



Yalla Group

YALLA GROUP LIMITED
(NYSE: YALA)



Yalla Group

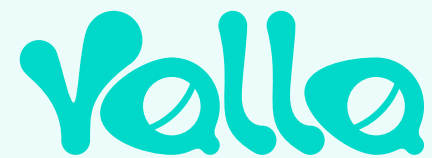


2023

ENVIRONMENTAL, SOCIAL
& GOVERNANCE REPORT

www.yalla.com

CONTENTS



2023 Environmental,
Social and Governance Report

2	About this Report
4	About Yalla Group
8	Letter from Our CEO
9	Letter from Our President

10 Responsible Governance

12	Corporate Governance
18	ESG Governance

26 Environment

28	Yalla's Response to Climate Change
30	Green Office

32 Trust

34	Information Security
40	Supply Chain Management
41	Intellectual Property

42 Our People

44	Rational Recruitment and Management
46	Diversity, Equality and Inclusion
48	Employee Care
49	Employee Development

50 Our Community

52	Yalla Community
55	Community Engagement

57 Appendix

57	Appendix 1
58	Appendix 2
59	Appendix 3

ABOUT THIS REPORT

Yalla Group Limited (“Yalla”, the “Company” or “we”) is proud to present our third Environmental, Social and Governance Report (the “Report”) for the year 2023 to highlight our corporate vision beyond financial achievements.

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

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



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

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

GRI ACCORDANCE

ALIGNMENTS

Some disclosures showcase performance across the years 2023 and 2022, highlighting significant developments.

Unless otherwise stated, all monetary values in the Report are expressed in U.S. dollars.

COMPARABLE DATA



MONETARY VALUES



The Report covers our environmental, social, and governance performance for the year 2023. We have published the Report on a yearly basis since 2021.

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

YEAR



CONTACT POINT



ABOUT YALLA GROUP



Mission

Provide localized online social networking and entertainment activities



Vision

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



Values

Multicultural Understanding, User First, Simple, and Target



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

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

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

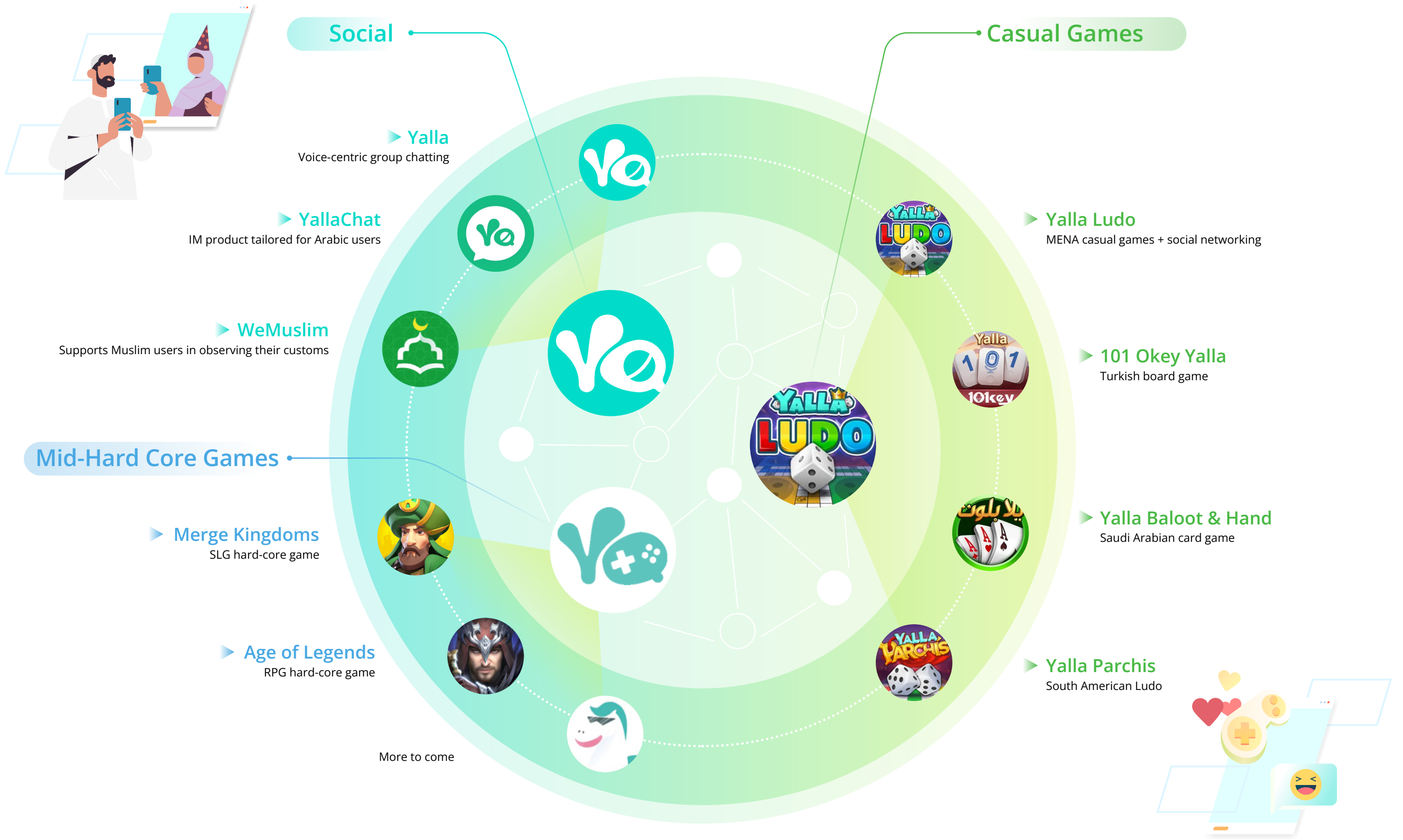
Through its holding subsidiary, Yalla Game Limited, we have expanded our capabilities in mid-core and hard-core games in the MENA region, leveraging our local expertise to bring innovative gaming content to users.

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

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

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

Our Integrated Ecosystem



LETTER FROM OUR CEO



Welcome to Yalla Group's 2023 Environmental, Social, and Governance (ESG) Report.

It is my pleasure to present Yalla Group's 2023 Environmental, Social, and Governance Report, showcasing our performance across economic, social, governance, and environmental practices for the year 2023.

2023 was a year filled with changes and opportunities. As a global enterprise, Yalla faced a complex and dynamic international environment with many moving parts. Nevertheless, we forged ahead with our core business strategies and capped the year with robust results.

Since our successful listing on the New York Stock Exchange in 2020, we have been steadfast in our commitment to high-quality growth that is not only commercially viable but also socially responsible and environmentally sustainable.

Over the past year, we have intensified our efforts towards sustainability. In August, for example, Yalla Group established a Sustainable Account for Cash Management with Standard Chartered, one of the world's leading international banks. Deposits in Sustainable Accounts are referenced against Standard Chartered's sustainable projects, addressing some of the world's gravest long-term sustainability threats.

