

**RLX TECH**  
Corporate Social Responsibility Report  
2022-2023



Empowered by New Technologies  
RLX Tech Is Your Friend as Always



### Cover Story

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At Jizidu Village, Baiyangping Town, Enshi, Hubei Province, the Tujia girl Li Dan and her parents have their photo taken standing on the Feiyue All-Weather Bridge donated by RLX Tech. The bridge is one of the latest fruits of RLX Tech's effort in promoting rural revitalization. It offers a great travel convenience for the villagers, and will boost the development of the local tourism market.

"Thanks to the completion of this bridge, my dad no longer has to walk long distances for his daily farm work, and our relatives' homestays are always fully occupied. This bridge has truly brought wealth and prosperity to everyone in our community. However, what matters the most to me is the smile on my mom's and dad's face," said Li Dan.

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# RLX Tech in Figures

By 2023

Cumulative investment in biodiversity conservation and rural revitalization **RMB 44.3 million**

By the end of April 2023

The Pods Reborn recycling program had been carried out in **297** Chinese cities

2022: The customer service platform

Number of responses made by the customer service platform **300**

Complaint settlement rate **100%**

Customer satisfaction rate **96.89%**

By the end of April 2023

Products available in **20,000+** stores across the country

Directly and indirectly created about **120,000** jobs upstream and downstream

Served users in **300+** cities

By the end of 2022

Percentage of female employees **39%**

In 2022

Employee training sessions held **309**

By the end of April 2023

R&D investment since establishment **RMB 800 million**

Cooperative research projects **17**

Number of scientific research papers on top journals **11**

The Amur Tiger and Leopard Conservation Project

Number of Amur tigers living safely in the patrol area **3**

Area of the eco-field **300**

Income generated for local villagers **RMB 1.06 million**

By the end of April 2023

Patents filed globally **900**

2022: The Golden Shield Program

Number of cases where we assisted the police in cracking down counterfeiting in the Golden Shield Program **35**

Number of seized counterfeits and knockoffs: **54,600**

In 2022

Offices and laboratories in Beijing, Shanghai and Shenzhen achieved carbon neutrality.

Resources recycled equivalent to saving **2,195** trees

Equivalent to the conservation of **18,000** square meters of forest

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# About RLX Tech

## Company Profile

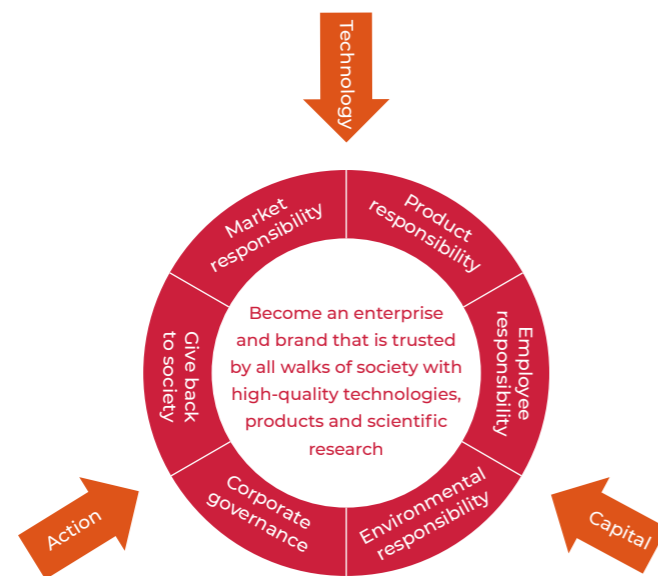
Founded in January 2018, RLX Tech has grown into a leading global e-cigarettes company after more than five years of development. Our core business covers the research, development, design, production, and sales of RELX-branded e-vapor products. With our core technology and capabilities that span the entire industry chain, RLX Tech is committed to providing high-quality and safe products to our users.

RLX Tech is collaborating with many higher education institutions and research institutions to conduct systematic scientific research, which has led to a number of important advancements in the field of vaping, and has been at the forefront of the industry and the public in expanding the knowledge of e-vapors. Through the use of technology and big data, RLX Tech continues to enhance the protection mechanism for minors to ensure their physical and mental health in all aspects.

## Our CSR Philosophy

Shortly after its inception in 2018, RLX Tech established the following corporate mission: “Gather responsible, outstanding talents from all over the globe, and grow into an enterprise and brand that serves adult users and wins the trust of all walks of society through products with frontier designs, industry-leading technologies and advanced scientific research.” CSR performance occupies an important position in our overall strategic planning.

Combining action, technology and capital and driven by innovation in the vaping technology, RLX Tech continues to provide high-quality products and services, promote employment, protect minors, practice low-carbon operations, and do its best to empower stakeholders. At the same time, we strive to carry out systematic, standardized and sustainable community service activities, and work with all parties to give back to society by promoting rural revitalization and protecting wildlife, in order to create greater social value.



# Honors and Awards

## Rating/Awarding agency



MSCI ESG rating: A  
Leading the world's e-cigarette enterprises  
The first company to get an A in the first evaluation worldwide



Score in S&P Global Corporate Sustainability Assessment: 45  
The highest among the world's e-cigarette enterprises



Sustainalytics ESG rating: Medium Risk  
The highest rating among the world's e-cigarette enterprises

Shenzhen Enterprise Confederation,  
Shenzhen Entrepreneur Association

Top 100 Quality Enterprises in Shenzhen  
2023 Shenzhen Top 500 Enterprises

Guangdong Provincial Department of Industry and Information Technology

Provincial-level Specialized and Sophisticated Enterprise

China National Accreditation Service for Conformity Assessment (CNAS)

CNAS-accredited Quality and Safety Laboratory

Southern Metropolis Daily

Innovative Enterprise in Rural Revitalization of 2022

China Europe International Design Culture Association (CEIDA)  
CIID88

IDPA Award

American Alliance of Museums (AAM),  
International Awards Associate

MUSE Design Awards

Architecture Press Release

GLOBAL FUTURE DESIGN AWARDS

Golden Creativity Award International Design Committee

International Space Design Award/  
Golden Creativity Design Award

Expert Panel for Transparency Rating of Chinese Enterprises

The RLX Tech Corporate Social Responsibility Report 2021-2022 was rated A among the outstanding CSR reports by the Ministry of Industry and Information Technology of 2022

## Message from the CEO

The 2022-2023 period was an extremely important period for both China's e-cigarette industry and RLX Technology: the promulgation and implementation of The Administrative Measures for E-Cigarettes, the National Standards for E-Cigarettes and supporting regulatory policies ushered China's e-cigarette industry into a new era.

This year we responded actively to all the challenges and changes, and followed policy requirements. In July 2022, RLX Technology and its subsidiaries obtained the Tobacco Monopoly Production Enterprise License issued by the State Tobacco Monopoly Administration. The National Standard of E-Cigarettes imposes new requirements covering all aspects of the e-cigarette industry. Our team studied in-depth the technical content, actively communicated with the technical review authorities, and did their best to develop products that complied with the national standards without compromising the user experience.

Despite all the changes, some things, of course, remain intact. For one thing, RLX Technology always remains true to the founding mission of building a trustworthy enterprise and brand with high-quality technology, products and scientific research. We have the responsibility to strive for excellence on the basis of compliance with national standards and develop safe and high-quality products for users. This is the foundation of our enterprise. We will not hesitate to invest into it, to consolidate it to a deeper level.

Another thing that remains unchanged is our understanding and fulfilment of Corporate Social Responsibility (CSR). In our opinion, CSR practices include both "compulsory routines" and "optional routines," drawing inspiration from the Olympic sports of diving and gymnastics.

Our compulsory routines include embracing regulation, providing high-quality and safe products, the Journey toward Science, protecting minors, helping employees grow, and promoting low-carbon operations – all these are compulsory for a company to generate social value. At RLX Technology, we are proud that our initiative is such that we not only work to fully and faithfully perform our CSR, but also uphold standards higher than required by laws and policies.

Contributing to wildlife protection and rural revitalization is our "optional routines." At RLX Technology, we pursue quality, not quantity; we aim high, but not beyond reality. We maximize our advantages in technical know-how and business to help address social problems and improve public wellbeing.

In 2021, we launched the "Pods Reborn" recycling program, an attempt to solve the problem of discarded pods. In our practice, we find that through the co-processing in cement kilns, the used pods can be made into cement which can be used for infrastructure construction in rural areas.

Therefore, we smelt the used pods donated by users all over the country into cement which was then used to build beautiful villages, including roads, all-weather bridges, cattle breeding bases and daylily drying yards in Hebei, Ningxia, and Hubei... By so doing, we find a new home for the used pods, minimizing their environmental impact while helping rural residents increase income.

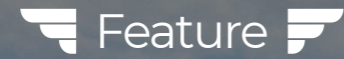
RLX Technology has benefited a lot from the good economic and social environments in China, and we are fully aware that only by continuing to strive for excellence, do good and give back to society can we create a brighter future. Since 2019, we have prepared and released annual CSR reports to share our CSR practices with society, and to spur ourselves to generate greater social value. The one you are reading is our fourth consecutive annual CSR report.

Since the founding of the company, one of the things that we are most proud of is our sustained, solid effort to fulfill our social responsibilities. In this process we have found our rhythm and kept our pace with calm and ease despite all the disturbances in the market.

As an ancient Chinese saying goes, "Even the shortest journey can't be finished without taking the first step. Even the most trivial task can't be completed without taking actions." As we work to build us into a trustworthy company, we will continue to fulfill our social responsibility, no matter how the external world changes.



Founder and CEO of RLX Technology  
Kate Wang



# Contributing to Rural Revitalization with Green Development

Green development is the best way to protect our Earth and also the main way for RLX Tech to give back to society.

Through the Pods Reborn recycling program we smelt the used pods into cement that was then used to build the beautiful countryside.

Since 2021 we have embarked on the road to rural revitalization. From Chenggenying Village in Chengde, Hebei, to Juhuatai and Xingmin villages in Wuzhong, Ningxia and then to Jizidu Village in Enshi, Hubei... we built roads and all-weather bridges cattle farms and daylily drying yards to increase farmers' income.

We have also been constantly engaged in biodiversity conservation.

We have conserved 300 mu of eco-field in Zhen'anling, Sidaogou and Guandaogou villages in Huichun, Jilin for the Amur tigers and leopards so that they can live in harmony with the villagers.

"If we do not fail Nature, Nature shall never fail us."

RLX Tech is fulfilling its corporate social responsibility with concrete actions and forging ahead.

The red Feiyue Cattle Shed standing on the loess land of Northwest China has brought new hope to the villagers of Juhuatai in Wuzhong City.

## Pods Reborn

### Gathering the pods of love

The disposal of used pods is an environmental problem facing the e-cigarette industry: incineration, landfill and other conventional treatment methods will cause secondary pollution, and the traditional practice of collecting used pods without reusing them is not sustainable.

In September 2021, RLX Tech, together with China Siyuan Foundation, launched the Pods Reborn recycling program. Through the co-processing kiln technology, the recovered pods will be converted into cement clinker which will then be made into cement and used in rural construction projects. The recycling program accepts all brands of used pods.

Since the launch of the program, we have invested RMB 20 million in collecting, eco-friendly disposal of pods and rural infrastructure construction.

By April 2023

The Pods Reborn recycling program had been carried out in

**297** cities nationwide.



In a store in Beijing's Chaoyang District, our staff is introducing the recycling program to a first-time participant.

In October 2022, we launched the online recycling function via which users can make appointments for door-to-door collection and participate in the recycling program at home. That also expanded the coverage of the program to Yichun City, Heilongjiang, Kashgar City, Xinjiang, and Xishuangbanna City, Yunnan ... According to statistics, the number of pods each participant donated ranged from 1 to more than 2,500.

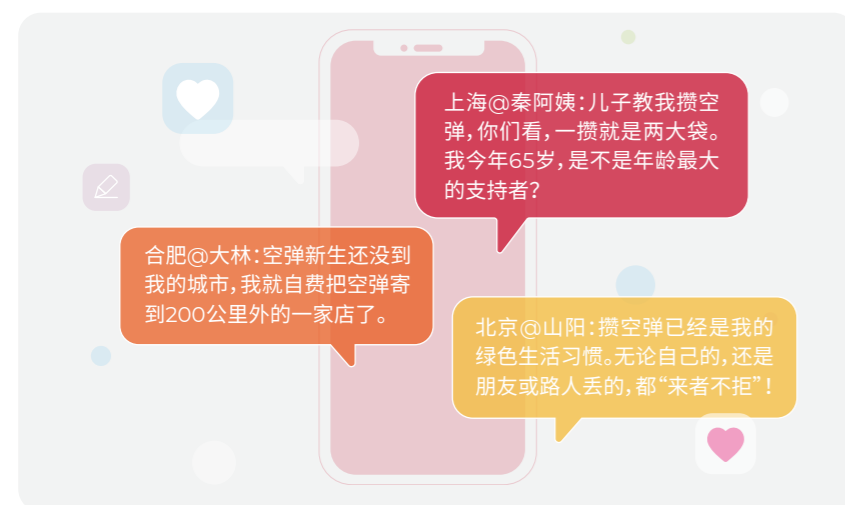
More and more users are participating in the recycling program to support low-carbon lifestyles and environmental protection. The recycled pods, with the love of their donors from across the country, continue to stimulate our imagination, urging us to launch more wonderful projects to promote rural revitalization.



