaging technical standards for suppliers, requiring the provided materials to meet or exceed national standards. We also work together with suppliers to continuously improve the quality of packaging bags to enhance capacity and reusability.

#### Merchant Training

From headquarters to city stations, we continuously communicate the concept of sustainable packaging to merchants, encouraging the use of biodegradable packaging bags and avoiding excessive packaging. We have also configured a training module in the merchants' backend system, allowing merchants to organize packaging training for their employees to improve packaging bag utilization.

#### Consumer Education

JD Now, as an on-demand retail platform, offers paid plastic bags along with each order and marks orders with "Support Environmental Protection" on the order page, to enhance consumer awareness for sustainable packaging.

Green Packaging Initiatives at Dada Group

### Low-Carbon Delivery

Dada Group actively explores low-carbon delivery concepts, by promoting electric vehicle deliveries, expanding autonomous deliveries, and optimizing delivery routes, aiming to reduce carbon emissions and contribute to building a sustainable logistics system.

Both Dada Now and JD Now services use electric vehicles for fulfillment, helping consumers meet short-distance delivery needs. This model reduces the potential use of delivery trucks or private cars, thereby advancing greenhouse gas emission reductions across society. During the reporting period, the delivery distance for Dada Now's on-demand delivery service exceeded 2.2 billion kilometers and

was nearly 100% powered by electric vehicles, leading to a reduction of approximately 600,000 tons of carbon emissions compared to gasoline vehicles.

As an important part of the company's smart logistics system, the Dada Autonomous Delivery Open Platform, launched in July 2021, provides partners with a wide range of on-demand delivery scenarios and capabilities including order distribution, route planning, human-machine interaction, and last-100-meter delivery. This new model not only drives the application of advanced technologies, but also contributes to energy conservation and carbon reduction. As the largest application platform for autonomous delivery in the supermarket sector, by the end of 2023, the Dada Autonomous Delivery Open Platform had completed 280,000 on-demand delivery orders for supermarkets.

Additionally, we use advanced route planning algorithms to improve order merging efficiency, and combine real-time traffic information and road conditions to recommend the optimal routes for delivery riders. These measures not only reduce unnecessary mileage and time but also lower energy consumption and carbon emissions. With the continuous expansion of our service radius, the average delivery distance for Dada Now's on-demand deliveries increased by 1.6% in 2023, while the average delivery time from pickup to completion decreased by 1.8%, reflecting our ongoing efforts to optimize route planning and order dispatching models through technology, which ultimately improves delivery efficiency and reduces carbon emissions.


Moreover, the company actively promotes the electric bike battery swapping project among riders, encouraging the recycling of batteries to further support low-carbon development.


**Dada Group Expanding Battery Swapping Project Cooperation to Promote Low-Carbon Energy Replenishment**


Dada Now actively promotes the rider electric bike battery swapping program, aiming to reduce fire hazards while improving electrical efficiency. The core principle of the battery swapping project is the sharing of electric bike batteries, allowing riders to complete a battery swap in just 15 seconds by downloading the relevant App, saving significant charging time. In addition, compared to traditional charging methods, battery swapping with lithium battery packs instead of traditional lead-acid batteries is a more efficient, sustainable, energy-saving, carbon-reducing, and safer way to replenish energy.

Currently, we have partnered with battery swapping service providers like Tower Battery Swapping, Xiaoha Battery Swapping, and Zhizu Battery Swapping, aiming to build a nationwide battery swapping network for Dada riders. Some of these partners use clean energy sources like wind power for electricity generation, which makes the delivery process even less carbon intensive. As of now, Dada Now has partnered with over 47,000 battery swapping cabinets. During the reporting period, Dada riders completed approximately 20,000 battery swaps.



 On-demand Delivery Distance of over **2.2 billion** kilometers

 Nearly **100%** of the Delivery Powered by 2-Wheel Electric Bikes

 Contributing to GHG Emission Reduction of **600,000 Tons**



## SOCIAL WELFARE

Dada Group actively fulfills its corporate social responsibilities by providing support and assistance for community development, striving to achieve harmonious development between the company and society.