As the largest Middle East and North Africa (MENA) based online social networking and gaming company, our multinational corporation thrives on the strength of its diverse workforce hailing from more than 13 different nations.

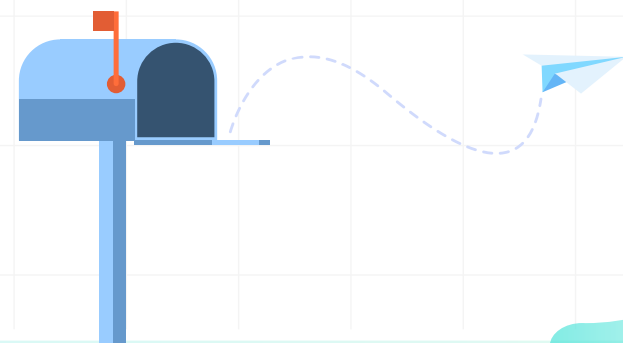
This rich tapestry of cultures underpins our corporate ethos, fostering an inclusive environment where respect for diversity is woven into the fabric of our daily operations. We firmly believe that our ability to harness this cultural wealth empowers us to innovate, adapt, and connect with our user base more effectively.

I'm also proud to share that, thanks to our sustainable development and robust financial performance, Yalla Group was recognized by Fortune magazine as one of 2023's top 500 Arab companies according to the Fortune 500 Arabia list.

We look forward to your continued support and trust as we journey together, and take this opportunity to renew our invitation to all stakeholders to continue to engage with us on our open and ongoing sustainability conversation and welcome everyone's feedback.

Best regards,

Tao YANG,
 Founder, Chairman, and Chief Executive Officer



I am pleased to present Yalla Group's 2023 ESG report. This report is an integral part of our ongoing dialogue with stakeholders.

As the largest Middle East and North Africa (MENA) based online social networking and gaming company, we are deeply conscious of the impact our operations have on both society and the environment. This is the third year that we present the ESG report, which is a testament to our unwavering commitment to sustainable growth and responsible corporate citizenship.

In this year's ESG report, we have refined our focus and priorities around Environmental, Social, and Governance factors. We have also developed clear plans, partnered with stakeholders, and acted to operate our businesses in increasingly responsible ways. Our aim is not only to minimize our ecological footprint but also to lead by example, inspiring others within our industry to follow suit.

On the social front, we have invested significantly in promoting digital literacy, responsible gaming, and ensuring user privacy and security. Our teams are dedicated to creating safe digital spaces where users can interact, learn, and engage without fear or prejudice. Moreover, we will continue to promote the sustainable development of Yalla Group and the local communities and seize the opportunities for digital transformation in the MENA region.

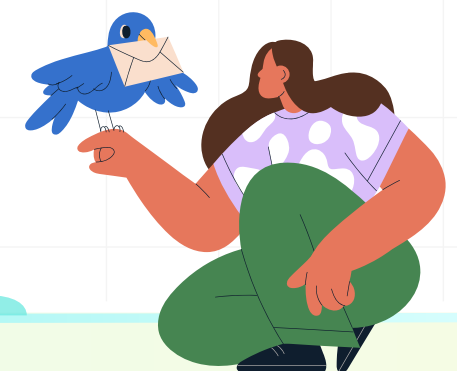
In terms of governance, we have strengthened our risk management framework and implemented rigorous ethical standards. We've taken several steps to nurture talent in the MENA region, providing equal opportunities and career development for all employees regardless of their background. This report highlights our progress towards fair business conduct, and active engagement with stakeholders to ensure that our decisions serve the long-term interests of our shareholders, employees, and society at large.

The challenges posed by the evolving digital landscape and action necessitate continuous improvement and innovation. Our 2023 ESG report underscores our unwavering dedication to these imperatives. It encapsulates not just our achievements but also the roadmap ahead, as we strive to set new benchmarks in sustainable business practices within our sector.

We believe we are well-positioned to capture the potential growth opportunities in the MENA region, and we look forward to delivering value to all our stakeholders as we strive to achieve our mission.

Best regards,

Saifi ISMAIL
 Director and President



RESPONSIBLE GOVERNANCE

At Yalla Group, we always uphold the highest ethical business standards and operate in strict compliance with laws and regulations, which serve as the cornerstone of our governance. We place the interests of stakeholders as our top priority and incorporate ESG principles into our ESG governance and corporate governance processes. Our commitment to sustainable development drives us to improve our governance practices continually.



CORPORATE GOVERNANCE

GOVERNANCE MECHANISM

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

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

BOARD AND BOARD COMMITTEES

Our board of directors currently consists of seven directors, including four independent directors and three executive directors. The independent directors make up more than half of the total number of directors on the board, serving as a crucial check and balance mechanism to safeguard the interests of shareholders and our company as a whole.

We recognize and appreciate the importance of having a board of directors that is made up of individuals with diverse backgrounds and experiences. Our directors bring professional expertise and industry experience from various fields, such as finance, information technology, and communication, to formulate and implement company decisions.

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

- formulating and overseeing the implementation of the group's goals, mission, strategies, policies, and business plan;
- establishing appropriate risk management policies to prevent, address, and respond to risks;
- implementing strong accounting and financial reporting systems, as well as adequate internal controls;
- formulating annual financial budget and monitoring the operational and financial performance;
- supervising the process of nominating and electing board members;
- appointing senior executives;
- providing timely and accurate disclosure and communication to all relevant stakeholders;
- creating and sanctioning policies related to corporate social responsibility and corporate governance measures;
- monitoring the effectiveness of the compensation structure and ensuring that employees' interests are properly coordinated.

Board Changes in 2023

The board of directors remained unchanged during 2023. The stability of the board ensures the effectiveness of corporate governance.

Board Committees

Our board of directors has established the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee.

Below is a summary of our Committee and Membership structure.

