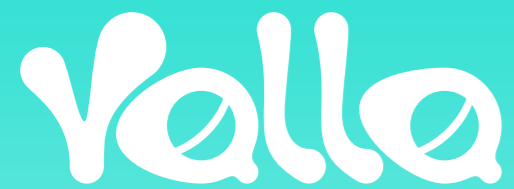




www.yalla.com

ENVIRONMENTAL,
SOCIAL &
GOVERNANCE REPORT **2022**
YALLA GROUP LIMITED
(NYSE: YALA)



2022 Environmental,
Social and Governance Report



CONTENTS



2	About this Report
4	About Yalla Group
8	Letter from Our CEO
9	Letter from Our President
10	Responsible Governance
12	Corporate Governance
18	ESG Governance
24	Environment
26	Yalla's Response to Climate Change
28	Green Office
29	Cases
30	Trust
32	Information Security
37	Supply Chain Management
38	Intellectual Property
40	Our People
42	Diversity, Equality and Inclusion
44	Employee Care
46	Employee Development
48	Our Community
50	Yalla Community
55	Community Engagement
57	Appendix
57	Appendix 1
58	Appendix 2
59	Appendix 3

ABOUT THIS REPORT

We are proud to present our second Environmental, Social, and Governance Report (hereinafter called “the Report”) for the year 2022, to highlight our corporate vision, beyond financial achievements.

We aim to offer stakeholders a clear, transparent, and comprehensive review of our sustainability performance in this report. The content of the Report has been defined through a meticulous materiality process involving all stakeholders which are explained in detail in the body of the Report.



The Report covers our environmental, social, and governance performance for the year 2022. We have published the Report on a yearly basis since 2021.

YEAR



Some disclosures showcase performance across the years 2022, 2021, and 2020, highlighting significant developments.

COMPARABLE DATA

For any comments or suggestions related to the Report, please contact us via email at esg@yalla.com. We look forward to receiving your valuable inputs.



The Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards.

GRI ACCORDANCE



The Report also aligns with the United Nations Sustainable Development Goals (SDGs) and Task Force on Climate-Related Financial Disclosures (TCFD) framework.

ALIGNMENTS



All monetary values in the Report are expressed in U.S. dollars unless otherwise stated.


MONETARY VALUES



Readers and all stakeholders can find the English and Arabic versions of the Report at our official website (<https://www.yalla.com/>).


CONTACT POINT

ABOUT YALLA GROUP




MISSION

Provide localized online social networking and entertainment activities



VISION

Build the largest destination for online social networking and entertainment activities in MENA¹



VALUES

Multicultural
Understanding, User First, Simple, and Target

¹ MENA refers to the Middle East and North Africa region, including Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Malta, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, Western Sahara, Yemen and others, in total 21 countries. Data source: The World Bank & Wikipedia.

Yalla Group Limited is the largest MENA-based online social networking and gaming company, in terms of revenues in 2022.

We operate two flagship mobile applications, Yalla, a voice-centric group chat platform, and Yalla Ludo, a casual gaming application featuring online versions of board games, popular in MENA, with in-game voice chat and localized Majlis functionality.

Building on the success of Yalla and Yalla Ludo, we continue to add engaging new content, creating a regionally-focused, integrated ecosystem dedicated to fulfilling MENA users' evolving online social networking and gaming needs.

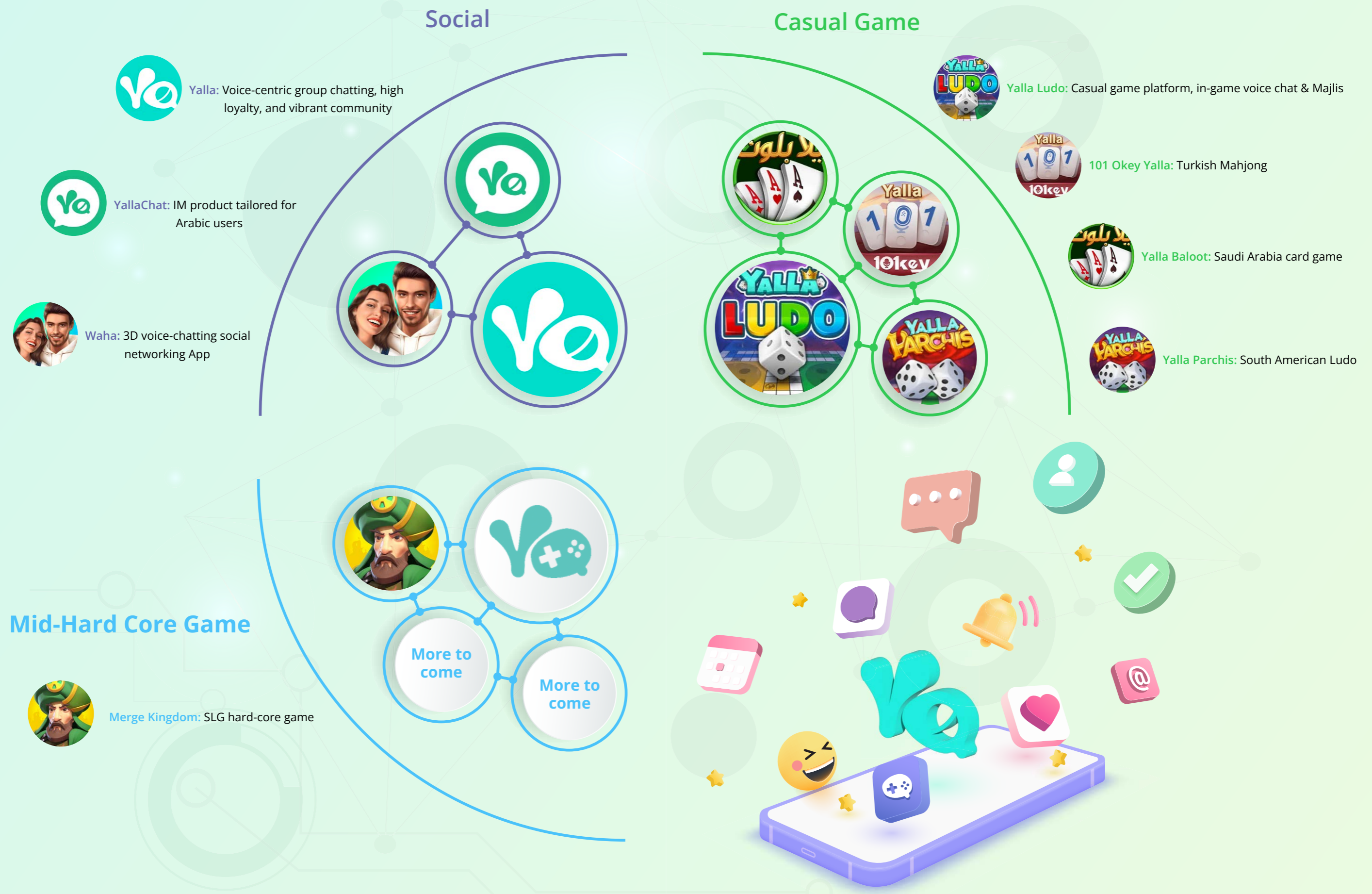
Through its holding subsidiary, Yalla Game Limited, we have expanded our capabilities in mid-core and hard-core games in the MENA region, leveraging our local expertise to bring innovative gaming content to users.

In addition, our growing Yalla ecosystem includes YallaChat, an IM product tailored for Arabic users; Waha, a social networking product featuring 3-D avatars; and casual games such as Yalla Baloot and 101 Okey Yalla, developed to sustain vibrant local gaming communities in MENA. We are also actively exploring outside of MENA with Yalla Parchis, a Ludo game designed for the South American markets.

Our mobile applications deliver a seamless experience that fosters a sense of loyalty and belonging, establishing highly devoted and engaged user communities through close attention to detail and localized appeal that profoundly resonates with users.



Our Integrated Ecosystem



LETTER FROM OUR CEO

Welcome to Yalla Group's 2022 Environmental, Social, and Governance (ESG) Report.

The MENA region has developed rapidly in 2022. We are pleased to see more and more industry professionals and investors from around the world beginning to show interest in the region, making the acceleration of MENA's development possible. Meanwhile, the MENA region is also embracing opportunities for collaboration from around the world.

As the "No. 1 MENA-based online social networking and gaming company", we are strongly committed to this market and have developed a deep understanding of its unique advantages and user needs. We continue to steadily expand our investments in research and development to explore new products and verticals, while also promoting the sustainable development of Yalla Group and the local communities we are engaging with, amid the digital transformation.

It is my pleasure to present Yalla Group's second Environmental, Social, and Governance Report, showcasing our performance across economic, social, governance, and environmental practices for the year 2022.

Although 2022 was a challenging year, we firmly executed our "quality growth" strategy while capably adjusting to the market dynamics and encouragingly, we delivered year-over-year growth in terms of revenue. The solid growth momentum in revenue became a motivator and assurance for us to pursue our ambition in ESG considering the macroeconomic headwinds.

Looking ahead, in 2023, we will closely monitor market trends and upcoming prospects, and continue to leverage our deep local insights to broaden our business horizons as well as sustainability capabilities. Once again, our vision is to build the most popular destination for online social networking and entertainment activities in MENA, and we remain steadfast in our pursuit of this goal.

As we look back on another successful year, we take this opportunity to renew our invitation to all stakeholders to continue to engage with us on our open and ongoing sustainability conversation and welcome everyone's feedback.

Best regards,

Tao YANG,
Founder, Chairman, and Chief Executive Officer

LETTER FROM OUR PRESIDENT

I am pleased to present Yalla Group's 2022 ESG report. This report is an integral part of our ongoing dialogue with stakeholders.

This is our second Environmental, Social, and Governance Report since 2021. It continues to represent our sustainability position and future pathway and is based on engagement with our many partners and stakeholders, along with industry experts.

Our sustainability initiatives similarly evolved over the last year. Since 2021, when we launched our inaugural sustainability report, where we have refined our focus and priorities around Environmental, Social, and Governance factors. We have also developed clear plans, partnered with stakeholders, and acted to operate our businesses in increasingly responsible ways.