In recent years, the company has relentlessly implemented the "Dada Charity" project, which leverages our own business strengths and is led by the company's Party branch, Youth League branch, and Public Affairs Department. Various functional and business teams actively participate in charitable initiatives, making significant contributions in areas in line with the company's business directions, such as e-commerce poverty alleviation, industrial poverty alleviation, rider care, educational assistance, environmental protection, and healthcare, aiming to contribute to the development of a harmonious society.

In February 2023, the All-China Federation of Industry and Commerce published the "2022 Report on the Social Responsibility of Chinese Private Enterprises," and Dada Group, as the only representative enterprise from Shanghai and one of the few internet platform companies, was featured in the "Outstanding Cases of Social Responsibility of Chinese Private Enterprises (2022)". Additionally, during the reporting period, Dada Group was recognized as a socially responsible enterprise on the "2023 List of China Social Value" issued by South Reviews.

### Dada Group Partnering with Walmart China to Provide Nutritious Meals for Children in Mountainous Areas

In September 2023, Dada Group partnered with Walmart China and the China Foundation for Rural Development to launch the "Together with Walmart, Add Love to Meals" charity campaign. Over 4,000 Dada Now riders stationed at more than 300 Walmart stores nationwide participated in the community charity effort. Each participating rider's delivery box and uniform were featured charity logos, and they collected donations during deliveries, the proceeds of which were used to provide nutritious meals for children in rural areas.





### Dada Group Providing Care for Children and Teachers in Remote Areas with Brand Partners

Chengduo County in Yushu Tibetan Autonomous Prefecture, Qinghai Province, located in the core area of the Sanjiangyuan National Nature Reserve on the eastern Qinghai-Tibet Plateau, has an average altitude of 4,500 meters and faces harsh, oxygen-deficient conditions and poor economic circumstances. Chengduo County has 17 schools where teachers and students lack sufficient living supplies, with some girls even lacking basic sanitary products.

In September 2023, JD Now, JD Public Welfare, the Beijing Zhong'an Public Welfare Foundation, and brand partners including Kimberly-Clark, Unilever, and Ferrero collaborated to deliver 100,000 care packages containing sanitary napkins, shampoo, body wash, and chocolate to over 10,000 teachers and students in Chengduo County.



### Dada Group Supporting Post-Disaster Recovery and Reconstruction in Flood-Affected Areas

In August 2023, Fangshan and Mentougou districts in Beijing and Zhuozhou in Hebei were severely affected by floods. To aid post-disaster recovery and reconstruction, Dada Group set up charity service points in severely affected areas, distributing nearly 10,000 care packages, including milk, ham, bread, lunch boxes, and raincoats, to those in need.

For Dada Now riders in these areas, the company provided thousands of free breakfasts and lunches, distributed free raincoats, and offered free work uniforms for those who needed replacements. For families of riders severely affected by the disaster, the company provided flood relief packages and financial aid. The company also set up charity medicine boxes in the regions to ensure riders' health needs, helping riders gradually resume deliveries safely and continue to meet local residents' on-demand delivery needs. These efforts contributed to the reconstruction post the disaster.





## Dada Group Participating in River Patrol and Protection

To strengthen river and lake management and protection, raise public ecological awareness, and enhance collective environmental protection efforts, Dada Group, along with other companies actively participated in the "Shanghai River Patrol Riders" public welfare action, in response to the call from relevant industry management units.

Dada Now's extensive rider network aligns well with river patrol and protection activities. Riders, trained in river and lake management and protection knowledge through the work platform, actively identify and report issues during their work breaks, promote water conservation and protection, and discourage uncivil behaviors.



## Dada Group Promoting Elderly Care by Participating in the Elderly Market

In October 2023, to promote the traditional virtues of respecting and caring for the elderly and help bridge the digital divide, the "Little Hand Holding Big Hand" elderly market was held at the Ganquan Road Community Party Service Center. Fourteen companies, including Dada Group, participated in the event, attracting over 200 elderly participants. The event showcased innovative digital products, such as accessible reading and payment methods, and featured interactive experience zones for the elderly to better understand and use these technologies. The company will continue to focus on elderly-friendly business development, helping seniors enjoy digital life and making the "Little Hand Holding Big Hand" story an ongoing warm narrative.





