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2021

KINGSOFT CLOUD ESG Report

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About Kingsoft Cloud



Mission and Vision

The mission of Kingsoft Cloud is to become customers' trusted partner to embrace digitalization and the digital future. We strive to innovate, collaborate internally and externally and focus on serving our stakeholders. Kingsoft Cloud is dedicated to providing high-quality cloud solutions to businesses and organizations across various sectors. We have built a comprehensive and reliable cloud platform consisting of extensive cloud infrastructure, cutting-edge cloud-native products, and well-architected end-to-end industry-specific solutions ranging from planning, solution development, fulfillment and deployment, as well as ongoing maintenance and upgrade.

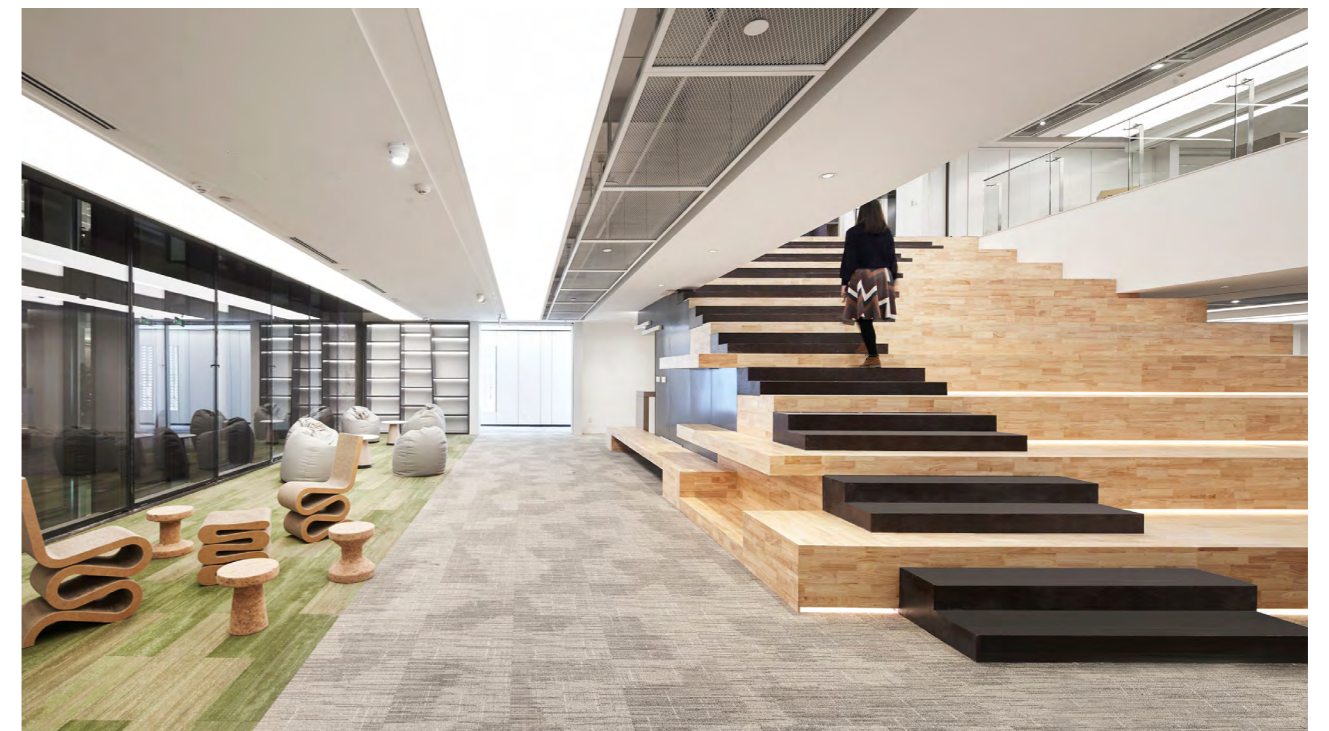
We believe in the power of creativity to keep us motivated. As a result, we will continue to drive sustainable innovation and invest in research and development (R&D) to enhance our technological leadership. Our vision is anchored on continuous innovation and enriching the lives of our people and communities. We foster open communications with all stakeholders in order to have a better understanding of their perspectives on the Company. Thereby, we are capable of driving meaningful impacts and providing cloud services while also caring for people and the planet we share.

Business Overview

Founded in 2012, Kingsoft Cloud is a leading independent cloud service provider in China. With extensive cloud infrastructure, cutting-edge cloud-native products based on vigorous cloud technology research and development capabilities, well-architected industry-specific solutions and end-to-end fulfillment and deployment, Kingsoft Cloud offers comprehensive, reliable and trusted cloud service to customers in strategically selected verticals.

Kingsoft Cloud has developed a comprehensive suite of cloud services with solutions for selected industries, such as public service, financial service, healthcare, media, video, gaming, online cooperation, and e-commerce. These solutions integrate basic cloud computing services, cloud native technologies, big data, database, edge computing, blockchain, and Augmented Reality (AR)/Virtual Reality (VR) technologies. We value each customer and provide best-in-class customer service that is responsive to the evolving customer demands. Such customer centric service philosophy enables us to increase brand recognition and build a loyal customer base.

The majority of our business operations are in China. We have two self-owned data centers in Beijing and Tianjin respectively. Our offices are located in Beijing, Shanghai, Guangzhou, Wuhan, Hangzhou, Yangzhou, Tianjin and certain other cities in China.



2021 ESG Performance Highlights

Kingsoft Cloud has placed great importance to environmental and social responsibilities in its development. It fully recognizes that effective environmental, social and governance (hereinafter referred to as the "ESG") management can help the Company effectively manage and control the impact of its business activities on stakeholders.

Business Ethics and Innovation



As of 31 December 2021, applied for **2,000+** patents



Won the **China Patent Award Excellence Award** issued by National Intellectual Property Office



Partnered with Kuaishou, Kingsoft Cloud initiated China's **FIRST Intellectual Property Forum**



Attained the **TRUSTe Enterprise Privacy & Data Governance Certification** from TRUSTe



Zero litigation relevant to advertising or intellectual property rights



Zero legal cases regarding corruption or money-laundering brought against the Company or its employees

Responsible Operations



Primary responsibilities have been assigned to **the Nominating and Corporate Governance Committee** in 2022 to support the Board's expanded oversight on the Company's ESG matters



Established the **Kingsoft Cloud Technology Committee** chaired by Senior Vice President to manage the Company's research and development



Achieved a customer response rate of **99.5%** within 90 seconds a resolution rate of **90% within 30 minutes** overall customer problem resolution rate of **99%** and a customer service satisfaction rate of **95%**



Accomplished **Zero** product quality or server outages problems in 2021, ensuring efficient and smooth service operation

Our People



Appointed our **FIRST INDEPENDENT FEMALE BOARD DIRECTOR** and adopted a board diversity policy



Issued with the **Occupational Health and Safety Management System Certificate** in compliance with the GB/T 45001-2020/ISO45001:2018 standard



As of December 31, 2021, the percentage of female employees among management roles Kingsoft Cloud was **26%**



Rated as the **Top 30 Best Practices of Recruitment Management Informatization in China** by the Global Human Resource Management Conference and the 4th "Sirius"



In 2021, we were named one of the **Best Employers** by Kenexa a well-known HR service provider

Environment



The Power Usage Effectiveness (PUE) value of Beijing data center achieved **1.37** which is lower than the previous year's PUE of 1.39, and target of 1.38



The Water Usage Efficiency (WUE) value achieved **2.04** which exceeded our target of 2.50 for 2021



The design for waste heat recovery at Beijing data center reached the highest to 2,947kW under full load conditions, and **30,554 GJ** of heat can be recovered per heating season



The solar water heating system provides domestic water for Tianjin park all year round, with **458GJ** of heat available for the year.

Supply Chain



100% of suppliers signed agreements on the commitment to the supplier code of conduct



Kingsoft Cloud launches **semi-annual supplier conferences to enhance supplier capacity building**



We invite **business partners across the supply chain to our weekly meetings held by various business departments** to help provide advice and standard solutions to supplier difficulties

Community Engagement



In 2021, during the heavy rainfall in China's Henan Province, Kingsoft Corporation Limited together with Beijing Kingsoft Office Software, Inc., Seasun Entertainment and Kingsoft Cloud donated a total of

RMB 10 million to fully support the post-disaster rehabilitation.



In 2021, Kingsoft Cloud was granted the "ESG Practices Excellence Award" in the 2021 ESG TOP 60 Pioneers. Jiemian News and Shanghai United Media Group, two mainstream media outlets, conducted the evaluation, which looked at enterprises from five dimensions: corporate ESG progress overview, environmental, social, corporate governance responsibilities and business development.

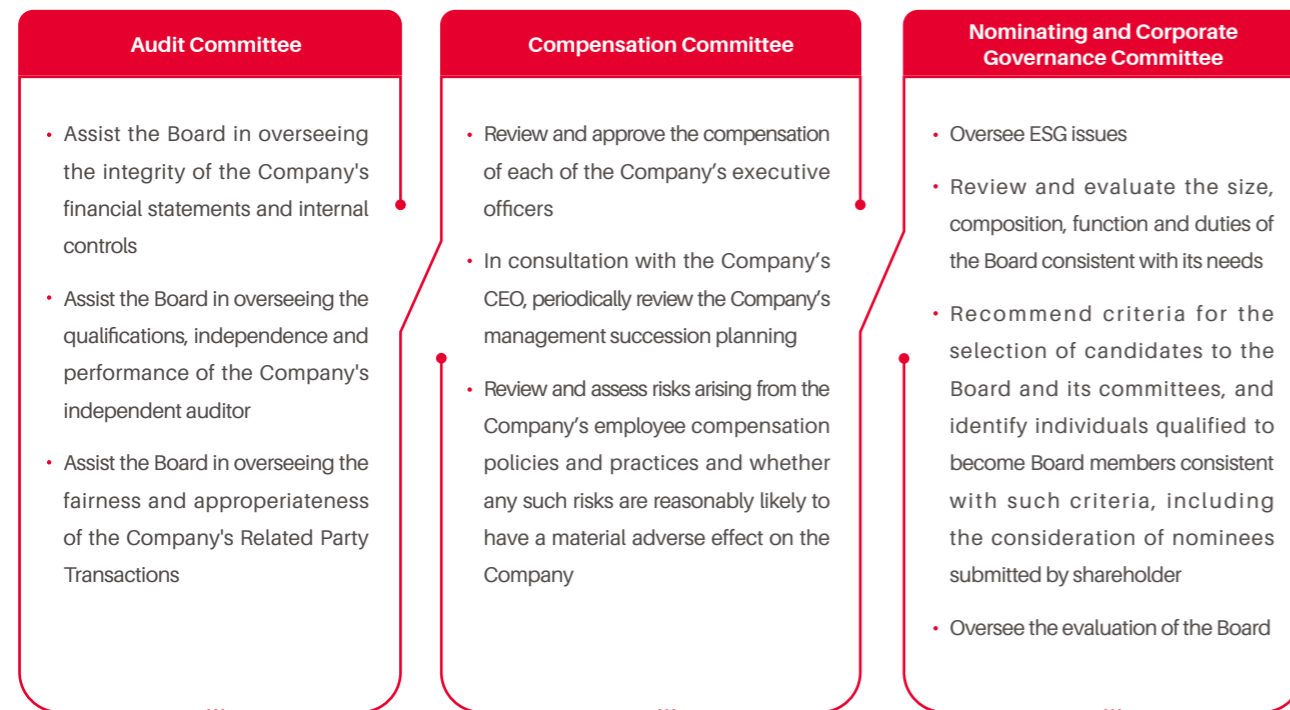
Corporate Governance

Board Composition

Our Board of Directors oversees executive management of Kingsoft Cloud’s relevant risks and regularly review reports from management covering various business topics. While the Board is accountable for the overall risk oversight, the Board has delegated well-defined responsibilities related to certain risks to our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

The Board believes a diverse group of directors is fundamental for producing strong corporate governance and supervision. The Board has adopted a diversity policy that includes provisions for identifying and nominating directors from a variety of perspectives. The objective of the Board’s diversity policy is to ensure that the Board as a whole has a diverse set of qualities, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, in order to appropriately fulfil its mandate.

Board Oversight



Learn more about our [corporate governance](#) at Kingsoft Cloud.

The Nominating and Corporate Governance Committee is primarily responsible for overseeing ESG issues at Kingsoft Cloud, with other committees reviewing additional pertinent topics as needed. Our human capital issues are overseen by the Compensation Committee, while our financial risk and compliance issues are overseen by the Audit Committee.