Bring your used pods to the store, place them in the recycling bin after inspection by our staff, and do your part in protecting the environment.



### Our lovely donors



## The Road to Rural Revitalization

### Go to where we are needed

What can RLX Tech do for rural revitalization? First of all, we can think about how to maximize the use of cement made with recycled pods. We must take concrete actions to address the immediate needs of farmers and win their hearts. Taking this as a criterion, based on our research, we have launched several rural assistance programs in Hubei, Ningxia and Hebei, tailored to the local conditions, and worked with local governments to promote agricultural development and industry transformation, and help more farmers diversify their income source.

### Feiyue All-Weather Bridge & Feiyue Convenience Bridge

#### Two bridges of hope enable the lush mountains and lucid waters to shine

During the research visits, we were deeply impressed by Jizidu Village in Baiyangping Town, Enshi, Hubei. It is surrounded by mountains with beautiful scenery, and clear spring water runs through the thousand acres of tea gardens. In recent years, Jizidu has vigorously developed the tourism economy, improved the infrastructure construction, and increased the villagers' income. In December 2022, RLX Technology, together with the China Siyuan Foundation, constructed Feiyue All-Weather Bridge and Feiyue Convenience Bridge in the village. The two bridges were officially put into use in September 2023.



Feiyue All-Weather Bridge, with its pavilions and flying eaves, is a scenic spot in the village.



## Feiyue All-weather Bridge

Jizidu is known as a “Lesser Land of Abundance” for its superior natural environment and rich ethnic cultural heritage of the Tujia and Miao people, which makes the tourism economy its pillar industry. Its most famous tourist attraction is the thrilling rafting scenic area. Feiyue All-Weather Bridge is at the end of the rafting scenic area. This bridge, 58 meters long and 10.5 meters wide, is a corridor bridge with a strong Tujia flavor. The row of wooden porch houses not only allow tourists to take a rest and cool off under the shade, but also show the richness and uniqueness of local ethnic culture.



At the Feiyue All-Weather Bridge, on which some tourists are stopping to take photos.

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Head of Feiyue All-Weather Bridge



Tourists enjoying the thrilling Jizidu Rafting

Feiyue All-Weather Bridge is adjacent to not only the drifting area, but also the cluster of farmhouses and homestays. It is a bridge connecting the play and catering consumption scenes to form a core tourist area and improve local tourist service level.

Feiyue All-Weather Bridge, with its aesthetic, functional and cultural value, has become a new must-visit for visitors. As local tourism market develops, local tourism infrastructure is improved, and ethnic minority village tours are flourishing.



Feiyue Convenience Bridge connects the tea plantations on both sides of the Taiyang River and the main road leading into the village.

## Feiyue Convenience Bridge

Rural infrastructure should serve not only tourists, but also villagers. In the southeastern corner of Jizidu, the villagers live on both sides of the Taiyang River. One of the banks leads to the main road into the village, and has a bus stop, but to get here, the villagers living on the other bank need to make a detour of four to five kilometers, which is troublesome and especially challenging for the elderly.

Feiyue Convenience Bridge is 61 meters long and 2.2 meters wide, with piers made of cement. The bridge is fixed by four steel cables, can withstand Class 9 winds and has a load-bearing capacity of 6 tonnes. It allows not only pedestrians but also small-sized motorcycles, effectively solving the villagers' travel problem. The cement used for building the bridge was made of the cement clinker made from the recovered pods.

The 4,500 mu of tea plantations is a major local cash crop in the village. The Feiyue Convenience Bridge has cut the river-crossing time for tea pickers from 40 minutes to just a few minutes, and made it much easier for transporting local agricultural products out. As is widely agreed, bridges and roads are ways to prosperity. Feiyue Convenience Bridge has also become a beautiful landmark in the village.



The Feiyue Convenience Bridge makes it much easier for farmers on both banks of the river to go to work in tea plantations and farms.

Story

## Now it's my turn to protect it.

"Put on the life jacket first, then the helmet. Leave all your electronic devices here because you will get wet..." explaining to tourists the precautions before drifting, Mo Lulu straightened her long hair blown in the breeze from time to time. "I must repeat 100 times in just one afternoon." She turned her head and smiled at us. She always wears a big smile on her face when the village is packed with visitors.

As a native, Mo Lulu knows all the attractions well in the village. The paths in the mountains are her secret passages, and the fish in the river are her friends. In the past few years, with the support of the local government, tourism has become a pillar industry in Jizidu, and rafting is the most famous tourist attraction. Lulu is proud as a ticket agent of the scenic spot.

The rafting attracts nearly 40,000 visitors a year. During the peak season of the summer vacation, thousands of visitors will come here every day to escape the summer heat. Besides praising how beautiful the village is, the tourists would occasionally voice their regrets: there is no landmark building which will tell the viewers where it is on WeChat Moments; and the poor access to transportation service has forced them to give up on some less-visited attractions.

"But now we have it." She pointed her finger at the Feiyue All-Weather Bridge behind her, on which some tourists were stopping to take photos. The more photos tourists take of it, the more people will know about Jizidu, and the more likely that the villagers' income will increase. "In the past, after rafting, the tourists would either look around for a restaurant or simply drive away. Now they can go up to the bridge at the end of the rafting course, take pictures, have a rest in the shade, and then cross the bridge to get to farmhouses and homestays. How convenient!"

In the distance came the screams of tourists rafting. Though Lulu has heard them for numerous times, she still could not help laughing. The trees and grasses in the village have witnessed her grow from a little girl who dared not even cross the river to a mother of two and an excellent worker in the rafting scenic area. Now it is her turn to witness the development of the village's tourism economy.

"I was fed and nurtured by the mountains and waters in the village, and I have the responsibility to protect it." As it gets late, she organizes her rafting gear for the scenic area and prepares to take her children to a square dance. "I love everything here. The scenery is beautiful, the dance is beautiful, and so is life," said she.



Mo Lulu, who works in the rafting scenic area

## Feiyue Cattle Shed & Feiyue Drying Yard

Opening the door to prosperity for counties identified as vital to national rural revitalization

Flourishing industries will lead to rural revitalization. Most of the counties identified as vital to national rural revitalization are in remote areas and have a weak industrial base. In October 2022, RLX Tech, together with the China Siyuan Foundation, launched an assistance project for developing industries in these counties. We built modern breeding bases and daylily drying farms in Tongxin County and Hongsibao District, Wuzhong City, Ningxia Hui Autonomous Region, striving to help local farmers not fall behind in the new journey to prosperity.



Feiyue Cattle Shed

### Feiyue Cattle Shed

It is estimated that Feiyue Cattle Shed can keep **600** cattle a year

and increase the villagers' annual income by **RMB one million.**

Juhuatai Village is located in the arid core area of central Ningxia, and Tongxing County, where it is located, is one of the 160 counties identified as vital to national rural revitalization. In 2019, the village met the standard for poverty eradication, and the basic needs of more than 5,000 villagers were taken care of. But the natural environment remains poor and the industrial base weak, and how to prevent the return to poverty is an important task at this stage.

In our research, we found that corn cultivation and animal husbandry are the two pillar industries in the village. However, previously, family farming was the mainstay and the scale was small, restricting the villagers' income growth. Meanwhile the corn stalks in large quantities were difficult to consume, expensive to transport, and would cause pollution when burned on-site.

To solve these two problems at the same time and increase the villagers' income, a modern beef cattle breeding base was urgently needed. Corn stalks can be processed into feed, and the organic fertilizers generated by cattle can be used for corn cultivation, to reduce soil and water pollution and improve the ecological environment for agriculture.



Gu Yuliang (middle), chief of Juhuatai Village, said the Feiyue Cattle Shed could increase the villagers' income by at least RMB one million a year.



Cattle raising is an important source of income for the villagers.

A well-equipped breeding base was the start of RLX Tech's assistance. In July 2023, the Feiyue Cattle Shed, which we donated, was put into use in the breeding base of Juhuatai Village. The cattle shed was built by recycled cement made from recycled pods, covering an area of 15,329 square meters, with a building area of 1,529.2 square meters. It can accommodate 600 cattle on average per year, and will help Juhuatai's animal husbandry industry to transform from family free-range breeding to standardized and industrialized breeding.

At the same time, RLX Tech built a 100 cubic-meters water reservoir in the breeding base, which draws water from the Yellow River to meet the cattle's needs for drinking water and the cattle shed's needs for daily cleaning.

So far, more than 200 beef cattle purchased by the village collective fund have moved into this new home. Many wheeled tractors, feed mixers and other mechanical equipment have been put into use. As the first modern cattle shed in the village, Feiyue Cattle Shed is running smoothly with the hope of enriching the villagers.

Feiyue Cattle Shed will help Juhuatai transform its agricultural development model and diversify its agriculture from grain cultivation to the common development of animal farming and forage cultivation. Thanks to the government support, beef cattle breeding is growing into a pillar industry of local economy.



In the spacious and bright cattle shed, the beef cattle are enjoying their meal in a row.



In July 2023, the Feiyue Drying Yard at the entrance of Xingmin Village was covered with neat golden-yellow arrays of daylily, with lines in between, symbolizing the road to prosperity.

## Feiyue Drying Yard

Feiyue Drying Yard covers an area of **3,330** square meters

Capable of drying nearly about **344 tonnes** of daylily a year.

Hongshibao District of Ningxia is a county identified as vital to national rural revitalization, the largest resettlement area for relocation for the development of the eco-economy, and also the largest daylily producing area in the country. Daylily is considered by villagers as the key to poverty alleviation and income increase.

Every June, the farmland in Xingmin Village, Taiyangshan Township, Hongshibao District, will turn into a sea of yellow-green. The harvest, however, brings joy as well as trouble.

Daylily needs to be dried in the open air before transportation. The local government issued a circular in 2019 prohibiting drying on the highway, but there was no government-designated drying site in Xingmin, so as to dry as much daylily as possible in the 40-day harvest window, the villagers had to spread them on the asphalt pavement, which not only blocked traffic, but also seriously affected food safety.



Local villagers said that Feiyue Drying Yard "really solved their urgent needs."



The July-August period is the harvest season of daylily. Villagers are seen picking daylily in the farmland at dawn.

In order to save the daylily industry which is a major source of income for the villagers and help consolidate local achievements in poverty alleviation, in July 2023, Feiyue Drying Yard, a specialized drying yard funded by RLX Tech was completed and put into use. The drying ground covers an area of 3,330 square meters, and was built with the regenerated cement made from recycled pods. It will greatly improve the efficiency of daylily drying, and the quality of dried daylily.

With the enhancement of food safety, Xingmin's daylily will have the opportunity to enter large supermarkets and e-commerce platforms, and further help the villagers diversify their source of income.



## Xu Aiqin: blooming like a flower

Xu Aiqin, 53, has spent nearly all her life on the loess land. She lived her first 40 years like other women in the village, getting married and raising children. The year of 1994 saw a wave of migrants relocating from the arid zone to more humid places. In the third year after Xu Aiqin and her fellow villagers moved to Xingmin Village, daylily was introduced to their village. Xu Aiqin took the lead and showed extraordinary vigor by growing this novelty in all her 19 mu of land.

Over the past twenty years, Xu's daylily field has kept expanding, and her family's adobe house has been rebuilt into a beautiful tiled house. She is known by fellow villagers as "real female leading goose."

However, in recent years, the seemingly simple task of drying turned out to be a headache for Xu. "Considering the large quantities, we had to spread the daylily over the asphalt highway for drying. But we are worried about it being crushed by cars, or about being fined. And when it gets hot, the asphalt releases will also be a food safety risk."

It is heartbreaking for the villagers to see their long-cultivated daylily being crushed over by passing vehicles. What's more troublesome is the ever-changing weather. Xu Aiqin said that last year a torrential rain destroyed more than 5,000 kilograms of daylily in the town, and wasted a lot of people's efforts.