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

Chair
 Member



Audit Committee

The Audit Committee provides independent and objective oversight of financial reporting, internal controls, and audit processes. The Audit Committee is responsible for, among other things:

- selecting the independent auditor;
- reviewing the experience and qualifications of the senior members of the independent auditors' team
- obtaining and reviewing a statement from the independent auditors
- setting clear hiring policies for employees and former employees of the independent auditors
- reviewing with the independent auditors any audit problems or difficulties the independent auditors may have encountered in the course of its audit work, and Management's responses
- discussing with the independent auditors any communications between the audit team and the independent auditors' national office regarding auditing or accounting issues that the engagement presented
- discussing with the independent auditors any accounting adjustments that were noted or proposed by the independent auditors but were "passed on"
- reviewing and discussing with Management and the independent auditors the Company's interim and annual audited financial statements
- reviewing with Management and the independent auditors major issues regarding accounting principles and financial statement presentations
- discussing earnings press releases with Management
- conducting an appropriate review of all proposed related-party transactions, including proposed amendments to existing related party transactions
- regularly reporting to the Board on the Committee's activities, and its conclusions with respect to the independent auditors, and make appropriate recommendations to the Board

Compensation Committee

The Compensation Committee oversees and makes decisions related to the compensation and benefits of executives and directors. Our compensation committee is responsible for, among other things:

- developing and reviewing our compensation policies, guidelines, and practices;
- Reviewing and approving the compensation packages for our directors, top executives, and key management personnel;
- evaluating and approving the design and effectiveness of incentive programs, such as stock option plans, performance-based bonuses, and other equity-based compensation;
- monitoring the implementation and effectiveness of the Company's compensation programs, conducting periodic assessments of executive performance and compensation, and providing recommendations for improvement as needed;
- reviewing and approving compensation-related disclosures in regulatory filings.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee exercises general oversight with respect to the governance of the board of directors, including the selection and nomination of board members, as well as overseeing corporate governance practices. By fulfilling its responsibilities, the committee contributes to our company's long-term success and sustainability. The nominating and corporate governance committee is responsible for, among other things:

- assessing the skills, qualifications, and independence of current and potential board members;
- establishing a transparent and effective process for board nominations;
- overseeing regular evaluations of the board's performance and effectiveness;
- developing and reviewing the Company's corporate governance policies and practices;
- reviewing stockholder proposals and proposed responses.

RISK MANAGEMENT

Adequate risk management and effective internal monitoring systems are significant in achieving our strategic objectives. We have established a risk management and internal control organizational structure under the supervision and guidance of the board of directors to ensure that our company comprehensively understands and effectively manages its business risks.

Risk Management System

- The ultimate responsibility for risk management and internal control rests with the board of directors;
- The Audit Committee provides guidance and supervision for establishing and implementing the internal audit system;
- The Internal Audit and Compliance team at Yalla is responsible for identifying and evaluating both internal and external risks associated with the Company and its various departments. Meanwhile, the management team focuses on enhancing risk control initiatives to bolster the Company's overall risk management capabilities.

Risk Assessment Process

- The Internal Audit and Compliance team conducts thorough risk assessments to identify potential risks and discuss corresponding control measures with relevant departments. Based on the findings from these assessments, the team drafts the scope and contents of the annual work plan and then approved by the Audit Committee.
- Furthermore, the team is responsible for preparing annual work report, reporting to both the Audit Committee and Senior Management. These plans and reports outline the key areas that need to be concerned about and provide insights into the overall findings and recommendations.

CODE OF BUSINESS CONDUCT AND ETHICS

We place great importance on complying with all legal requirements and maintaining a culture of honesty and self-discipline as the cornerstone of our business. We aim to incorporate ethical principles into every aspect of our commercial operations, internally and externally, to establish a transparent and upright business environment.

Our Code applies to every employee at every level of Yalla Group, our directors, officers, and subsidiaries. Consultants, contractors, and others who work on behalf of Yalla Group are expected to conduct themselves in a manner consistent with the principles articulated in this Code. The Code provides standards for professional and ethical behavior, as well as articulates acceptable and unacceptable conduct and practices in internal and external dealings regarding:

- Compliance with laws, regulations and policies
 - Conflicts of interest
 - Corporate opportunities
 - Corporate assets and confidential information
 - Competition and fair dealing
 - Gifts and entertainment
 - Company records
 - Accuracy of financial reports and other public communications
 - Prohibition of insider trading
 - Public communications and prevention of selective disclosure
 - Environment
 - Harassment and discrimination
- For Yalla Group's Code of Business Conduct and Ethics, please visit:
<https://ir.yalla.com/Corporate-Governance>

Implementation and enforcement of the Code

The Code has been adopted and overseen by the Board of Directors to promote honest, legal, and ethical conduct in all our business endeavors and transactions. All directors, officers, and employees of Yalla Group and its subsidiaries are responsible for and expected to comply with this Code and with the highest standards of business conduct and ethics.

Copies of the Code have been distributed to all directors, officers, and employees to inform them of the mandates and policies of the Company under the Code. All directors, officers, and employees are trained annually on this Code. Any director, officer, or employee who violates the Code shall be subject to disciplinary action without prejudice to any civil or criminal proceedings that the Company or appropriate regulators may file for violating existing laws.

A director, officer, or employee who becomes aware of any violation of the Code shall immediately notify the Board, in case of a director, or the immediate supervisor or the Compliance team in case of officers and employees. The Board and the Compliance team shall take all the necessary action to investigate any reported violations.

To make employees understand and apply the Code to their daily tasks, we conduct the Ethics and Compliance Training Program periodically. Continued training and monitoring ensure that personnel remain current on and adhere to the Code.

We are committed to enforcing the Code and promoting a culture of ethical behavior by creating a safe and secure environment for employees to report ethical concerns. Monitoring and reporting mechanisms have been established, including utilizing a third-party reporting system, ensuring confidentiality, providing anonymous reporting channels, and guarding against retaliation, all of which provide effective communication channels that protect the anonymity of employees reporting issues.

SUSTAINABLE PROCUREMENT

We consider sustainability aspects in procurement decisions and select suppliers transparently and fairly.

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

System Establishment

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

Process Control

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

Contract Constraints

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

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

In 2023, we strictly complied with the legal and regulatory requirements related to anti-corruption, and no significant legal cases were raised involving corruption.




ESG GOVERNANCE

At Yalla Group, we fully recognize the importance of sustainable development and hope to gradually strengthen our ESG responsibilities by continuously improving ESG governance and providing transparent disclosures. In 2023, we formally established an ESG working group to coordinate and review ESG work, improve our transparency in the field of ESG, and gradually realize our ESG vision.

Stakeholder Communication

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

Yalla Group's Stakeholder Communication Mechanism

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

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

case Yalla Group Established Sustainable Account with Standard Chartered

In August 2023, Yalla established a Sustainable Account for Cash Management with Standard Chartered, one of the world's leading international banks.

Standard Chartered launched its Sustainable Accounts in 2021 to enable its corporate clients to contribute to sustainable development while maintaining daily access to their finances for critical liquidity management needs. Deposits in Sustainable Accounts are referenced against Standard Chartered's sustainable projects, addressing some of the world's gravest long-term sustainability threats, such as climate change. Sustainable projects are evaluated based on Standard Chartered's Green and Sustainable Product Framework, aligned with the United Nations' Sustainable Development Goals (SDGs).

"At Yalla Group, sustainability has always been integral to our corporate values," stated Mr. Yang Tao, Founder, Chairman and CEO of Yalla. "As MENA continues to develop rapidly, we will leverage our deep local insights to broaden our business horizons and incorporate sustainable practices company-wide. Ensuring that our cash management procedures enhance sustainability throughout the local and international economies reflecting Yalla's overall direction and our profound commitment to the MENA region."



case Yalla Group Discussed Investment and Digital Transformation at Annual Investment Meeting

In May 2023, Saifi Ismail, the president of Yalla Group, participated in the 12th Annual Investment Meeting (AIM) held by AIM Foundation and shared the remarkable story behind Yalla Group's success, emphasizing the pivotal role played by the UAE's advanced digital infrastructure and robust policy and strategic support in propelling Yalla's growth.