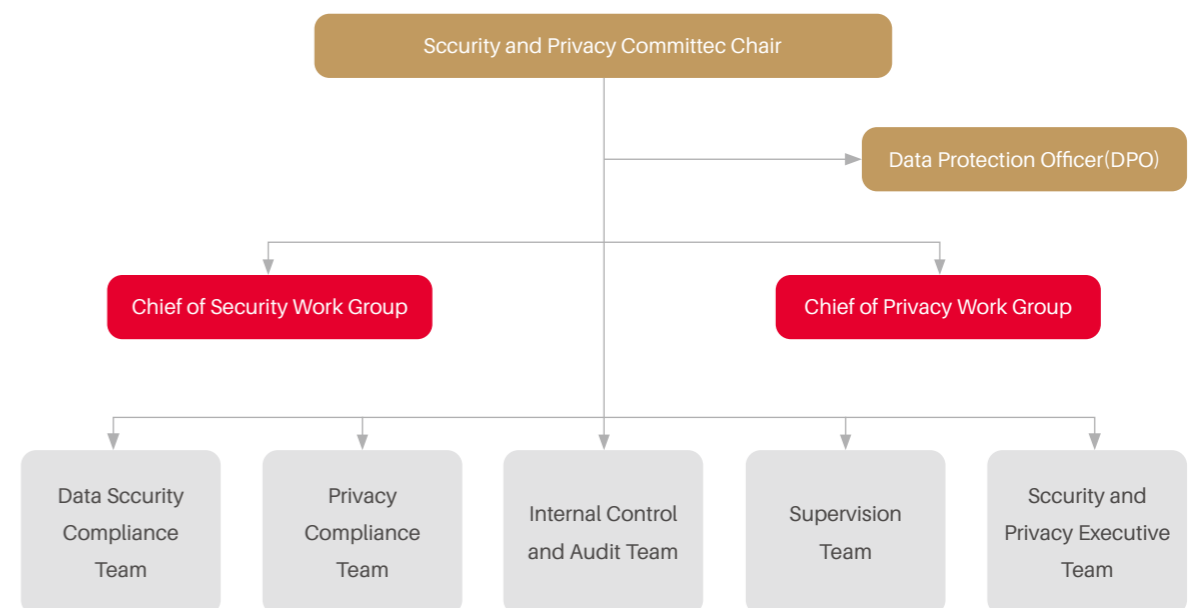
Furthermore, to keep up with the most recent trends and acquire timely updates for applicable laws and regulations in China and internationally, the Risk Control Committee at management level was established in 2021 to provide insights for management and facilitate risk management, including ESG-related risks and the internal control system of Kingsoft Cloud. With the goal of assisting management in gaining a thorough understanding of risk exposure and facilitating decision-making, a systematic approach has been finalized with clear information classification criteria, reporting methods, and decision-making mechanisms.

We proactively conduct annual risk assessment, covering all management level employees. Risk assessment is conducted in five dimensions: strategic objectives, compliance objectives, financial reporting objectives, information security objectives, and operational objectives. Internal management controls and responses regarding the assessed risk points will be conducted on a case-by-case basis.

The Security and Privacy Committee is in place for decision-making, management, coordination, execution, and supervision of the Company’s data security and privacy protection work. To enhance the professionalism and transparency of our work, we have appointed a data protection officer (DPO) for supervising and advising on data security and privacy protection management of Kingsoft Cloud.



Training Zone of Kingsoft Cloud



From a long-term perspective, we anticipate the committees to promote an effective risk control-oriented corporate culture that incorporates risk management into our daily operations.

Our ESG Priorities

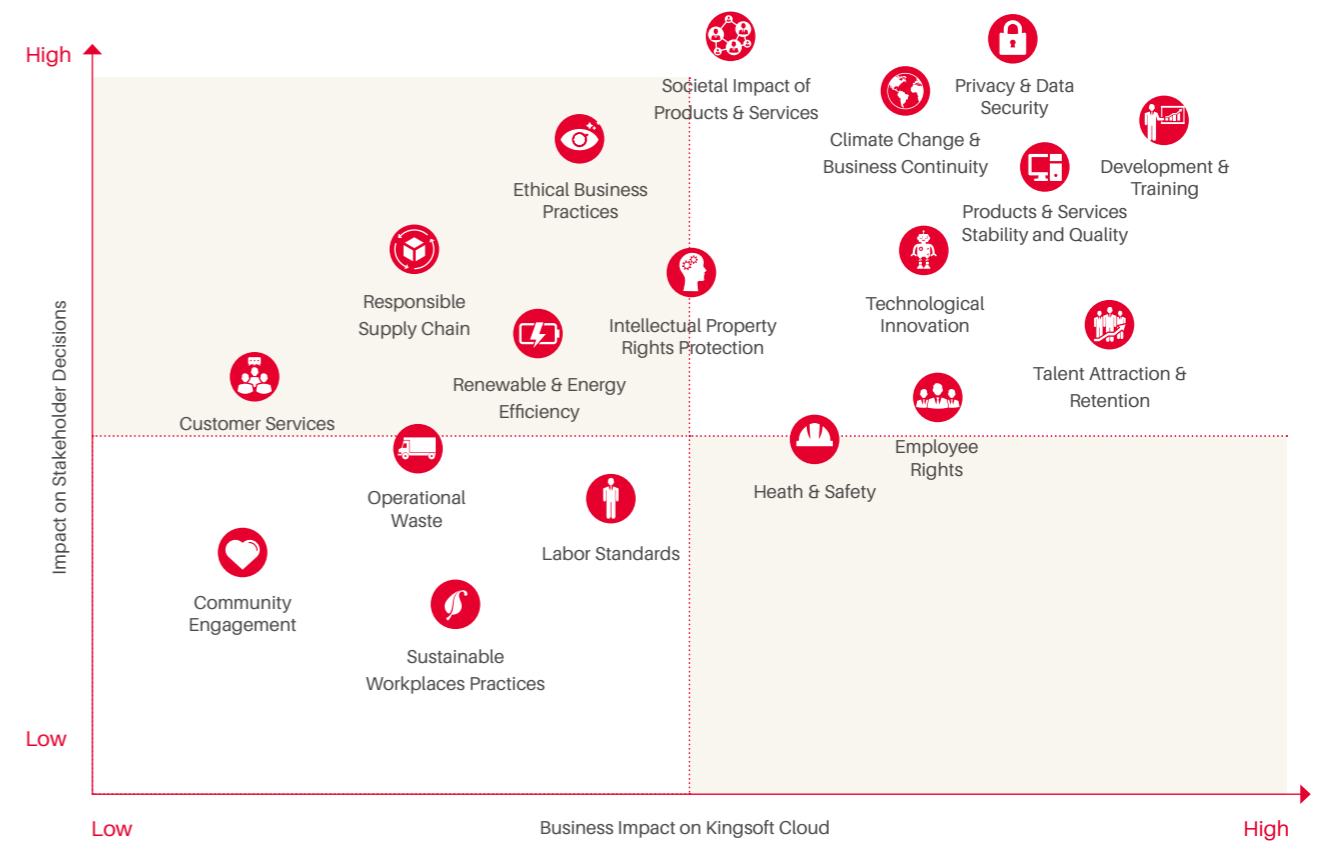


Our Stakeholders

Considering customers, employees, communities, investors, and other stakeholders can be affected by how we manage the impact of our products and services on creating long-term value development, we intend to maximize our products effectiveness and thrive with a balanced strategy of environmental sustainability and socio-economic development. To this end, we actively seek perspectives and insights from our stakeholders, through which inform our strategy development and lead our business decisions toward sustainability. We support the Ten Principles of the United Nations Global Compact, as well as the United Nations Sustainable Development Goals (SDGs), and incorporate them into our ESG strategy. Stakeholders engaged in our materiality assessment process included public agencies, regulators, customers, employees, shareholders and investors, suppliers, partners, NGOs, media, and the community.

Key Topics and Matrix

The materiality matrix below captures issues and demonstrates their relative importance to our stakeholders as well as their impact on business. We have also emphasized crucial issues such as data security, product and service quality, climate change and its potential impact on our business, and we have built these considerations into our long-standing commitments. To provide industry-leading, high-quality cloud services and be the most trusted cloud partner to our customers, we consider data security and privacy at the product development level as we are committed to the responsible use of technology. We have also made progress toward our sustainability goals through innovations that have helped us become more energy-efficient and develop in a more sustainable manner. It is worth noting that all issues depicted on the diagram are material to Kingsoft Cloud, and the diagram shows their relative importance.



Business Ethics

Integrity is the cornerstone of Kingsoft Cloud's sustained success.



Data Security and Privacy

In a world where strategic data security and privacy protection is highly demanding in combat with the evolving cyber threats, nothing weighs more critical than the trustworthiness of Kingsoft Cloud's relationship with its users, employees, and partners. To this end, we constantly enhance our data system resilience, protect user privacy, and be transparent about how we manage it. We prioritize security in the way we work, which can be well reflected in our culture and practices. We seek to deliver high-quality products with scrutiny and examine data and information protection in everything we build, and we are in relentless pursuit of security-driven innovations to provide effective solutions.

Kingsoft Cloud strictly abides by the applicable laws and

regulations in jurisdictions where it operates. We keep track of any changes or updates to relevant laws and regulations and assign professionals to make necessary adjustments in a timely manner to ensure that our operations are compliant. In 2021, we proactively engage with a professional compliance team of law firm to ensure best data security practices are in place. They assisted us to conduct a full identification and review of relevant regulations and made amendments to our current data security practices based on the most recent released Data Security Law of the People's Republic of China by looking into every detailed item within. We focus on protecting users' personal data in different countries and regions, We adhere to data localization requirements, and respect data subjects in various jurisdictions.

In 2021, Kingsoft Cloud's the legal department was granted the *Legal Excellence Team of the Year* in the cloud services industry and the *Outstanding Legal Team* for data protection and privacy. These two awards were granted by China Business Law for the team's outstanding achievement in compliance work and data security and privacy practices.

Governing Data Security and Privacy

We maintain rigorous standards to protect information for all stakeholders engaged while putting data security and privacy at the forefront of our business. We especially assign a Data Protection Officer (DPO) who reports to the chairman of Kingsoft Cloud's Security and Privacy Committee and is responsible for management, coordination, execution, and supervision of the Company's data security and privacy protection work. The committee consists of members from diverse functional departments at Kingsoft Cloud, including data security, privacy compliance, internal control and audit among others. We have a sound policy system, and we strictly follow our internal policies. For more information on our policy, please refer to

Learn more about our [Privacy Policy and Cookies Policy](#) at Kingsoft Cloud.

Proactive Internal Risk Assessment and Control System

Following our Data Protection Impact Assessment (DPIA) process, led by DPO, we regularly conduct the impact assessment of the information system to acutely identify new relevant laws and regulations, so as to re-evaluate the impact and adjust our risk management strategy. The findings are to be documented in reports and communicated to the relevant departments, who will then take information protection measures accordingly. The overall risk exposure is then lowered as much as possible.

Moreover, we have initiated multiple programs and practices to prevent potential occurrence of data incidents.

- Hold new product launching meetings monthly to evaluate the effectiveness of personal information protection and data security, and provide compliance recommendations for products.
- Keep monthly track of the relevant legislation, policies, and law enforcement trends in places we operate, and discuss typical cases with in-depth analysis.
- Organize and attend data security and privacy protection lectures, industry insight sharing sessions and regulatory communication meetings on a regular basis. In 2021, we participated in over 60 roundtable conversations, including the "Seminar of the 2021 Data Security Law and High-quality Development of the Digital Economy" and "Compliance Risks under the New Big Data Technology Marketing Model".
- Actively participate in legislative feedback activities, such as the "Corporate Seminar of Standard Contract Provisions on Personal Information Exportation" to provide our insights and keep us abreast with the most recent regulatory requirements.

Phishing Email Simulation Program

Our security and privacy teams aim to assess the effectiveness of our daily management and frequent training by implementing a phishing simulation program. We train our employees in becoming active defenders against email phishing attacks. Through the program, employees who fail phishing email simulations must update their username and login passcode and provided with additional courses to attend.

Promoting Data Security and Privacy Together with Business Partners

- Review the relevant provisions on network security and data security in 2020-2021 network product and service procurement contracts and conduct a gap analysis.
- Update the security and confidentiality clauses in the procurement contract template and add the obligation clause of suppliers to ensure network security.
- Generate the Kingsoft Cloud Supply Chain Network Security Self-Inspection Report and draft Kingsoft Cloud Network Security Declaration and Management Measures on the group-level to regulate and promote data security management with partners.