Therefore, when she learned that RLX Tech would build a drying yard, Xu Aiqin showed her full support. She shared her drying experience, and played an active role in the team... In her own field, she is a star with shining confidence. "With the new drying yard, we can respond swiftly on cloudy and rainy days. And the quality of the dried daylily will be better, and the farmers can fetch a higher price," said she.

Now Xu Aiqin is a backbone member and the only female leader of the Maoying Daylily Planting Specialized Cooperative in Taiyangshan, Wuzhong. The cooperative is responsible for purchasing and processing the daylily from the villagers nearby and selling it to Shaanxi, Hunan, and Sichuan. Xu Aiqin is busy every day.

"We farmers have always been living at the mercy of the elements; now we can play a bigger role." She said her favorite moment of the harvest season is when she stands in the field, surrounded by bright, full daylily. "It's such a beautiful sight to see."



The villagers said that this year's daylily is of excellent quality, and thus more likely to enter major supermarkets and e-commerce platforms.

## The Siyuan Road for Common Prosperity

Paving the road to the doorsteps of the villagers for the convenience of fruit transportation

In Chenggenying Village, Huangqi Town, Fengning Manchu Autonomous County, Chengde City, Hebei Province, the sweet and juicy melon is the main cash crop. After the entire village was lifted out of poverty at the end of 2018, boosting the melon sales became an important way to increase the farmers' income. However, due to the lack of construction funds, the dirt road leading to the greenhouses of the melon farm was neglected for a long time.

In December 2021, we joined hands with the China Siyuan Foundation to build a 1.1-kilometer-long road in Chenggenying and named it Siyuan Road for Common Prosperity. The road leads to the doorsteps of the villagers, and was built with recycled cement made from recycled pods. It has improved the transportation conditions of the melon greenhouses, and resolved the farmers' big heartache.



The original dirt road leading to the melon greenhouses in Chenggenying



The Siyuan Road for Common Prosperity jointly built by RLX Tech and China Siyuan Foundation

As of June 2023

The Siyuan Road for Common Prosperity had Increased the villagers' income by

**RMB 350,000**

## The Amur Tiger and Leopard Conservation Project

The return of the big cats – just a beginning

In 2020, RLX Tech launched the Amur Tiger and Leopard Conservation Project. Joining hands with the China Green Foundation, we invest RMB one million annually to protect the tiger and leopard habitats while promoting the harmonious coexistence of local people and nature.

**Frequented by wildlife, the "Tiger and Leopard Canteen" is busy.**

Factors such as habitat destruction and food shortage are the core reasons that force the displacement of wild Amur tigers and leopards. Thus, planting eco-fields became an important part of the project: the crops can feed herbivorous wildlife such as the sika deer and wild boars, which in turn will feed more wild Amur tigers and leopards.

So far, we have planted 300 mu of eco-fields in Zhen'anling, Sidougou and Guandougou villages in Hunchun City, Jilin, which are all located in the hinterland of the Northeast China Tiger and Leopard National Park, where corn and soybean crops from the eco-fields support a small "canteen" for the tigers and leopards.

To better protect the wild Amur tigers and leopards, it is necessary not only to provide them with food, but also to further understand their survival conditions. To this end, we purchased and installed real-time monitoring equipment worth RMB 250,000 to build a real-time observation platform for wildlife in the eco-field, which will provide first-hand research information for local ecological studies.

In 2022, the observation platform spotted the tracks of a total of 10 species of wildlife, including two species under first-class state protection and five species under second-class state protection. The eco-field has become an important food source and activity area for nearby wildlife.

According to statistics, in 2022

The number of beast sightings reported in the eco-field was

**845**



According to the data provided by the State Forestry and Grassland Administration, the Northeast China Tiger and Leopard National Park now has 60 wild Amur tigers, twice as many as before.

## The paradise

It's January 2023 in Zhen'anling Village. By 22:00, the villagers have shut their doors and windows and gone into sleep, but the wildlife is rustling around, as captured by the observation equipment in the eco-field. A roe deer is the first to arrive, and takes a few quick strolls. Otters follow. Soon the snow starts to fall and the noise is drowned out by the wind.

After the wind and snow stop, the eco-field becomes a kingdom of the spotted deer. The females are in groups of three or five, foraging for food. In the corner, two stags go head-to-head, dueling in the dark. Following the footsteps of the deer, a wild Amur tiger comes to the field. Its thick paws tread gracefully and slowly on the snow, minimizing the sound. Unfortunately, the herd has already left and the tiger has to depart alone, leaving deep tracks behind.

Feng Limin, an expert on wild Amur tigers and leopards and an associate professor at Beijing Normal University's College of Life Sciences, told us that the frequent visits by wildlife indicate that direct human interference in the eco-field and the surrounding area has been largely eliminated. "The wildlife feels safe in the eco-field, so we are confident that there will be more tigers and leopards here."



A wild spotted deer in the mountains surrounding the RLX Tech eco-field



A leopard cat, a specie under class 2 state protection, is captured by the monitoring equipment donated by RLX Tech foraging in a field.

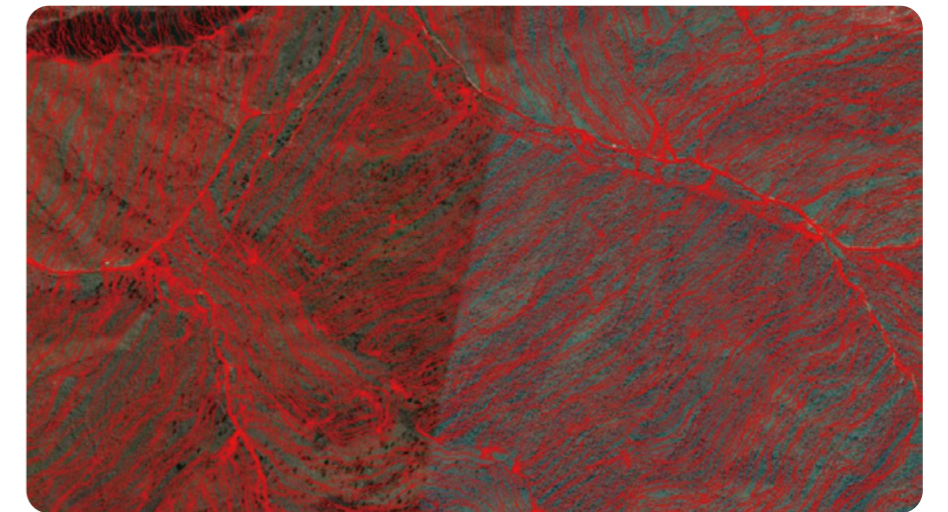
By the end of 2022  
The project had generated  
income for local villagers

**RMB 1.06 million**

## Mitigating human-animal conflicts in a science-based manner and involving villagers in the conservation efforts

As relevant protection measures continue to improve, the wildlife populations have grown rapidly, and the wild boars and the spotted deer have caused increasing damages to the farmland and crops. To alleviate the local human-animal conflict, we compensate the villagers for the damage done to their farmland, and moreover offer them multigrain seeds to help promote the transformation of rural industries, and the employment and income increase of the villagers.

The RLX Tech Patrol Team, founded in 2021, has been contributing to the scientific protection of wild Amur tigers and leopards. The team consists of local villagers who regularly go into the mountains to remove animal traps and snares, and assist the research team in collecting tiger and leopard tracks and other data. By the end of 2022, the total mileage of the patrol team had reached 28,200 kilometers.



The dense tracks of patrol team members recorded by the GPS device.

In 2022 the RLX Techn Patrol Team Removed

**15** traps

Collected **7,987** data entries of animal activity

Collected **340** samples for scientific research

Within the patrol scope  
Incidents of wildlife poaching

**0**

Three wild Amur tigers (one female and two males) lived safely in their stable territories in 2022.

## The “Footprints” Commemorative Album

Tan Changji, chief of Sidaogou Village:

“Three of our villagers in Sidaogou participate in the eco-field project. Last year we declared 6 hectares of eco-field, and received RMB 6,000 in compensation per hectare. The villagers are all happy about the income increase.”



A wild Amur tiger footprint discovered by a local villager near the RLX Tech eco-field



Meng Qinghai is searching for tracks left behind by the tigers and leopards in the mountains.

Meng Qinghai, a villager from Zhen'anling Village:

“I am a member of the patrol team, and I attend training four or five times a year. There are 20 people in the patrol team. The patrol work not only increases our income, but also enhances our awareness of wildlife protection. Since the fall began, more wild animals are coming out to look for food, and the number of animals is increasing.”

## The Feiyue Starsky Classroom

So far

The patrol team has assisted in **35** scientific investigation projects

Produced **2** scientific papers

We are continuing to explore public education on ecological conservation. In 2023, we built a 120-square-meter nature education base “Feiyue Starsky Classroom” in Zhen'anling Village, the first community-based nature classroom in the Northeast China Tiger and Leopard National Park area. With the Feiyue Starsky Classroom and the natural environment of the national park, the local community can host nature study ours and popular science education activities for the public and further promote the development of local eco-service industries.

In addition, through live-streaming via mobile apps and computer UI, we have disseminated wildlife conservation knowledge to more people, and continue to work with stakeholders to promote more scientific and sustainable protection measures to create opportunities and space for more wild Amur tigers and leopards surviving in the border between China and Russia to return to northeastern China. In 2022, RLX Tech carried out five training and community sustainability awareness and education activities.



We hope that the “Feiyue Starsky Classroom” will bring the public closer to the wildlife.





# Equal Attention to Compliance and Innovation

## Upgrading the R&D system in all respects

Since its inception, RLX Tech has invested RMB 800 million in research and development, in the constant pursuit of a perfect user experience. After the National Standards for E-Cigarettes, the E-Cigarettes Administrative Measures, Regulations on the Warning Signs of E-Cigarettes and other relevant laws and regulations was put into effect, we strictly comply with the regulatory requirements in developing products that meet the national standards, and as always, work to ensure the product quality and upgrade the R&D system in all respects and iterate the core technology of our vaping technology platform.

### Product Responsibility

## Technology innovation for a 100% customer satisfaction rate

We always believe that

only through technology innovation can we achieve 100% customer satisfaction.

On the basis of compliance with existing national standards

RLX Tech has upgraded the R&D system in all respects and set up stricter standards to ensure product quality.

We are also working with partners to push forward the scientific research boundary.

Good products win the trust of customers.

We hope that the customers will always feel free and cozy with our products.

Chemical analysts are tidying and cleaning the equipment in a chemistry laboratory.

### RLX Tech Lifecycle Product Quality Assurance

<b>Raw Material Control</b>	We regularly audit suppliers to promote their continuous improvement of quality management and processes. We control the quality and compliance of raw materials to ensure the quality of components.
<b>Product Design</b>	We continuously follow the development and testing of new products to ensure the on-time delivery of quality products.
<b>Total Quality Management</b>	We practice the total quality management model. We have taken measures in risk prevention, effective interception and monitoring, continuous optimization of standardization systems and digital advancement. With these measures, we transform our quality management thinking, enhance our quality management and control awareness, and improve our quality management and control capabilities.
<b>Product Quality Inspection</b>	We conduct quality inspection processes on 100% of incoming materials from the factory and continue to improve our quality control capabilities. We trace 100% of the quality issues to the source and form improvement plans.
<b>Product After-Sales Assurance</b>	We follow up on major after-sales quality issues in a timely manner, conduct regular store visits, collect market feedback, monitor after-sales quality data, and analyze and improve user returns.



A front-line employee is inspecting the pod quality in the factory.