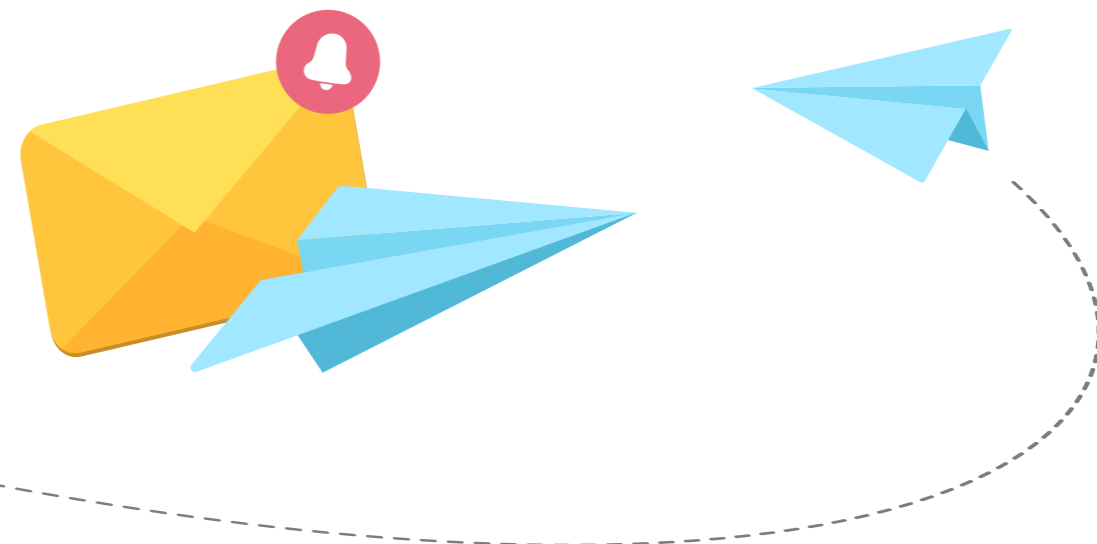
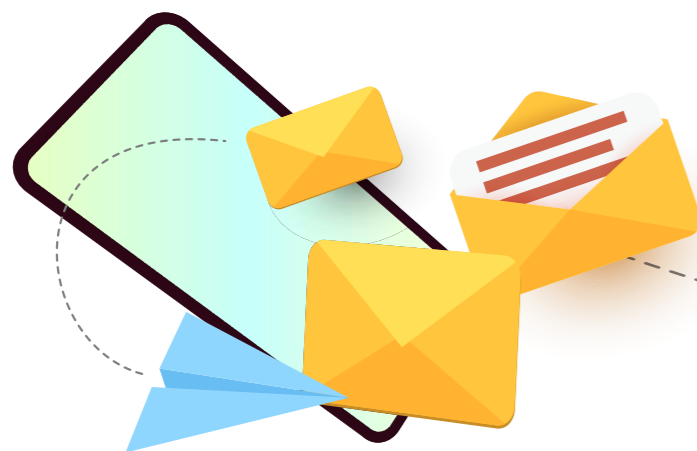
We are aware that sustainability is a journey that requires every department, team, and individual to play an active role. In 2022, we took new ESG initiatives designed to accelerate our growth in areas that are most pertinent to emerging sustainability opportunities and challenges. Although ESG has long been a key element of Yalla's success, our new strategy sets a clear pathway forward aligned with current market conditions and stakeholder expectations.

While 2022 was a year full of challenges, we successfully maintained stable development of economic sustainability and ESG. Yalla aspires to become the No. 1 online social networking and gaming platform in MENA, and as always, we remain dedicated to fulfilling our commitment to serving MENA users' evolving needs in this field.

As we witness more and more conversations taking place between global stakeholders and this region every day, we are firmly convinced that the next five years will be crucial in MENA's digital transformation. With our strong business fundamentals and outstanding product portfolio across social networking and gaming, we are well-positioned to capitalize on potential growth opportunities. We look forward to delivering value to all of our stakeholders as we strive to achieve our mission.

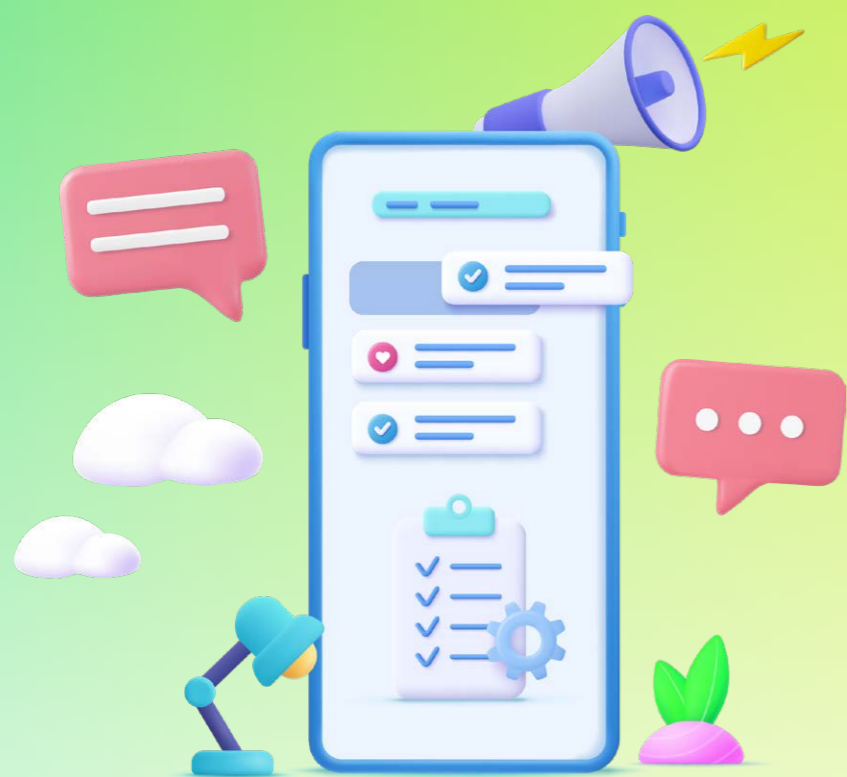
Best regards,

Saifi ISMAIL
Director and President



RESPONSIBLE GOVERNANCE

We believe that responsible governance reflects in both corporate governance and ESG governance. At Yalla Group, we are committed to best practices for corporate governance, risk management, ethical behaviors, and sustainable procurement, and meanwhile, we spare no effort to continuously improve our ESG governance and integrate our sustainability aspirations with corporate business strategy and goals.



CORPORATE GOVERNANCE



GOVERNANCE MECHANISM

We are a Cayman Islands holding company and conduct our operations mainly through our operating subsidiaries in the United Arab Emirates and China. We strictly abide by the applicable laws and regulations of the different countries and regions in which we operate.

At the same time, as the first UAE technology company listed on the New York Stock Exchange (NYSE), we also comply with the regulatory requirements of the U.S. Securities and Exchange Commission (SEC) and the NYSE for listed companies.

BOARD AND BOARD COMMITTEES

Our board of directors currently consists of seven directors, including four independent directors and three executive directors.

Under Cayman Islands law, our directors have a fiduciary duty to act honestly in good faith with a view to our best interests. Our directors also have a duty to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. A shareholder has the right to seek damages if a duty owed by our directors is breached.

The functions and powers of our board of directors include, among others:

conducting and managing the business of our company;	representing our company in contracts and deals;	appointing attorneys for our company;	select senior management such as managing directors and executive directors;
providing employee benefits and pension;	managing our company's finance and bank accounts;	exercising the borrowing powers of our company and mortgaging the property of our company; and	exercising any other powers conferred by the shareholders meetings or under our memorandum and articles of association, as amended and restated from time to time.

Board Changes in 2022

In 2022, Mr. Mohamed Al Ghanim was appointed as an independent director to the Company's board of directors and a member of the Nominating and Corporate Governance Committee. Upon Mr. Al Ghanim's appointment, the Board accepted Mr. Osman Sultan's resignation. Mr. Osman Sultan resigned from the Board as an independent director and a member of the Nominating and Corporate Governance Committee to focus on his other professional obligations.

On behalf of the Board, Tao Yang, Chairman of the Board and Chief Executive Officer, expressed sincere appreciation to Mr. Osman for his service to the Board and his contributions to the Company.

Mr. Al Ghanim is a renowned telecommunications expert with an extensive regulatory background. He is the founder and ex-director general of the


UAE Telecommunications and Digital Government Regulatory Authority ("TDRA"). From 2004 to 2018, Mr. Al Ghanim led the TDRA to successfully design and implement a regulatory framework for the sector. He also improved UAE's global competitiveness in the telecom sector by promoting technical skills and national human capital. In addition to his work at the TDRA, Mr. Al Ghanim has held noteworthy positions across the industry including Vice-Chairman of the UAE Information and Communications Technology Fund from 2006 to 2009, Chairman of the UAE Institute for Advanced Science and Technology from 2006 to 2009, and Board member of National Media Council from 2008 to 2010. Mr. Al Ghanim received a B.A. in Engineering with excellence and honors from Khalifa University in 1994. Currently, he serves as a Senior Partner in Alpha Alliance Consultancy Company, a Board Member of Flash Entertainment, and a Member of the Audit Committee of Abu Dhabi Motorsports Management.

Board Committees

Our board of directors has established an audit committee, a compensation committee, and a nominating and corporate governance committee.

Below is a summary of our committee and membership structure.

Yalla Group's Committee Structure and Membership Information

	 Audit Committee	 Compensation Committee	 Nominating and Corporate Governance Committee
Tao Yang		Chair	Chair
Saifi Ismail			Member
Jianfeng Xu		Member	
Saeed Al Hamli	Member		
Mohamed Al Ghanim			Member
David Cui	Chair	Member	
Lili Xu	Member		

Audit Committee

The audit committee oversees our accounting and financial reporting processes and the audits of our financial statements.

Our audit committee is responsible for, among other things:

- » selecting the independent auditor;
- » pre-approving auditing and non-auditing services permitted to be performed by the independent auditor;
- » annually reviewing the independent auditor's report describing the auditing firm's internal quality control procedures, any material issues raised by the most recent internal quality control review, or peer review, of the independent auditors and all relationships between the independent auditor and our company;
- » setting clear hiring policies for employees and former employees of the independent auditors;

- » reviewing with the independent auditor any audit problems or difficulties and management's response;
- » reviewing and, if material, approving all related party transactions on an ongoing basis;
- » reviewing and discussing the annual audited financial statements with management and the independent auditor;
- » reviewing and discussing with management and the independent auditors major issues regarding accounting principles and financial statement presentations;
- » reviewing reports prepared by management or the independent auditors relating to significant financial reporting issues and judgments;
- » discussing earnings press releases with management, as well as financial information and earnings guidance provided to analysts and rating agencies;

- » reviewing with management and the independent auditors the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on our financial statements;
- » discussing policies with respect to risk assessment and risk management with management, internal auditors and the independent auditor;
- » timely reviewing reports from the independent auditor regarding all critical accounting policies and practices to be used by our company, all alternative treatments of financial information within U.S. GAAP that have been discussed with management and all other material written communications between the independent auditor and management;
- » establishing procedures for the receipt, retention and treatment of complaints received from our employees regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters;
- » annually reviewing and reassessing the adequacy of our audit committee charter;
- » such other matters that are specifically delegated to our audit committee by our board of directors from time to time;
- » meeting separately, periodically, with management, internal auditors, and the independent auditor; and
- » reporting regularly to the full board of directors.

Compensation Committee

Our compensation committee is responsible for, among other things:

- » reviewing, evaluating and, if necessary, revising our overall compensation policies;
- » reviewing and evaluating the performance of our directors and senior officers and determining the compensation of our senior officers;

- » reviewing and approving our senior officers' employment agreements with us;
- » setting performance targets for our senior officers with respect to our incentive – compensation plan and equity-based compensation plans;
- » administering our equity-based compensation plans in accordance with the terms thereof; and
- » such other matters that are specifically delegated to the remuneration committee by our board of directors from time to time.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees.