During the panel session titled "Digital Transformation: Integrating Innovative Technologies in Investment to Enhance Value", Saifi Ismail discussed investment in digital transformation and digital transformation to facilitate investment with panelists, trying to figure out how companies and countries can seize these new opportunities and position themselves for success.



As a corporate citizen and the largest Middle East and North Africa (MENA)-based online social networking and gaming company, Yalla Group continues to dedicate itself to creating more socio-economic value by providing MENA's people with better access to digital life and supporting the region's digital transformation goals as promised.



MATERIALITY ASSESSMENT FOR ESG MATTERS

In 2023, we conducted a materiality assessment for ESG matters. To perform this assessment, we considered our development direction, feedback from various stakeholders, and the opinions of external experts. We also extensively referenced best practices and hotspots in the industry, domestic and international sustainable development standards, and ESG rating indicators in the capital market.

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

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

Material Matters Assessment Process for Yalla Group's 2023 ESG Report

01 Identification and Screening of ESG Matters

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

02 Stakeholder Engagement

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

03 Confirmation of Material Matters

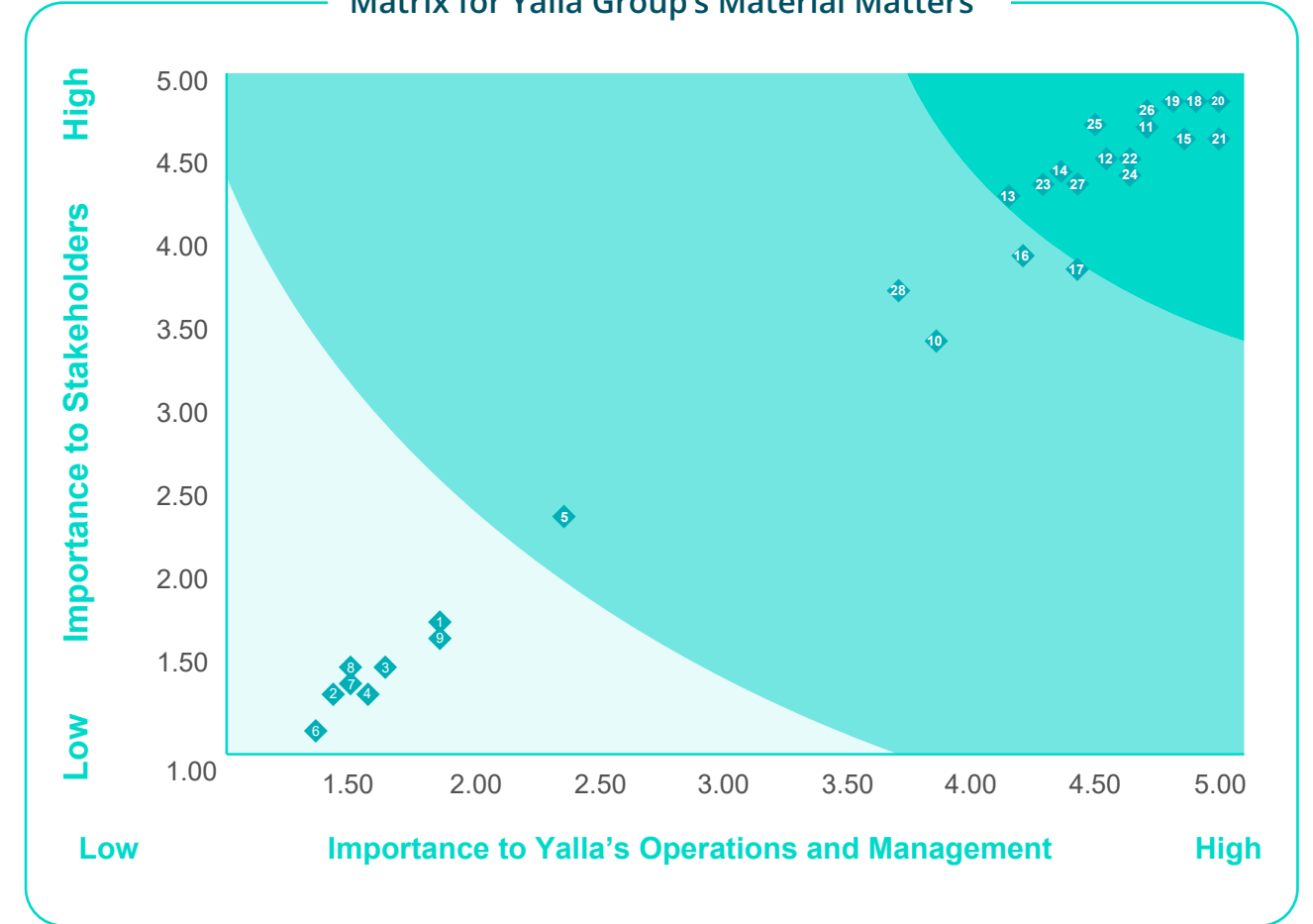
Based on the results of the questionnaire and considering the importance of various matters to stakeholders and the Company, we evaluated the 28 ESG matters and generated a matrix of material ESG matters from the perspectives of "long-term development", "management improvement", "urgency of investment"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

In 2023, the results of Yalla Group's material matters were as follows:

Yalla Group's 2023 Material ESG Matters

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

Matrix for Yalla Group's Material Matters




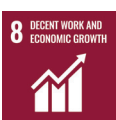







Implementing the Global Sustainable Development Goals (SDGs)

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

In 2023, we comprehensively sorted out and examined how our operations relate to the 17 SDGs and then we carried out actions that focused on four targets: industry, innovation, and infrastructure; responsible consumption and production; peace, justice and strong institutions; and partnerships for the goals. During this year, we worked together with all stakeholders to achieve these universal goals.