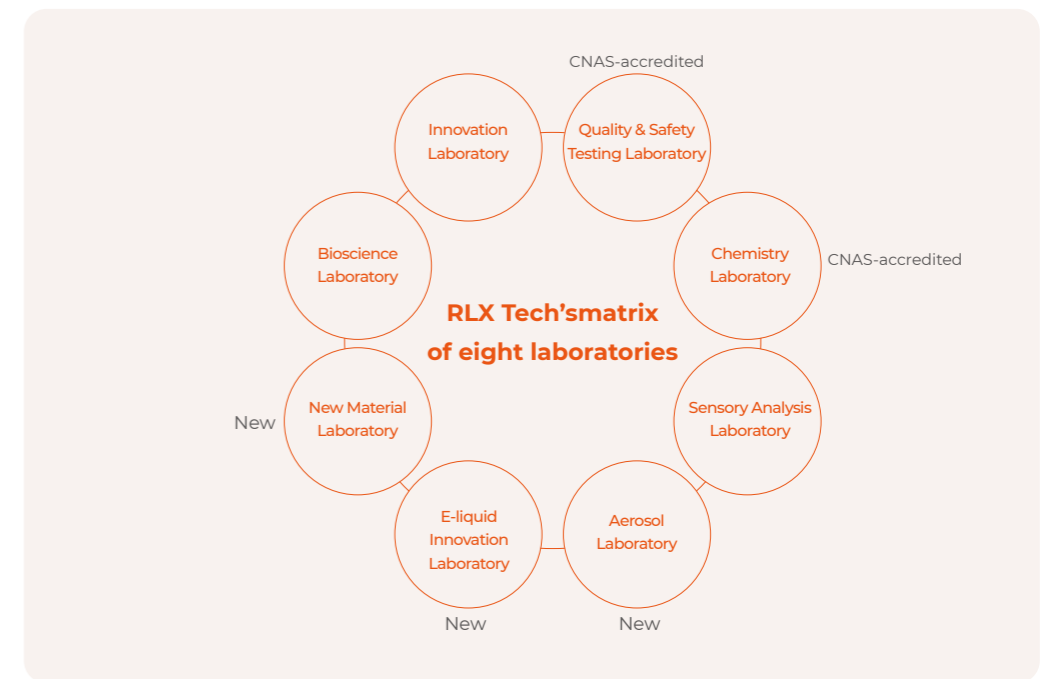
While developing products that meet the latest national standards, on the basis of the original laboratory matrix, we set up three new laboratories: the E-Liquid Innovation Laboratory, the Aerosol Laboratory, and the New Material Laboratory, forming a matrix of eight laboratories and strict quality control in the factory, and strictly guarding every link of product development and production. This R&D system upgrade has improved the complete “four-in-one” technical path of product quality, flavor blending, experience upgrading and scientific exploration, and further strengthened our basic R&D capability.

RLX Tech has always been firm in investing in innovation and R&D. We firmly believe in our ability to provide adult consumers with products of reliable quality, and continue to broaden the boundaries of science and innovation in the e-vapor industry.

## Matrix Of Eight Laboratories Pursuing excellence based on the national standards

The newly upgraded matrix of RLX Tech laboratories includes the Innovation Laboratory, Quality & Safety Testing Laboratory, Chemistry Laboratory, Sensory Analysis Laboratory, Aerosol Laboratory, E-Liquid Innovation Laboratory, New Material Laboratory and Bioscience Laboratory.

The promulgation and implementation of the national standards for e-cigarettes has redrawn the “starting line” for the e-cigarette industry. The matrix of eight laboratories, starting from the consumers’ needs, divides their responsibilities and covers every aspect of the consumer experience. We are strict with every quality control step, and take responsibility for the good taste and quality of our products.



### Where does the innovative design come from?

The RLX Tech Innovation Laboratory is the first stop for our products to materialize from the “concept” and to have functionality. For that to happen, the engineers have to face numerous “failures” here.

For example, as required by the national standards, the e-cigarette should have the emergency automatic shut-off function. But how to make the atomizers “smart” enough to know the temperature of each puff and automatically shut off when the e-liquid is burnt out? The engineers tried a variety of options, and finally determined that the 350-degree temperature control algorithm can make the product stop heating immediately when the temperature exceeds the limit to ensure the stability of components of the e-liquid. Currently, this technology has been applied to all products compliant with the national standards.



An engineering is working to optimize the product design at the Innovation Laboratory.

## Multiple quality tests for product reliability and durability

We hope that our products not only are for daily consumption, but also can stand “extreme tests.” In the Quality & Safety Testing Laboratory, R&D staff set up a variety of environmental adaptability and safety tests to ensure that the products remain stable in extreme environments. The laboratory was accredited by CNAS (China National Accreditation Service for Conformity Assessment) in 2022.

Based on national standards, the Quality & Safety Testing Laboratory also refers to the testing standards for consumer electronics products, and customizes a series of tests such as friction, plugging/unplugging, dropping, temperature shock, and negative pressure tests for RLX Tech’s products. For example, the R&D staff place the products in a constant temperature and humidity box to simulate an extremely cold and hot environments to see whether the products can keep their appearance intact and function normally in such environments.



The RLX Tech’s product during the paper-tape friction test in the Quality and Safety Testing Laboratory.

In 2022

Average pass rate of sample inspections:

**99.9%**

There was zero product non-compliance cases due to safety and health reasons.



In July 2023, the Quality and Safety Testing Laboratory of RLX Tech was accredited by CNAS in its expanded scope of competence, and obtained seven more testing qualifications as per the National Standards for E-Cigarettes.

## Safety testing of e-liquid and releases for your peace of mind in every puff

In 2019, via the Chemistry Laboratory, we developed a comprehensive, rigorous corporate standard for e-liquid, according to which we analyzed all e-liquid additives to reassure our users.

Besides testing nicotine, impurities, pollutants, carbonyl compounds and other substances in accordance with the national standards, the Chemistry Laboratory also conducts stricter and more comprehensive tests, and has set standards for the aroma, pH value, refractive index and density of e-liquid. The laboratory can conduct 77 tests on e-liquid, and 55 tests on e-cigarette releases. In August 2020, the laboratory was accredited by CNAS.

## Pure taste to restore the familiar feel

How to restore the familiar mellow taste on the atomizer? This is the priority task for the E-liquid Innovation Laboratory which was put into use in 2022. In the process of developing products compliant with the national standards, the R&D staff visited many high-quality tobacco extract production areas, and eliminated more than 90% of the extracts in the search of suitable extract raw materials for the atomizers, to ensure that the overall aroma of the product appeals to the users and complies with the safety standards.

It is worth noting that the “raw material purification” and “flavor sensing” technologies independently developed by the E-liquid Innovation Laboratory have greatly reduced the risk of overheating and changes in flavor. At the same time, the laboratory also masters the core technology of composite nicotine: through the regulation of the type and proportion of composite organic acid and its mixture with nicotine at the precise proportion, it can guarantee a pure taste of the product while delivering a user experience better than before.

RLX Tech’s flavor R&D system

Has developed **5000+** Flavors

All in compliance with the National Standards for E-Cigarettes.



Our Sanlitun store staff in Beijing is talking to a customer on the use of the atomizer.

### Let users have the final say on what makes a good user experience.

Before a product is launched on the market, it has to go through eight rounds of flavor evaluation in the Sensory Analysis Laboratory. During the product development process, the laboratory further upgraded the product flavor evaluation system by referring to the analysis methods of tea, coffee and wine. The evaluators will organize the users to score the flavor from aroma, taste, puff taste and other dimensions. After round after round of iteration and elimination, only the products that meet the user expectations in all dimensions are “qualified” to be consumed by more users.

### Exploring the innovation boundary and continuing to enhance product safety

We believe that continuous and in-depth basic scientific research can be continuously translated into better-quality products. In September 2020, RLX Tech opened the Bioscience Laboratory which carries out not only in-vitro aerosol effect experiments and behavioral experiments on animals, but also toxicological tests on the cardiovascular system, respiratory system, and nervous system on our products.

Meanwhile, the Aerosol Laboratory and New Material Laboratory opened in 2022 are responsible for in-depth analysis of the core components and key substances of e-cigarettes, to further enhance product safety and user experience, and to continue to reduce product risks while presenting the flavor of tobacco.

By April 2023  
 RLX Tech had filed  
 Nearly  
**900** patents globally

## A never-ending quest for innovation

We firmly believe that innovation is the cornerstone of continuous advancement of product power. Since its inception, RLX Tech has continued to strengthen the moat of intellectual property rights, hoping to transform innovation into excellent products to serve users and drive the benign development of the industry.

As of April 2023, RLX Tech had applied for nearly 900 patents worldwide, covering a wide range of areas such as e-vaper design, e-liquid formulation, release safety, and intelligentization.

RLX Tech’s product innovation is highly recognized. In 2022, we won a number of international awards, including Japan’s International Design Pioneer Award (IDPA), the U.S. Muse Design Award (MUSE), the Global Future Design Awards, and the Golden Creativity Design Award.



International design awards claimed by RLX Tech



## Delivering a pure and aromatic experience

### Precision down to the molecular level

How to maximize the tobacco aroma familiar to the consumers on the basis of ensured quality and safety is a major challenge facing the industry in the product development process.

After months of hard work, the E-liquid Innovation Laboratory finally solved this challenge using the patented formulation technology. By adjusting the ratio of large and small molecules in the extract, the R&D personnel fully studied how each ingredient interacted with the others, and finally ensured both a mellow aroma and a mild and smooth taste for the consumers.

At the same time, to remove the smell of burnt e-liquid that concerns many consumers, the R&D team applied an innovative pod structure supported by several patents, which can ensure the pressure balance of the e-liquid chamber, effectively reduce the occurrence of burnt smell, and extend the service life.



The devil is in the details. We must stay detail-oriented so as to bring the familiar flavor of stable quality to the users from the source of premium raw materials.

## Continuing with Scientific Research

### Discovering the unknown and solving the unresolved

Systematic scientific research on e-cigarettes, a novel product, is still in its infancy. For example, at the genetic level, how do e-cigarettes affect various types of cells? At the clinical level, can e-cigarettes meet the needs of users? In the field of public health, do e-cigarettes have the potential to play a positive value? Discovering the unknown and solving the unresolved matters are never easy, but we believe that this is a responsibility we cannot shirk.

In 2020, RLX Tech defined the "1+4" scientific research path: on the basis of strict quality control, we established the four modules of physical and chemical research, toxicological research, clinical research, and long-term impact assessment, to systematically and scientifically assess the e-vapors. Since then, we have initiated nearly 50 scientific research projects, trying to fill in the gaps in the science of e-vapors one by one, to verify and identify the low-risk potential of our products, and to eliminate the public prejudice against vapors.

Some of our scientific research results are materializing. Some of the preliminary research conclusions have bolstered our confidence in the future of the e-vapor market and our commitment to users.



A R&D worker is mixing products in the E-liquid Innovation Laboratory.

## The 1+4 matrix for scientific research

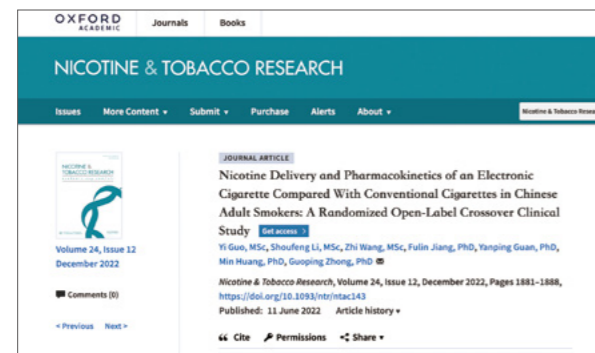
Product quality	Consistent product quality is the cornerstone of scientific research. Only when the quality is consistent can meaningful scientific conclusions be produced.
Research	Via the Chemistry Laboratory, we study on the concentration levels of chemical components in aerosols, with focus on the potential risky components in releases, and accumulate data to provide a basis for quantitative risk assessment and clinical experiments.
Toxicological research	We systematically evaluate the toxicology of e-liquid and aerosols, which can be used to determine their effects on different body tissues, in different dimensions, and as a prerequisite for clinical studies.
Clinical research	We track users on a regular basis to observe changes in physiological indicators and relevant biomarkers in the body. Research is also conducted on topics such as user vaping behavior and nicotine pharmacokinetics.
Long-term impact assessment	We study the changes in the characteristics of user groups in the context of public health, and have developed a comprehensive and complex analytical model to predict the impact of e-vapor products on public health, taking into account the results of toxicological and clinical studies.

## Milestone: The first e-cigarette clinical research results in China

In November 2022, the results of the first clinical study on e-cigarettes initiated by RLX Tech were published in the medical SCI journal Nicotine & Tobacco Research. The experiments confirmed that the pharmacokinetic characteristics of nicotine in e-cigarettes is close to those of cigarettes, and may be used to alleviate the “withdrawal symptoms.”

In this study, relevant clinical data of Chinese smokers were obtained for the first time. The results showed that when the subjects used e-cigarettes, their peak plasma nicotine concentration, time to peak, and absorption rate were similar to those when they used cigarettes, suggesting that e-cigarettes are close to cigarettes in terms of nicotine delivery efficiency. In the same environment, the total amount of nicotine delivered by e-cigarettes may be less.

In addition, in the experiment, no subjects experienced serious acute symptoms and tolerated the e-cigarettes well, partially confirming the short-term safety of e-cigarettes.



The paper published on Nicotine & Tobacco Research

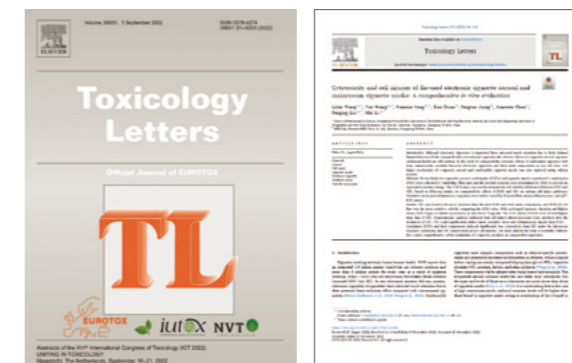
## New breakthroughs: Research on cells, animals and public health

The e-vapor science is complex and nuanced, involving multiple disciplines such as toxicology, pharmacology, neuroscience, and public health. In 2022, RLX Tech worked with several universities, research institutes, and hospitals and achieved academic breakthroughs in different dimensions.