The nominating and corporate governance committee is responsible for, among other things:

- » selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- » reviewing annually with the board the current composition of the board with regard to characteristics such as independence, knowledge, skills, experience, and diversity;
- » making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- » advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.



RISK MANAGEMENT

Yalla's Board of Directors prioritizes risks, and the Audit Committee's supervision and responsibilities with respect to risk assessment and risk management form key components of the Company's overall risk-management protocol.

On a day-to-day level, management guides all relevant departments on how to implement risk management systems and responsibilities to ensure that our Company's business risks are fully understood and securely managed.

Risk Management System

Yalla's Internal Audit and Compliance team is responsible for periodically assessing the risks associated with our businesses. The team is independent of other departments and reports directly to the Audit Committee.

The internal Audit and Compliance team identifies and analyzes the internal and external risks of Yalla and each department, while management optimizes risk control initiatives, as part of the Company's efforts to strengthen risk control capabilities.

Risk Assessment Process

- » The Internal Audit and Compliance team performs risk assessment and identifies risks and control measures
- » Based on the results of the risk assessment, the Internal Audit and Compliance team develops the scope and content of the audits
- » Preparation of the annual work plans and report for the Audit Committee and senior management

CODE OF BUSINESS CONDUCT AND ETHICS

Our Code of Business Conduct and Ethics applies to all of the directors, officers, employees and advisors of the Company, whether they work for the Company on a full-time, part-time, consultative, or temporary basis.

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics, and it describes the set of standards, values, and expectations which we have for each of our directors, officers, employees, and advisors regarding:

- » Compliance with laws, regulations and policies
- » Conflicts of interest
- » Corporate opportunities
- » Corporate assets and confidential information
- » Competition and fair dealing
- » Gifts and entertainment
- » Company records
- » Accuracy of financial reports and other public communications
- » Prohibition of insider trading
- » Public communications and prevention of selective disclosure
- » Environment
- » Harassment and discrimination

EDUCATION ON THE CODE OF BUSINESS CONDUCT AND ETHICS

We take a proactive stance on educating our employees to recognize appropriate behaviours and prohibited conduct.

After a comprehensive onboarding process, our employees are regularly reminded of our internal guidelines and policies through training and other channels. We have also established various procedures for employees to provide open feedback and raise concerns through confidential internal reports.

New Employee Onboarding

All new employees go through a comprehensive set of induction and orientation training. These sessions are aimed at introducing our company history, values, operations, welfare, policies, and guidelines including our ethical standards on anti-corruption and other compliance knowledge.

Team-Specific Trainings

There are certain teams that deal with confidential data and information on a day-to-day basis. We proactively conduct regular training sessions for these teams on the governing policies around the appropriate behaviors under our Code of Conduct and the handling of sensitive information.

Other Channels and Regular Reminders

Our code of business conduct and ethics can be found on our website to all our employees. We also included anti-corruption-related standards in our employee manual. We regularly engage our employees and share reminders about our policies through enterprise communication and collaboration platforms and conduct integrity-related tests from time to time.

SUSTAINABLE PROCUREMENT

We consider sustainability aspects in procurement decisions and select suppliers in a transparent and fair manner.

We have established and managed the integrity of our supply chain across three key aspects:

System Establishment

We formulated the System for the Management of Commercial Procurement, putting forward explicit requirements regarding procurement discipline, including measures that prohibit kickbacks and bribes, and ensure that employees actively avoid establishing any economic relationship with suppliers. We have also segregated employee duties in the procurement management process, to establish a system in which each position performs its own duties, has its own responsibilities, and mutually restricts other positions.

Process Control

The management system described above strictly subjects all aspects of the procurement process to decentralized management, including request approval, order application approval, contract approval, and purchase acceptance, among other processes. In addition, employees at different levels in different departments are responsible for matters that correspond to their respective fields.

Contract Constraints

We have incorporated anti-commercial bribery clauses into our contracts to restrict unfair commercial competition; and at the same time, we have set up an open mailbox to accept any feedback from our partners.

We state the e-mail address of our compliance team (compliance@yalla.com) in all important contracts and declare that if any party or any employee detects any behaviour that could be considered commercial bribery in accordance with applicable laws and regulations, they are required to report the matter to this email address or take other legal measures according to the specific situation.

In 2022, we strictly complied with the legal and regulatory requirements related to anti-corruption, and there where no significant legal cases raised which involved corruption.





ESG GOVERNANCE




At Yalla Group, we fully recognize the importance of sustainable development and hope to gradually strengthen our ESG responsibilities by continuously improving ESG governance and providing transparent disclosures. In 2022, we formally established an ESG working group to coordinate and review ESG work, improve our transparency in the field of ESG, and gradually realize our ESG vision.

Stakeholder Communication

In the past year, we have strengthened the communication with our stakeholders, and collected their expectations through a standardized, multi-channel communication mechanism to better respond to their ideas and concerns in a timely and effective manner.

Yalla Group's Stakeholder Communication Mechanism

Stakeholders	Expectations and Needs	Communication and Feedback
 Employees	<ul style="list-style-type: none"> Employment and labor practices Diversity and equal opportunity Employee benefits and welfare Career development Occupational health and safety 	<ul style="list-style-type: none"> Labor contracts Employee handbook Employee interviews Performance evaluations Education and training Corporate office automation (OA) platform Complaint and feedback mailbox
 Shareholders and Investors	<ul style="list-style-type: none"> Financial performance Compliance management Anti-corruption measures Intellectual property protection and technological innovation 	<ul style="list-style-type: none"> General meeting of shareholders Circulars and announcements Investor interaction platforms such as the official website Other regular and irregular communication (telephone calls, emails, etc.)
 Users	<ul style="list-style-type: none"> Information and data security User privacy protection User relationship management Product health and safety Accessibility to data and services Responsibility for content 	<ul style="list-style-type: none"> Customer services Other irregular communication (telephone calls, emails, etc.)
 Suppliers and Partners	<ul style="list-style-type: none"> Supply chain management Anti-corruption measures 	<ul style="list-style-type: none"> On-site audits Project acceptance and quarterly evaluations Other irregular communication (telephone calls, emails, etc.)

Stakeholders	Expectations and Needs	Communication and Feedback
 Government and Regulatory Agencies	<ul style="list-style-type: none"> Corporate governance Compliance management Employee rights and guidelines Intellectual property protection and technological innovation Information and data security Climate change Resource utilization and pollution prevention Community investment 	<ul style="list-style-type: none"> Regular and irregular communication (telephone calls, emails, etc.)
 Industry Associations and Companies in the Same Industry	<ul style="list-style-type: none"> Financial performance User relationship management Intellectual property protection and technological innovation 	<ul style="list-style-type: none"> Exhibitions Other irregular communication (telephone calls, emails, etc.)
 Communities and Society	<ul style="list-style-type: none"> Community investment Product health and safety 	<ul style="list-style-type: none"> Charity projects Other irregular communication (telephone calls, emails, etc.)

INVESTING IN HUMANITY: Yalla Shares Its Unicorn Story at FI Institute's Sixth Future Investment Initiative

In October 2022, Yalla Group was invited to attend the Future Investment Initiative (FI) Institute's sixth Future Investment Initiative, titled "Investing in Humanity: Enabling a New Global Order." Held in Riyadh, Saudi Arabia, the event convened the world's foremost CEOs, policymakers, investors, and entrepreneurs to discuss and shape the future of international investment and the global economy, including in-depth conversations about new pathways for global investment and analysis of critical industry trends.

Yalla Group was featured on the "From Seed to Unicorn: Empowering Youth Entrepreneurship" panel, moderated by Massimo Mazza, a senior partner in McKinsey & Company. The panel discussion revolved around how youth entrepreneurs' ambitions are reshaping industries, how taking entrepreneurial risks is important, and how governments and business leaders can play a critical role in developing youthful talent to propel innovation. Yalla Group focused on the intersection of innovation, entrepreneurship, youth, and talent in Middle East and North Africa region (MENA) region's internet industry while sharing Yalla's journey with the local and international investment community.



MATERIALITY ASSESSMENT FOR ESG MATTERS

In 2022, we conducted a materiality assessment for ESG matters. To perform this assessment, we considered our own development direction, feedback from various stakeholders, and the opinions of external experts. We also extensively referenced best practices and hotspots in the industry, domestic and international sustainable development standards, and ESG rating indicators in the capital market.

In assembling the Report, we focused on the opinions of internal stakeholders. Various stakeholders, from members of management team to employees from different departments were invited to assess 28 ESG matters using a questionnaire format. We ranked the importance of the 28 matters by two relevant criteria: importance to stakeholders and importance to Yalla Group's operations and management, and then we classified them as high, medium, and low importance, and presented them in the materiality matrix below. In our list, we focus on social issues such as employee management, user relationship management, information and data security, accessibility to data and services, intellectual property and innovation, anti-corruption measures, and environmental matters.

In the future, we will continuously review and update our pool of ESG matters by integrating views from various parties, and we will also plan to invite external stakeholders to participate. The results of this process will help us adjust our business management strategies and improve our performance across the environmental, social and governmental practices.

Material Matters Assessment Process for Yalla Group's 2022 ESG Report

01 Identification and Screening of ESG Matters

To form our ESG topic pool, we referred to the Global Reporting Initiative (GRI) standards, Sustainability Accounting Standards Board (SASB) standards, United Nations (UN) Sustainable Development Goals (SDGs), and other domestic and international sustainability-related requirements, as well as industry hotspots. We also referred to the views of mainstream rating agencies such as S&P DJSI (S&P Dow Jones), Refinitiv and MSCI, in combination with our operational practices, the opinions of external experts and feedback from various stakeholders. Based on adequate and prudent analysis, we formed Yalla Group's ESG topic pool.