Harmonizing Global Data Privacy Requirements

TRUSTe has awarded Kingsoft Cloud the TRUSTe Enterprise Privacy & Data Governance Certification. TRUSTe certification is achieved through a three-phase process that combines expert privacy analysis, proven assessment methodology, and the TrustArc¹ Privacy Platform. This certification reflects Kingsoft Cloud's dedication to solid data privacy standards and gaining trust from clients and business partners.



¹TrustArc is the leader in privacy compliance and data protection solutions and offers an unmatched combination of innovative technology, services and TRUSTe certification solutions.

Meanwhile, Kingsoft Cloud has obtained a number of data security and user privacy certifications nationwide and internationally, representing the Company's superior data security management capabilities.

Date	ISO CERTIFICATION
Since 2015	ISO 9001: Quality Management System ISO 20000-1: Service Management System ISO 27001: Information Security Management
July 2017	ISO 22301: Business Continuity Management Systems
October 2019	ISO 27018: Protection of Personally Identifiable Information (PII) for Public Cloud
August 2020	ISO 27017: Cloud Security Management System

Fostering a Culture of Security and Privacy Awareness

Employees are informed about data security and privacy policies, and measures are tightly enforced throughout the organization. An internal system was created within Kingsoft Cloud and installed on employees' workstations as a technical defense line against data leaks.



Security and Privacy Publicity Month

We commenced our first Security and Privacy Publicity Month in August of 2021, sharing a variety of topics related to data security and privacy with a 76 % coverage of employees in our first attempt. We provided both online and offline training sessions and activities during the event. We discussed how the Personal Information Protection Act impacted our company. We also disclosed data breach stories in order to raise data security awareness. KC PRIVACY, our privacy compliance logo approved by the China National Intellectual Property Administration, was also registered at the occasion, with the goal of continuously strengthening our privacy compliance culture within Kingsoft Cloud.



Data Security Awareness Official Account

In 2021, we launched the official account on our internal news sharing platform, with the purpose of knowledge dissemination, where employees could search for information of their interest any time. With our efforts, the rigorous culture of data security and privacy awareness has been imperceptibly reinforced as a result of our efforts.

Intellectual Property Protection

Intellectual property symbolizes one of our business' core competitiveness, serving as our vital assets in achieving business breakthroughs and success. In terms of copy rights, patents and trademarks, we have implemented an integrated management strategy for planning and implementing our intellectual property protection practices.

Kingsoft Cloud strictly abides by the Trademark Law of the People's Republic of China, Patent Law of the People's Republic of China, Copyright Law of the People's Republic of China, Enterprise Intellectual Property Management Standards and other relevant laws and regulations and national standards to protect intellectual property rights. We formulated the Measures for Intellectual Property Management in accordance with applicable laws and regulations in order to facilitate intellectual property management and encourage employees to pursue technological innovations. Meanwhile, we have offered various training programs focusing on intellectual property rights protection and we engage all of our people to report infringements to legal department via numerous channels.

Assessing Intellectual Property System

In 2021, we assessed and categorized our existing intellectual property portfolios to develop a comprehensive intellectual property strategy and create competitive advantages in the industry. The intellectual property system map (the Map) has been refined and can be visualized in the form of mind maps. We collect and analyze statistics from all business segments, products, departments and patents of the Company and updates the Map quarterly. The assessment results assist us in determining the number, allocation, and gaps in patent applications, which is the foundation upon which we execute our long-term intellectual property strategy.

In 2021, the cumulative number of patents applications of Kingsoft Cloud exceeded 2,000, and the number of patent authorization exceeded 400. There were 366 copyright applications. Excluding the copyright of art works, the number of software copyrights applications was 357 and the accumulative authorizations was 358. 143 trademark applications were filed, and the accumulative number of licenses exceeded 850.

Managing Operational Risk of Intellectual Property

In 2021, we strengthened the management of intellectual property operation. A quality control team has been established to focus on the internal quality control and management of the intellectual property system. The team has established stringent screening criteria and performed a thorough review of relevant agents and cases. In the meantime, keeping track of patents and innovations has become our daily task. For example, we constantly monitor the global patent database and relevant fields based on product attributes and technical keywords and align the results to the R&D team. It is essential for the R&D team to gain insights into where future value creation may come from, and avoid intellectual property infringement.

In addition, multiple departments work collaboratively in building an emergency management process to deal with unexpected intellectual property risks. To ensure quick processing of infringement information or complaints, the legal department leads an emergency team that includes product, customer service, and financial departments.

Protecting Trademark and Brand

For trademark and brand rights and interests, we have a comprehensive review and processing mechanism:

- Review mechanism of trademark authorization: With the granting of written authorization, all acts of trademark authorization shall be jointly examined by the public relations, capital markets, risk control, and legal departments.
- Emergency response mechanism of brand and trademark: In case any activities causing brand infringement or damage to the brand are detected, the legal department will promptly trigger the emergency response mechanism. In exceptional circumstances, the legal department will coordinate information with management and other related departments, and develop a response plan to handle the issue at the corporate level.

In 2021, Kingsoft Cloud did not incur any monetary loss due to legal action arising from violating anti-competitive laws and regulations. There was no litigation relevant to advertising or intellectual property rights.

Preventing Intellectual Property Rights Infringement

To avoid infringement of intellectual property rights, we have built a core patent package for licensed patents and have strategic planning for similar patents in the industry. For example, we prepare in advance for patents or technologies with higher risks to prevent patent invalidation or patent infringement litigation. We have established a core patent package for licensed patents and have strategic planning for similar patents in the industry to avoid infringement of intellectual property rights. For example, to avoid patent invalidation or patent infringement lawsuits, we plan ahead for patents or technologies with higher risks. During the product introduction stage, we also sign a Non-Disclosure Agreement with our suppliers in case any technical or intellectual property-related information sharing is potentially involved.

Training

Our intellectual property protection policy includes employee training on intellectual property and fighting for the legal value of intellectual property rights. We conducted 20 departmental trainings in 2021, engaging more than 350 product R&D personnel and six new employee orientations were given, with over 240 persons in attendance.

Kingsoft Cloud carried out a series of intellectual property advocacy activities, including quizzes, which drew participation of 200 employees from relevant departments, and 107 copies of IP documents including detailed technology information of patentable products were obtained. Training and activities are designed to enhance employees' intellectual property protection awareness and facilitate intellectual property knowledge popularization.



Intellectual Property Forum

Kingsoft Cloud collaborated with Kuaishou, a content community and social platform, to jointly initiate China's first intellectual property forum -- IP Insight. In 2021, two seminars were successfully held. On June 30, the inaugural seminar was held, with 51 enterprises in attendance. The second seminar took place on October 20, and 65 enterprises attended. The forum's goal is to provide a platform for intellectual property managers to share information and discuss industry strategy.

The Intellectual Property Rights Alliance

The Intellectual Property Rights Alliance was founded on October 14, 2021, Kingsoft Cloud was elected as the chair company. This Alliance intends to encourage multifaceted industry collaboration and the production of intellectual property rights, as well as aid in the formulation of industry policies and the creation or improvement of essential industry standards and regulations.

Awards

Awards	Organization
Excellence Award of China Patent Award	China National Intellectual Property Administration
National High-tech Enterprises	National High-tech Enterprise Recognition Management Leading Group
Beijing Intellectual Property Rights Demonstration Corporation	Beijing Municipal Intellectual Property Office
China Intellectual Property Excellent Management Team	China Intellectual Property Magazine

Anti-Corruption and Anti-Money Laundering

Kingsoft Cloud is committed to conducting business ethically, with integrity and in full compliance with applicable laws and regulations. The Company has formulated relevant policies and mechanisms, which reflect a culture of trust and integrity, holds employees and partners accountable for their behavior and helps them determine when and where to seek advice.

Our Internal Control and Audit Department, Supervision Department oversee business ethics compliance across the Company. We have formulated a comprehensive set of policies including the Anti-Fraud Management Measures, the Risk Assessment Management Measures, the Code of Business Conduct and Ethics, the Code of Business Conduct for Employees, Regulations on Anti-Corruption, and Regulation on Anti-Bribery.

We have established risk identification and response mechanisms associated with anti-fraud and anti-bribery, confidentiality handling, whistle-blower protection, complaints reporting process, filing, and reporting process, fraud remedial measures and penalties.

In 2021, there was no legal case regarding corruption or money-laundering brought against the Company or its employees.

Anti-Corruption Framework

Promoting integrity and compliance for all our employees and business partners is at the forefront of our company governance. In 2021, we established the Kingsoft Cloud Supervision Department to benchmark ourselves against higher business ethics norms. The department has developed rules and systems related to business ethics, which detail the work responsibilities and delicate the scope of business ethics.

The Supervision Department identifies and evaluates corruption risks such as potential conflicts of interest, suspicious employee behavior, and irregular payment records. Training is conducted with relevant departments and employees to raise awareness and prevent violations across our business. Our employees take our values seriously along with training enhance the employees' awareness of integrity in a more high-quality, professional, and refined manner.

Reporting Mechanism

The Company encourages all employees, to report any suspected ethical violations as soon as possible, and it thoroughly investigates all reports of violations made in good faith. To that end, we have established multiple channels for reporting corruption-related behaviors, and we have zero tolerance toward any kind of retaliation against whistle-blowers.

In 2021, we upgraded our reporting mechanism, including setting up an integrity reporting platform on the official website, a quick reporting channel in the internal communication software and providing supervision contact cards in all meeting rooms and through various events and distributions within the working groups. In addition, we issued an anti-corruption questionnaire to collect employees' opinions and suggestions in our anti-corruption framework.

Anti-Corruption Survey

In 2021, the Company invited all employees to participate in an anti-corruption survey. The survey asks about employees' perceptions of the company's overall integrity, as well as their thoughts and suggestions on reporting channels, policies, and mechanisms. According to the survey results, employees responded that the Company's present fraud and corruption risk management process is effective. Employees advise that more education sessions be conducted to raise integrity awareness.

We obtained a better knowledge of employees' demands as a result of the survey, which helped us enhance our anti-corruption process and training initiatives.

Training and Advocacy Activities

Kingsoft Cloud conducted training and advocacy activities to continuously enhance business ethics and compliance awareness. We conducted tailor-made training for employees from different business departments and positions.

Senior Management - Emphasize management's role for business integrity and raise understanding of the importance of integrity-related activities in the Company's operations.

Business Departments - Pay special attention to areas where there is a higher chance of noncompliance, and provide employees with scenario-based training on relevant regulations.

New Hires - The integrity training for new hires to raise awareness in compliance.

International Anti-Corruption Day

On December 9th, 2021, Kingsoft Cloud launched online activities for International Anti-Corruption Day. We engage employees to provide their feedback and suggestions. To boost employees' consciousness on anti-corruption, we promoted anti-corruption policies through internet announcements and posters. Online anti-corruption training and test are mandatory, and employees who fail the test will be required to retake the courses.

Working with Our Partners

We continued to strengthen anti-corruption practices in our procurement and supply chain processes. We are active members of anti-fraud and anti-corruption alliances, as well as related activities of external parties, such as the Trust and Integrity Enterprise Alliance. Integrity clauses are included in the contracts with suppliers which explains our commitment to corruption-free procurement and protect our partners' and our own rights and interests of our partners to ensure healthy business development.



Anti-Money Laundering

We are committed to maintaining our reputation in the financial community by assisting in the fight against money laundering and terrorist financing. With targeted anti-money laundering and anti-terrorist financing risk audits for departments involved in financial transactions, non-compliance risks are assessed from multiple management dimensions, and corresponding measures are formulated to improve management capabilities. We have taken appropriate steps to reduce the extent to which the Company's facilities, products and services can be used for a purpose dealing against market abuse or financial crimes. Meanwhile, to ensure that our products and services are not used to facilitate money laundering or terrorist activities, we screen customers, potential customers and suppliers where necessary.

Learn more about our [Anti-Money Laundering policy](#) at Kingsoft Cloud.