### Cell research

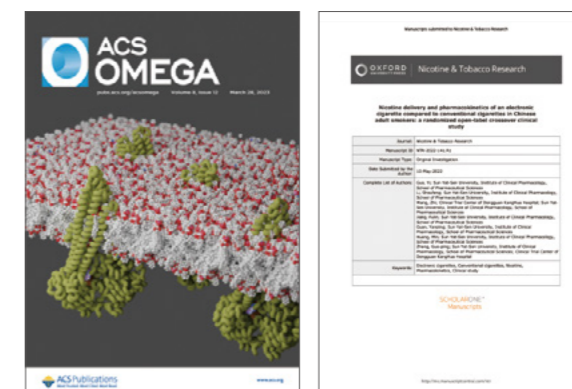
In November 2022, a joint research team of RLX Tech and Fuzhou University published a paper in Toxicology in Vitro, a leading global toxicology journal. The research team were the first to use the exosomal proteomics technology to confirm that e-cigarettes have relatively little effect on human bronchial epithelial cells.

In December 2022, the joint research team of RLX Tech and Sun Yat-sen University published a paper in Toxicology Letters, an authoritative global toxicology journal, stating that e-cigarettes did not show significant cytotoxicity to nine types of cells (the human lung epithelial cells, human embryonic lung fibroblasts, human lung carcinoma cells, rat cardiomyocytes, human monocytes, human hepatocellular carcinoma cells, human esophageal squamous carcinoma cells, human renal epithelial cells, and human colorectal epithelial cells).



The paper published on Toxicology Letters

In March 2023, the joint research team of RLX Tech and Qilu University of Technology (Shandong Academy of Sciences) published a paper in ACS Omega, an SCI journal of the American Chemical Society. The study concluded that e-cigarette aerosols had no significant effect on the activity of human gingival epithelial cells.



The paper published in ACS Omega

## Animal research

In October 2022, the joint research team of RLX Tech and Sun Yat-sen University published a paper in Archives of Toxicology, a global core journal of toxicology, comparing for the first time the effects of cigarettes and e-cigarettes on lung function, inflammatory factors, and protein expression in mice with the same concentration level of nicotine, which filled the void of scientific research in related fields.

## Research in public health

In 2022, the joint research team of RLX Tech and Sun Yat-sen University initiated a survey on the use of nicotine products in Guangzhou. The data showed that the main motivation for e-cigarette users was to reduce stress, and only 6.8% of non-smokers said they might try e-cigarettes, suggesting that e-cigarettes were less attractive to non-smokers.

## Forming more partnerships to expand the application scope of vaping technology

The vaping technology can not only be used in consumer electronics; it has the potential to be widely used in the pharmaceutical and healthcare sectors. RLX Tech is working with research institutes to improve the product structure and explore the development of a new-generation vaping platform.

In 2022, RLX Tech was awarded the honorary title of New-Type Intelligent Atomizers and Preparations for Inhalation Engineering Technology Center of Guangdong Province. The team of RLX Tech will dive deeper into the subjects of thermodynamics and kinetics, compare the delivery differences between different atomization methods, identify the core factors affecting the nebulization effect, and refer to the medical inhalation device standards to raise further the product safety threshold.

In 2023, RLX Tech cooperated with Shenzhen Bay Laboratory's Pingshan Translational Medicine Center to establish a joint R&D center for inhalation formulations of complex biomolecules. The center will try to develop novel polypeptide drugs and carry out drug preparation, aerosol stability assessment, experimental animal effect and toxicity evaluation.

By the end of April 2023

We had launched **17** cooperative research projects

And published **11** scientific research papers on authoritative journals



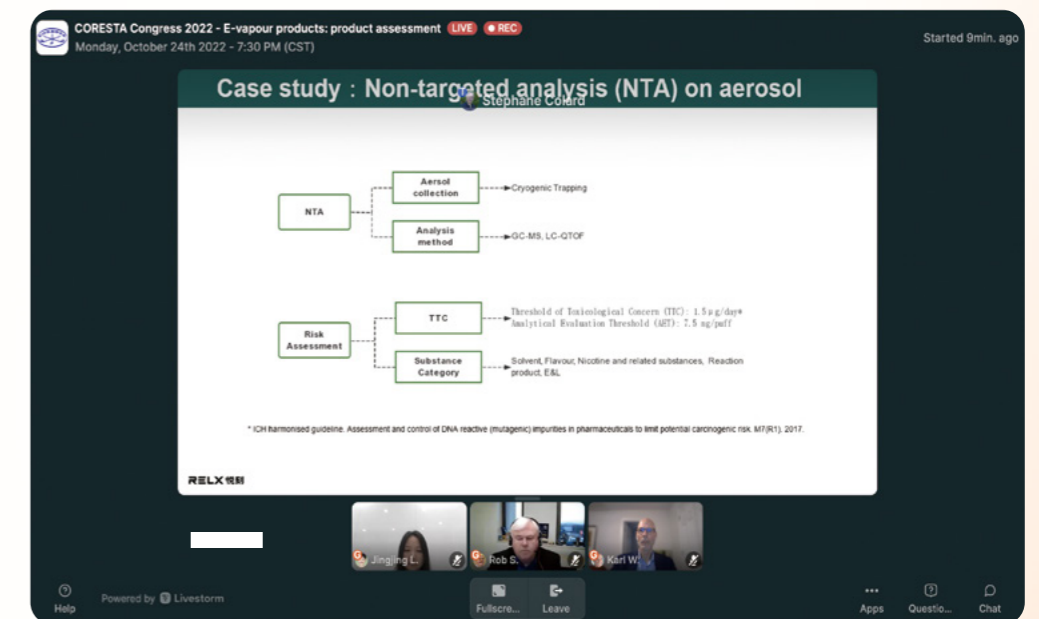
## Presenting 17 research results at the CORESTA Congress

Founded in 1956 and headquartered in Paris, France, the Cooperation Center for Scientific Research Relative to Tobacco (CORESTA) is the most authoritative non-profit academic organization in the global tobacco industry. Its biennial congress is considered the top academic conference in the field of tobacco research.

In October 2022, as the only Chinese e-cigarette company to participate in the CORESTA Congress, RLX Tech presented 17 scientific research results covering multiple disciplines such as product testing, toxicology research, atomization mechanism and public health.

It is worth mentioning that the "Risk Evaluation System and Multiple Hazardous Substances Detection Methods" presentation given by scientists from RLX Tech have been applied to products compliant with national standards. This risk evaluation system includes chemical testing, toxicological risk assessment, biological testing and other means to eliminate as many risk sources as possible and enhance product safety.

Stephane Colard, Secretary General of CORESTA, commended the RLX Tech science team for the impressive quantity, quality, diversity and quality of their scientific research.



The RLX Tech science team sharing their latest research achievements at the CORESTA Congress via video link

# The User Experience

Always be convenient and considerate

Our top priority is to provide consumers with the best service. Through our professional and patient customer service team, we have set up a variety of pre-sales and after-sales service channels, such as the 400+ consumer service hotline, WeChat public account, and WeChat Work account. We always follow consumers' feedback on the products. During the past year, we optimized our after-sales service strategy in accordance with the latest regulatory requirements, and continued to provide users with excellent and considerate services.

## Patient and prompt response on the Q&A platform

In 2022, our customer service chatbot fielded 2.25 million questions from the users, and the customer service specialist team provided services to 856,000 users, with a user satisfaction rate of 96.89% and a 100% complaint settlement rate.

In 2022, we launched the Q&A platform to make it easier for users to ask any e-cigarette-related question online. As of December 31, 2022, we had received 13,383 questions on the Q&A platform, all of which were responded to within 24 hours.



"Ask and we will answer."

By 2023

we had opened

**2187** joint-warranty stores

In

**273** cities

## A large network of joint-warranty stores

In 2022, we upgraded some of the compliant retail stores to joint-warranty stores and helped the store operators master the techniques of identifying the problem with the pods and atomizers. Consumers in need of post-sale services can go to these joint-warranty stores to have their defective products replaced on the spot. By 2023, we had opened 2,187 joint-warranty stores in 273 cities.



A worker is checking the appearance of a returned product at the post-sales quality inspection center.

## Consumer privacy protection

We are deeply aware of the importance of personal privacy information to consumers, and have established a comprehensive and effective privacy protection system since our inception, which is made public on our official website. In addition, we employ advanced firewalls, information encryption, permission settings and other technical means to ensure that consumers' personal information will not be leaked or lost. We have also signed confidentiality agreements with all relevant employees, demanding them to handle consumer information safely and carefully.



# Assisting regulators

## In promoting the healthy development of the industry

Since the official implementation of the National Standards for E-Cigarettes, the e-cigarette industry has been developing in an orderly manner. Some unscrupulous traders, however, use violation against the national standards as a selling point and are selling products which do not provide the name or address of the manufacturer or the date of production at low prices and with flavors forbidden in the national standards, seriously disrupting the market order. The State Tobacco Monopoly Administration (STAA) has taken strong action against illegal products such as the “milk tea cup” and the “cola can.” As an industry insider, we are doing our best to assist the regulatory authorities at all levels in combating crimes and protecting consumer rights.

In February 2023, RLX Tech called for the public to report clues about the manufacturing and sale of counterfeit RELX products (including the production sites, sales channels and counterfeit authentication webpages). We set up a “Complaint and Report” column on our WeChat public account. After receiving user reports, we will investigate and verify the clues, and then actively work with the regulatory authorities to crack down on crimes.



A public call for clues on counterfeit products

On March 1, 2023, the General Office of the State Tobacco Monopoly Administration issued the Circular of on Carrying Out Inspections to Regulate the E-Cigarette Market, creating a strong deterrent to crimes involving the manufacture and sale of counterfeit e-cigarettes nationwide. In active response to it, we assisted law enforcement authorities in collecting clues, provided technical support for the testing of illegal “milk tea cup” products, and prepared market research reports, contributing to the healthier, more benign and robust development of the industry.

## Golden Shield in Action: Relentless crackdown on knockoff products

Since 2019, RLX Tech has actively responded to relevant national policy and launched the Golden Shield program. We have assisted law enforcement agencies in carrying out online and offline anti-counterfeiting activities, and raised public awareness of the safety hazards and the methods to identify counterfeit and knockoff products, to protect consumer rights from being infringed upon.

In 2022, via the Gold Shield program we assisted regulators in launching 35 anti-counterfeit cases, seizing more than 49,000 counterfeit and knockoff pods and more than 5,600 knockoff atomizers.



In 2023, our Golden Shield Program team assisted the authorities in launching an anti-counterfeit operation in Dongguan.



## Corporate Governance

# A New Journey Brings New Responsibilities

The year 2023 saw the e-cigarette industry enter into a new era.

With the help and support of regulators at all levels

we have been improving corporate governance and strengthening internal control

fully responding to the latest industry policy and actively adapting to the changes in the external environment.

Each era has its unique opportunities and challenges.

We are ready

and excited

to usher the e-cigarette industry into a law-based, well-regulated future.

In this milestone year, we responded fully to the latest industry policy and actively to changes.

# Responding to the New Policy

## Doing everything we can

Since the Administrative Measures for E-Cigarettes and the State Tobacco Monopoly Administration's supporting policies and regulations were officially put into effect, China's e-cigarette industry has stepped into a new era of law-based governance. Under the guidance of the latest policies, RLX Tech has improved its R&D capability to develop high-quality products that comply with the national standards. While operating in compliance with the law, we cooperate with the regulatory authorities to contribute to the healthy and orderly development of the industry.

## Business Compliance Embracing regulation and forging ahead

After the implementation of the Administrative Measures for E-Cigarettes, as requested by the regulatory authorities, we stepped up in the publicity and training on the new regulations and standards during the transition period. At the same time we moved faster to develop products that comply with the national standards and actively applied for technical review of the products and the relevant licenses.

On July 22, 2022, RLX Tech received the Tobacco Monopoly Production Enterprise License (E-Cigarette Product Manufacturer) issued by the State Tobacco Monopoly Administration, whose scope covers brand holding and product manufacturing (domestic sales and export). This was a landmark event showing us actively implementing the Administrative Measures for E-Cigarettes and embracing the new era of well-regulated development of the industry, and a milestone in our company history.