Yalla Group's Responses to the UN SDGs

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

Relevant SDGs	Our Actions
 <p>Goal 9 Industry, Innovation and Infrastructure</p>	<p>We are committed to innovation and to building a rich product system. In 2023, our technology and product development expenses were US\$25.8 million, which increased by 5.0% from US\$24.6 million in 2022.</p>
 <p>Goal 10 Reduced Inequalities</p>	<p>We strictly forbid child labor and forced labor. We adhere to the principles of equality, inclusion, and diversity, and resolutely oppose any form of discrimination and inequality.</p>
 <p>Goal 12 Responsible Consumption and Production</p>	<p>We are dedicated to developing high-quality and reliable products, improving user experience, and building a healthy and highly interactive Yalla community.</p>
 <p>Goal 13 Climate Action</p>	<p>We fully implement the green office concept, strive to improve our resource utilization and pursue sustainable green operations and development.</p>
 <p>Goal 15 Life on Land</p>	<p>We work with all stakeholders to promote environmental protection. In 2023, in addition to adhering to green operations, we also organized a lot of online activities in the Yalla Community to educate our users about environmental conservation.</p>
 <p>Goal 16 Peace, Justice and Strong Institutions</p>	<p>We are steadily working to strengthen compliance governance and respect business rules. We have zero tolerance for corruption and business ethics violations.</p>
 <p>Goal 17 Partnerships for the Goals</p>	<p>We actively cooperate with the government and strive to contribute to the development of the UAE's digital economy. For example, we are a partner of the National Program for Coders project in UAE.</p>

ENVIRONMENT

In the past year, Yalla continued to lead by example, steadfastly pursuing the goal of sustainable development. Through practical actions, Yalla demonstrated its commitment to green operations while actively engaging in efforts to address climate risks. Yalla focused on energy conservation and carbon reduction while inspiring and involving more stakeholders to safeguard our green home collectively.



YALLA'S RESPONSE TO CLIMATE CHANGE

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



TRANSMISSION RISKS

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

PHYSICAL RISKS

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

GREEN OFFICE

In 2023, Yalla relocated its R&D center to provide convenience for more employees. During the relocation process, Yalla chose as much energy-saving and environmentally friendly equipment and materials as possible, using recycled furniture and other materials to minimize resource consumption.

In daily operations, Yalla promotes paperless offices, water and electricity saving, garbage classification, plastic reduction, and other behaviors to help employees improve their environmental awareness.

Major measures during relocation

 <p>Use of recycling materials</p>	<p>We hired a specialized relocation company and set up a detailed relocation plan, including route settings, to reduce unnecessary resource loss. Meanwhile, we used cardboard boxes recycled by a specialized environmental protection company to place employees' belongings.</p>
 <p>Formaldehyde control</p>	<p>Considering the hazards of formaldehyde in new buildings, we hired a professional formaldehyde removal agency to carry out comprehensive formaldehyde control in the new office. In addition to ventilation for several months, we placed as many formaldehyde removal plants as possible in the office space, and rated formaldehyde removal machines in closed office spaces to minimize the impact of formaldehyde.</p>
 <p>Environmentally friendly decoration</p>	<p>While renovating the new office building, we reused existing office equipment as much as possible to reduce resource waste. At the same time, we use energy-saving and environmentally friendly materials such as recycled furniture and sell unused office supplies to suppliers for recycling.</p>
 <p>Maintain cleanliness</p>	<p>Before quitting the lease, we thoroughly cleaned the original office building and sorted the generated garbage to ensure the cleanliness of the original office building. When we moved into the new office, we also cleaned and strived to provide our employees with a clean and tidy environment.</p>

In 2023, Yalla continued to take various measures to save energy and reduce consumption and achieved outstanding results.

Achieved results	Measures
 <p>Reduce water consumption</p>	<ul style="list-style-type: none"> - Set water-saving signs and use water-saving faucets - Strengthen the maintenance of water equipment and install water leakage protection measures
 <p>Reduce electricity consumption</p>	<ul style="list-style-type: none"> - Upgrade fluorescent light sources in office buildings to use light sources with lower energy consumption, longer life, and higher efficiency - Manage the air conditioner's operation in a unified manner, turn it on and off regularly, set the air conditioner temperature within a reasonable range, and make the air conditioner more efficient - Arrange a dedicated person to check the power usage in the office after getting off work - Set signs in the office area to remind employees to turn off the power when leaving the office and meeting rooms
 <p>Reduce and recycle paper</p>	<ul style="list-style-type: none"> - Promote paperless work processes and use the DingTalk system to submit for approval and email approval - Promote paperless archiving of various documents, use electronic formats, and scan electronic documents for document preservation - Carry out paperless promotion and promote duplex printing
 <p>Reduce waste by reusing office supplies</p>	<ul style="list-style-type: none"> - Extend the service life of office supplies and carry out recycling of used office supplies - Improve the supervision and management mechanism for the use of office supplies
 <p>Promote garbage classification and recycling of renewable resources</p>	<ul style="list-style-type: none"> - Strengthen daily publicity and implementation of garbage classification - Paste garbage classification signs and guidelines - Adjust the placement of garbage classification bins according to actual needs to facilitate employees

case

We have set up a status bar at the door of each conference room to show whether the conference room is booked for a meeting or is unoccupied. Based on the usage status of the conference room, employees can promptly determine whether they need to turn off the electrical appliances in the conference room.

TRUST

We prioritize trust above all else. In the current year, we have taken additional measures to bolster our internal safety culture, enhance our socially responsible supply chain, and secure our intellectual property rights, all to earn the trust of our users and partners.

INFORMATION SECURITY

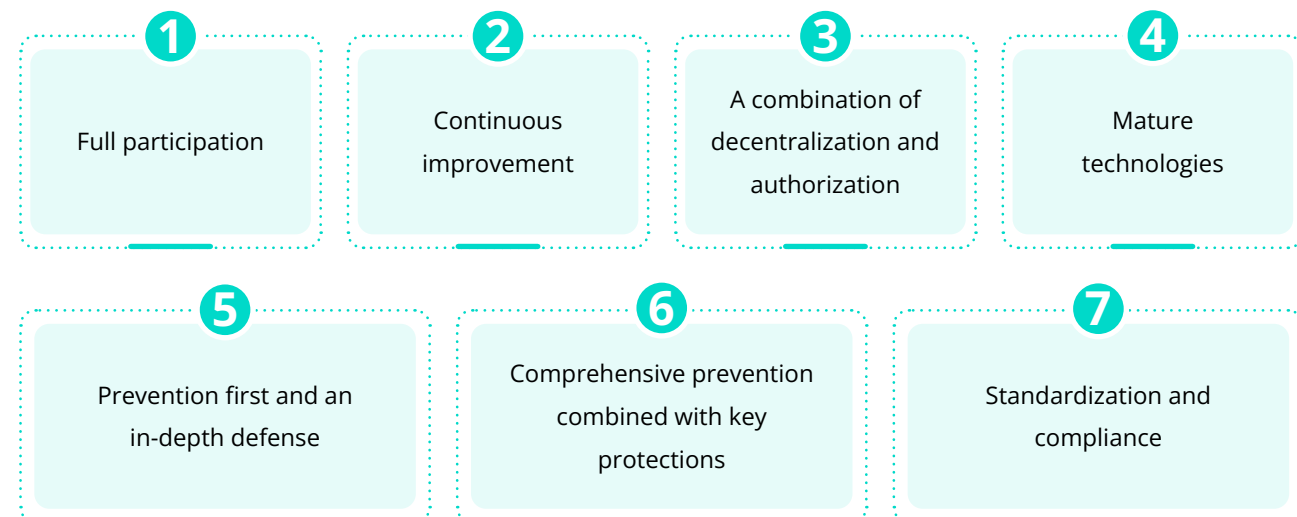
Yalla has always made it a top priority to provide users with safe and reliable digital products and services. Privacy protection and data security are our constant persistence. Yalla attaches great importance to information security and network security management, strictly abides by relevant laws, and effectively ensures network security management.