Responsible Operations

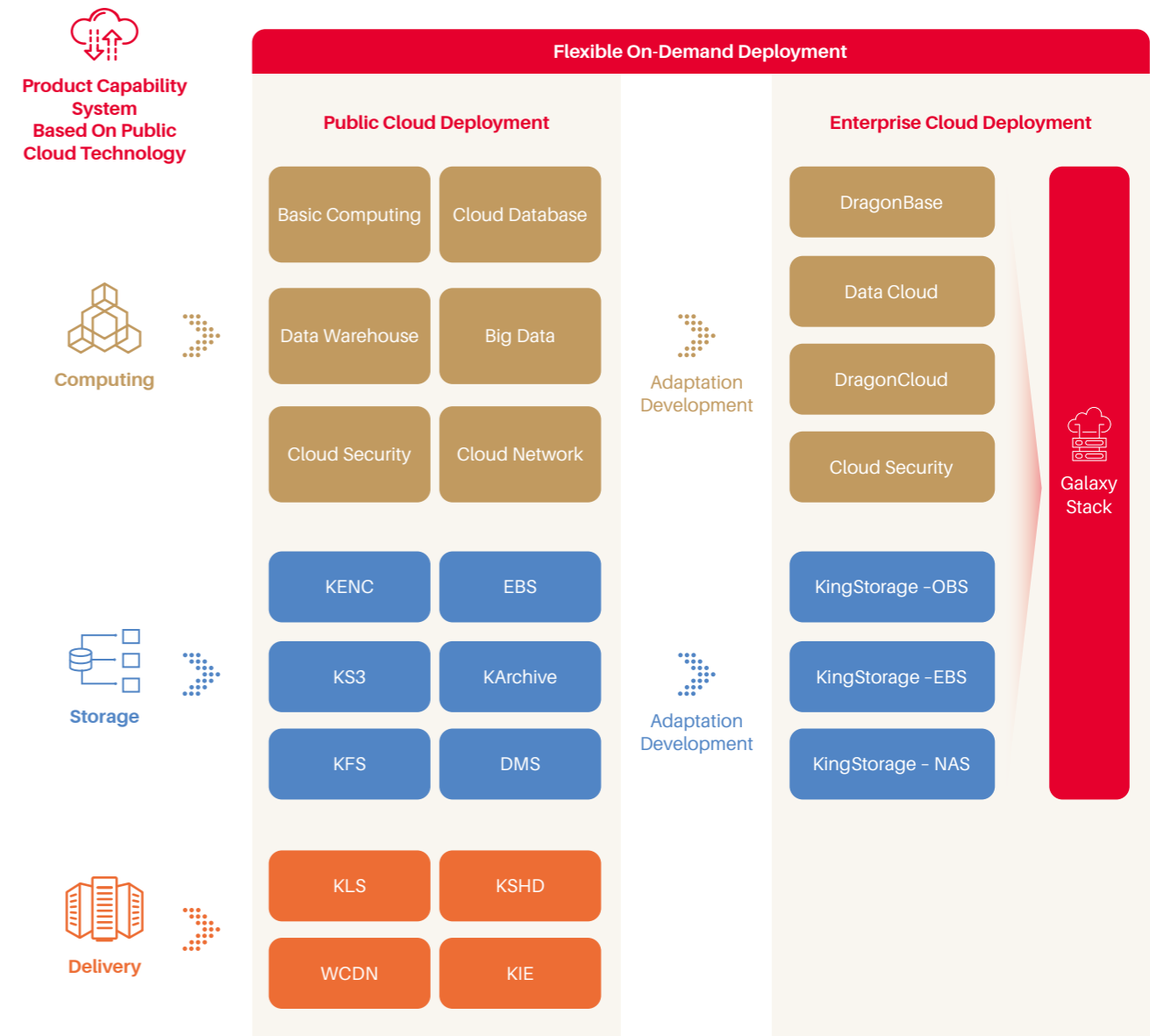


Technology Innovation

Kingsoft Cloud adheres to the core value of "customer first, thrive on technology". We innovate to continuously improve the quality of products and services to meet customer demands. Meanwhile, we actively look into technological advancements in the cloud computing industry and the relevant sectors we serve.

Products and Services

Kingsoft Cloud has produced industry-leading cloud products and services, by leveraging cutting-edge technology. At the choice of customers, we deploy public cloud services and enterprise cloud services to cater their business needs. Our modularized public cloud products are purpose-built to be integrated with industry-specific cloud solutions, and are accessed over the Internet. We also offer enterprise cloud deployment of our cloud products and solutions, primarily operated on-premise and dedicated to customers. The following diagram illustrates the deployment of our public cloud and enterprise cloud services.



Ensuring Support for Technology Innovation

In 2021, we established the Kingsoft Cloud Technology Committee, assisting in the management of the Company's technology research and development. From three aspects, the Technology Committee seeks to assist in preserving our R&D competitiveness: technical culture, technical talent, and technical organization. To do this, the Technology Committee focuses on developing an engineer culture, guiding cutting-edge technology R&D, and participating in the discussion and formulation of technical standards.

In addition, the Technology Committee appoints a Product Office under which is responsible for responding and analysing customer demand as well as measuring the impact of implementation. Simultaneously, we define the general strategy and direction of technical product research and development, analyze the distribution of patents, and increase R&D capacity. The development of employees' R&D abilities is a key for Kingsoft Cloud, where the positions for R&D engineers has been clarified and adjusted with well-defined career guidance provided, aspiring engineers to innovate so as to foster employee development.

Technology Innovation Achievements

Enterprise Cloud Database (DragonBase)

We provide distributed database DragonBase for enterprises and organizations. Featuring distributed deployment, high availability, smooth up-scaling, and enterprise-level security, DragonBase focuses on solutions to address customer's needs on massive data storage and high-concurrency operation and it also provides supportive systems and performance monitoring, operation, maintenance and security audit. Our DragonBase were identified as one of the industry leaders in 2021 by Frost & Sullivan.

Big Data Cloud

We have a comprehensive stack of big data products and compatibilities. All products are empowered by providing elastic scaling and seamless access to cloud storage. We also provide an interactive query engine for users to easily organize and analyze data on cloud, which is an important step in utilizing data lake. In response to industry-wide developments in the research on computer vision, automatic speech recognition and natural language processing, we have built the underlying technologies that underpin big data platforms.

Innovating through Hackathons

Our employees are passionate about technological advancement, which drives ongoing innovations in improvement in products services. To foster such enthusiasm, we have gathered a community of programmers to incubate and build new products ideas through participating in our Hackathons. We held this event for the first time in 2021, with 18 teams participating and each team submitting a technology proposal. We enable these innovative concepts become realistic and turn into reality by harnessing Kingsoft Cloud's capabilities.



Awards

In 2021, "A Virtual Machine Disk Data Migration Method and Device" invented by Kingsoft Cloud won the China Patent Excellence Award.

The China Patent Award, as the country's highest honor for patents, emphasizes the breadth of patent technology innovation and its application in market, while also setting higher standards for the intellectual property management system and patent protection status. The China Patent Excellence Award is a significant distinction for Kingsoft Cloud since it recognizes our innovation capability and patent technology progress, as well as our long-term commitment to independent innovation, R&D investment, and technology leadership.

In 2021, we were well recognized in the industry on technology innovation.

Awards	Organization
China Patent Award Excellence Award	National Intellectual Property Office
Edge Computing Technology Innovation Award	Asia-pacific CDN Industry Alliance
Trusted Cloud Services Best Practices in the Financial Industry	China Academy of Information and Communication Technology
Best Innovative Solution of the Year	China Academy of Information and Communication Technology
Council member of China Smart City Industry and Technology Innovation Strategic Alliance	Ministry of Housing and Urban-Rural Development
CDN Technology Innovation Leadership Award	Asia-pacific CDN Industry Alliance

Cloud for Good

Technologies have been the key to our success. Kingsoft Cloud advances the application of cloud computing, big data, database and other emerging technologies in communities' healthcare and well-being promotion through our cloud technology and platform, empowering the industry to build an ecosystem.

Cloud for Healthcare

To help the healthcare industry tackle the increasing challenge of processing massive amount of data, Kingsoft Cloud provides customers with digital healthcare solutions through the application of cloud computing, big data and other emerging technologies. Our healthcare solution enables information sharing, which is the basis for performing data analytics and matching various medical resources and needs:

- Continuously increase the big data analytics capabilities of healthcare data to streamline customers' workload;
- Build a platform for anti-epidemic materials and data middle platform infrastructure for Health Commission of Hubei Province; and
- Support the construction of provincial health and medical big data center and designed the overall architecture of "1 cloud, 1 lake, 4 middle platforms, 2 portals for X application".

Product and Service Quality

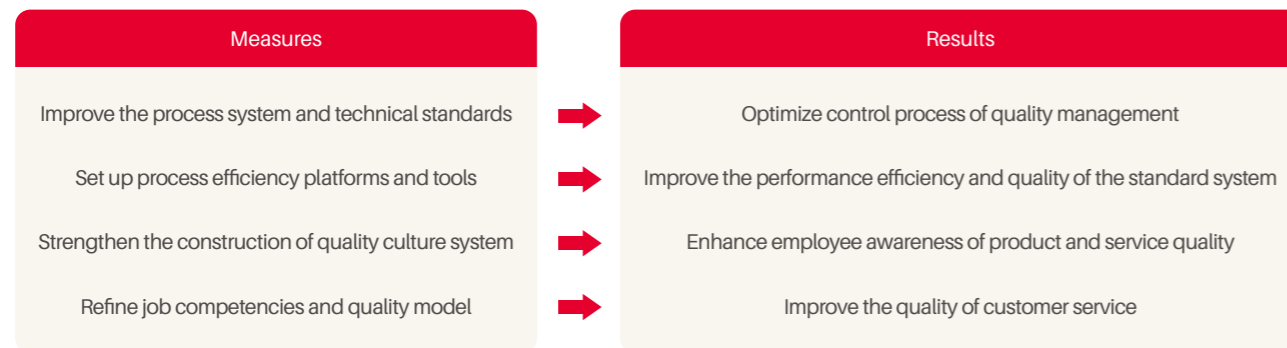
Kingsoft Cloud attaches great importance to the quality management of cloud products and services. We have made every effort to improve the quality of our products and services over time covering their entire life cycle. Our mission is to provide industry-leading, high-quality cloud services and to be our customers' most trusted cloud partner.

Quality Management

In 2021, we set up the Kingsoft Cloud Technology Assurance Center, which is responsible for developing and building all products and the quality control system of the Company. The center helps us cope with the challenges and risks that tailored into our business development, such as the increasing number of customers, cloud service categories, customer industries and differences in demand associated with the fast-growing business of Kingsoft Cloud. Meanwhile, we have issued policies, including Kingsoft Cloud + IT + System and Service Change Process Management System, Kingsoft Cloud Data Center Access Technical Specifications, and Kingsoft Cloud Server Hardware Introduction Specifications, to improve management effectiveness. From the standpoints of the platform and

customers, we standardize and grade product failures. We also classify and calculate the P&S rating² for each failure, resulting in a relatively uniform dimensional analysis with a fair score, and objectively evaluating the influence degree of product and service quality.

We endeavor to improve the building of high-quality infrastructure, drive excellent cloud service delivery, ensure cloud service operating effectiveness and stability, and provide attentive and professional customer service. The following measures have helped us further strengthen our quality management system and process in order to execute unified management of our products and services.



Stability Assurance

Kingsoft Cloud has established the Kingsoft Cloud Service Monitoring Comprehensiveness Review Checklist to ensure that our cloud services are under comprehensive and effective monitoring. All cloud services delivered to customers are subject to rigorous reviews against the Checklist. We also periodically verify cloud services that are already online, be alerted, and report any odd situations immediately to guarantee cloud service stability. The Checklist also contains guidelines for monitoring and mitigating continuity risks (such as technical faults and natural calamities) using disaster recovery technology.

² Level of failure classification method: Different P levels are classified from the proportion of total services provided by the affected platform, the length of impact and the degree of impact; S levels are classified based on the assessment of the impact to customers.

With reference to the Incident Command System (ICS³) concepts and experiences obtained from countries and industries, we established the Kingsoft Cloud Service Failure Emergency Command Standards (the "Standards"). For internal employees, we clarify the task allocation and collaboration among different levels of staff in the process of emergency response to failures. In terms of the interactions with customers, we have established the Kingsoft Cloud Service Failure Emergency Command Platform (ksc-warroom) to standardize the handling process after an incident occurs and improve response efficiency to failures. In addition, we improved the quality of our products by reviewing the improvement plans to prevent the recurrence of similar incidents.