In 2022

RLX Tech and its subsidiaries obtained **3** Tobacco Monopoly Production Enterprise Licenses issued by the State Tobacco Monopoly Administration

In August 2022, our new product that complies with the latest national standards were launched on the national unified e-cigarette trading platform, and have successively entered all provincial markets in the mainland. On August 29, we expressed our gratitude to the regulators at all levels for their efficient services and support through public channels.

In 2022, the Administrative Measures for E-Cigarettes and the National Standards for E-Cigarettes officially went into effect. Standing at this new starting point, we are full of confidence, aware of our responsibility, and do business in accordance with the law and in an orderly manner by following the “five-strict” principle and the “five-no” principle.

### The “Five-Strict” Principle

Strict implementation of the platform’s trading rules

Strict implementation of product packaging and labeling requirements

Strict compliance with requirements for sources of nicotine liquid

Strictly compliance with the requirement for flavor consistency between the launched product and the product that passed the technical review

Strict compliance of exports with local laws and standards

### The “Five-No” Principle

Do not sell on the domestic market products that have not passed the technical review

Do not operate beyond the scope of the license

Do not operate beyond authorized scale

No transactions with illegal subjects

Strict compliance of exports with local laws and standards

On this new journey we are joined by many partners. To tide the store owners over the transition period, in May 2022, we sent targeted licensing guidelines to our e-cigarette retail stores across China to help them speed up the application process. In September 2022, we sent an alert to the store owners, advising them not to stockpile e-cigarettes, and emphasizing the business risks of selling products not compliant with the national standards. We also provided the store owners with a variety of rectification plans for reference in response to the regulatory requirement forbidding the exclusive dealing of e-cigarette products launched on the market.



A trainer of RLX Tech is giving a live-streamed lecture to the staff of retail stores on the product that complies with the latest national standards.



At the E-liquid Innovation Laboratory, a R&D worker is testing the flavor characteristics of different extracts.

## Product Compliance As always, delivering exceptional products for consumers

By June 2023, RLX Tech Had **48** products passthe technical review.

The National Standards for E-Cigarettes, released in April 2022, raises new requirements on the e-liquid formula and hardware design, among other aspects of the e-cigarette products. After a thorough study of the technical content, we actively communicated with the technical review department, and fully implemented the new requirements, doing our best to develop products that comply with the national standards and deliver a perfect user experience.

### The e-liquid formulation

According to the national standards, e-cigarettes should not present other flavors besides tobacco. A white list of 101 additives allowed to be used is formulated. In addition, nicotine-free e-cigarettes are forbidden to enter the market; the concentration of nicotine in the e-liquid should not be higher than 20mg/g, and the total amount of nicotine should not be higher than 200mg. We have strictly followed all the above criteria in flavor development, and on top of that, employed multiple innovative technologies to highlight the tobacco flavor stipulated in the national standards.

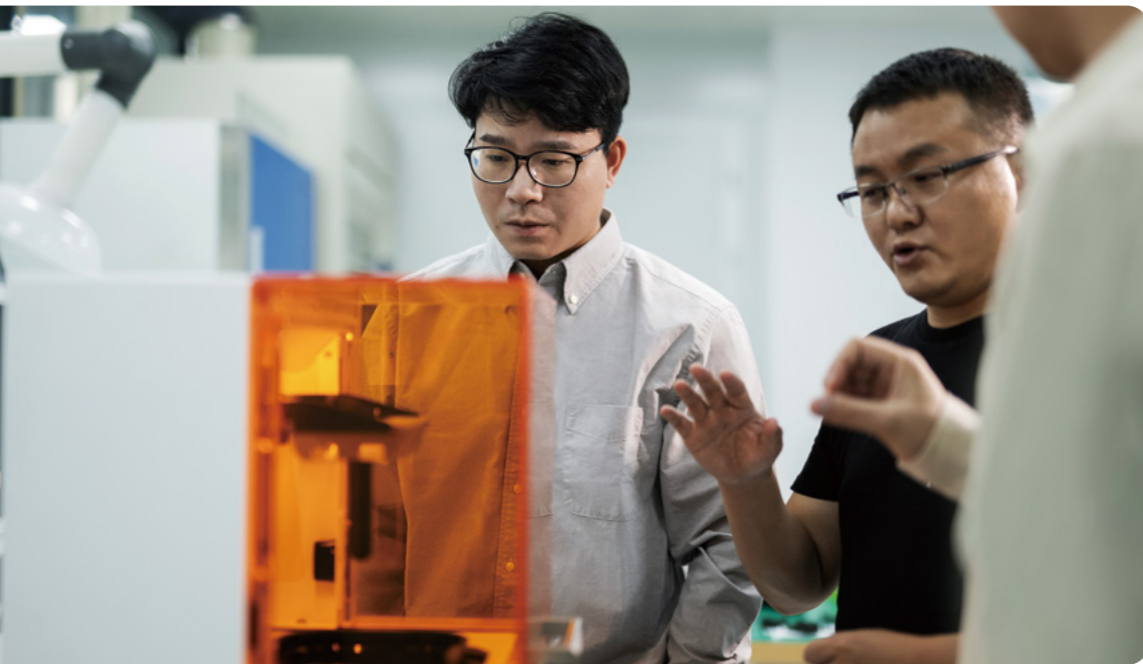
## The e-cigarette device's functions

According to the national standards, e-cigarettes should have the protection to prevent the device to be turned on by a child or by accident. Accordingly, our products compliant with the latest national standards are all installed with the plug-in "child lock": the product is locked when shipped out of the factory, and the user can "lock" or "unlock" it by quickly plugging and unplugging the pod three times within two seconds. This design can protect the product from being turned on by a child without adding extra parts.

The national standards also impose higher requirements on the quality and safety of e-cigarettes. For example, e-cigarettes will produce smoke when there is little tobacco oil burning. Our products compliant with the national standards are equipped with the automatic switch-off function: like the smart kettle, when the temperature crosses the threshold, it will automatically stop heating and produce smoke, to ensure the stability of the e-liquid components.

To enhance product safety, we tested the shell, battery, battery bracket, electronic components and other components of the products compliant with the latest national standards for six hazardous substances. Only after we were sure that they all met the GB/T 26572 limit requirements did we print the "e" mark for eco-friendly on the atomizer.

On the basis of compliance with the national standards, we upgraded the waterproof function of the products and the protection against over-charging, over-discharging and over-heating of the battery core, so as to prolong the service life of the products.



RLX Tech engineers are modeling products with 3D printers in the Innovation Laboratory.



## | The Child Lock | The guardian of love

In May 2022, Wen Jiali became the talk of the town in RLX Tech's Innovation Laboratory. As an engineer, he was suddenly obsessed with locks: be it the lab door lock or the cell phone lockscreen, whenever he came across a lock, he would pause to have a close look.

The national standards demand that e-cigarettes and vaping devices should have the protection to prevent it from being turned on by a child or by accident. But how to minimize the impact of the unlocking and locking on the use experience?

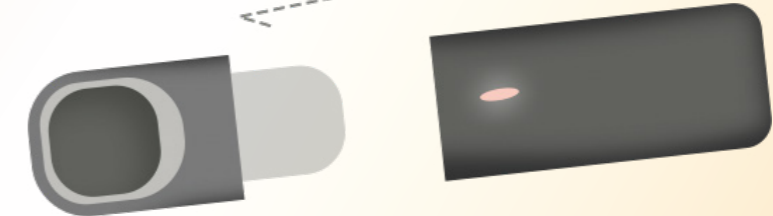
The R&D team responded quickly by focusing on making the product easier to use, but what if the minors want to have a try and succeed in unlocking it? The team decided that they would rather give up on the easiest design than take that risk.

"It should not be too easy to unlock for a minor, or too complicated for an adult." Aware of difficulty of this design challenge, Wen Jiali started to examine the locks around him from then on. One day after work, he was offered a ride home. When he got into the colleague's car, and saw the "Push Start" function which requires two pushes of the button to start the car, he immediately had an idea.

The plug-in child lock was a new direction worth trying. After rounds of optimization by the R&D team, the child lock design was finally completed: the user only needs to plug and unplug the pod 3 times in 2 seconds to unlock it. Moreover, the atomizer will be locked when shipped out of the factory to close the safety loophole.

In several rounds of user survey and testing, the vast majority of users could unlock the device with one hand. The "tidal power light," which shows the unlocked/unlocked status in real time, further enriches the user experience. The R&D team strove to make the child lock a protective plus for the minor, but not a minus for adult users.

Plug and unplug 3 times in 2 seconds



The child lock design allows you to relax yourself, without disturbing others.



At the Shenzhen office, the R&D team is discussing the appearance design of products compliant with the national standards.

### Product appearance design

According to the national standards, we made drastic changes to the appearance of our products. Warnings are added, with the proportion required in the national standards, at the prominent positions of the atomizers, pods and the inner and outer packages of the products, which read as follows: “We kindly remind your that smoking e-cigarettes is hazardous to your health, and please do not smoke e-cigarettes in non-smoke places,” and “Please persuade the minors not to smoke e-cigarettes, and primary and secondary school students are prohibited from smoking e-cigarettes,” and so on.

More changes are in the details. The inner package of all our products compliant with the national standards contains “Tips for Users” and “The Product Manual,” which provide users with relevant knowledge and detailed data such as the liquid volume, total amount of nicotine, and nicotine concentration of each pod.

In addition, we took the initiative to update the color schemes, logos and related elements of our products. Our products and technologies have met the compliance requirements, and more importantly our company philosophy is updated to embrace the new era of compliance-based development.

## Governance Support

### Continuously improving the Board’s functions for good governance

The Board of Directors undertakes important functions in corporate governance. We actively implement the diversity policy of board members to ensure a balanced board composition in terms of expertise, experience, and diversity.

The term of each director is one year. The current Board consists of three executive directors and two independent directors, two of whom are women. They come from different professional backgrounds, and all have the necessary knowledge, skills and capabilities to perform their duties as directors. For the detailed profile of each director, please refer to our annual report for 2022 and our Investor Relations website [ir.relxtech.com](http://ir.relxtech.com).

In order to improve the quality of the directors’ decision-making, RLX Tech has set up an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee according to their responsibilities and functions. Members of each committee are all independent directors. For information on the members of the committees under the Board of Directors, please refer to our Investor Relations website.



Kate Wang, founder and CEO of RLX Tech, and co-founder Jiang Long, in a session on product planning

## Risk Management

### Ensuring prompt and effective management

The Board of Directors is responsible for the company's risk management and internal control system. Appropriate policies and strategies were devised to ensure the effective operation of the system. On behalf of the Board of Directors, the Audit Committee reviews the management's efforts to build, implement and monitor risk management and internal control on a quarterly basis. Considering the company's actual situation, we adopt the internal control model of "three lines of defense" to ensure the effectiveness of risk management and internal control system.

We have established a risk monitoring and early warning mechanism. We continuously track changes in policies and regulations, industry risks and key business risks to our operations, and try to reduce risks through preventive means and internal control. In addition, the senior management and risk management personnel are trained on a regular basis to keep abreast of important international risk management knowledge and indicators, and continuously strengthen the professional capabilities of our team.

## Integrity and Compliance

### Zero tolerance for illegal behavior

RLX Tech strictly abides by relevant laws and regulations, and has "zero tolerance" for illegal behavior such as corruption, fraud, and insider trading. We have joined the Trust and Integrity Enterprise Alliance and the Enterprise Anti-Fraud Alliance of Guangdong Enterprise Institute for Internal Controls, and work to promote the sustainable development of the industry through innovation and win-win cooperation. Meanwhile, we have an unimpeded whistleblowing channel and made public the email address for receiving reports on our official website. All employees, suppliers, users and third parties can file grievances and provide clues in real name or anonymously. 2022, the company reported zero major corruption litigation case.

We regularly train employees and partners on our Code of Business Conduct, demanding them to fully understand all its requirements. The Code provides detailed contents about anti-corruption and anti-bribery, prohibition of insider trading, compliance with the law against unfair competition and trust, anti-fraud, avoidance of conflicts of interest, protection of information security, protection of intellectual property rights, and methods of grievance filing

and whistleblowing. We regularly train employees and partners on our Code of Business Conduct, demanding them to fully understand all its requirements. The Code provides detailed contents about anti-corruption and anti-bribery, prohibition of insider trading, compliance with the law against unfair competition and trust, anti-fraud, avoidance of conflicts of interest, protection of information security, protection of intellectual property rights, and methods of grievance filing and whistleblowing.



Several employees are discussing the integrity and compliance training program.