02 Stakeholder Engagement

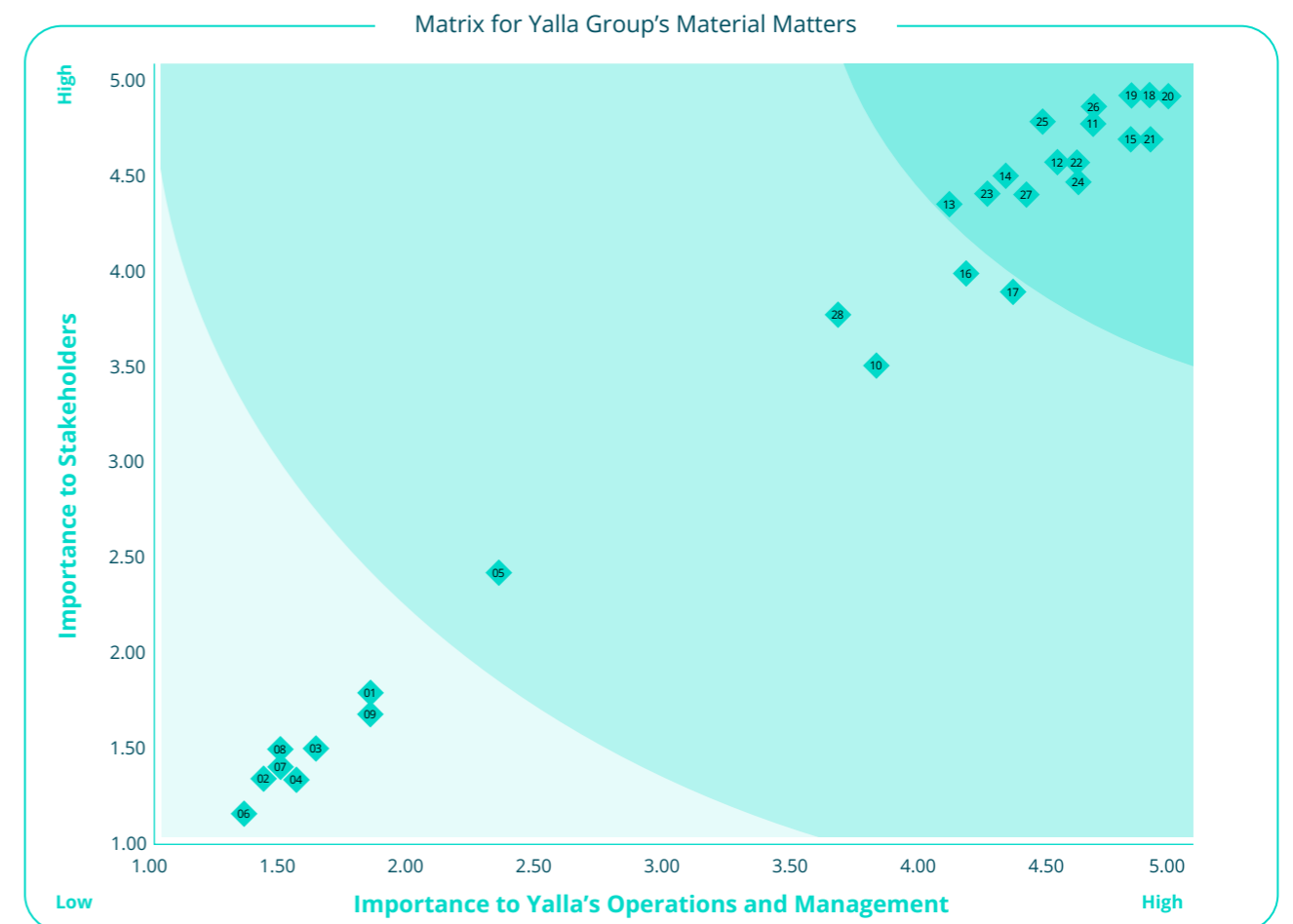
We distributed a questionnaire for internal stakeholders that combines scoring and ticking, and we sincerely communicated with representatives of different departments. Following sorting and analysis, we obtained the final survey results, and we calculated an overall score for how satisfied internal stakeholders were with respect to Yalla Group's sustainable development. The score was 4.14 (out of 5), which is relatively high.

03 Confirmation of Material Matters

Based on the results of the questionnaire and considering the importance of various matters to stakeholders and the company, we evaluated the 28 ESG matters and generated a matrix of material ESG matters from the perspectives of "long-term development", "management improvement", "urgency of investment" and "risk control".

In 2022, the results of Yalla Group's material matters were as follows:

Yalla Group's 2022 Material ESG Matters			
Low Materiality	Medium Materiality	High Materiality	
01 Greenhouse Gas Emissions	05 Indirect Energy	11 Employment and Labour Practices	21 Accessibility to Data and Services
02 Hazardous Waste Generation	10 Diversity and Equal Opportunity	12 Employee Benefits and Welfare	22 Responsibility for Content
03 Generation of Non-hazardous Waste	16 Supply Chain Management	13 Occupational Health and Safety	23 Growth with Providers
04 Wastewater Discharge	17 Product Health and Safety	14 Development and Training	24 Intellectual Property Protection and Technological Innovation
06 Direct Energy	28 Community Investment	15 Employee Rights and Guidelines	25 Promotion and Marketing
07 Water Resources		18 Information and Data Security	26 Anti-corruption Measures
08 Potential Impact of the Environment and Natural Resources on the Company		19 User Privacy Protection	27 Economic and Social Value of Business Activities
09 Climate Change		20 User Relationship Management	




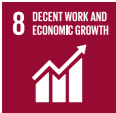









Implementing the Global Sustainable Development Goals (SDGs)

The United Nations officially approved the 2030 Agenda for Sustainable Development in September 2015, proposing 17 Sustainable Development Goals (SDGs) in the areas of poverty reduction, health, education, and environmental protection, and calling for global cooperation in achieving the common targets in the next 15 years. The SDGs aim to harness the power of coordinated action to eradicate poverty, protect the planet and ensure that mankind enjoys peace and prosperity.

In 2022, we comprehensively sorted out and examined how our operations relate to the 17 SDGs and then we carried out actions that focused on four targets: industry, innovation and infrastructure; responsible consumption and production; peace, justice and strong institutions; and partnerships for the goals. During this year, we worked together with all stakeholders to achieve these universal goals.

Yalla Group's Responses to the UN SDGs

Relevant SDGs	Our Actions
	<p>Goal 3 Good Health and Well-being</p> <p>We care for the lives, safety and health of our employees; employees can work from home during the COVID-19 pandemic. We comprehensively protect the safety of our employees through various measures such as annual physical examinations, supplementary medical insurance, and first aid kits.</p>
	<p>Goal 4 Quality Education</p> <p>We provide training using a variety of methods and channels, and help employees continue to improve themselves through training and progress, scientific evaluation, and promotion and development.</p>
	<p>Goal 5 Gender Equality</p> <p>We comply with the principle of gender equality; eliminate gender discrimination in employment, promotions, and other respects; and protect the legitimate rights and interests of female employees.</p>
	<p>Goal 8 Decent Work and Economic Growth</p> <p>We help promote local economic development by paying taxes and providing employment; and we maintain fairness and equality in our recruitment processes and ensure equal employment opportunities for candidates.</p>

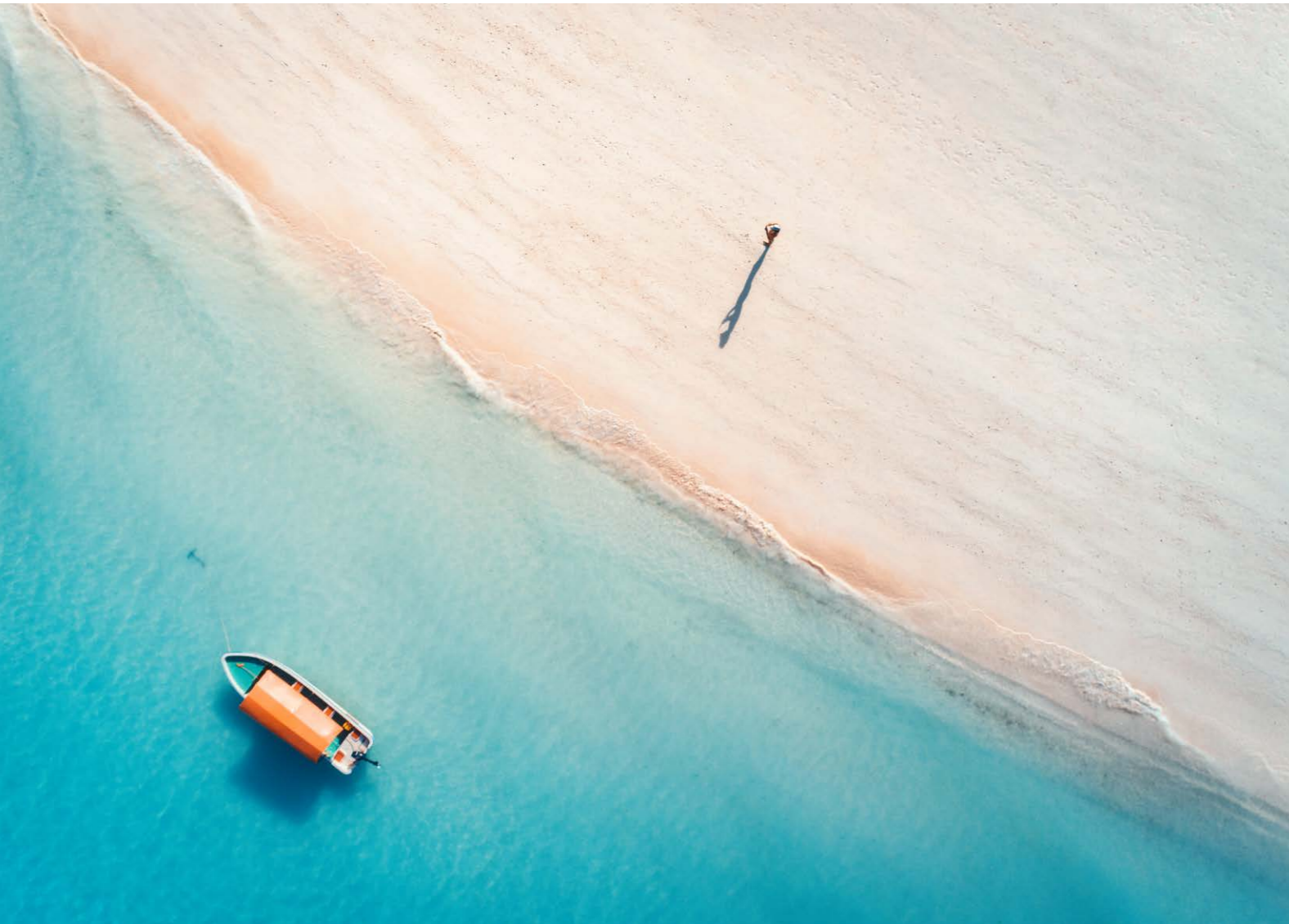
Relevant SDGs	Our Actions
	<p>Goal 9 Industry, Innovation and Infrastructure</p> <p>We are committed to innovation and to building a rich product system. In 2022, our technology and product development expenses were US\$24.6 million, which increased by 72% from US\$14.3 million in 2021.</p>
	<p>Goal 10 Reduced Inequalities</p> <p>We strictly forbid child labour and forced labour. We adhere to the principles of equality, inclusion, and diversity, and resolutely oppose any form of discrimination and inequality.</p>
	<p>Goal 12 Responsible Consumption and Production</p> <p>We are dedicated to developing high-quality and reliable products, improving user experience, and building a healthy and highly interactive Yalla community.</p>
	<p>Goal 13 Climate Action</p> <p>We fully implement the green office concept, strive to improve our resource utilization, and pursue sustainable green operations and development.</p>
	<p>Goal 15 Life on Land</p> <p>We work with all stakeholders to promote environmental protection. In 2022, in addition to adhering to green operations, we also organized a lot of online activities in the Yalla Community to educate our users about environmental conservation.</p>
	<p>Goal 16 Peace, Justice and Strong Institutions</p> <p>We are steadily working to strengthen compliance governance and respect business rules. We have zero tolerance towards corruption and business ethics violations.</p>
	<p>Goal 17 Partnerships for the Goals</p> <p>We actively cooperate with the government and strive to contribute to the development of the UAE's digital economy. For example, we are a partner of National Program for Coders project in UAE.</p>

ENVIRONMENT

The key topic of discussion in this section is green operations. In alignment with the principle of sustainable development, Yalla continuously pays attention to environmental protection, although we are an internet company with no significant ecological footprint. Based on this philosophy, we actively explore green operation practices and implement energy-saving and carbon-reduction measures to protect the green home.