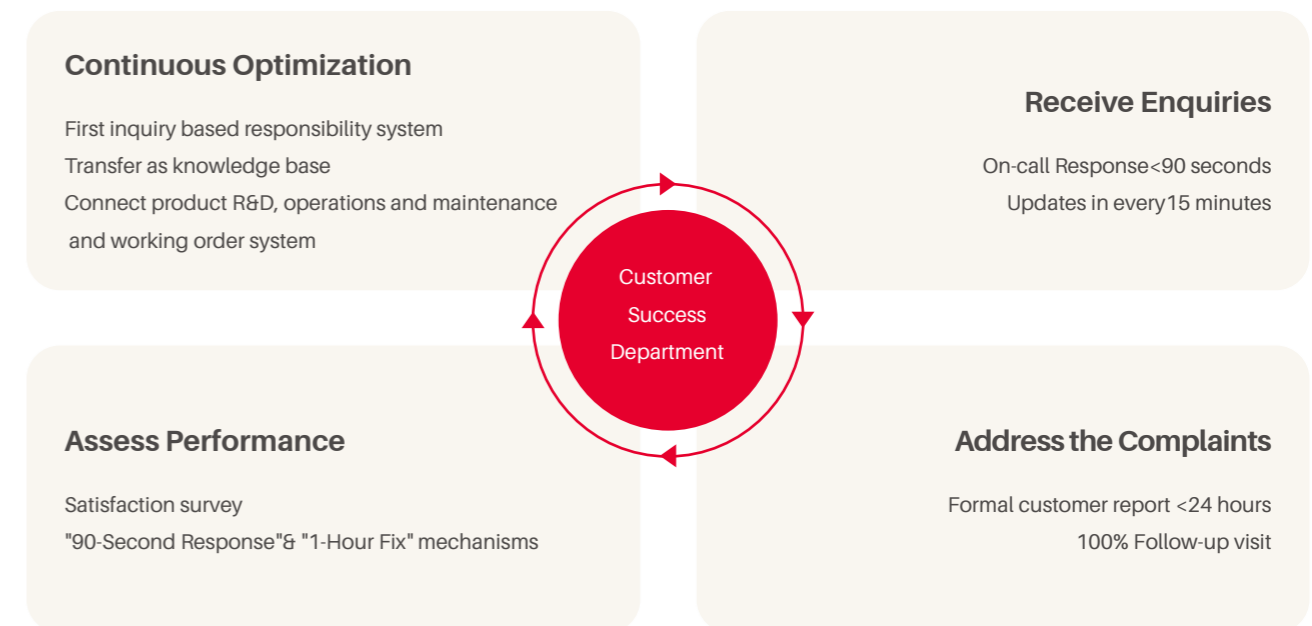
We review the service operation investigation capability of all cloud services through the Checklist to enhance online problem detection ability and efficiency, and successfully reduce the time consumed to detect and solve problems by 50%. The Standards and the ksc-warroom platform are adopted to improve the efficiency of handling failures.

In 2021, Kingsoft Cloud did not have any product quality or server outages problems, ensuring efficient and smooth service operation.

Customer Service Experience

Kingsoft Cloud always puts customers first and strives to optimize the customer service experience. Adhering to the principle of being professional and efficient, we have built a team of professional talents and continuously build up the professional skills of our after-sales service team. We provide reliable service to our customers through a closed-loop management mechanism and efficient problem-solving process.

In 2021, the Kingsoft Cloud after-sales team established the Customer Success Department and involved technical customer managers in achieving a horizontal integration across product lines and technology domains for customers. This integration provides a consistent experience for efficient and stable operation of customers' systems on the cloud, 24/7.



³ The Incident Command System is a combination of facilities, equipment, personnel, procedures and communications operating within a common organizational structure which is designed to help manage resources during an incident response.

We have adopted multiple service models to meet various service needs. For customers who use our products on a large scale, on top of our existing exclusive VIP after-sales service that focuses on the technical domain, we introduce a customer technical manager, which helps to continuously enlarge the service scope. We provide customers with the most reliable cloud service experience by integrating the relevant technical domain capabilities and vertically pulling together the front and back-end resources. For customers who use our products on a relatively small scale, we solve their problems in a more targeted manner through allocating the corresponding after-sales personnel in the respective technical domain according to the product line of customer concerns.

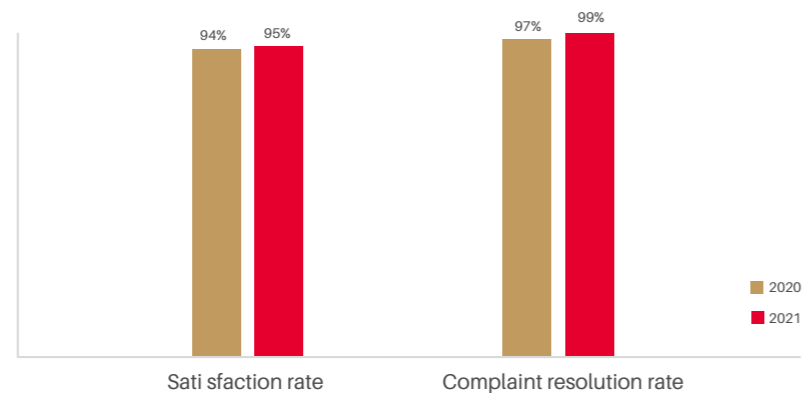
Customer Inquiries and Complaints

Kingsoft Cloud's customer service center processes customer inquiries through various channels (instant messaging, hotline, email, offline meetings, etc.), 24/7. A dedicated service team is arranged for each channel to handle customer inquiries with optimum efficiency.

We further optimize the problem review mechanism, improve the capability of serving proactively, reduce the probability of customer failures, and thus enhance the user experience of Kingsoft Cloud products. In 2021, the work order volume received for customer problem investigations and troubleshooting has decreased by 5% year-over-year, even though the rate has already been low last year. We expect that this number will continue to decline/be stable in the future

through further improvements in proactive services.

In 2021, Kingsoft Cloud provided customer service to a total of 147,902 people through continuous service improvement and product quality refinement, achieving a response rate of 99.5% within 90 seconds and a resolution rate of 90% within 30 minutes. During this year, we have not received any complaints from our customers concerning the service of our after-sales staff. In addition, we have successfully completed premium service during important events for many large clients' Spring Festival Gala events, central conference events, live events, and e-commerce festivals, ensuring ZERO failure and ZERO complaints of our premium service throughout such important period.



A valid complaint is defined as an incident that seriously affects the use and feelings of our customers, and this category of complaints is analyzed and determined by a dedicated team in our after-sales service center. In 2021, we did not receive any valid complaints.

Service Quality Assessment

To ensure instantly responding to customers and providing resolutions, we have incorporated "90-second Response" and "one-hour Fix" matrixes into our KPIs for evaluating our service teams.

In 2021, we improved and refined the customer satisfaction questionnaire. The questionnaire investigated the product and overall after-sales service and evaluated the cooperation between customers and Kingsoft Cloud from multiple perspectives. Survey participants included the typical TOP 20 customers ranked by revenues, with a 100% questionnaire response rate. We have carried out relevant improvement measures based on the first round of survey results. We sorted out the key issues and typical failures that may significantly impact the customer service experience. Meanwhile, we conducted targeted analysis and optimization and achieved improvement in overall customer satisfaction.

Continuous Optimization

Kingsoft Cloud attaches great attention to customer complaints and feedback. We keep improving the quality of our products and services based on customers' complaints and feedback. We have established the Customer Complaints Management Framework to standardize the process of customer complaints handling, follow-ups and communications. We further clarify the primary responsible person for customer management and the adoption of this mechanism helps improve service quality. At the system level, we connect product R&D, operations and maintenance with the working order system to increase the efficiency of problem-solving.

In addition, we have created a knowledge base that categorizes and stores common problems and their solutions. When a product failure occurs, it is shared across multiple channels as a case study within the Company. Then it will be categorized as a common problem and then recorded in the knowledge base. Our goal is to minimize the recurrence of errors, improve the efficiency of the complaints handling process, and ensure continuous optimization. Through the process of failure analysis -> case sharing -> FAQ generation->knowledge base incorporation, we keep enlarging the knowledge base by transferring complaints into our knowledge base. During this year, we achieved a total of 535 requirements improvements and the total number of cases incorporated into the knowledge base is 2,134.

Skills Training and Awareness Cultivation

We offer various tailored training programs for service teams to enhance their professional skills. We require each business department to share at least three cases per week and to meet at least once a week to reflect on problems encountered and improvement measures that need to be taken. A range of training delivery formats such as presentations, video learning, hands-on exercises, case studies and FAQs. are provided to enhance the training experience. To maintain the overall competence of our service team, we also test the effectiveness of the training through written tests, face-to-face briefings, and case simulations.

For the customer success department, we added customized training for different business scenarios and professional skills. By building a 360-degree customer view (such as customer organizational structure, and business architecture on the cloud), the team can identify and solve customer problems more clearly and precisely, establish proactive plans for failures, and develop fast recovery capabilities.

Kingsoft Cloud Service Month

To enhance our overall service awareness and effectively implement our customer-first philosophy and provide safe, reliable, stable and high-quality cloud services to our customers, we launched our first "Kingsoft Cloud Service Month" in August 2021. During the service month, we have formed a dedicated team to focus on upgrading services for customers with more product issues. Also, we focused on optimizing documents with poor ease of use.

Through the promotion of Kingsoft Cloud Service Month, the customer service awareness of all our employees has been further enhanced and the customer service concept has been thoroughly implemented.

Environmental Protection

Kingsoft Cloud is committed to innovating products and services that empower businesses in a way that also protects the environment and resources that we share on this planet.



Sustainable Data Center

In line with China's "dual carbon" goals of "striving to peak carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060", Kingsoft Cloud's data centers develop in a high-efficiency, low-carbon, energy-saving, and renewable way. Although cloud computing companies are main consumers of electricity, cloud computing technology is to centralize the energy-intensive information data centers (IDCs) scattered in all types of enterprises, saving the overall energy consumption level at the society-wide level. In addition, we improve energy and resource utilization in the processes of the planning, design, operation, and maintenance of the data center, implementing a green development strategy.

Served as the main storage and computing location of mass data, data centers are considered as high energy consumption unit in the technology industry. At Kingsoft Cloud, energy

consumption in data centers accounts for approximately 89% of our total energy use.

We have two self-owned data centers located in Beijing and Tianjin respectively, with most of our data centers leased from suppliers, which provide us with more flexibility to reduce wasted resources from idle or underutilized data centers. The Company focuses on optimizing the strategy of energy saving and consumption reduction. We have set a target value for PUE in its key performance indicators (KPIs). The actual operating performance is lower than that of the data center designed values. For instance, the designed annual average PUE of the Beijing data center is 1.4, and the actual operating annual average PUE in 2021 is 1.37. In the long-run, we will continue to improve data centers operation efficiency and maintain the PUE and WUE below the targets.

2021 Target Achieved

- Target PUE lower than 1.38 and WUE lower than 2.5 for self-owned IDCs
- Energy consumption at the end of 2021 was below the planned target, actual PUE was 1.37, WUE was 2.04

Long-term Target

- As the value of PUE and WUE is at the lower end of the IDC designed value. Our long-term goal is to maintain the current level and make slight downward achievements.

Planning and Design

We are committed to building a green data center from the first phase in accordance with green building standards such as "Energy-saving Design Standards for Public Buildings" and "Evaluation Standards for Green Data Centers". Kingsoft Cloud Beijing data center complied with the CQC1312-2017 Data Center Site Infrastructure Certification Technical Specification and have obtained the Data Center Site Infrastructure Certification.

Site Selection

In the process of site selection of the self-built data center, we build data centers according to business needs. In the locations where covering our business needs, Kingsoft Cloud takes the availability of clean energy and temperature suitability as two of our key evaluation factors. Areas with high availability of clean energy primarily reduce the use of fossil fuels in data center operations, thereby reducing the environmental impact. Also, we maximize the benefits of the local climate conditions and apply natural cooling technology as much as

possible to reduce energy consumption.

The location of the rented data center is carefully assessed. We require rented data centers to meet the requirements of local public service departments for data center construction. We stipulate that the PUE shall not be greater than 1.3 for the data center which dedicated to us and the PUE shall not be greater than 1.4 for other data centers in general. The data center must have the energy technology evaluation documents approved by the National Development and Reform Commission. We give preference to vendors that have plans to purchase green power and are certified as green data centers, as long as they meet business needs.

Technologies and Equipment

Energy consumption of data centers primarily comes from IT equipments, cooling systems, and power distribution systems. We have taken environmental factors such as global warming and water scarcity into account in improving the energy and water efficiency of data center equipment.

TECHNOLOGY	TYPE	ADVANTAGES
Efficient centrifuge chillers	Efficient Cooling	Increase the temperature of return water and improve the coefficient of performance (COP).
Rack-level cooling	Efficient Cooling	Reduce the energy consumption of cooling water pumps.
Precision computer-room air-handler (CRAH)	Efficient Cooling	Ensure high efficiency in motor speed control with the EC (Electrical Commutation) fan.
Non-negative pressure water supply	Efficient Cooling	Make full use of municipal water pressure to save energy.
Waste heat recovery	Efficient Cooling	Reduce direct energy consumption in winter with the help of a water source heat pump recovering heat generated by a data center.
Cabinet Server	IT	Improve the heat dissipation efficiency and enhance overall system energy efficiency.
ARM processor	IT	Reduce energy consumption per node.
GPU hardware acceleration	IT	Reduce energy consumption per cabinet compared to traditional processors.