# APPENDIX

## 2023 KEY PERFORMANCE METRICS IN THE ENVIRONMENTAL DIMENSION

Key Performance Indicators	Unit	2022	2023
<b>Greenhouse Gas Emissions</b>			
Scope 1: Direct Greenhouse Gas Emissions <sup>1</sup>	Tons CO2 Equivalent	0	0
Scope 2: Indirect Greenhouse Gas Emissions	Tons CO2 Equivalent	997	820
Scope 3: Other Indirect Greenhouse Gas Emissions <sup>2</sup>	Tons CO2 Equivalent	35,054	25,540
3-1: Purchased goods and services – packaging materials	Tons CO2 Equivalent	28,573	17,232
3-4: Upstream transportation and distribution	Tons CO2 Equivalent	6,460	8,234
3-5: Waste generated in operations	Tons CO2 Equivalent	21	11
3-7: Employee commuting – shuttle buses	Tons CO2 Equivalent	0	63
Total Greenhouse Gas Emissions	Tons CO2 Equivalent	36,051	26,360
<b>Greenhouse Gas Emission Density</b>			
Per Capita Operational Greenhouse Gas Emissions <sup>3</sup>	Tons CO2 Equivalent / Person	0.35	0.33
Scope 1: Direct Greenhouse Gas Emission Intensity	Kg CO2 Equivalent / RMB1,000 Revenue	0	0
Scope 2: Indirect Greenhouse Gas Emission Intensity	Kg CO2 Equivalent / RMB1,000 Revenue	0.11	0.08
Scope 3: Greenhouse Gas Emission Intensity	Kg CO2 Equivalent / RMB1,000 Revenue	3.74	2.43
Total Greenhouse Gas Emission Intensity	Kg CO2 Equivalent / RMB1,000 Revenue	3.85	2.51
<b>Energy Use</b>			
Purchased Electricity	kWh	1,748,958	1,297,103
Purchased Heat	GJ	0	728

## 2023 KEY PERFORMANCE METRICS IN THE SOCIAL DIMENSION

Key Performance Indicators	Unit	2022 <sup>4</sup>	2023
<b>Employment</b>			
<b>Employee Overview</b>			
Total number of employees	People	2,631	2,376
Total number of employees by gender	Male	1,557	1,422
	Female	1,074	954
Number of employees by age	30 years old and below	1,544	894
	Between 30 and 50 years old	1,086	1,477
	50 years old and above	1	5
Number of employees by education background	Doctorate	3	1
	Master's degree	264	254
	Bachelor's degree	1,622	1,480
	College degree	701	592
Number of employees by employment relationship	Technical secondary school and below	41	49
	Full-time employees	2,625	2,376
	Part-time employees	6	0
Number of employees by position	Junior positions	1,207	807
	Mid management	1,420	1,569
	Top management	4	3



Key Performance Indicators		Unit	2022 <sup>4</sup>	2023
Proportion of female employees	Proportion of female employees among all employees	%	40.8	40.2
	Proportion of female employees in mid and top management	%	-	39.9
	Proportion of female employees in mid management	%	-	40.0
	Proportion of female employees in STEM-related positions	%	-	31.0
	Proportion of female employees in sales functions and management positions	%	-	41.0
Number of disabled employees		People	-	27
<b>Employee Recruitment</b>				
Total number of new employees		People	382	335
Total number of new employees by gender	Male	People	212	216
	Female	People	170	119
Number of new employees by age	30 years and below	People	260	191
	Between 30 and 50 years	People	121	142
	50 years and above	People	1	2
Number of new employees by education background	Doctorate	People	1	0
	Master's degree	People	44	36
	Bachelor's degree	People	258	216
	College degree	People	64	71
	Technical secondary school and below	People	15	12
Number of new employees by employment relationship	Full-time employees	People	376	335
	Part-time employees	People	6	0
Number of new employees by position	Junior positions	People	192	147
	Mid management	People	189	188
	Top management	People	1	0