YALLA'S RESPONSE TO CLIMATE CHANGE



To enhance the ability to cope with climate change, Yalla conducted a scenario analysis concerning the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures) framework, identified the transformation risks and physical risks that climate change may cause to the group, and proposed corresponding measures.

TRANSMISSION RISKS

Type	Description	Countermeasures
Policy and Legal	More stringent obligations for reporting emissions and requirements for compliance	Achieve meticulous management for each process of energy use and improve the data collection and disclosure system of carbon emissions.
Technology	Failed investments in immature new technologies	Before fully considering the compatibility of new technologies with Yalla's business, conduct a thorough evaluation of the new technologies.
	Front-End Expenses of Technology Transformation	Carefully arrange the replacement of new equipment and increase the proportion of renewable energy usage.
Market	User's favoring of green principles and environmental conservation ideas	Follow market preferences closely and increase the green and environmental elements in Yalla's products.
	Procurement costs rise	Consider using clean energy as a criterion when selecting suppliers and maintain an open dialogue with them while keeping costs in check.
Reputation	Customer preferences change	Listen to customers in a timely manner and understand their changing preferences. Increase corresponding green products according to their preferences.
	Negative public perception of companies' environmental impact	Engage with stakeholders to understand their concerns and expectations regarding climate-related risks and the company's management of these risks. Be transparent about Yalla's climate-related risks and how we plan to manage them.


PHYSICAL RISKS

Type	Description	Countermeasures
Acute	Extreme weather events, natural disasters, and sudden supply chain disruptions	Implement the normalization of climate monitoring and make adequate preparations for possible hazards in advance.
Chronic	Sea level rise, chronic water shortages, and increased frequency of extreme weather events	Developing a long-term strategy that integrates climate considerations into our business strategy and planning processes.

GREEN OFFICE

We are committed to improving the capabilities of green office management by utilizing resources efficiently and reducing consumption in all aspects of our daily work to protect the environment. As an internet company that provides users with online products, we have strengthened employee understanding of environmentally-friendly offices by continuously practicing the principles of water conservation, paperless offices, and resource reduction in our company operation.

Our dedication to creating an environmentally sustainable company is reflected in our ongoing efforts to improve our eco-friendly practices. We remain steadfast in our commitment to take tangible steps towards achieving this goal.




WATER

At Yalla Group, we have implemented strict measures to prevent dripping or leaking and ensure proper water usage. Additionally, to raise awareness among employees, we have placed signs with water conservation messages near all the water facilities in the office.


We use touchless faucets and repair faulty faucets promptly to reduce unnecessary water waste.

The sewage generated from our daily operations is properly disposed of by routing it to the city's sewage system for appropriate treatment.



ELECTRICITY

We remain committed to advancing the efficient management of electricity usage. In addition to prioritizing the purchase and use of energy-efficient products, we also have special personnel to check the electricity consumption in the office after getting off work to avoid energy waste. Meantime, reminders have been posted throughout the office to prompt employees to turn off the power when leaving the office and meeting room in time.




WASTE


We have developed a detailed treatment process for waste recycling. In all our offices, waste is classified and collected according to different categories. Daily office waste, like paper and cartons, and other non-hazardous waste, are collected by special personnel and disposed of after confirmed that it cannot be recycled. The hazardous waste we generate comprises primarily batteries, toner and ink cartridges. We entrust their disposal to qualified third-party providers who handle them centrally and compliantly.

CASES


In our daily operations, we implement several strategies to minimize energy usage while simultaneously advocating for the principles of sustainable development among our associates.




Case: Paperless Office




In 2022, we continued to advance our paperless office initiative and further improved our electronic approval system. In addition, to reduce paper consumption, we put up signs in our work area promoting paper conservation and advocating for double-sided printing and paper recycling.




Case: Disposables



We encourage employees to bring their daily necessities, such as tableware, to reduce disposable chopsticks and provide bottled water for visitors to reduce disposable cups. And we follow the principle of "simple packaging". The packaging of peripheral products for daily activities is very light and reusable.



Case: Green Supply Chain



We prioritize partnering with environmentally conscious suppliers and advocate for their adoption of electronic contracts and invoices as a means of daily document signing and backup, furthering our shared commitment to sustainability.



TRUST

Trust is of utmost importance to us. This year, we further strengthened our internal safety culture, advanced our socially responsible supply chain, and sought protection for our intellectual property to win the trust of users and partners.



INFORMATION SECURITY



As the largest MENA-Based online social networking and gaming company, we have always considered it our foremost priority to ensure the safety and reliability of our digital products and services for our users. And in pursuit of this goal, we constantly strengthen our security culture to safeguard our users' information confidentiality.

The security scope encompasses various aspects such as security awareness, security compliance, personnel and asset security, and physical security, which we firmly believe is intricately linked to the actions and contributions of every employee in this company.

In 2022, we continued to enhance our security management framework, overseen by a team of nine security experts led by our chief technology officer (CTO). Under this framework, the CTO reports directly to our CEO and assumes responsibility for overseeing the planning and implementation of all security-related work. At the same time, the security team focuses on enhancing security practices, offering security-related training and education, and fostering a culture of security across all aspects of our operations.

Overall Principles

- 1 Full participation
- 2 Continuous improvement
- 3 A combination of decentralization and authorization
- 4 Mature technologies
- 5 Prevention first and an in-depth defense
- 6 Comprehensive prevention combined with key protections
- 7 Standardization and compliance

Yalla Group's Security System

Awareness Raising			
Safety Training	Release of Safety Knowledge	Tests on Safety	
Compliance Management			
Identifying Laws and Regulations	Systems Establishment	Compliance Checks	
Personnel Management			
Personnel Safety Management	Cooperative Partners Management	Password Management	Access Control Management
Asset Management			
Asset Security		Backup Management	
Infrastructure Security			
Physical Security	Portable Storage Device Security	Desktop Terminal Security	
Process & Operations Security			
Network and Communication Security Management	Development Security	Data Security Management	Change Security Management
Operations and Maintenance Security Management	Business Continuity Management	Internal Security Auditing	Information Security Incident Management
ISO27001:2013			

We employ various approaches to disseminate data security information among our employees and enhance their awareness of security.

Awareness Raising



Security Training

To promote information security awareness and competence among our new hires, we have thoroughly refined the content of our onboarding and induction training program, ensuring that it effectively conveys essential knowledge in this critical area. We also incorporate the results of the information security awareness test at the end of the year into the assessment system so that information security is closely related to employee promotion.



Release of Security Knowledge

We integrate the promotion of security knowledge into our daily work. Email is an essential means for us to impart security knowledge to employees. Through biweekly security topic emails, the emails cover various topics, including safe password practices and preventing information leaks. At the same time, we update security manuals and videos so that every employee can understand security knowledge better.



Tests on Security

Apart from conducting specialized security training, we schedule periodic safety assessments, which may involve exercises like phishing email simulations, to identify vulnerabilities and inadequacies in our security protocols while promoting our employees' understanding of potential security threats.

To address possible security risks from both within and outside the organization, we have implemented the following actions:

Personnel Management



Personnel Safety Management

We emphasize security controls for personnel with authorized access to core data. In addition to providing specialized training to our operations, product, and technology committee members, our employees must sign confidentiality agreements. To ensure visibility, traceability, and audibility in our security management work, we use two-factor authentication, operation record retention, and access permission minimization to manage our employees.



Password Management

We have established strict password security to manage passwords, with detailed requirements for complexity and update frequency. We prohibit password sharing, and most importantly, if we discover a situation where a password has not been set, we will immediately issue a security alert.



Cooperative Partners Management

When selecting cooperative partners, we prioritize those that hold international safety and compliance certifications. We follow the principles of "necessity" and "minimum authorization" when granting authorizations to our partners.

Asset Management

Asset management is the complete responsibility of our security team. To be able to take timely measures against potential risks and minimize potential impacts, our security team has developed security backup plans for critical business systems and data. What's more, in addition to identifying and managing all information-related assets, the security team is also responsible for establishing an inventory of support and a management system.

Infrastructure Security

We strictly control the physical environment of our information systems and have established detailed regulations. The office area is divided into a secure area and a general area, and it is stipulated that no one may enter the secure area without proper authorization. We have robust security management for terminal devices (including desktop personal computers (PCs), laptops, personal digital assistants (PDAs), etc.) and portable storage devices, and we monitor the basic settings, room environment, and security system operation 24-hour a day in real-time. The monitoring records will be kept for over six months for future fault diagnosis and post-audit.

Process & Operations Security

We implement a range of security measures during our daily product development and system operations to ensure safety:

Process Enhancement	We believe that security should be reflected in every stage of the software development process. Therefore, we always consider it during requirements analysis, design, coding, testing, and maintenance. We have improved the Security Development Lifecycle (SDL) process and enhanced the management model that guides the software development process from a security perspective to make the process run more smoothly.
Privacy by Design Manual	In 2022, we further strengthened the privacy protection for our products. We update our Privacy Design Manual to ensure that privacy protection remains relevant and effective in theory and referenced industry best practices so that our product team can choose solutions according to their specific needs.
Security Tools	In 2022, we replaced the previous network connection tool with the Corplink system. To reduce the risk of vulnerability attacks on our web applications, we have deployed firewalls and equipped every computer (including Mac systems) with centrally managed antivirus software.
Vulnerability Handling	To address potential security vulnerabilities in mobile applications, we categorize them and set a deadline for remediation. Our approach involves fixing critical vulnerabilities within 12 hours, high-risk vulnerabilities within three working days, medium-risk vulnerabilities within five working days, and low-risk vulnerabilities within seven working days.
Internal Attack Testing	We schedule internal attack testing every six months, which helps us effectively identify the current security threats.
Internal Security Auditing	We conduct regular security audits to ensure comprehensive oversight of data security and information protection.

We invite external stakeholders to collaborate to manage information and data security. If you have any feedback or reminders regarding potential security vulnerabilities, please email us at vul@yalla.com.

SUPPLY CHAIN MANAGEMENT

Responsible Supply Chain

We are committed to working with our essential partners – suppliers – to make progress, grow together, and strive to establish a mutually beneficial and good development relationship.

As an essential part of Yalla’s daily operations, supply chain management processes are inseparable from ESG factors. From supplier development, supplier selection, and continuous evaluation to the end of the relationship with suppliers, we continue to promote ESG concepts throughout the process and truly integrate ESG factors into the entire supply chain management process.