In 2021, Beijing data center applied the waste heat recovery technology to avoid energy waste generated by the operation of data center equipment. The design for waste heat recovery at Beijing data center can reach 2,947kW under full load conditions, and 30,554 GJ of heat can be recovered per season, which is equivalent to the reduction of consuming 917 tons of coal equivalent for Tianjin park. The solar water heating system provides domestic water all year round, with 458GJ of heat available for the year, equivalent to the reduction of consuming 15 tons of coal equivalent. We also choose high-efficiency

electromechanical equipment to reduce the intermediate phases of power distribution and improve energy transmission efficiency, thus reducing carbon emissions.

In terms of water conservation, we have adopted water-saving equipment to reduce water consumption through programs such as free cooling, indirect evaporative cooling and air-cooled phase transformation. We also actively carry out wastewater treatment, rainwater recycling and other programs to improve the water use efficiency of data centers.

Noise Control

Many components of our buildings' heating, ventilation and cooling systems are potential noise and vibration sources. We adopt a variety of measures to reduce noise and vibration produced by the mechanical and electrical systems in our data centers. We purchase equipment that produces low noise levels during operations and widely install shock-absorption devices, sound insulation, and absorption facilities such as soundproof doors to reduce vibration or noise.

Operation Management

According to national standards GB 50174-2017, Uptime Tier III /IV and other standards and our own business needs, we design, construct, operate our self-built data centers and make the selection on the rented data centers. We have specified management standards for power supply, cooling, and fire safety and actively participated in the activities for exchanging advanced operation and maintenance experience in the industry.

Kingsoft Cloud has established monthly and annual PUE and WUE targets and refined the equipment operation management strategy by analyzing actual operation data. The electricity and water costs of data centers are linked to staff performance, and more emphasis is placed on the daily management, energy and water-saving measures of the data center.

In 2021, we established new management systems for energy consumption assessment, testing and risk warning of data centers. Meanwhile, we recorded data, analyzed and adjusted deviations. To cope with the impact of the COVID-19 epidemic and respond to the requirements from the National Development and Reform Commission on electricity consumption, the self-built data center adjusted the emergency fuel reserves, strengthened the monitoring of electricity consumption, and restricted the use of non-essential electricity.

Energy Conservation

In terms of PUE performance indicator management, Kingsoft Cloud has configured a number of monitoring and control systems, such as remote monitoring system, power environment monitoring system, Building Automation System (BAS) intelligent control system, and collect information on all types of power

equipment. Ensuring the normal operation of infrastructure, the Company has been working on maximizing the reduction of equipment operation power consumption through formulating the operation strategy of facilities and equipment, adjusting the working condition of equipment promptly. Specific measures are as follows:

- By adjusting the operation quantity of precision air conditioners and reducing the operating frequency of fans, the annual energy saving is 500,000 KWH, equivalent to the energy of 60 tons of coal equivalent.
- Formulate and establish electronic management forms and install meters and time controllers on the cooling water discharge pipes to effectively monitor the discharge volume.

Water Conservation

We fully evaluate water-saving features of equipment used in data centers and actively promote efficient use of water:

- Select cooling equipment with a low drift rate, high thermal dissipation performance, and excellent water collection performance with a cooling tower rehydration rate of less than 1.2% to reduce water waste.
- Closely monitor and assess water usage indicators across data centers.
- Set up rainwater storage ponds in the data center park for recycling purposes to reduce tap water consumption.

WUE for self-built data centers fell to 2.04 this year, which outperforms the industry level.

Tianjin Cloud Computing Data Center

In 2022, Tianjin data center achieved 4A level in the Data Center Low Carbon Rating Assessment and was recognized as a Carbon Neutral Data Innovator in the design category in the meeting held by China Information Communication Research Institute and the Open Data Center Committee.

In our Tianjin Data Center, IT module room has adopted the free cooling system. Outdoor air will be used for cooling when the outdoor air quality and temperature permit, so as to reduce energy consumption of the cooling system. According to local weather conditions in Tianjin, the available projected time for free outdoor air cooling in a year is 136 days, hence greatly reducing the cooling tower loading as well as water consumption. When the data center is in operation, only a small portion of water resources needs to be consumed by the micro-mist humidification system of the room with free cooling system. **It is estimated to save 26,000 tons of water annually under the condition that the server room is fully loaded.**



Climate Actions

Physical Risks

Acute Risk

Extreme weather disasters are caused by climate change worldwide, such as floods, typhoons and earthquakes. All these natural disasters may seriously affect the safe and stable operation and business continuity of the Kingsoft Cloud data center. Service interruption or major equipment damage will bring serious business continuity and economic interests risks to the Company.

To tackle issues caused by climate change, Kingsoft Cloud strictly follows the Emergency Operating Procedure (EOP) for extreme weather in the data center. In case of extreme weather conditions, insulation and protective measures are taken to ensure the temperature of the equipment room and the stable operation of the data center. In addition, the Company found that a safe geographical location is the best defense against natural disasters by comparing the cases of data centers suffering from extreme weather at home and abroad.

Meanwhile, Kingsoft Cloud has developed a whole set of EU emergency procedures and a series of preventive measures, such as simulation and drills. We continuously strengthen the risk resistance to deal with cooling interruptions, power interruptions and severe weather, while ensuring business stability and zero loss. This year the SRV⁴ of all data centers (both self-built and rented) is 100% without any interruption in service.

Kingsoft Cloud has also developed an emergency response system. The Company has completed Standard Operating Procedure/ Emergency Operating Procedure / Method of Procedure in both self-built and in-use leased data centers. We verify with operation and maintenance personnel regarding all those procedures and conduct drills on quarterly. There was no infrastructure failure of the leased server room that affected the business during 2021.

Standard Operating Procedure	Includes the standard operating procedures for 10KV busbar switch auto-switching, dual-rail power planned outages, diesel generator load test, and PDU on (off) power, etc.
Emergency Operating Procedure	Includes the emergency procedures for single rail power failure and high voltage busbar connection closure, 10KV system dual rail municipal power supply failure (diesel generator auto-start), emergency handling flow for UPS battery failure, emergency handling flow for UPS input or output circuit breaker failure.
Method of Procedure	Includes annual infrastructure maintenance operations, training and drill plans.

Chronic Risk

Chronic risks triggered by climate change may lead to operation instability and higher costs. For example, geological hazards can lead to operational disruptions or loss of assets; sea-level rise can affect the normal operation of coastal data centers; and prolonged droughts can lead to higher water bills in the area where they are located.

Kingsoft Cloud actively addresses chronic risks and continues to promote data center sustainability transformation, thereby reducing the impact of data center operations on the natural environment and making efforts to slow down climate change. We are exploring wind power and hydropower developed areas for data center construction; conducting green power research on the transmission lines of wind power and solar power input in Beijing; and using natural resources and waste heat recovery for server cooling to improve energy utilization.

⁴ SRV record: A type of resource record supported in the DNS server's database that records simple information about which computer provides which service.

Transition Risks

Policy and Legal Risk

Regulatory policies relevant to power restriction, carbon emission and such may increase Kingsoft Cloud's operational compliance costs and affect the normal operation of the data center. Therefore, Kingsoft Cloud attaches importance to energy consumption management of data centers, so as to deal with the policy and legal risks.

In the context of a tighter regional policy of power restriction, Kingsoft Cloud has taken the initiative to adopt more stringent management measures, such as:

- Reject high-power data centers;
- Establish a data center energy consumption assessment and risk warning mechanism;
- On the basis of ensuring business continuity and safety of customer IT equipment operation, explore the optimal intersection point of the security curve and energy-saving curve by adjusting the equipment operation strategy;
- Conduct inspections for backup power supply, including verification of the health status of diesel generators, daily maintenance plans, and vendor maintenance plans to ensure the safe and stable operation of the backup power supply.

Technology Risk

With the rapid development of low-carbon technologies, the Internet of Things and other emerging technologies, failure to identify and apply emerging technologies promptly may present greater climate-related risks to our operations. To reduce such risk, we actively explore the possibility of heat recovery technology and other emerging technologies (please refer to the section on Technologies and Equipment for details).

Green Workplace

Our workplace sustainability philosophy centers around resource efficiency and powered by a smart management system applied in Xiaomi Science and Technology Park (the Park), where our headquarters located. The Park was certified Leadership in Energy and Environment Design (LEED) Platinum[®]. In June 2021, we obtained the ISO14001 Environmental Management System certification.

Market Risks

Our suppliers may have to deal with rising costs due to climate change, indirectly leading to cost increases in our operational costs. To mitigate such risk, we seek suppliers that are less vulnerable to climate change, such as using alternative energy like wind power or hydropower.

Meanwhile, the shift in customer preferences may draw more attention to low-carbon data centers and renewable energy, thereby affecting the marketing of our core business. To manage such risk, we actively track customer needs through a communication feedback mechanism, strive to make critical advances on renewable energy and low-carbon targets (emission reduction targets), and accelerate the construction of low-carbon data centers.

Reputational Risks

Global investors are increasingly concerned about environmental performance, climate change and other topics. As a Nasdaq-listed company and a key player in the cloud services industry, any inaction or slow response to the environmental performance could affect our reputation, investment decisions, or even lost business opportunities.

To proactively address such risks, the risk control department of Kingsoft Cloud has incorporated climate-change-related risks into its risk assessment model and has studied the possible impact on reputation and taken the next steps. In addition, we have established a transparent information disclosure mechanism to better communicate to our stakeholders our efforts and objectives related to ESG.

Furthermore, Kingsoft Cloud has collected and analyzed the daily and monthly water consumption in the office area and submitted the statistical analysis report within the specified time. The specific measures across the Park are as follows:

- The Park was equipped with natural cooling tower to shorten cooling time;
- Adopted an outdoor floodlight system to save electricity.

Wastewater Treatment

The Company's water resources come from the municipal water supply and the reclaimed water supply. In 2021, we had no issues in sourcing water. We strictly treat wastewater generated from office and daily operations. The wastewater generated from our offices is treated by sedimentation, separation and other wastewater treatment to meet national standards and then discharged to the municipal sewerage system.

Waste Disposal

Hazardous waste of Kingsoft Cloud comprises mainly used lead-acid batteries from data centers and toner cartridges and ink cartridges generated in the office, which are collected separately and recycled by printing suppliers or disposed of by processors with relevant qualifications.

The management of e-waste properly has become a global concern. In response to this problem, in September 2021, the company's internal control and Audit department issued the "Kingsoft Cloud IT Property Management Policy", aiming to establish a scientific and comprehensive IT property management system from procurement, use to disposal.

We're building circularity on how we run and operate our servers, exploring ways to extend the life of the hardware and components used in our data centers. For servers that are decommissioned from the data center, we move them to the internal office for continued use to extend their life. For other e-waste that can no longer be used, we work with qualified downstream recyclers to ensure responsible disposal of e-waste.

For domestic garbage, we label the garbage cans to facilitate garbage classification. In addition, at the transfer station where waste is collected in the office, all waste will be sorted twice to ensure accuracy.

Exhaust Gas Treatment

The major exhaust gas generated by the data center is mainly the exhaust gas discharged when the diesel generator does not burn sufficiently. In response, we cleaned and replaced the filters of the generator exhaust system on a more frequent basis and reduced the no-load running time of the generator. We also strengthen cooperation with environmental protection departments to perform regular equipment quality inspection and maintenance to ensure that exhaust gas emissions meet national standards and minimize the impact of exhaust gas on outdoor emissions.

Environmental Statistics

Emissions

Table of Emission Indicators

INDICATORS	2020	2021
Total GHG emissions (Scope 1 and 2) (tons)	20,513.66	24,677.72
Direct GHG emissions (Scope 1) (tons)	155.17	128.42

INDICATORS	2020	2021
Indirect GHG emissions (Scope 2) (tons)	20,358.49	24,549.30
Total GHG emissions per unit of revenue (tons per RMB Million)	3.12	2.72
Non-hazardous waste (tons)	110.74	371.05
Non-hazardous waste per unit of revenue (tons per RMB Million)	0.02	0.04
Hazardous waste (tons)	NA	0.092
Hazardous waste per unit of revenue (tons per RMB Million)	NA	0.00001
Compliance disposal rate of hazardous waste (%)	100%	100%

Notes

1. The increase of non-hazardous waste was due to more servers and hard drives expire this year compared with last year.
2. The sources of direct and indirect energy consumed are primarily from gasoline, diesel, and purchased electricity.
3. The revenue used to calculate the density is aligned with our 2021 Annual Report.