Key Performance Indicators		Unit	2022 <sup>4</sup>	2023
<b>Employee Turnover</b>				
Number of voluntary employee turnovers		People	481	340
Number of voluntary employee turnovers by gender	Male	People	285	180
	Female	People	196	160
Number of voluntary employee turnovers by age	30 years and below	People	308	171
	Between 30 and 50 years	People	173	168
	50 years and above	People	0	1
Voluntary turnover rate		%	16.7	13.6
Voluntary turnover rate by gender	Male	%	16.6	12.1
	Female	%	16.9	15.8
Voluntary turnover rate by age	30 years and below	%	16.8	14.0
	Between 30 and 50 years	%	16.5	13.1
	50 years and above	%	0.0	33.3
<b>Employee Salary Equality</b>				
Median salary difference for overall employees	Male employees	%	2.2	-0.5
	Female employees	%	-2.1	0.2
Median salary difference for employees in junior positions	Male employees	%	-2.4	-3.6
	Female employees	%	5.9	7.4
Median salary difference for mid management	Male employees	%	3.8	3.4
	Female employees	%	-7.7	-4.2
Average salary difference for overall employees	Male employees	%	5.0	2.4
	Female employees	%	-7.4	-3.5
Average salary difference for employees in junior positions	Male employees	%	-0.6	-2.5
	Female employees	%	0.8	3.5
Average salary difference for mid management	Male employees	%	4.9	3.8
	Female employees	%	-7.8	-5.6

Key Performance Indicators		Unit	2022 <sup>4</sup>	2023
<b>Employee Training</b>				
Total hours of employee training		Hours	-	18,052
Total number of employees trained		People	-	2,376
Total number of participants		Participants	-	9,313
Percentage of employees trained		%	100	100
Average training hours per employee		Hours / Person	-	7.6
Number of business ethics training sessions		Sessions	-	10
Total coverage of business ethics training		%	-	100
Number of privacy and data security training sessions		Sessions	-	6
Total coverage of privacy and data security training		%	-	100
Number of risk management training sessions		Sessions	-	37
Total coverage of risk management training		%	-	100
<b>Employee Rights</b>				
Union/collective agreement coverage		%	95	100
Percentage of employees receiving regular performance evaluations		%	100	100
<b>Occupational Health and Safety</b>				
Number of work-related injuries	Full-time employees	People	2	1
	Part-time employees	People	0	0
Work-related injury rate (per million hours)	Full-time employees	/	0.40	0.20
	Part-time employees	/	0	0
Lost workdays due to work-related injuries	Full-time employees	Days	77	14
	Part-time employees	Days	0	0

Key Performance Indicators		Unit	2022 <sup>4</sup>	2023
Lost workday rate (per million hours)	Full-time employees	/	15.49	2.81
	Part-time employees	/	0	0
<b>Intellectual Property Protection<sup>5</sup></b>				
Total number of intellectual property applications in the reporting year	Inventions and design patents	Items	3	0
	Trademarks	Items	222	18
	Software Copyrights	Items	10	41
Total number of intellectual properties obtained in the reporting year	Inventions and design patents	Items	2	4
	Trademarks	Items	220	48
	Software Copyrights	Items	10	38
Cumulative number of valid intellectual properties as of end of reporting period	Inventions and design patents	Items	8	12
	Trademarks	Items	1,625	1,673
	Software Copyrights	Items	88	126

- Notes: 1. The company does not involve production and manufacturing processes, nor do we own office buildings, data centers, fleets, etc., thus there are no direct greenhouse gas emissions.
2. During the reporting period, we conducted a comprehensive greenhouse gas emission analysis and further standardized the statistical methods and scope. To ensure data consistency and comparability, we restated the Scope 3 greenhouse gas emission data for 2022. This report only discloses certain categories of Scope 3 emissions as listed above; In addition, Scope 3-8 upstream leased assets, Scope 3-9 downstream transportation and distribution, Scope 3-10 processing of sold products, Scope 3-11 use of sold products, Scope 3-13 downstream leased assets, Scope 3-14 franchises, and Scope 3-15 investments are irrelevant with the company's operations.
3. The calculation method for per capita operational greenhouse gas emissions is: (Scope 1 + Scope 2 greenhouse gas emissions) / [(number of employees at the beginning of the period + number of employees at the end of the period) / 2].
4. “-“ in 2022 denotes that the metrics are new in 2023, and we have not calculated the corresponding data in 2022.
5. Due to further standardization of statistical scope, we supplemented and restated the intellectual property data for 2022 in this report.



# 2023 GREENHOUSE GASES VERIFICATION STATEMENT



Bureau Veritas Certification

## Greenhouse Gases Verification Statement

is awarded to

### DADA NEXUS LIMITED

Bureau Veritas Certification (Beijing) Co., Ltd. (hereinafter referred to as BVC) was engaged to conduct an independent verification of the greenhouse gases (GHG) emissions reported by Dada Nexus Limited for the period stated below. This verification statement applies to the related information included within the scope of work described below. The determination of the GHG emissions is the sole responsibility of Dada Nexus Limited. BVC's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze, and review the information.

