



NetEase Publishes 2020 Environmental, Social and Governance (ESG) Report

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HANGZHOU, China, June 30, 2021 /PRNewswire/ -- NetEase, Inc. ("NetEase" or "the Company," NASDAQ: NTESE; HKEX: 9999), one of China's leading internet and online game services providers, today announced that it has published its 2020 Environmental, Social and Governance ("ESG") Report, outlining the Company's ESG policies and performance. The report underscores NetEase's approach to ESG and considers the impact of its actions on users, employees, business partners and all stakeholders.

The report summarizes NetEase's recent comprehensive review of ESG issues that will steer the future direction of the Company's ESG strategy. It also details NetEase's efforts in corporate governance, environmental protection, energy efficiency, cybersecurity, human capital development, supply chain management, product innovation, industry engagement and charitable activities, among others.

To view the report in full, please visit the ESG section on the NetEase IR website. Click [here](#) for the Chinese version and [here](#) for the English version of the 2020 report. Highlights of the Company's achievements include:

Governance

NetEase has established a sound governance structure and strict risk control procedures which are designed to ensure compliance at all levels of the Company, such as:

- Carried out risk identification and evaluation with specific audit projects.
- Established a comprehensive reporting mechanism, which include the Company's ethics committee that follows up on reported issues and organizes integrity training for employees and business partners.

Environment

NetEase considers the potential impact of climate-related changes, and pursues green operations by reducing its carbon footprint across a wide range of its business activities, such as:

- Conducted preliminary climate-related risk analyses under the framework of the TCFD (Task Force on Climate-related Financial Disclosures).
- Promoted more efficient energy usage by data centers by optimizing the energy systems; this increased the peak proportion of new energy power used in one of its data centers to 45%.
- Implemented a "Space-Ease" Smart System to monitor and provide data support for energy consumption in its offices, reducing electricity usage by up to 90%.

Responsible Products and Services

NetEase promoted efficient product management and quality assurance to protect users' rights through a series of measures, such as:

- Updated its Employee Information Security Code, and regularly conducted internal security-related training over control lines to protect users' data security across products.
- Upgraded new anti-addiction rules in all games, and established a NetEase Game Minors Protection Center, a first in the industry in China. (*Game*)

Additionally, NetEase prioritizes innovation across an array of products, for example:

- NetEase Cloud Music pioneered several trendsetting functions such as "Listen Together". (*Music*)
- Youdao launched its Youdao Dictionary Pen 3 that incorporates the world's first super-sensing optical system. (*Youdao*)

Employee Development

NetEase values the development of its employees, and supports each individual through their career path, such as:

- Prioritized workplace equality, boasting a higher percentage of female employees in multiple categories than the industry average. Percentage of entry level female employees was 46%, around 8% more than the industry average.
- Created extensive talent training programs to ensure all-round development for each employee. NetEase has now won the ATD "Excellence in Practice" award for two consecutive years.

Social Endeavors

Social responsibility is an important tenet of NetEase's mission. The Company is devoted to driving industry development and supporting charitable

causes in order to build a better society. NetEase has put detailed procedures in place for the review and approval of new suppliers and supplier management and assessment. In addition, NetEase actively participates in the development of standards for the gaming, music and e-commerce industries, and has promoted public welfare projects in various fields in the past year.

Pandemic Response

NetEase has always maintained a strong commitment to the broader community, especially during critical and uncertain times. In the wake of the global COVID-19 crisis, NetEase was among the companies that took the lead in contributing to national and international relief efforts, including:

- Established a RMB100 million pandemic control fund.
- Introduced "contactless recruitment" and innovative onboarding policies to build a safer and more convenient and efficient hiring process.

NetEase also leveraged its advantages as an internet company to provide disease prevention knowledge and assistance in a wide variety of forms through its major business platforms, such as:

- Promoting precautionary advice in short films in the *Fantasy Westward Journey* mobile game.
- Hosting the "Hello, Tomorrow" online concert to lift listeners' spirits with healing songs.

As a Company deeply concerned with environmental and social issues, NetEase will continue to pursue its ESG initiatives and will forge ahead with its strengths to create greater value for its stakeholders and the community at large.

About NetEase, Inc.

As a leading internet technology company based in China, NetEase, Inc. (NASDAQ: NTESE; HKEX: 9999) is dedicated to providing premium online services centered around innovative and diverse content, community, communication and commerce. NetEase develops and operates some of China's most popular mobile and PC-client games. In more recent years, NetEase has expanded into international markets including Japan and North America. In addition to its self-developed game content, NetEase partners with other leading game developers, such as Blizzard Entertainment and Mojang AB (a Microsoft subsidiary), to operate globally renowned games in China. NetEase's other innovative service offerings include the intelligent learning services of its majority-controlled subsidiary, *Youdao* (NYSE: DAO); music streaming through its leading *NetEase Cloud Music* business; and its private label e-commerce platform, *Yanxuan*. For more information, please visit: <http://ir.netease.com>.

Forward Looking Statements

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "aim," "anticipates," "future," "intends," "plans," "believes," "may," "estimates," "potential," "continue," "ongoing," "goal," "targets," "guidance," "commits" and similar statements. Among other things, statements that are not historical facts, including statements about business plans and projections, the completion of transactions and the strategic goals of transactions, are or contain forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement. All information contained in this announcement is as of the date of this announcement and are based on assumptions believed to be reasonable as of this date. You should not rely upon these forward-looking statements as predictions of future events. The parties do not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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