## Supplier Management

### Strict entry assessment

We want to build a friendly and sustainable relationship with suppliers. We have established a rigorous entry assessment mechanism, under which each potential supplier is comprehensively evaluated in multiple dimensions and then given a final score. These dimensions include not only R&D capability, quality control, and financial management, but also labor rights, occupational health and safety, energy management, carbon emissions, and business ethics.

Each of our suppliers must sign the RELX Code of Conduct for Business Partners. Every year, we carry out internal assessments for our core Tier 1 and Tier 2 suppliers, and urge them to continuously improve their management capabilities and performance. The suppliers which did not pass the assessment will be demanded to make rectifications. We will follow up regularly to track the progress and ensure that the rectifications are effective.



We evaluate suppliers in the areas of labor rights, occupational health, energy management, etc.



Employee Responsibility

## Tap the potential of every employee and let them shine

We value each and every partner.  
We not only provide a stage for employees to realize their dreams  
but also work to create a safe, comfortable workplace  
and motivate them to pursue innovation and personal growth with passion.

In the past year  
we strove for excellence and did good for society  
rose up to challenges while forging ahead  
and grew together with our employees.

A group photo of employees taken at a corner of our Shanghai office

## We encourage everyone to shine

RLX Tech is willing to provide an equal stage for everyone and regards every employee as our most precious asset, encouraging them to shine and create value.

We strictly follow the Labor Law, the Law on Labor Contracts, the Law on the Protection of Rights and Interests of Women and other relevant Chinese laws and regulations, provide equal employment and development opportunities for talented people regardless of their race, ethnic group, gender, age, and religious background, and prohibit discrimination, harassment, and the use of child labor and forced labor.

By December 31, 2022

RLX Tech had  
**789** employees

Including  
**38** employees  
of ethnic minorities

Percentage of female employees:  
**39%**



RLX Tech staff are discussing the user service proposals



On March 8, 2023, the International Women's Day, the stories of female role models were shared on the "Board Built by Love."

## | SHE LEADs | Be brave, creative, and loving

RLX Tech cares about the needs of women in the workplace and wants to provide equal opportunities and support to female employees at every stage of their career development.

The SHE LEADs Workshop is an internal organization of RLX Tech, committed to identifying female employees' core competencies in the workplace and helping increase their confidence in the workplace. To mark the International Women's Day, in March 2023, SHE LEADs launched an event with the theme of "Becoming Your Best Possible Self." We invited professional actors to give an acting class to our female employees. Through role play, they became more confident, more open to communication, and more empathic, and drew strength for self-improvement.

## Be your better self

We believe that the meaning of life lies in growth. RLX Tech encourages every employee to explore the boundaries of their career, broaden their range of abilities, and become a better version of themselves. To this end, RLX Tech continuously optimizes the high-standard training system, provides diversified training courses, and enriches learning resources to motivate every employee to challenge themselves.

All new hires will receive systematic training so that they can quickly understand the brand and corporate culture and integrate into the team. They will also receive professional and targeted training on business skills in their respective line of business, so as to enhance their expertise and professional skills more quickly, and to lay a solid foundation for long-term development.

We also have a sound job system and a clear, fair and just career promotion channel and a long-term incentive program for each employee. We conduct two employee performance assessments a year, and use the assessment results to support employees to grow continuously and realize their self-worth.



We strive to create an equal, inclusive and diverse workplace.



## RLX Tech's Employee Training System

	Target Group	Purpose
Onboarding Program	New employees	Lectures are given by the heads of core departments to help new recruits quickly understand the brand mission and corporate culture. There are also business ethics and legal compliance courses to strengthen their awareness of compliance.
Escort Program	All employees	We continuously provide all employees with the latest courses on integrity and compliance, information security laws and regulations, and case analyses to continuously raise their awareness of compliance.
Leadership Training	Senior and middle management	In light of the overall corporate plan and major pain points, we organize trainings for the management on relevant topics to empower them and improve their core competitiveness.
Business Training	All employees	The head of each business department will work with the human resources department to organize purpose-specific offline training courses that meet their department's needs, so as to help employees grow rapidly.

In addition to offline training, employees can learn anytime, anywhere on the online learning platform RELXschool which in 2022 offered a total of 65 online courses.



Our staff in Shenzhen are discussing a project proposal.

By the end of 2022

We had organized

**309** employee training sessions

Coverage rate

**100%**

Total training hours

**37,255**

## We take care of our people

A healthy and balanced workplace life is a prerequisite for stimulating employee creativity. We are committed to creating a safer and more comfortable working environment for our employees, and have taken several measures in accordance with the Law on Prevention and Control of Occupational Diseases, the Law on Workplace Safety and other applicable laws and regulations to protect the employees' health.

At the same time, we actively organize exciting team activities, encourage employees to organize hobby clubs, to strike a balance between work and leisure, and enhance the employees' sense of happiness.

### Caring about employees' health

In 2022

The production departments organized

**26** security training sessions.

RLX Tech attaches great importance to the occupational safety and health. We have formulated a sound safety emergency management mechanism and a workplace injury prevention mechanism, and organized safety training for relevant teams. We organize annual medical checkups and have purchased commercial insurance for each employee. In 2022, the company reported zero confirmed cases of occupational diseases.

We take concrete actions to make the office environment more comfortable. We test the indoor air quality and the drinking water quality in our offices on a regular basis. We provide thoughtful and convenient services for pregnant employees, and have set up breastfeeding rooms in the office.

We also care for the mental health of our employees and have set up a psychological counseling room. In 2022, we provided psychological counseling services to more than 20 employees to help them relieve stress and restore a positive mindset.



RLX Tech's employees are practicing CPR.

For two consecutive years, we have provided employees with training on first aid skills. In February 2022, in cooperation with the Longjing community in Xin'an Sub-district, Bao'an District, Shenzhen, we held two training sessions on the use of AED. And 76 of our employees participated in the training and received the First Aid Training Certificate from the Red Cross Society of Bao'an District. They learned routine first aid knowledge, and practiced first-aid skills such as bandaging to stop bleeding, cardiopulmonary resuscitation (CPR), the use of AED, and treatment of foreign body airway obstruction.

## Enhancing the employees' sense of happiness

We want work-and-life balance for every employee. We organize sports clubs, festival celebrations and monthly birthday parties, to enrich the life of the staff.

We also launched an internal flea market to give a new life to second-hand goods. In 2023, the RELX Library was launched. It encourages employees to donate books, and organizes book club activities to enhance the staff's motivation for learning. The monthly "Heart-to-Heart Meeting" serves as a direct communication channel between employees and the management, so that every ordinary employee can communicate with the management more efficiently, to help each other, identify and solve the problems.

In addition, in order to alleviate the employees' housing burden, we have been expanding our cooperation network with chain serviced apartment operators to provide high-quality apartments for employees without a home at fixed discounts.



At the Beijing office, Qiao Yujie (left), a HR specialist, is talking to an employee about her career plan.



The annual Shenzhen Beach Cleaning event continues to attract new team members.



## | Shenzhen Beach Cleaning | Taking actions to protect the Earth together

At RLX Tech, Shenzhen Beach Cleaning is one of the activities with the highest participation rate and best feedback among the employees. "Together with like-minded partners, you can not only know each other better, but also help protect the environment through this event. It is very meaningful." This is what the old members often say when recruiting new members to join them in cleaning the beach.

Globally, about 6.4 million tonnes of garbage ends up in the oceans every year, with about 8 million pieces of garbage every day. In the neglected corners, the discarded empty bottles and garbage bags are slowly eating away at the oceans we share with billions of other living species.

What one can do may be little, but we believe that many littles make a mickle. Following the success of the first Shenzhen Beach Cleaning in 2022, in 2023, 28 Ocean Guardians of RLX Tech set out again and cleaned the beaches along the coast of Dachan Bay in Shenzhen.

In total they picked up 170 kilograms of marine garbage. The event left a deep impression on many employees, including Lin Siyu: "I didn't expect to find so much garbage on this small beach. It's shocking." She said that beach cleaning was more than an action; it passed down the spirit of volunteerism. All the participants are determined to continue to participate in the action and help protect the Earth."

There is a limit to what 28 individuals can do, but it is worthwhile if we can show more people the "other side of the beach," the harm of marine garbage, and the importance of protecting the marine environment. The participants said that they would call on more people to join them, attach more importance to garbage sorting and recycling, reduce the use of plastic products, and take concrete actions to help make the oceans cleaner.



Environmental Responsibility

# For a “carbon-less” and more pleasant Earth

Protecting the Earth requires persistent effort for a long time. RLX Tech adheres to low-carbon operations and embeds the green development philosophy into product R&D, production and sale and every link of cooperation with suppliers. We hope to engage more people in environmental protection.

A worker is operating the exhaust gas treatment unit. All our careful deployments are for a sustainable tomorrow.

# Aim for Zero

## Doing our best to deliver on our green commitment

How much of a carbon footprint will the manufacture, distribution, sale and use of a product generate? How to practice the zero-carbon and low-carbon concept throughout the whole lifecycle of a product? These are the questions we are constantly thinking about and hoping to solve.

In April 2022, we launched the Aim for Zero program: with eight carbon reduction initiatives, we will achieve carbon neutrality in 2033 in direct operations (i.e., Scope 1 plus Scope 2) and in 2050 across the entire value chain (i.e., Scope 1 plus Scope 2 plus Scope 3). We are continuously improving and practicing the eight major initiatives to deliver solid results to fulfill our carbon neutrality commitment.



In 2022  
Greenhouse gas emissions  
**1495.02** tonnes of CO<sub>2</sub> equivalent

Comprehensive energy consumption  
**226.56** tonnes of standard coal

Total water consumption  
**9142.62** tonnes

We insist on low-carbon operations and have achieved carbon neutrality for two consecutive years in our offices and laboratories in Beijing, Shanghai, and Shenzhen. In 2022, certified by TÜV Rheinland, RLX Tech achieved carbon offsets in our offices and laboratories in the three cities by purchasing the carbon emissions reductions generated by relevant wind power projects from the carbon trading platform.

In addition, we continue to implement the Pods Reborn recycling program and have established an Environmental, Social and Corporate Governance Committee to promote environmental sustainability through a variety of initiatives.



Certified by TÜV Rheinland, RLX Tech achieved carbon neutrality for its office and laboratory operations in three locations in 2022.



### Advocate low-carbon office and travel for employees

We reduce the carbon footprint of employee travel and choose low-carbon office methods and equipment. We encourage employees to reduce carbon emissions through low carbon incentives, including green travel, more efficient use of office supplies, and telecommuting.

### Reduce plastics use

We aim to eliminate unnecessary single-use plastic packages by 2025, and ensure that 100% of plastic packaging for products is reusable, recyclable or degradable by 2033.

### Reduce waste

We implement the waste management program to reduce office, production, and laboratory waste. We aim to reduce the proportion of waste going to landfill by 30% by 2033 compared to the 2021 baseline.

### Build green stores

We have formulated green store standards, and adopt recyclable materials, modular design, energy-saving equipment, etc. By 2023, at least one store will be certified as green, and the practice will then gradually be promoted to the resto of stores nationwide.



**Eight initiatives of the Aim for Zero program**

### Implement the Pods Reborn program

The program recycles used pods and advocate of public participation in recycling. The program covered the whole country by 2022. By 2025, the number of recovered pods will increase by 200% compared to 2022.

### Build a zero-carbon model factory

Through management and technological innovations, targeted efforts to improve efficiency and reduce emissions, the use of renewable energy, and carbon offsets, we aim to achieve net-zero emissions in at least one of our own plants by 2033.

### Reduce products' carbon footprint and launch zero-carbon products

We embed the low carbon concept into the entire life cycle of our products, and continue to invest in the research and development of low carbon products, including the use of renewable and recycled materials and advanced production processes. We aim to launch at least one zero-carbon product by 2025.

### Build a green supply chain mechanism

We encourage suppliers to increase the proportion of renewable energy used, monitor, inventory, report and reduce their operational carbon emissions, and set phased reduction targets. In logistics and packaging procurement, we give preference to partners which can provide low-carbon transportation services and green packaging.

## Establishing a green supply chain mechanism

Before selecting suppliers, we will ask the candidates to fill in the carbon neutrality survey questionnaire to find out whether they have formulated plans for peaking carbon emissions and achieving carbon neutrality, and whether they have carried out work related to carbon emissions, set emissions reduction targets, promoted the idea of carbon neutrality or developed low carbon products and technologies. Based on the questionnaire results, we will select suppliers which share our commitment to carbon neutrality.



Wen Yilong, co-founder, head of R&D and Supply Chains

## Leading the industry's low-carbon development

Higher industry standards and better evaluation systems will facilitate the decarbonization process of the whole industry. As a leader in the e-vapor industry, RLX Tech actively participates in the development of industry evaluation standards and promotes the green and sustainable development of the industry.

