



## NetEase Publishes 2021 Environmental, Social and Governance Report

June 30, 2022

NetEase, Inc. ("NetEase" or "the Company," NASDAQ: NTESS; HKEX: 9999), one of China's leading internet and online game services providers, today announced that it has published its 2021 Environmental, Social and Governance ("ESG") Report, outlining the Company's progress and performance in key ESG areas.

The report provides a comprehensive review of NetEase's ESG initiatives and developments, including corporate governance, cybersecurity, privacy protection, human capital development, climate-response actions, green operations 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 2021 report.

Highlights of the Company's achievements include:

### **Governance**

NetEase has established a sound group-level decision making body and a three-tier ESG management structure. Further enhancements were made by:

- Establishing an ESG Committee at the Board level and a dedicated Sustainable Development department within the Company
- Maintaining a high level of independence and diversity in terms of qualifications, industry experience and gender in the Company's board of directors -- independent directors account for 83% of the board while over 30% of directors are female, effective as of July 2022
- Continuing efforts to foster strong risk control and promote business ethics among both employees and business partners

### **Social Efforts**

NetEase is committed to building a sustainable talent pipeline and investing in our people and their long term growth, while promoting diversity, equity and inclusion in the workplace. The Company's achievements include:

- The Company had a total of 32,064 full-time employees from 39 countries and regions at the end of 2021
- Female executives comprised 25% of the workforce at NetEase, while the ratio of female IT employees surpassed 34%, outperforming the global average<sup>1</sup>
- The Company became a three-time Association for Talent Development (ATD) winner, winning the ATD Excellence in Practice Awards for two consecutive years as well as the 2021 ATD BEST Award

[1] Tracked by the Bloomberg Gender-Equality Index (GEI)

Cybersecurity and data protection have always been a priority at NetEase, and its recent efforts to maintain robust cybersecurity systems and ensure the security of user privacy include:

- Established an enhanced cybersecurity management framework to support the smooth operation of NetEase's systems
- Established a Security Executive Council consisting of technical experts, management and legal staff from different business units to more effectively implement cybersecurity measures across different business lines
- Launched the NetEase Users' Personal Information Service Platform which contains a variety of channels for users to understand and exercise their information protection rights

Returning to community has been a long-standing mission of NetEase. The Company is devoted to empowering industry development and contributing to the community, including through the following efforts of its different business lines:

- Cooperated with universities to co-host video game competitions and many game-related courses to help game enthusiasts to learn and grow. A total of more than 100,000 students from over 500 colleges in China and abroad participated in 16 different cooperative initiatives in 2021
- Donated over RMB80 million for flood relief and pandemic control in 2021
- Provided a free distance-learning system to more than 2,500 schools and training organizations covering approximately 2 million students in China

### **Environment**

NetEase has identified the potential risks of climate change which are applicable to its business and reduced its carbon footprint by adopting greener operations and a more sustainable supply chain, including:

- Invited the China Environmental United Certification Center to audit its Scope 1, 2 and 3 emissions in line with the ISO14064-1:2018 standard to ensure the accuracy of the Company's emissions testing
- Continued its efforts to convert to the use of renewable energy and adopted a smart energy management system, which in 2021 saved approximately 2.25 million kWh of electricity at its data centers alone
- Enhanced energy efficiency in warehouses, logistics and packaging sites by using fewer and lighter packaging materials, which, combined with the use of a new digital system, led to a decrease in carbon emissions of 3,879 metric tons in 2021

NetEase has grown steadily over the past 25 years and pays a regular dividend. In the report, the Company highlights how addressing ESG factors has contributed to its long-term success while reiterating its ongoing emphasis on achieving its ESG goals.

#### **About NetEase, Inc.**

As a leading internet technology company based in China, NetEase, Inc. (NASDAQ: NTES and HKEX: 9999, "NetEase") provides 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 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 its majority-controlled subsidiaries *Youdao* (NYSE: DAO), China's leading technology-focused intelligent learning company, and Cloud Village (HKEX: 9899), also known as *NetEase Cloud Music*, China's leading online music content community, as well as *Yanxuan*, NetEase's private label e-commerce platform. 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," "commits" and similar statements. Among other things, statements that are not historical facts, including statements about business plans and statements about the launch of new games and their popularity among players in different markets, 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.

#### **Contacts for NetEase**

##### **Investor Enquiries:**

Margaret Shi

NetEase, Inc.

[ir@service.netease.com](mailto:ir@service.netease.com)

Tel: (+86) 571-8985-3378

Twitter: [https://twitter.com/NetEase\\_Global](https://twitter.com/NetEase_Global)

##### **Media Enquiries:**

Li Ruohan

NetEase, Inc.

[globalpr@service.netease.com](mailto:globalpr@service.netease.com)

Tel: (+86) 571-8985-2668

Twitter: [https://twitter.com/NetEase\\_Global](https://twitter.com/NetEase_Global)