Refined Commercial Procurement Management Policy

In 2022, we further improved our Commercial Procurement Management Policy and took a big step in establishing a standardized, systematic, and institutionalized business procurement management system.

The procurement process commences by submitting a request and entails negotiating procurement terms, obtaining procurement approvals, reviewing contracts, inspecting deliveries, and evaluating suppliers.

Communication with suppliers

Only by actively listening to the voices of suppliers can we promote better cooperation. Therefore, we provide multiple communication channels for suppliers, including a dedicated Commercial Department and personnel.

Stricter selection and evaluation criteria

We have strict requirements for selecting suppliers. We conduct assessments of suppliers and customize evaluation acceptance forms for each one. Throughout this process, we continuously monitor our supply chain to strive for sustainable development.

Supplier Access Management

ESG factors are also reflected when we introduce new suppliers. We examine whether suppliers have corresponding ESG factors based on their type. For example, information security qualifications are necessary for technology service product suppliers, while production-type product suppliers need related environmental qualifications and relevant inspection reports. If multiple suppliers meet our admission standards simultaneously, we will prioritize suppliers who perform better in environmental protection and sustainable development.

The evaluation of potential suppliers is the responsibility of the Commercial Department. First, the requesting party must submit a procurement application email approved by the department head. Upon receiving the email, the Commercial Department will comprehensively evaluate potential suppliers, including data security protection capability, product portfolio environmental protection, business sustainability, social value, etc., considering ESG factors and ultimately selecting the most suitable supplier.

Supplier Evaluation management

Different types of suppliers have specialized evaluation standards. For single-order suppliers, the relevant department will conduct delivery inspections. For long-term suppliers, quarterly assessments are more appropriate. In addition to evaluating the supplier’s business service capabilities, quality, and other factors, their execution level of ESG projects is also an important evaluation criterion for us.

Termination of Supplier Cooperation

When a supplier no longer meets our access criteria and needs to be rectified or even terminated, the Commercial Department will communicate with the supplier and send the evaluation results confirmed by the department head to relevant colleagues. If it is necessary to replace the supplier, the Commercial Department will conduct a new evaluation of potential suppliers according to the process.

INTELLECTUAL PROPERTY

In 2022, we continuously improved our intellectual property management system, respected R&D achievements, and encouraged continuous innovation. We protect the confidentiality of proprietary technology through confidentiality agreements and apply for patents and copyrights for related technologies. While safeguarding our intellectual property rights from infringement, we maintain a zero-tolerance attitude towards any acts that violate the intellectual property rights of others.

It is worth mentioning that we have obtained the domain name of yalla.com in 2022, which is considered a milestone event for the company. This feature enriches Yalla's intangible assets and helps establish Yalla's brand image. In the future, we will continue to pay attention to the security of our intellectual property rights and escort the sound development of the enterprise.

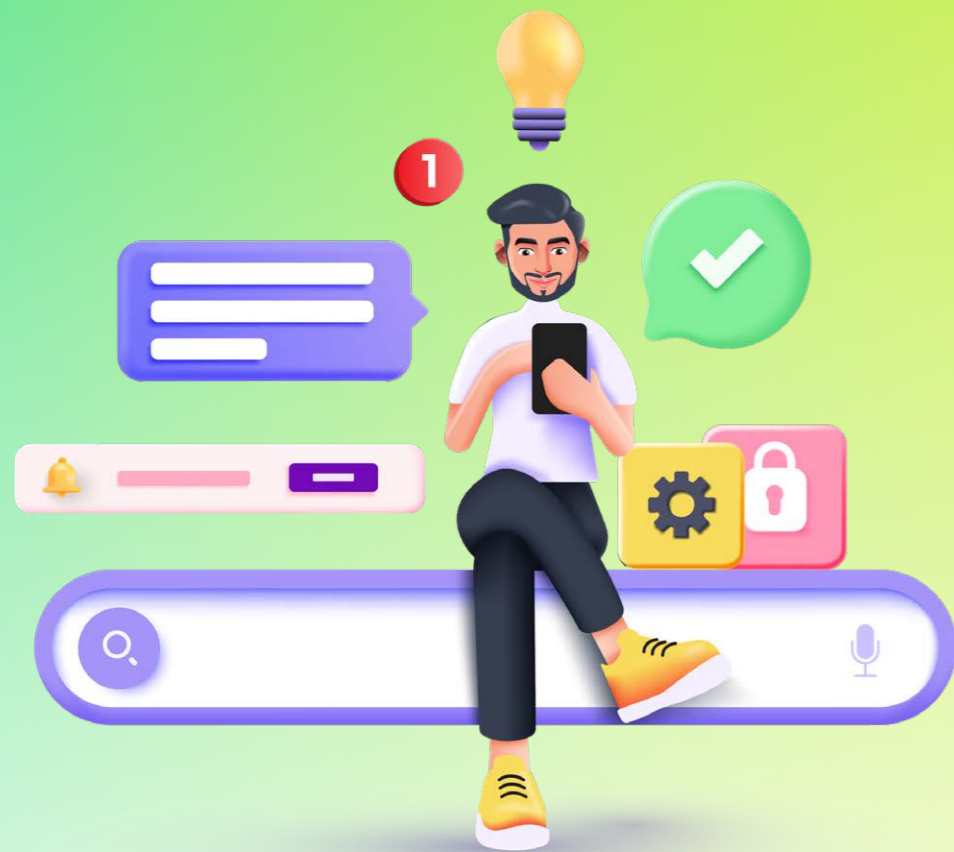
As of December 31, 2022, the trademarks, registered copyrights, and patents owned by Yalla in 48 jurisdictions (including multiple jurisdictions in the Middle East and North Africa region) were as follows:

Item(s)	2021	2022	
Trademarks	Registered trademarks	98	132
	Pending trademark applications	32	43
Copyrights	43	62	
Patents	2	2	
Domain Names	37	52	



OUR PEOPLE

At Yalla Group, we believe our success as a company starts with our employees. The people who make up our workforce are critical to our success, and they directly affect our ability to grow and flourish as a business. As a result, we strive to be an Employer of Choice in attracting, developing, and retaining talent.



DIVERSITY, EQUALITY AND INCLUSION



Diversity, equality and inclusion have always been part of our cultural lifeblood as a global company with offices in UAE and China. We constantly aim to preserve rights and behave fairly in all aspects of employee recruiting, retention, and development. Likewise, we are firmly opposed to any type of discrimination, inequality, and harassment.

In 2022, we are committed to attracting and maintaining outstanding talent. We had 374, 629 and 829 employees as of December 31st, 2020, 2021, and 2022, respectively. Our employees are based across Dubai, Hangzhou, Shenzhen and Hong Kong. The table below shows our headcount by function as of 31 December 2022:

Function	Number of Employees
Platform maintenance and product development	503
Customer services and operations	180
General and administration	92
Sales and marketing	54
Total	829

As of December 31, 2022, we had four independent directors, with one female, accounting for 25%, and three males, accounting for 75% of gender ratio in the workplace.

We strive to guarantee that all parts of our operations fully adhere to applicable laws and regulations. We prohibit child labor and carefully screen it at the recruiting stage by reviewing potential candidates' identity credentials.

Any actions that may be considered forced labor, such as the seizing of employees' identity documents or personal possessions, are forbidden. We encourage our employees to avoid working overtime unless essential. Overtime Employees must submit an overtime application, which must be approved at multiple levels. We also provide subsidies for overtime meals and overtime transportation as compensation in addition to the applicable remuneration stipulated by laws and regulations.

Employee Participation and Communication

We prioritize communication and engagement with our employees, and we encourage them to share their thoughts with us. To that aim, we have built multiple communication and feedback channels to motivate our employees to express opinions, make suggestions, and grow together with the organization.

In 2022, we organized several face-to-face communications with our CEO, providing mid-level managers and new employees with the opportunity to have a direct dialogue with the CEO. In addition, we also invite senior management and new employees to attend *Informal Talks* in the form of luncheons, to discuss specific topics on products, culture, etc.

On a larger scale, and outside the typical feedback channels, we also formally collected suggestions from employees on business operations and development, and personal development. The management team provides its feedback publicly.

In addition, we have set up at least one cultural experience officer in each department, who gathers feedback within the department and makes suggestions on behalf of the department.



Case: In the Name of Ler



At Yalla Group, we have a bi-weekly internal e-magazine titled *in the Name of Ler*, which invites employees to share their stories or experiences at work. All employees are encouraged to interact and share ideas on the topic of this issue. Their ideas will be featured in the upcoming edition, and they will be rewarded accordingly. In 2022, a total of 23 issues were published.

EMPLOYEE CARE

We seek to provide a healthy and safe work environment for our employees, and we have created a comprehensive non-salary benefit program to improve their well-being.

Safety and Health

We emphasize occupational health and safety management and consider it a vital component of our corporate social responsibility framework. During the COVID-19 pandemic, we provided extensive safety protection for our employees through a number of methods, including yearly physical examinations, supplemental medical insurance, first aid kits, and work-from-home arrangements.

To ensure employee safety during the COVID-19 pandemic, we implemented remote work arrangements and a batch system for returning to the office following local work practices to protect employees against health and safety risks and effectively implement epidemic prevention work.

We cooperate with external vendors to offer all employees yearly comprehensive health exams as well as supplementary commercial insurance. Further essential safeguards that we employ for our staff are detailed in the Employee Handbook.

We employ great efforts to ensure that our workplace is safe. In addition, to prepare for potential emergencies, our offices are equipped with additional first aid kits.

In 2022, we experienced no work-related accidents at Yalla Group.

Care and Welfare

We want our employees to have a pleasant and supportive work environment, thus we are constantly trying to enhance the working and living conditions. We strive to improve employees' sense of well-being and belonging in the workplace by implementing a competitive compensation and benefits policy, caring for employees on a daily basis, and organizing a range of group activities.

To ensure a competitive compensation and benefits system, we employ the salary design concept of "3P-1M". This incentive system helps us attract and retain leading talent, while also encouraging employees to perform at their best.



We strive to infuse caring and warmth into every aspect of the workplace. To that purpose, we provide flexible work hours, weekly snacks, holiday packages, birthday parties, departmental team-building events, travel-home tickets, etc.

We encourage employees to establish football, basketball, badminton, and board games clubs, and give financial support for these activities.



HQ employees at Museum of the Future



Employees at 2022 FIFA World Cup

EMPLOYEE DEVELOPMENT

We know that ample training resources and open promotion routes are key elements in attracting and retaining staff. As a result, we have created a growth platform that incorporates training, scientific assessments, promotions, and development activities to drive employees to consistently advance and achieve recognition, with the goal of improving their feeling of self-worth.

Training at Yalla Group

To guarantee that training benefits all employees, we have developed internal training management standards that take into account our company development and organizational demands, as well as employees' skills. We have created numerous learning approaches, such as "Yalla Academy" and staff-led training, to encourage company-wide learning that matches diverse groups and needs, based on the concepts of effectiveness, diversity, and systems-oriented thinking. We provide robust support for the development of departmental training activities and allocate an annual training budget of US\$314 per person for each upper-level department, in addition to covering the costs connected with the company's training. Furthermore, we encourage employees to actively seek out additional learning opportunities and obtain professional certifications to further develop their talents.