Energy and Resources Consumption

Table of Energy and Resources Consumption Indicators

INDICATORS	2020	2021
Total comprehensive energy consumption (MWh)	29,243.14	35,081.89
Direct energy consumption (MWh)	596.99	494.70
Indirect energy consumption (MWh)	28,646.15	34,587.19
Total energy consumption in offices per unit of revenue (MWh per RMB Million)	4.45	3.87
Running water consumption (tons)	70,734.80	112,639.79
Running water consumption per unit of revenue (tons per RMB Million)	10.75	12.43

Notes

1. Due to its operational features, the air emissions of Kingsoft Cloud are GHG emissions arising mainly from electricity generated by burning fossil fuels and the direct burning of diesel and gasoline. According to Measures for Administration of Carbon Emission Trading (For Trial Implementation) issued by the Ministry of Ecological and Environment of the People's Republic of China, the inventory of GHG includes carbon dioxide, methane, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons, perfluorocarbons and nitrogen trifluoride. Kingsoft Cloud's GHG inventory includes carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent, and the calculation is based on the 2019 Baseline Emission Factors for Regional Power Grids in China issued by the Ministry of Ecology and Environment of the People's Republic of China, and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Edition) issued by the Intergovernmental Panel on Climate Change (IPCC).
2. The total amount of comprehensive energy consumption is calculated according to the power consumption and the conversion factors set out in the General Rules for Calculation of Comprehensive Energy Consumption, the national standard of the People's Republic of China. Direct energy consumption arises from the consumption of diesel and gasoline during Kingsoft Cloud's operation. Indirect energy consumption arises from the consumption of purchased electricity during Kingsoft Cloud's operation. The revenue used to calculate the density is aligned with our 2021 Annual Report.
3. Kingsoft Cloud's water resources consumed come from the municipal water supply and the reclaimed water supply. In 2021, the Company had no issues in sourcing water.

Our People



At Kingsoft Cloud, corporate culture is one of our competitive advantages, which actively engages our people, drives the constant technology innovation and breakthroughs, and eventually empower our business partners and the whole society.



Recruitment and Employment

Kingsoft Cloud abides all applicable laws and regulations in all places of operation. Following the principles of efficiency, effectiveness, and transparency in employment, we have established our own internal rules and policies for employment that includes respecting our employees and protecting their rights. The internal policies include the Employee Manual, Code of Professional Conduct and other policies to guide recruitment, compensation and performance, benefits and care, attendance and leave, grievance procedures, integrity, and self-discipline, etc.

We strictly prohibit any form of illegal employment. Relevant procedures and remediation measures have been established for child labor and forced labor. We respect the human rights of our employees and partners and have formulated Kingsoft Cloud Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights (UNGPs), International Covenant on Economic, Social and Cultural Rights (ICESCR) and other internationally recognized human rights principles. The rights of our employees are clearly stated in the Kingsoft Cloud Human Rights Policy⁵ and the Employee Manual. In the event of an alleged violation of an employee's rights, we will conduct an in-depth investigation and handle the situation in a timely manner, while also reviewing and improving our systems and management processes, if necessary.

In 2021, we participated in the Global Human Resource Management Conference and the 4th "Sirius" selection in which 2,053 companies participated and was granted as one of the Top 30 best practices in China's recruitment management informatization.

Kingsoft Cloud Campus Recruitment

Kingsoft Cloud Human Resource team has been diversifying campus engagement efforts nationwide to build up the talent pool. We are investing in recruitment events that give us access to graduates and masters every fall. Through the campus events, candidates are provided opportunities to learn Kingsoft Cloud's culture and various job positions. We support candidates to pursue their professional careers based on their interests. From August to October, the senior management team and HR team conducted online and offline seminars to introduce Kingsoft Cloud's overall strategy and business. Both the candidates and the Company's requirements and expectations will be met through online assessment, interviewing and two-way selection process.



⁵ For details of the policy, please refer to <https://ksyun.gcs-web.com/static-files/560d0999-5bab-4919-887a-5bf158e00a0b>.

Inclusion, Diversity and Equity

We strive to create a warm workplace reflecting our diverse, equal and inclusive culture, with each of our employee bringing their passion and potential to the max, to constantly innovate and reimagine the future. To this end, we put effort in increasing workforce diversity and talents retention.

During recruitment, the matching between candidates' skills and relevant positions is a top priority, and we do not tolerate bias or unequal competition in any form. Candidates who meet the requirements of relevant positions are given an equal opportunity to interview and will not be treated differently based on age, gender, race, color, religion, nationality, marital or family status, and health status. We oppose all forms of discrimination.

Quality jobs for women translate to positive impacts for communities, and we are actively working to empower women to make their own decisions on career development. Adding variety to a board's viewpoints and skills facilitates navigation of complex questions and protects businesses from any number of risks. We promote gender diversity in the boardroom. We have adopted a board diversity policy and appointed an independent female director in 2022. As of March 31, 2022, 26% of our management roles were held by female employees.

Health and Safety

Kingsoft Cloud continues to invest in health, safety and wellness programs to help employees enjoy a better quality of life and contribute to Kingsoft Cloud's success. We strictly abide by applicable laws, regulations and internationally recognized practices in conducting our operation and continue to invest in building a more robust protection system for all our employees.

We emphasize the importance of fire safety management in our workplace. We conduct regular safety inspections, fire drills, training and educational campaigns as well as other activities to enhance employees' safety awareness and emergency response skills.

In June 2021, we were issued the certificate for compliance with the GB/T 45001-2020/ISO45001:2018 standard, with the Occupational Health and Safety Management applies in areas covering the Cloud Computing and Cloud Services, Computer Application Software Development, Computer Information System Integration and Related Management Activities.

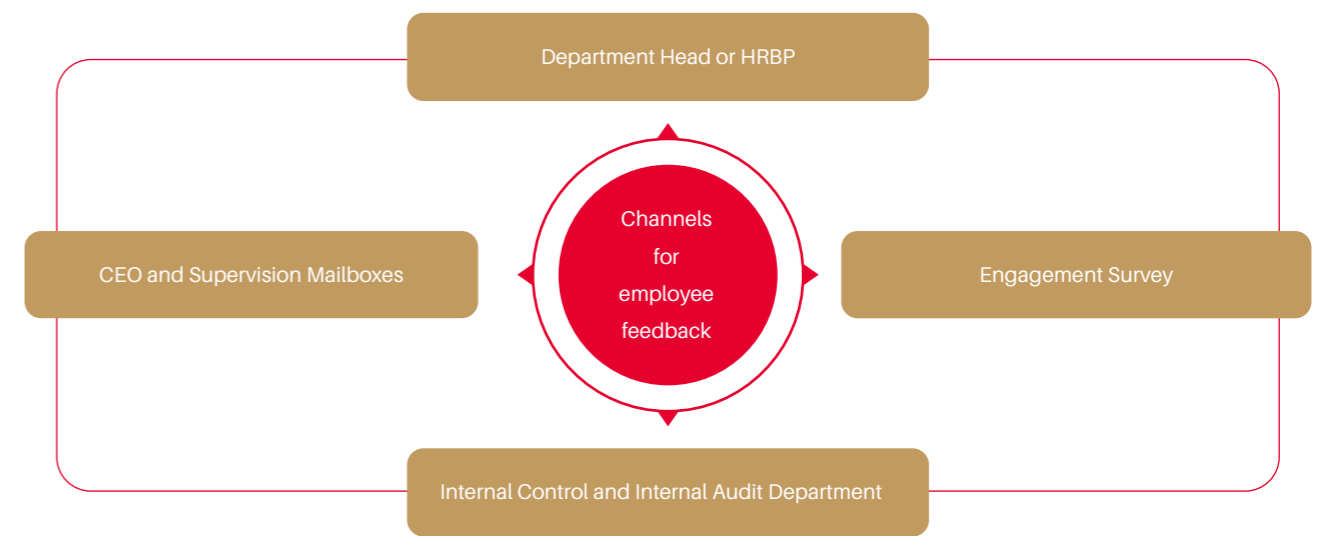
As located in Xiaomi Science and Technology Park, we fully leverage the resources within the Park to protect the occupational health and safety. The Xiaomi Science and Technology Park received the ISO45001 certification. We regularly conducted safety inspections, fire drills, and safety awareness campaigns to improve employees' safety awareness and emergency response skills.

Precaution	<ul style="list-style-type: none"> Conduct regular safety inspections, fire drills and enhance risk management measures for hidden safety hazards identified. Provide detailed guidance and training for employees in safety protection. Provide training to raise safety awareness on a regular basis.
Contingency Plan	<ul style="list-style-type: none"> Formulate special plans for fire accident, facilities failures for timely response for incident occurrence.
Daily Routine	<ul style="list-style-type: none"> Implement regular epidemic prevention and control measures to protect employees. Provide physical therapy room within the Park where offices are located. Select ergonomic and high-quality office supplies to enhance the comfort of employees during daily work.

Employee Communication

Our success depends on employees' understanding how their work contributes to the company's overall strategy. We use a variety of channels to facilitate open and direct communication, including online forums, open forums with executives and employee engagement surveys.

Kingsoft Cloud is committed to creating an equal, open, and transparent workplace. We provide multiple communication channels for our employees. The standard channels of us include CEO mailbox, internal control and audit mailbox and supervision mailbox. Employees can report problems with real names or anonymously, then the department will address the concerns raised by employees in a prompt and organized manner. For daily communication and feedback, employees can report to the department head or Human Resource Business Partner (HRBP). In addition, we also regularly conduct internal engagement surveys to improve our management.



Employee Survey

We value each of our employee and we believe that our business success depends on employees understanding how their hard work contributes to our today's prosperity. In 2021, we conducted the engagement survey to collect feedback on our business, career opportunities, culture, leadership, employees and seek for improvements in these dimensions. We collected 1,469 validated questionnaires.

Guided by our survey results, we took well-directed measures and made improvements in three main aspects, which respectively were our corporate mission and vision, user-centred and talent development.

We encourage our employees to tell us their views through formal engagement channels and more informal conversations.

Investing in Our People

We are investing in our people to attract the diverse, innovative workforce. To help employees on their journey at Kingsoft Cloud, we are committed to providing the benefits, training and opportunities to support employees building their careers and developing skills. In 2021, we were recognized as one of the top employers by KNX, a well-known human resources service provider.

Compensation and Benefits

We believe that every employee's efforts deserve to be taken seriously. To ensure our salary level stay competitive in the market, the Company reviews and adjusts the salary system twice every year, with the increase ranges from 6%-30%. We also conduct annual industry salary research in collaboration with third-party professional agencies and continuously optimize our salary system.

To ensure a reasonable link between pay and performance, we conduct comprehensive and multi-level employee performance evaluations every half-year, including employee self-review, review by the direct leader and senior leader, and HR specialists.

The results will be used for deciding salaries and promotions.

In order to attract talent and drive the high-level performance of our employees, we have designed diversified forms of incentives based on our strategic plans and business scenarios of the Company.

We offer employees a diversity of benefits including paid leave, festival gifts, free physical examinations etc. Moreover, we have built a free fitness club to encourage our employees to exercise and have a better work-life balance and provide a nursing room for female employees to meet their demands.



Promotion and Development

Kingsoft Cloud encourages internal promotion and offer employees a dual career development path. Employees can either pursue a professional development path or seek to assume management roles as they advance with their careers. Employees are free to choose their path based on their own interests and career aspirations. Promotion decisions are based on comprehensive evaluations of individual applications, qualifications assessment and performance review results. We also offer official grievance channels for employees who find their evaluation results fail to represent their performance and address such cases fairly and transparently according to relevant procedures.

We offer diverse learning channels and development content to

all employees. With an eye on contributing the next generation of global leaders and innovators, our talent HR team create clear plans designed for different levels of employees. In addition, we also have Rotation Program (“活水计划”) and Mentorship Program to guide our talents towards career success. Further, we encourage employees to obtain external professional vocational certifications and cover the application fees for eligible employees.

Our talent development also addresses strategic training to broaden their thinking, drive efficient execution within a warm and inclusive culture. After each training, we will test the effect in various ways, and we will also send out the satisfaction questionnaire for making further improvements.