As the largest MENA-Based online social networking and gaming company, ensuring the safety and reliability of our digital products and services for our users has always been our primary concern. To achieve this, we continually enhance our security culture, emphasizing safeguarding the confidentiality of our users' information.

The realm of security encompasses multiple facets, including security awareness, compliance, personnel and asset security, and physical security. We firmly believe that these aspects are closely interconnected with the actions and contributions of every employee within our company.

Throughout 2023, we made significant strides in enhancing our security management framework, which is guided by a team of nine skilled security experts under the leadership of our chief technology officer (CTO). Within this framework, the CTO directly reports to our CEO and oversees all planning and implementation of security-related tasks. Simultaneously, our dedicated security team is focused on improving security practices, delivering comprehensive training and education, and cultivating a security culture throughout every facet of our operations.

Overall Principles



Yalla Group's Security System

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

To enhance data security awareness among our employees, we employ diverse methods to disseminate information and promote a strong security mindset.

Awareness Raising



Security Training

Information security onboarding training is a mandatory process for every employee. In 2023, we revamped the onboarding training process by providing employees with relevant materials before their start date. After completing the training, employees must take a security information exam to understand the relevant information.



Release of Security Knowledge

We integrate the promotion of security knowledge into our daily work. We placed large screens in the elevator areas on each floor, and every month, we updated 5 to 6 information security promotional videos on them. Additionally, we regularly shared information security cases with all colleagues via email. In 2023, we shared a total of 10 typical cases. By analyzing these cases, we provided security recommendations to employees, enhancing their security awareness.



Tests on Security

We conducted phishing email testing drills created by internal email monitoring tools 1-2 times monthly and distributed to all employees' mailboxes to enhance employees' awareness of potential security threats and foster vigilance.

Compliance management is an integral part of information security.

Compliance Management



Identifying Laws and Regulations

Yalla always strictly abides by national laws and regulations, continues to track relevant legal developments, and promptly updates privacy policies for the Company's products and services.



Systems Establishment

Yalla has developed and improved its compliance system by enhancing management processes, clarifying the responsibilities of each department and business unit, and continuously optimizing compliance management mechanisms.

Personnel Management



Personnel Safety Management

We carefully manage access rights to the Company's database and require that only the person in charge of the specific data can access it through its backend. Employees with access to core data need to undergo strict personnel management and professional training.



Password Management

We have set complexity requirements for employee passwords across all platform accounts. Employees are regularly reminded to change their office account passwords. Password sharing is strictly prohibited.



Cooperative Partners Management

Excellent partners are necessary for us to improve product quality and service. Yalla continues to pay attention to its partners' social responsibility and environmental performance. Through a comprehensive and standardized partner management mechanism, it strictly controls potential risks and promotes partners to make progress together with us.

Asset Management



Asset Security

We used asset management software to track the location, status, and value of assets and conduct regular asset assessments and classifications to ensure all assets are under monitoring. At the same time, we focused on identifying and assessing asset-related risks and taking appropriate measures for risk management.



Backup Management

Asset backup management is a critical step in ensuring the security of our company's data and information. Yalla effectively managed and protected its critical assets by developing backup strategies, selecting appropriate backup methods and technologies, performing regular backups and testing, and monitoring the backup process.

Infrastructure Security



Physical Security:

Physical security involves a comprehensive approach to protecting physical assets, facilities, and people from potential threats or risks. Yalla created a secure environment and mitigated potential security breaches by implementing access controls, surveillance systems, security personnel, and appropriate protocols.



Portable Storage Device Security:

Yalla has formulated clear policies and guidelines to stipulate the specifications and security requirements for employees' use of removable storage devices. We encouraged employees to regularly back up data in removable storage devices to ensure backup data security. In addition, Yalla constantly pays attention to new security threats and technological developments and updates and improves security policies accordingly.



Desktop Terminal Security:

We reminded employees to regularly update desktop terminals' operating systems and software, promptly fix known security vulnerabilities, and improve system security. Regular comprehensive system scans are performed to ensure that potential threats are discovered and eliminated promptly.

Process & Operations Security

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



Network and Communication Security Management

Yalla configured network devices (such as routers, switches, and firewalls) securely, closed unnecessary services and ports, restricted access rights, used strong passwords, and promptly applied security patches and updates. At the same time, we actively developed and implemented emergency response plans to respond to security incidents and network attacks.



Development Security

Yalla integrates security into the software development process, ensuring that security activities (such as threat modeling, security requirements, security design, secure coding, security testing, security review, etc.) receive appropriate attention and execution at each development stage.



Data Security Management

To strengthen the security of user privacy data further, we have promptly updated our privacy policy regarding company products and services. We provide separate authorization prompts for user login and credit authorization scenarios. Based on user consent, we collect, store, and use user information in a lawful and compliant manner.



Change Security Management

Yalla has established a formal change management process that outlines how changes to systems, applications, and configurations are requested, reviewed, approved, and implemented.



Operations and Maintenance Security Management

Our professional team maintained an up-to-date inventory of all hardware, software, and network assets within the Company's infrastructure, which includes servers, workstations, routers, switches, applications, databases, and other relevant components.



Business Continuity Management

Yalla conducted a comprehensive risk assessment to identify potential threats and vulnerabilities that could disrupt business operations, considering natural disasters, cyber-attacks, supply chain disruptions, and other relevant risks, and prioritized risks based on their potential impact on business continuity.



Internal Security Auditing

Yalla performed detailed assessments of security controls, policies, and procedures and continuously updated internal auditing methodologies, tools, and techniques to stay current with evolving security threats and best practices.



Information Security Incident Management

Yalla implemented mechanisms to detect and identify security incidents promptly, which included network monitoring tools, intrusion detection systems, log analysis, and user reporting mechanisms. We also encouraged employees to report any suspicious activities or incidents they encountered.

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

SUPPLY CHAIN MANAGEMENT

Responsible Supply Chain

A sustainable supply chain system is critical for enterprises to achieve long-term development. Yalla adheres to the principles of openness, fairness, and impartiality and implements strict control mechanisms from supplier admission and review, information maintenance, selection and choice, and evaluation to standardize supplier management further.

At the same time, Yalla continues to improve the standardization and transparency of the procurement process, strives to prevent behaviors that harm business partners, and deepens partnerships of equality, mutual benefit, and expected progress.

Supplier selection

In principle, the Business Department will request quotes from at least three qualified suppliers and evaluate them based on the duration of cooperation and the nature of the services. The Business Department also considers delivery time, technical capabilities, and environmental and social responsibilities to ensure fair supplier competition and transparent decision-making procedures.