Internal Training:

- ❖ Leadership Training
- ❖ New Employee Training
- ❖ Yalla Academy: Provided training on multiple topics, covering modules such as interviewer training, security operation, and financial basis, etc.
- ❖ Departmental Internal Training

External Training:

- ❖ Training materials uploaded to public space by the Human Resources Departments
- ❖ Online training resources purchased by the business department

Online Training:

- ❖ Training materials uploaded to public space by the Human Resources Departments
- ❖ Online training resources purchased by the business department themselves

Career Growth and Development

We are prepared to offer all-around assistance for our employees' personal growth, and we place a special emphasis on developing our younger employees.

To this end, we formulated the Position and Ranking System and established a "dual-channel" career development model, which includes professional channels and management channels.

"Dual-Channel" Career Development Model	
Professional Channels:	Management Channels
Product channels, operations channels, marketing channels, sales channels, function channels, etc.	Supervisor, manager, director, VP, CEO
6 levels	5 levels

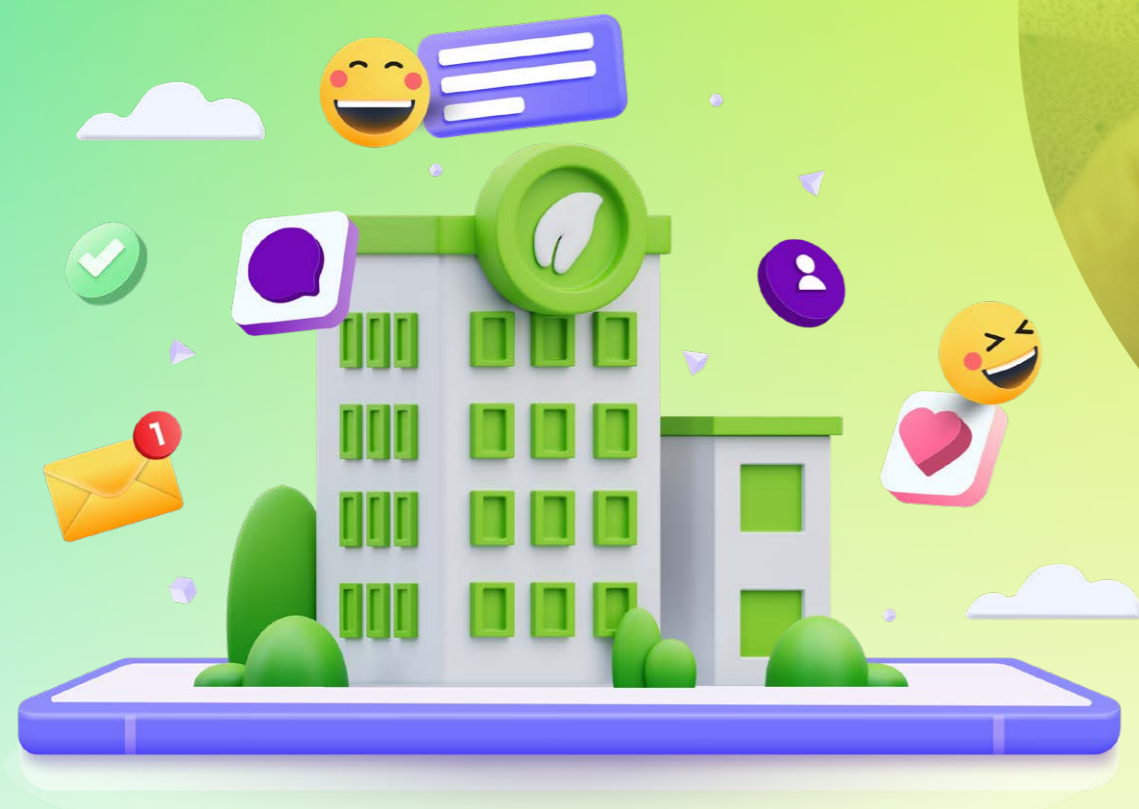
The professional channel is divided into product channels, operations channels, marketing channels, sales channels, function channels, etc. according to the position, which gives employees access to development paths that suit their plans. We can also accommodate an employee if he or she requests an adjustment based on changes in their personal goals.

To further inspire them to meet their full potential while also ensuring that they are on the right career development path, we implement an objective, fair, and scientific assessment process for employees that encompasses three areas – ability and performance, responsibilities, contribution and value.



OUR COMMUNITY

Based on our dedication to delivering an engaging user experience tailored to local cultures, we have cultivated a large and vibrant Yalla community. In the fourth quarter of 2022, approximately 32.0 million users visited our platform on average each month, and the number of paying users on our platform reached 12.5 million during the same period. At the same time, we, as an organization, are also actively engaged in the local communities.



YALLA COMMUNITY

The Culture of Our Community

We are building a Yalla ecosystem based on our Yalla community. By providing users with an enjoyable mobile experience in MENA, we gradually cultivate a unique community culture which encapsulates:

Superior Social Experience

We provide a mobile platform for users to enjoy superior social experience online. Our mobile applications were inspired by offline social leisure activities in MENA. We bring such activities to the mobile Internet to make them more convenient. Our flagship mobile application, Yalla, primarily features Yalla rooms, which may be viewed as the online version of majlis or cafés, where people spend their leisure time in casual chats. On the other hand, Yalla Ludo resembles a family living room where family members and friends play simple board games that are highly popular in MENA, such as Ludo and Domino. We carefully preserve the traditional features and tastes of these popular games so that our users can easily apply their offline experience to our mobile platform.

Leisure is a mentally beneficial experience, and we believe that leisure activities should be done for their own sake. Our users gather on our platform for a relaxing social leisure experience. Whether their time is spent on an hour of casual chatting or a few rounds of casual games, social interactions and companionships are what our users cherish. We aim to provide our users with a pure social leisure experience. While our users may receive virtual gifts and accumulate virtual currencies on our platform, none of the virtual gifts and virtual currencies are convertible into real money under any circumstance and our users are unable to sell such virtual items to other users through our platform. Instead, users send virtual gifts to express their appreciation of contributions by other users or gain recognition within the community.

Localized Appeal

We have developed the leading social networking and gaming platform tailored to the local cultures of our target markets, particularly MENA. We believe localizing is much more than using the local language in user interfaces. Leveraging our insights into MENA culture and local user preferences, we infuse our user interfaces with local cultural elements. For non-English versions of Yalla, we update the user interface with color themes and logos related to specific local holidays to celebrate with our users, and virtual gifts are typically designed based on local customs. As a result of our close attention to detail, our mobile applications deliver a seamless user experience and foster a strong sense of belonging among users. Such localized appeal resonates with users and allows us to build a highly loyal and engaging user community. Our ability to faithfully preserve the traditional flavors of local offline social life also differentiates us from other platforms.

Highly Interactive User Community

Our platform is designed to maintain users' equal status, thereby encouraging all of them to freely communicate and interact with each other. There are no differences of influencers and followers, or gurus and newbies. Instead of passively consuming content, users come to our platform in order to actively participate in the social leisure activities we offer. We believe these social interactions foster a sense of community among users and enable our platform to attract and retain users more effectively compared to other platforms.

Various Online Community Activities

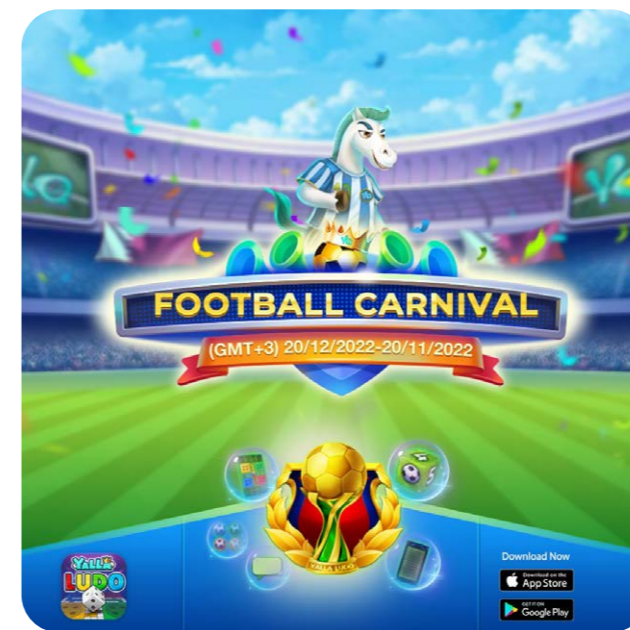
Within our Yalla community, we are devoted to offering companionship to our users and sharing their valuable moments with us.

We organize localized online events, most of which are based on traditional holidays, to further enhance user engagement and interactions. In 2022, we organized 36 online events in Yalla and 41 in Yalla Ludo, all of which were based on Islamic traditional festivals or localized Arabic designs to enhance user engagement and interaction.

The FIFA World Cup 2022

In 2022, the World Cup was held in the Middle East for the first time ever! Viewed as more than just a sport in the region, football is a special link that brings people from different backgrounds together to enjoy this remarkable event.

To celebrate the World Cup with our users, we host a month-long Football Carnival from November 20th to December 20th in Yalla Ludo every year, with multiple events.



Yalla Ludo's Football Carnival

After the Kingdom of Saudi Arabia defeated Argentina, we shared great joy with our users in the community and posted tweets via Yalla Group's official social media account. We also congratulated the Moroccan football team on their historic victory when they became the first-ever Arab team to reach the World Cup Quarter Finals.



Tweets on Yalla Group official accounts

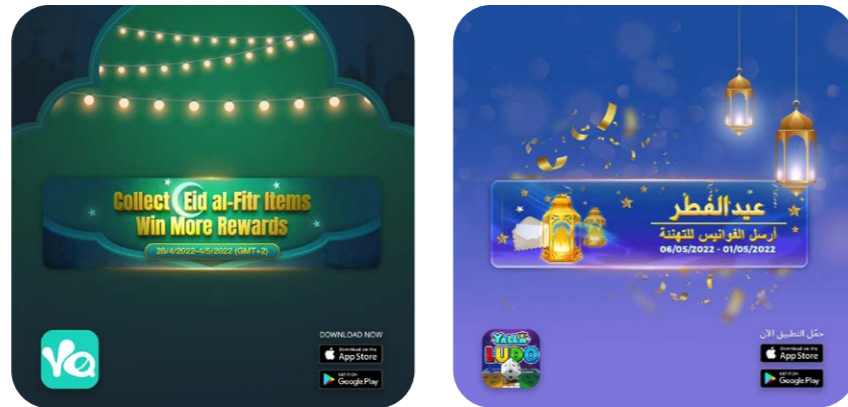
Traditional Festivals

Ramadan is a celebration that takes place in the ninth month of the Islamic calendar when the Quran (the sacred religious text of Islam) was revealed to the Prophet Muhammad. Many people fast during the daylight hours for the entire month. During these special festivals, we held activities to spend important moments with our users in Yalla and Yalla Ludo.