Table of Training Modules

Training Module	Program	Targeted Participants	Training Content
Management training	EMBA	Senior managers	Attend EMBA courses
	Middle Management Development Program	Middle managers	Overall leadership skills training including strategic management, communication skills, performance management, team management, human resource management, etc.
	New Manager Training Camp	New managers	Assist role-adapting through courses on communication skills, recruitment management, performance management, team management, etc.
	Departmental Training	All managers	Targeted team integration projects, management improvement projects, etc.
New employee training	"Start from Cloud. New employee training"	New employees	Orientation and introductions on · Products and business introduction · Company policies and regulations on human resources, IT, safety and compliance · Communication skills training
	"Start from Cloud-Lingyun Project"	Campus recruiting staff	The 1-year training aims to build all-round capabilities through various training courses.
	Management trainee Project	Management trainee	The 4-year training is divided into the rotational period, growth period and transition period with a focus on leadership and all-round management skills.
Professional training	"What you should know about Kingsoft Cloud"	All staff	Company and department introduction, industry analysis, knowledge of products, company policies and internal procedures etc.
	Product manager training	Product managers	Market analysis, product design, product functions, advertising and roadshow guidelines.
	Tailored training	Business-related positions	Professional skills such as financial knowledge, sales skills training etc.
Knowledge database	Online open courses	All staff	Open online course on cloud technology, products, general knowledge, etc.
Platform construction	E-learning platform	All staff	Provide functions such as course study, online examination, data analysis

Employee Activities

Diverse activities allow employees to work together in a fun, low-pressure setting. Ultimately, it creates an environment where leadership, friendship, and creativity can grow. To this end, various activities have been held in 2021 and we had great fun together.

First "Have Fun" Sports Competition

In May, we held our first sports competition with diverse fun activities. Employees spent quality relaxing time jumping ropes, kicking the shuttlecock and hula hooping, during which employees had fun with co-workers, increasing corporate cohesion in such sports competition.



King of Glory Competition

In September, we held our fifth electronic gaming. The combination of both online and offline competition lasted for 19 days, drawing 27 teams with enthusiasm. In Kingsoft Cloud, we believe that the glory comes from group effort. Such electronic gaming effectively promotes stronger cohesion among our employees and brings recreation during work.



Family Day

In June, over 200 families participated in our annual Family Day, which we celebrate together with the most important people in our lives. Our employees had fun with their children, spent quality time with their family and took time for themselves out of work.



Human Resources Statistics

1. Total Workforce

INDICATORS		2021	
		Number	Percentage
Total number of full-time employees worldwide		1,997	100%
By Gender	Male	1,451	73%
	Female	546	27%
By Age	Under 30 years old	573	29%
	Between 30 and 50 years old	1,420	71%
	Over 50 years old	4	0.2%

INDICATORS		2021	
		Number	Percentage
By Region	Mainland China	1,984	99.3%
	Hong Kong, Macao, Taiwan regions of China	3	0.2%
	International (outside China)	10	1%
By Employee Category & Gender	Management	96	5%
	Male	71	74%
	Female	25	26%
	Ethnic Minorities	5	5%
	Technical Staff	1,411	71%
	Male	1,184	84%
	Female	227	16%
	Ethnic Minorities	70	5%
	All other employees	490	25%
	Male	196	40%
	Female	294	60%
	Ethnic Minorities	35	7%

INDICATORS		2021	
		Number	Percentage
Foreign/Overseas Employees	Number of foreign employees	2	0.1%
	Number of oversea employees	10	0.5%
Employee Engagement Survey	Number of employees actively participating in the survey	1,666	83%
	Number of employees not participating in the survey	345	17%

Notes

1. We disclose the foreign/overseas employees based on the standard of SASB. Overseas refers to non-China regions.

Supply Chain Management



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Kingsoft Cloud seeks to grow alongside its supply chain partners based on active engagement, capacity building, promoting industry change through broad collaborations. We not only manage our supply chain in compliance with relevant laws and regulations, but also strive to minimize the negative impact on society and the environment.

Integrating and advancing responsible business practices in our supply chain help us to reduce risks and advance respect for human rights. We adopt a zero-tolerance attitude for human rights violations in the supply chain. We engage with suppliers that are committed to these same principles and suppliers are subject to these standards as a condition of doing business with us:

- 1 Prohibit the use of child labor and forced labor
- 2 Eliminate unlawful discrimination by employees to ensure equalization of job opportunities
- 3 Provide a safe and healthy working environment for employees
- 4 Respect employees' right to freely choose to participate in legal associations and trade unions

Our Suppliers

We have established internal policies, standards and implementation frameworks to guide our supplier business partners. The internal policies and programs include Measures for Procurement, Measures for Bid Invitation, Policy on Supplier Life Cycle Management, and Supplier Performance Evaluation Specifications to guide on supplier introduction, evaluation, rating and exit.

New Supplier Entry Procedure

New suppliers are assessed for numerous capabilities including their operational aspects, financial stability, product security and ESG performance. All suppliers are required to sign the "Supplier Survey", "Supplier Instructions" and "Cooperation Commitment Letter", complying with our green procurement and business ethics principles.

Supplier relationships are well managed where there are clear stipulations of responsibilities, deliverables, and relevant terms and conditions. The Company's supplier contracts incorporate comprehensive legal and operational clauses. For example, clauses of conflict minerals and intellectual property protection are included in the supplier contract.

Our supply base is comprised of the following categories: server software, security equipment, logistics cooperation, IPC resources, and general procurement. Service providers are required to provide social welfare guarantees for labors, and relevant professional qualifications. We strictly adhere to risk management, regularly perform supplier audits, controls and remediate identified risks, and stop cooperation with suppliers when necessary.

Evaluating Suppliers

To promote consistent quality delivery of our suppliers, we have established comprehensive evaluation and appraisal systems. We conduct quarterly evaluations for operation and maintenance providers, quarterly or semi-annual evaluations for server suppliers, and adopt the principle of merit-based admission, with reward and punishment measures and the exit mechanism. We require our suppliers to comply with all applicable local and international standards. Key ESG issues are integrated into our evaluation system, including quality of products and services, timely response for aftersales, operation compliance, as well as labor management and etc., to fully reflect the sustainability of suppliers in the long run. In addition, suppliers are required to comply with the terms of warranties in the contracts, such as no infringement on any third-party intellectual property rights, no violation of laws and regulations, including but not limited to UN, US and EU export controls and sanctions, assurance of content security, etc. Suppliers and its employees shall not access user

data or control user devices illegally to meet data compliance requirements.

The suppliers will be rated from level A to level C in terms of their performance in technology, products quality, overall scale and other factors in social and governance aspects. Incentives measures are offered to encourage high-quality suppliers with higher ratings and rectification measures are required for underperforming suppliers. The exit mechanism will be applied to those non-compliance suppliers or suppliers with insufficient remediations according to the relevant requirements. We provide necessary coaching and training during the rectification stage.

In 2021, we have identified a supplier that was not complied with our business ethics requirements. The cooperation with this supplier was terminated immediately, and alternative suppliers guaranteed a quality delivery.

Growing Together

We expect our suppliers to adhere to our sustainable development philosophy and hope that we can develop and progress together with suppliers. Our suppliers are provided with a wide variety of training courses, industry trends and knowledge sharing sessions. Also, we provide financing support during special times such as during the pandemic.

For new entrants

We make rectification requirements for suppliers according to on-site audit results and we conduct regular visits to monitor the progress once or twice a year.

We provide manufacturers with industry-standard solutions to help them improve product competitiveness and overall quality standards.

For long-term partners

A monthly quality reporting system is established to help suppliers examine potential quality deviation, send early warning and monitor quality improvement.

We carry out audits, workshops and other training and capacity building programs with core suppliers.

Supplier Conference

We invite business partners along our supply chain to participate in our weekly meetings held by various business lines if appropriate. We create such an opportunity to discuss each other's needs and where possible, share business forecast along the supply chain to help suppliers in storage, production, logistics etc. We also provide suggestions and standard solutions to the difficulties that our suppliers encounter.

In addition, semi-annual supplier conferences are held in January and July to:

- review the overall performance of our core suppliers
- align customer needs with suppliers' strategies and plans
- offer a platform for suppliers to discuss problems encountered during the cooperation and provides viable short-term and long-term solutions
- share industry-leading practices

Responsible Procurement

Green Procurement

Kingsoft Cloud is committed to ESG across its up-and-downstream suppliers. The environmental protection qualifications such as energy-saving certificates of equipment manufacturers, and the qualifications of recycling and scrapping of hazardous substances are applied in supplier selection criteria.

Equipment suppliers

Energy saving certificate and environmental label certification are required to provide.

Recycling Equipment Suppliers

The disposal qualification of waste electrical and electronic products is required to have.

Conflict Minerals Management

Kingsoft Cloud recognizes the importance of the responsible procurement of raw materials when sourced from regions experiencing political and social conflict. We have established an internal policy on conflict mineral management. To achieve this commitment, we implement and take necessary activities and measures to trace the origin of conflict minerals used in our products. We also require suppliers to abide by this commitment and conflict minerals clauses such as "Commitment to supply us with products free of conflict minerals" are included in our contracts with suppliers. Suppliers that fail to comply with the requirements face penalties including suspension or termination of the partnership.

Supplier Statistics

In 2021, Kingsoft Cloud cooperated with a total of 690 suppliers, among which 99.1% were located in mainland China and 0.9% were located in other countries and regions.

INDICATORS		2021
By geographical region (number)	Total number of suppliers	690
	Mainland China	650
	Hong Kong, Macao, Taiwan and Outside China	40
Percentage of suppliers signed agreements on commitment to the supplier code of conduct		100%

Community Engagement

Kingsoft Cloud's social investments are executed through corporate practices. We fully leverage our competitive advantage and resources to support public welfare, giving back to the community through practical and responsible actions.



Develop with Community

We work with our partners to help solve our community's most pressing challenges. For example, the torrential rain occurred around July 25, 2021, caused severe flooding across Henan province in parts of central China, forcing people to be relocated, leaving stations and roads submerged. In response to the urgent needs of disaster-stricken areas, where severe waterlogging, traffic disruptions, and power outages occurred due to such torrential rain, Kingsoft Corporation Limited together with Beijing Kingsoft Office Software, Inc., Seasun Entertainment and Kingsoft Cloud donated an aggregate of RMB 10 million in addition to our emergency supplies to support post-disaster reconstruction and help disaster relief as much as we could.

Also, we provide products and services to help healthcare institutions enhance their digitalization.

COVID-19 Response

The epidemic prevention and control measures have now been normalized. Kingsoft Cloud takes the following regular measures to protect the health of our employees:

- Disinfection of office areas, epidemic detection, and social distancing reminders to facilitate continuous management;
- Implement epidemic prevention and control measures such as temperature measurement, mask wearing, travel control, and isolation;
- Our front desk security precautions including epidemiological survey through health monitor app, traveling records through big data and epidemic close contact cases; and



2022 Outlook

As a responsible corporate citizen, Kingsoft Cloud believes that technology can prosper lives and we are always looking for ways to support efforts that align with our values. We focus our enterprise-wide efforts on creating changes and impact through the power of our stories.

As we look ahead to 2022 and beyond, we will continue to strengthen our commitments through operations, improve our ESG governance, attract and retain the best talents, encourage positive actions on climate through reducing carbon footprint, and work with our partners to scale solutions that help create a sustainable society and planet



Appendix

About this Report

Reporting Scope

This is the second Environmental, Social, and Governance (ESG) Report published by Kingsoft Cloud Holdings Limited ("Kingsoft Cloud", the "Company", "we"). This Report sets out to present, on an objective and fair basis, the ESG performance of Kingsoft Cloud, its subsidiaries and consolidated variable entities and their subsidiaries in 2021. Unless otherwise specified, this report does not include the information for Camelot Employee Scheme Inc., which we acquired in September 2021. This report focuses primarily on fiscal year 2021 activities, and the reporting period is primarily from 1 January to 31 December 2021 ("the reporting period" or "this year"). This may, however, include certain information beyond this period for the comparability and completeness of this report.

Alignment to Reporting Frameworks

The report leverages reporting frameworks and standards such as the Global Reporting Initiative (GRI) Standards, Sustainable Accounting Standards Board (SASB) Standards for Software & IT Services, Hong Kong Exchanges and Clearing Limited (HKEX) Environmental, Social and Governance Reporting Guide and the Nasdaq Reporting Guide.

Access to the Report

This Report is available in English at the website of Kingsoft Cloud at <http://ir.ksyun.com>. If you have any comments or suggestions related to the ESG management of Kingsoft Cloud, please contact us via email at ksc-ir@kingsoft.com. We look forward to receiving your valuable inputs.