Before selecting a supplier, we will conduct detailed due diligence based on supplier admission standards, including qualification review and past cooperation experience, to meet procurement needs.

Supplier engagement

When engaging with a supplier, we will communicate with the supplier at any time to promote better cooperation. Our dedicated commercial department and business personnel obtain supplier feedback anytime through multiple communication channels. At the same time, we pay close attention to the supply chain and strive to achieve sustainable development.

After the delivery, relevant personnel will inspect the delivery situation and provide the results to the Business Department for feedback. If there is a problem, the Business Department will confirm with the supplier to solve the problem.

Supplier evaluation

The Business Department regularly evaluates suppliers. We have particular evaluation criteria for different types of suppliers. In addition to assessing suppliers' business service capabilities, quality, and other factors, the execution level of their ESG projects is also an important evaluation criterion for us.

For suppliers with poor evaluation results, Yalla will communicate with them promptly and discuss the remedial measures needed to comply with the contractual arrangements. When a supplier no longer meets our admission standards, Yalla will terminate cooperation with the supplier based on actual circumstances.

In 2023, Yalla began to review suppliers' compliance qualifications and replace suppliers with poor compliance qualifications. In the future, we will continue to improve our supplier management system and take further steps in establishing a standardized, systematic, and institutionalized business procurement management system.

INTELLECTUAL PROPERTY

Yalla has always emphasized protecting intellectual property rights. Yalla attaches great importance to protecting its intellectual property rights while fully respecting the intellectual property rights of others, constantly building and improving internal intellectual property management mechanisms, clarifying the rights and responsibilities of intellectual property protection, and severely cracking down on various forms of infringement.

To improve employees' awareness of intellectual property protection, Yalla has carried out multiple internal employee intellectual property training activities to guide employees in establishing compliance awareness in their daily work and protecting themselves and the Company's innovative achievements.

As of December 31, 2023, the trademarks, registered copyrights, and patents owned by Yalla in 48 jurisdictions (including multiple jurisdictions in the Middle East and North Africa region) were as follows:

Item(s)	2022	2023
Registered trademarks	132	149
Copyrights	62	116
Patents	2	2
Domain Names	52	82



OUR PEOPLE

Yalla consistently adheres to the people-oriented development philosophy and regards human resources as the key to enhancing corporate competitiveness and achieving sustainable development. We are committed to building an equal and diverse workforce and creating an open and inclusive work environment.

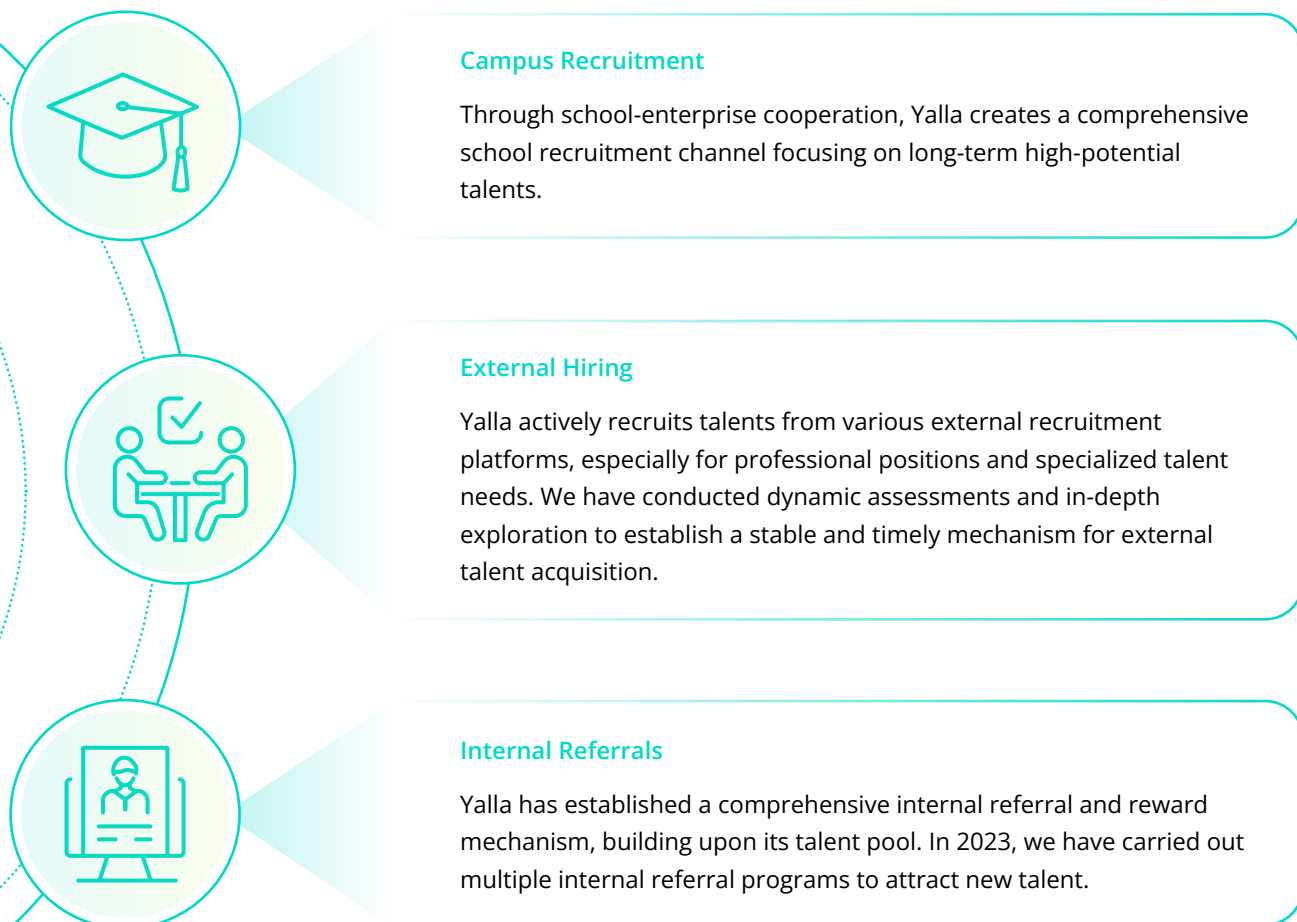


RATIONAL RECRUITMENT AND MANAGEMENT

Yalla continuously improves its recruitment, hiring, and compensation and benefits system, emphasizing talent development, nurturing employee growth, and protecting employees' legal rights and interests.