Ramadan Events in Yalla and Yalla Ludo

Eid al-Fitr marks the breaking of the fast for Muslims at the end of Ramadan. This celebration lasts three days, during which time families and friends get together to celebrate with good food and give to charity.



Eid al-Adha Events in Yalla and Yalla Ludo

Islamic New Year, also called the Hijri New Year, is the day that marks the beginning of a new lunar Hijri year.



Islamic New Year Events in Yalla Ludo

National Days Events

In addition to traditional festivals, we also host unique activities to commemorate Nations Day in major MENA countries.



UAE National Day Events in Yalla and Yalla Ludo



Saudi National Day Events in Yalla and Yalla Ludo



Qatari National Day Events in Yalla and Yalla Ludo

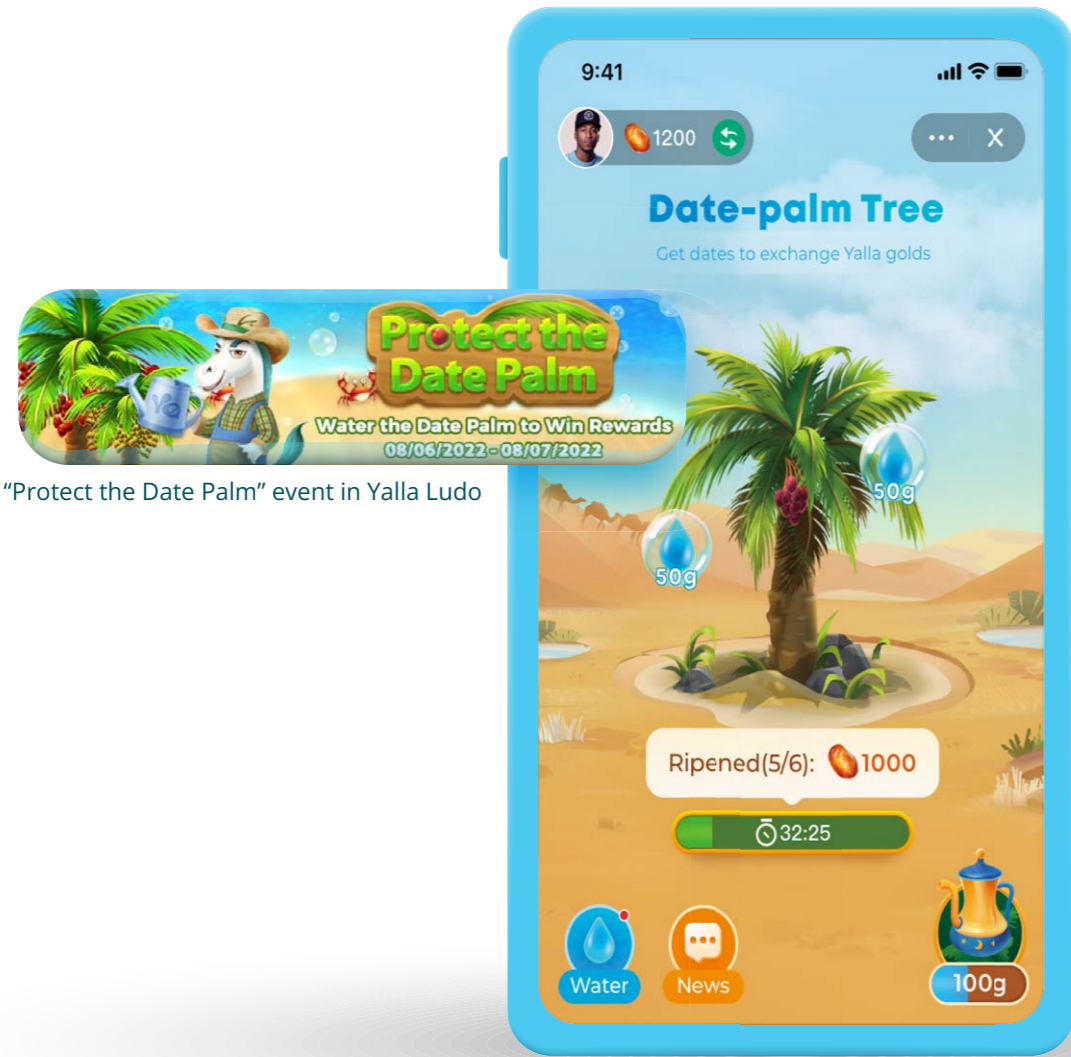
Activities to Raise Environmental Awareness

Date palms, which are mostly found in Middle Eastern countries, play a significant role in environmental and economic conditions. Seventy percent of the world's date palms are located within the Middle East and North Africa. However, during the past 50 years, date palm groves were subjected to degradation due to extensive exploitation resulting from the increase in the human population and domestic animals. To raise awareness about protecting data palms and creating a more sustainable world, we launched online campaigns linked to date palms in several of our product platforms, which include Yalla, Yalla Ludo and YallaChat.

COMMUNITY ENGAGEMENT

Expression of Condolences to Earthquake Victims

We are shocked and deeply saddened by the earthquake that hit Türkiye and Syria on February 6th, 2023. After the earthquake, we contacted our customer service personnel in Türkiye as fast as possible to check on their safety. In addition, our 101 Okey Yalla team sent emails to all users on the platform to express their condolences and solidarity with the victims and their families. We paid close attention to the disaster situation and published as many emergency contacts as possible through our official accounts on the platform. Furthermore, we replaced all avatars of 101 Okey on Yalla's official accounts into 'black and white' to demonstrate our solidarity with the earthquake victims.

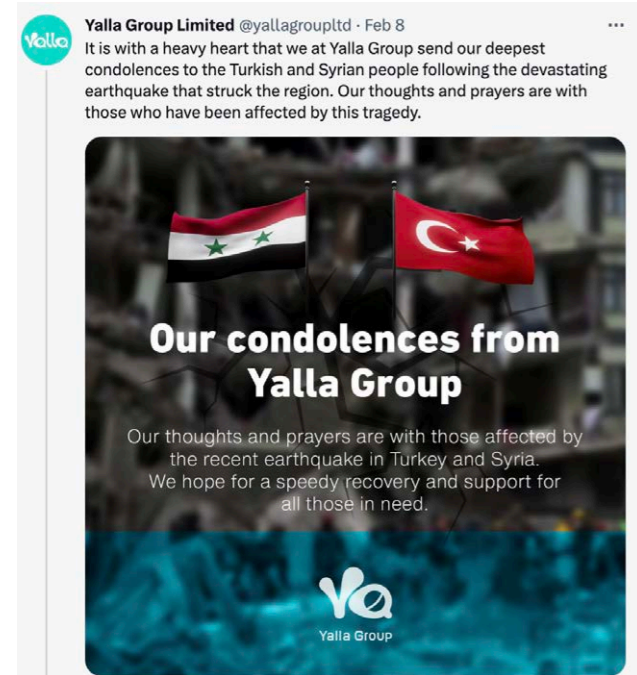


"Protect the Date Palm" event in Yalla Ludo

"Water the Date Palm" mini-game in YallaChat



We also sent condolences to Turkish and Syrian people through our official social media account to express our heartfelt condolences.



Cooperation with Local Communities

We have always felt a sense of duty to contribute to the broader growth of the digital economy in the MENA region and to play our part as the first UAE-based tech unicorn listed in the NYSE, contributing to building a community with a shared future.

We are honored to have been selected as a partner of the National Program for Coders, which is the biggest national program that specializes in enabling coders and unleashing the potential of the coding communities in the UAE. In 2022, we continued to deepen the cooperation with the Ministry of Artificial Intelligence, Digital Economy, and Remote Work Applications and actively engaged in several initiatives to help create the best ecosystem in the world for coders to develop, grow and thrive.

In 2022, we built a practice and internship base with Zhejiang International Studies University, a public university in Hangzhou. In addition to keeping interactions and exchanges, we have opened internship channels for outstanding talents from the university, providing them with the opportunity to grow by practicing in actual working scenarios.

Furthermore, we continued to support the Badminton Association of the School of Management at Zhejiang University in 2022 to encourage a healthy lifestyle.

APPENDIX

APPENDIX 1

GRI Standard Index

Chapters	GRI Standard Index
About this Report	
About Yalla Group	
Letter from Our CEO	
Letter from Our President	
Responsible Governance	
Corporate Governance	
ESG Governance	3-3, 2-13, 2-14, 2-9, 2-12, 3-2, 205-1, 205-2, 205-3
Environment	
Yalla's Response to Climate Change	
Green Office	201-2, 305-5, 302-4, 306-1, 306-2, 306-4, 302-1, 304-2, 203-2
Cases	
Trust	
Information Security	
Supply Chain Management	418, 308-1, 414
Intellectual Property	
Our People	
Diversity, Equality and Inclusion	
Employee Care	401-1, 401-2, 405-1, 408-1, 409-1, 404-2, 404-3, 403-1, 403-3, 403-5, 403-6
Employee Development	
Our Community	
Yalla Community	
Community Engagement	413-1, 413-2
Appendix	
Appendix 1-GRI Standard Index	
Appendix 2-Business Review	
Appendix 3-Awards & Recognition	

APPENDIX 2

Business Review

To learn more about our financial performance, please refer to the financial statements included in our Annual Report on Form 20-F for 2022, which was filed on April 2023.

Operating Highlights

Key Operating Data	Three Months Ended	
	December 31, 2021	December 31, 2022
Average MAUs (in thousands)	28,060	31,987
Paying users (in thousands)	8,429	12,457

Financial Highlights

	Year Ended December 31,	
	2021 US\$	2022 US\$
Revenues	273,134,908	303,603,522
Costs and expenses		
Cost of revenues	(95,144,945)	(113,808,128)
Selling and marketing expenses	(42,404,862)	(49,939,683)
General and administrative expenses	(38,271,252)	(36,582,626)
Technology and product development expenses	(14,286,120)	(24,575,485)
Total costs and expenses	(190,107,179)	(224,905,922)
Operating income	83,027,729	78,697,600
Income before income taxes	84,614,271	81,636,828
Net income	82,594,360	79,037,845
Net income attributable to Yalla Group Limited's shareholders	82,600,678	79,756,797

	As of December 31,	
	2021 US\$	2022 US\$
Total assets	380,808,057	506,338,256
Total liabilities	44,927,997	66,473,782

APPENDIX 3

Awards & Recognition

Yalla Group

Top 30 Overall EMEA Headquartered Publishers Worldwide by Consumer Spend in the Level Up Top Publisher Awards 2022 by data.ai (formerly App Annie)

"Best Voice-Based Social Network UAE 2022" and "Best Entertainment Platform UAE 2022" by International Business Magazine

Yalla

Middle East Technology Excellence Award, in the Internet-Media & Entertainment category by Asian Business Review

Yalla Ludo

The Middle East & North Africa Stevie Awards

President Saifi Ismail

One of MENA's Most Inspiring Business Leaders of 2022 by Arabian Business

Best Emerging Leader in Digital Entertainment Sector 2022 by The Global Economics Awards 2022