**Boundaries covered by the verification:**

- Verified Site: Dada Nexus Limited.
- Verified Address: Headquarters at 1088 Yangshupu Road, Yangpu District, Shanghai city, China and sampled several sites nationwide.
- Reporting Period covered: 01/01/2023 to 31/12/2023.

**Organizational boundaries:** Activities and facilities of Dada Nexus Limited under operational control approach

**Reporting boundaries:** Direct GHG emissions generated in ecommerce platform service and intra-city delivery service, etc. and related management activities within the organizational boundaries, as well as significant indirect greenhouse gases emissions.

**Emissions data verified under reporting boundaries:**

- Scope 1: Direct GHG emissions: 0.00 tCO<sub>2</sub>e
- Scope 2: Indirect GHG emissions from imported energy: 819.77 tCO<sub>2</sub>e
- Scope 3: Other significant indirect GHG emissions: 25,540.13 tCO<sub>2</sub>e

- Including following categories:
- Purchased Goods & Services (Packaging materials)
  - Upstream Transportation and Distribution
  - Waste Generated in Operations
  - Employee Commuting (Shuttle bus)

Total quantified emissions: 26,359.90 tCO<sub>2</sub>e

**Limitations and exclusions:** Excluding non-significant indirect greenhouse gases emissions

**GHG reporting protocol against which verification was conducted:**

- ISO 14064-1:2018 Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2)
- Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

**GHG verification protocol used to conduct the verification:**

- ISO 14064-3:2019 Greenhouse gases — Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

**Level of assurance and qualifications:**

- Reasonable

**GHG verification methodology:**

- Interviews with relevant personnel;
- Review of documentary evidence;

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738  
Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.  
To check this statement validity please call: +86 010-59683888  
Page 1 of 2



Bureau Veritas Certification

- Review of data and information systems and methodology for GHG emissions data collection, aggregation, analysis, and review of information used to determine GHG emissions;
- Sample verification of data to determine GHG emissions.

**Assurance opinion:**

Based on the verification process and findings, the GHG emission data in the GHG inventory report from Dada Nexus Limited is in conformance with ISO 14064-1:2018, GHG Protocol Corporate Accounting and Reporting Standard, and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

It is our opinion that Dada Nexus Limited has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

**Statement of independence, impartiality, and competence**

Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years' history in providing independent assurance services.

No member of the verification team has a business relationship with Dada Nexus Limited and its directors or managers beyond that required by this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Lead verifier: Han Bao

Statement No.: EMICN100354A

Version No.: No.1

Verification date: 14/03/2024

Issue date: 19/04/2024

*Signed on behalf of BVC (Beijing) Co., Ltd.*

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738  
Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.  
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Page 2 of 2



Bureau Veritas Certification

**Appendix: GHG Emissions Data Detail Sheet**

Scope & Category	Unit: tCO <sub>2</sub> e	GHG reporting/ verification protocol
<b>Total quantified emissions<sup>[1]</sup></b>	<b>26,359.90</b>	<ul style="list-style-type: none"> <li>• ISO 14064-1:2018 Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals</li> <li>• ISO 14064-3:2019 Greenhouse gases — Part 3: Specification with guidance for the verification and validation of greenhouse gas statements</li> <li>• Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2)</li> <li>• Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard</li> </ul>
Scope 1 Direct GHG emissions	0.00	
Scope 2 Indirect GHG emissions from imported energy	819.77	
Scope 3-1 Purchased goods and services (Packaging materials)	17,232.18	
Scope 3-4 Upstream transportation and distribution	8,233.62	
Scope 3-5 Waste generated in operations	11.32	
Scope 3-7 Employee commuting (Shuttle bus)	63.01	

Note:  
[1] There are seven irrelevant Scope 3 categories for DADA NEXUS LIMITED, which are Scope 3-8 Upstream Leased Assets, Scope 3-9 Downstream Transportation and Distribution, Scope 3-10 Processing of Sold Products, Scope 3-11 Use of Sold Products, Scope 3-13 Downstream Leased Assets, Scope 3-14 Franchises, and Scope 3-15 Investments.

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**达达集团**  
DADA GROUP