In February 2023, RLX Tech was invited by the Metrology, Testing and Accreditation Development and Promotion Alliance of Guangdong, Hong Kong and Macao Bay Area and the Shenzhen Quality Inspection Association to participate in the development of the group standard Technical Requirements for Carbon Footprint Evaluation of E-Cigarettes. The standard covers every stage of a product's life cycle, including raw material acquisition, product manufacturing, distribution, use and end-of-life stages.

The group standard will fill the gap of carbon footprint evaluation in the e-vapor industry. It will not only help more e-cigarette companies understand and manage the carbon emissions data during the product's life cycle and identify the opportunities to reduce carbon emissions, but also allow consumers to access the information on the carbon emissions of their products and choose more eco-friendly products.



A worker is rinsing the mixing tank.

## Environmental Management

### Chemical substances management

RLX Tech always insists on producing products in a sustainable way. We continue to improve our chemicals procurement standards and processes, and explicitly demand suppliers to provide the safety data sheet (SDS) of chemicals and submit it to the responsible department for review, so as to avoid possible impact of chemical substances in our products on the environment, human health and safety. We procure materials, parts, and products with a lower environmental impact, and work with suppliers to actively maximize resource utilization.

### Water management

At RLX Tech, water is primarily used for cleaning in the production process and for daily office and domestic purposes. We strictly comply with the Water Law and the Environmental Protection Law, among other applicable laws and regulations, and have committed in the RELX Environmental Policy to endeavor to promote the conservation of resources and to improve water efficiency.

We also explicitly demand suppliers to take effective measures to improve water use efficiency and strive to reduce their water footprint. In 2022, we verified suppliers' water management through third-party sustainability on-site audits, covering water use, water conservation programs, etc., and did not find any serious water management risks.



RLX Tech has conducted a series of research to select partners which share our commitment to carbon neutrality.

## Waste management

RLX Tech has signed the Agreement on Industrial and Commercial Waste Disposal with a third party with professional qualifications for hazardous waste disposal, and hired it to carry out the transportation, collection, storage, utilization and disposal of hazardous waste. We also submitted the Annual Hazardous Waste Management Plan for filing on the platform designated by the environmental protection department in accordance with relevant regulations, and declare hazardous waste monthly and annually as required.

As to the temporary storage management of hazardous waste, we set up management systems and accounts required by relevant regulations. We have applied to the ecology and environment authority to set up a storage room for hazardous waste. We have put in place sufficient labor protection and fire safety supplies to ensure the safety of operators and the environment.

For general solid waste generated during production and office processes (including daily office waste and general industrial solid waste), we follow the 4R principle to minimize waste generated. For waste that cannot be reused, we collect and sort it in accordance with local regulations and hand it over to qualified third parties for compliant treatment.

### Waste Generation in 2022

Indicator	Total general waste generated	Total hazardous waste generated
Unit	Tonne	Tonne
2022	129.33	66.29



A worker is checking the conditions of the wastewater treatment device.

## Logistics and warehouse management

### Paper reuse

For some of the products' manuals, packaging boxes and paper parts, we sort and re-pulp them to manufacture them into eco-friendly recycled paper. In 2022, we recycled about 32.9 tonnes in total in 2022, equivalent to saving about 553 trees, which can be used to make about 34,000 new cardboard boxes.

### Logistic box reuse

We reuse exterior packaging cartons which are well-sealed and intact in the shipping process to reduce disposable waste. In 2022, we used 102,000 less cartons, equivalent to saving 1,642 trees.

### Terminal transportation management

Since 2022, we have been using electric means of transportation instead of fuel vehicles for intra-city delivery. In 2022, our total distance of transportation within Guangdong reached 11,000 kilometers, and in the first four months of 2023, that reached 2,300 kilometers.

*Note: For more environmental data, see the RLX Tech Environmental, Social and Governance (ESG) Report 2022.*



Our digitization team has optimized the ERP system to improve logistics and transportation efficiency.

# Sustainability Management

## Management Structure

In 2021, RLX Tech established an Environmental, Social, and Corporate Governance Committee to assist the Board of Directors in developing sustainability strategies and monitoring the implementation of relevant initiatives. As the highest decision-making body of the company's sustainability work, the committee progresses sustainability strategies, oversees the implementation of the strategies, and reviews the annual work plan and report.

<b>Board of Directors Environmental, Social and Governance Committee</b>	It oversees and guides the development of sustainability visions, strategies, and policies. It oversees the setting and progress of sustainability goals and action paths and discloses relevant information.
<b>Environmental, Social, and Governance Working Group</b>	It creates sustainability visions, strategies, and policies, as well as management goals and action paths. It advances the implementation of sustainability projects, collects relevant indicators, and discloses relevant information.
<b>Environmental, Social, and Governance-Related Functional Departments</b>	They implement the above-mentioned policies and work plans together.

## Material Topic Analysis

We summarized the "Sustainability Reporting Standards" of the Global Reporting Initiative (GRI), the "ISO 26000: Guidance on Social Responsibility (2010)" of the International Organization for Standardization, the Ten Principles of the Global Compact, and other international standards, and the 36000 series of standards of the Standardization Administration of China. We comprehensively benchmarked the material topics and indicators of industry sustainability against the above summaries, identified CSR topics closely related to our business development and stakeholders, and developed corresponding action plans.



















## Stakeholder Engagement

We identified the company's key stakeholder categories based on interviews, communications, and day-to-day information collection at the departmental level. Departments deal directly with various stakeholders. Through various channels, the departments maintain good communication with stakeholders, increase their engagement, and keep abreast of their demands and expectations for the company.

## RLX Tech and the United Nations Sustainable Development Goals

We aligned our CSR philosophy with the United Nations Sustainable Development Goals (SDGs), and determined which goals are closely related to our CSR practices. In the future, we will fully integrate the identified SDGs into our CSR plans to better align the company's development with the sustainability trend at home and abroad.

## E-Cigarette Industry Value Chain

Corporate governance, operational compliance, strategic management, employee responsibility, partner management, and reducing carbon footprint	<b>Product R&amp;D</b>	<b>Stakeholder</b> Consumers	<b>Our Actions</b> Scientific research Attention to changes in consumer demand Ensuring product quality and safety improving the consumer experience Carbon neutral operations	<b>Relevant SDGs</b>  
	<b>Material Procurement</b>	<b>Stakeholder</b> Suppliers	<b>Our Actions</b> Supply chain management Supplier CSR performance review Responsible procurement	<b>Relevant SDGs</b>  
	<b>Production and Manufacturing</b>	<b>Stakeholder</b> Suppliers and the environment	<b>Our Actions</b> Ensuring product quality and safety Improving resource and energy efficiency Emissions and waste management	<b>Relevant SDGs</b>     
	<b>Sales Logistics</b>	<b>Stakeholder</b> Partners and the environment	<b>Our Actions</b> Promoting the sustainable development of the industry Protection of minors Franchise management	<b>Relevant SDGs</b>    
	<b>Product Use Services</b>	<b>Stakeholder</b> Consumers and the society	<b>Our Actions</b> Advocacy of minors protection Advocacy of sustainable consumption Public-welfare undertakings	<b>Relevant SDGs</b>     

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<b>Economic</b>	
<b>GRI 201: Economic Performance</b>	
201-1	2-3,6
201-2	67-69
201-3	59
201-4	Not applicable
<b>GRI 202: Market Presence</b>	
202-1	59
202-2	55
<b>GRI 203: Indirect Economic Impacts</b>	
203-1	Not applicable

No.	Page No. or Reason for Omission
203-2	Not applicable
<b>GRI 204: Procurement Practices</b>	
204-1	57
<b>GRI 205: Anti-Corruption</b>	
205-1	56
205-2	56
205-3	No occurrence of such event
<b>GRI 206: Anti-Competitive Behavior</b>	
206-1	46-47,56
<b>Environmental</b>	
<b>GRI 301: Materials</b>	
301-1	73
301-2	No occurrence of such event
301-3	No occurrence of such event
<b>GRI 302: Energy</b>	
302-1	67-69
302-2	67-69
302-3	67-69
302-4	67-69
302-5	No occurrence of such event
<b>GRI 303: Water</b>	
303-1	67,71
303-2	Not applicable
303-3	No occurrence of such event
<b>GRI 304: Biodiversity</b>	
304-1	Not applicable
304-2	25-29
304-3	Not applicable
304-4	Not applicable
<b>GRI 305: Emissions</b>	
305-1	67-69
305-2	67-69
305-3	67-69
305-4	67-69
305-5	67-69
305-6	No occurrence of such event
305-7	No occurrence of such event
<b>GRI 306: Effluents and Waste</b>	
306-1	Not applicable

No.	Page No. or Reason for Omission
306-2	72
306-3	No occurrence of such event
306-4	72
306-5	Not applicable
<b>GRI 307: Environmental Compliance</b>	
307-1	No occurrence of such event
<b>GRI 308: Supplier Environmental Assessment</b>	
308-1	57
308-2	57
<b>Society</b>	
<b>GRI 401: Employment</b>	
401-1	59
401-2	59
401-3	No occurrence of such event
<b>GRI 402: Labor Relations</b>	
402-1	Not applicable
<b>GRI 403: Occupational Health and Safety</b>	
403-1	Not applicable
403-2	63
403-3	63-64
403-4	63-64
<b>GRI 404: Training and Education</b>	
404-1	61-62
404-2	61-62

No.	Page No. or Reason for Omission
404-3	61-62
<b>GRI 405: Diversity and Equal Opportunity</b>	
405-1	59
405-2	59
<b>GRI 406: Non-Discrimination</b>	
406-1	No occurrence of such event
<b>GRI 407: Freedom of Association and Collective Bargaining</b>	
407-1	Not applicable
<b>GRI 408: Child Labor</b>	
408-1	No occurrence of such event
<b>GRI 409: Forced or Compulsory Labor</b>	
409-1	No occurrence of such event
<b>GRI 410: Security Practices</b>	
410-1	Not applicable
<b>GRI 411: Rights of Indigenous Peoples</b>	
411-1	Not applicable
<b>GRI 412: Human Rights Assessment</b>	
412-1	Not applicable
412-2	Not applicable
412-3	Not applicable
<b>GRI 413: Local Communities</b>	
413-1	10-29

No.	Page No. or Reason for Omission
413-2	Not applicable
<b>GRI 414: Supplier Social Assessment</b>	
414-1	57
414-2	Not applicable
<b>GRI 415: Public Policy</b>	
415-1	Not applicable
<b>GRI 416: Customer Health and Safety</b>	
416-1	34-45
416-2	No occurrence of such event
<b>GRI 417: Marketing and Labeling</b>	
417-1	52,54
417-2	No occurrence of such event
417-3	No occurrence of such event
<b>GRI 418: Customer Privacy</b>	
418-1	No occurrence of such event
<b>GRI 419: Socioeconomic Compliance</b>	
419-1	No occurrence of such event



# About This Report

This report is the third CSR report released by RLX Tech. It provides important information about the company's effort to fulfill its CSRs and create shared values. The report is an important tool for the company to facilitate its communication with different stakeholders.

## Description of the Report's Subject and Its Appellations :

This report is about RLX Technology Inc. and the entities it controls. For the sake of presentation and readability, the subject is represented in parts of the report by the words "RLX Tech," "the company," and "we".

## Disclaimer on Prospective Content :

This report may contain prospective statements that are subject to risks and uncertainties. Many factors could cause actual results to differ materially from those mentioned in any prospective statements, including but not limited to: the company's growth strategy; future business development, operational results, and financial conditions; trends and competition in the e-vapor market of China; changes in revenues and certain cost or expense items; the Chinese government's policies, laws, and regulations related to the company's industry, general economic and business conditions globally and in China, and assumptions related to each of the above.

## Boundaries and Scope of the Report :

The primary time scope of the content and data mentioned in this report is from July 1, 2022 to June 30, 2023, with some data and cases covered outside of this scope.

## Drafting Standards :

In order to comply with international standards for corporate social responsibility and non-financial information disclosure norms and reflect the characteristics of RLX Tech, this report was prepared in accordance with the core option of the Sustainable Reporting Standards of the Global Reporting Initiative 2016 ("GRI Standards 2016") issued by the Global Sustainability Standards Board (GSSB).

## Description of Report's Content :

This report contains no false or misleading information or statements, and RLX Tech hereby warrants that the contents of this report are true, accurate, and complete. Unless otherwise stated, all monetary amounts disclosed in the report are in RMB.

## Access to This Report :

This report is published in two versions, print and electronic. The electronic version can be downloaded from RLX Tech's official website <https://www.relxtech.com/>. If you need a print copy, or have any suggestions and comments on this report, please contact:

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**RLX TECH**