Employee Recruitment

Yalla strictly implements fair competition and selects the best candidates for recruitment. We explore talented individuals with excellent, comprehensive qualities through campus recruitment, external hiring, and internal referrals. At the same time, Yalla has in-depth cooperation with recruitment platforms to continue to inject fresh blood into the Company's development.



case Yalla Group Launched an AI Internship Program with the Mohamed bin Zayed University of Artificial Intelligence

- ▶▶ Yalla Group has initiated an artificial intelligence internship program with Mohamed bin Zayed University of Artificial Intelligence (MBZUAI), the world's first graduate research university dedicated to AI.
- ▶▶ This 7-week internship program aims to provide MBZUAI students with a practical environment to better comprehend, learn and apply artificial intelligence. Taking this program as a starting point, Yalla and MBZUAI are expected to conduct more extensive cooperation in the field of AI in the future.
- ▶▶ MBZUAI, established in 2019, is the first graduate research university dedicated to advancing AI as a global force for humanity. Named after the president of the UAE, the university attracts world-class thinkers and doers in computer vision, machine learning, natural language processing, and beyond and plays an important role in the UAE National Strategy for Artificial Intelligence 2031.



Employee Incentive Mechanism

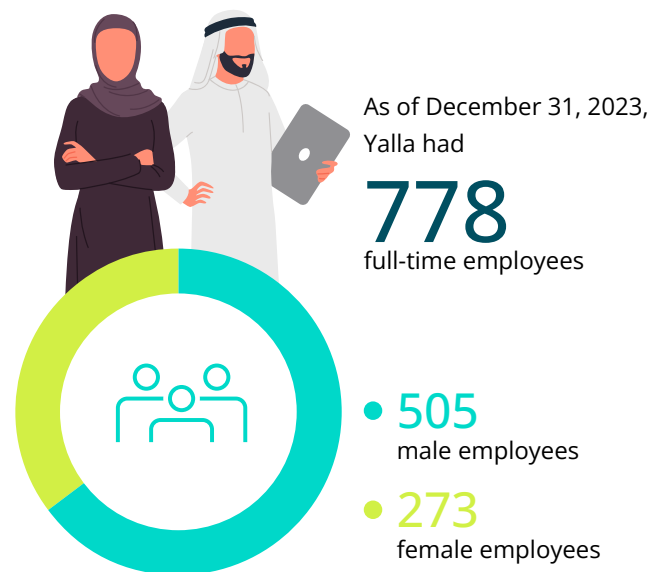
We have combined long-term and short-term incentives to fully motivate our employees. At the same time, based on employees' performance in their work and community activities, we have established various incentive programs, such as the Annual Outstanding Employee and Outstanding Community Member awards, to reward and recognize employees who excel in a particular aspect.

DIVERSITY, EQUALITY AND INCLUSION

Diversity, equality and inclusion have always been part of our cultural lifeblood as a global company with offices in the UAE and China. We are committed to creating an environment that is fair, just, and based on honesty and trust. We reject all forms of bias and discrimination, and we do not treat or discriminate against employees based on differences in age, ethnicity, religious beliefs, family status, or gender. We deeply understand the importance of talent diversity for the Company's sustainable development. Therefore, we focus on discovering, nurturing, and retaining talent to support employee growth and achieve long-term company development.

Yalla actively promotes the diversification of talent teams in multiple business sectors and creates a cultural atmosphere of diversity, inclusiveness, and complete communication. As of December 31, 2023, Yalla had 778 full-time employees, including six disabled and 26 ethnic minority employees. Among them, there were 505 male employees and 273 female employees. At the senior management level, women accounted for 28.6% of the total, while among the general employees, women accounted for 35.2% of the total.

Yalla unwaveringly upholds the principle of gender equality and treats all employees fairly in recruitment, evaluation, and promotion. We continuously improve the treatment of female employees. In addition to providing daily administrative supplies and emergency support, we also offer related benefits to female employees during holidays.



Holiday benefits

In accordance with relevant regulations, Yalla arranged a half-day welfare leave for female employees on Women's Day.



Friendly facilities

In 2023, Yalla set up a nursing room in our new office building and purchased many breastfeeding supplies to meet the needs of working mothers.

Employee Participation and Communication

At the forefront of our approach is fostering effective communication and active engagement with our valued employees. We actively promote an environment where their voices and perspectives are heard and valued, encouraging them to share their valuable thoughts and ideas with us openly.

Yalla has set up various employee communication channels, such as office software and weekly report management, to understand employees' demands promptly. Employees can also leave messages online, engage in interactive discussions, and share their insights and reflections from their work experiences.

In addition to the regular feedback channels, we actively gather suggestions from employees on various aspects of our business operations, development, and personal growth. This formal process allows us to capture valuable insights from our employees. Furthermore, the management team provides transparent and public feedback in response to these suggestions.

Furthermore, we have established 26 cultural experience officers across all departments within our company, who are crucial in collecting feedback and suggestions from their respective departments. They act as representatives, advocating for the needs and perspectives of their departments, and actively contribute suggestions for improvement.

case In the Name of Ler

Yalla Group believes in fostering a vibrant work culture, and as part of this commitment, we have introduced a bi-weekly internal e-magazine called "In the Name of Ler.", which allows our employees to share their work-related stories and experiences. We actively encourage all employees to engage and contribute their ideas related to the theme of each issue. Selected ideas will be showcased in upcoming editions, and the contributors will be duly recognized and rewarded. In the year 2023, we successfully published a total of 14 captivating issues.



EMPLOYEE CARE

Yalla Group advocates a work-life balance for employees, aiming to create a vibrant and dynamic work atmosphere. We have organized diverse activities to promote a positive and uplifting environment. By doing so, we enhance employees' sense of belonging and job satisfaction, ultimately strengthening the cohesion within the organization.

Safety and Health

We emphasize occupational health and safety management and consider it a vital component of our corporate social responsibility framework. To protect the health and safety of our employees, we have adopted a variety of care measures.

Employee physical examination: Yalla provides employees with annual and pre-employment physical examinations to protect their physical health.

Purchase of commercial insurance: Yalla purchases commercial insurance for all employees as a supplement to their personal insurance.

Provide necessary medicines: Yalla provides employees with necessary medical supplies in case of emergencies.

Conduct safety lectures: Yalla regularly organizes safety knowledge lectures internally to disseminate medical knowledge, such as cardiopulmonary resuscitation.

In 2023, we experienced no work-related accidents at Yalla Group.

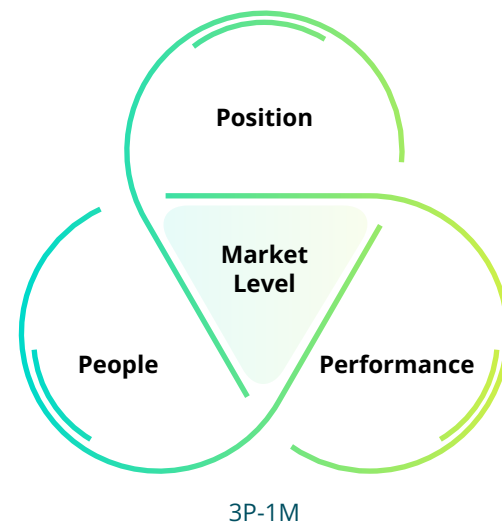


Eid al-Adha skiing activities

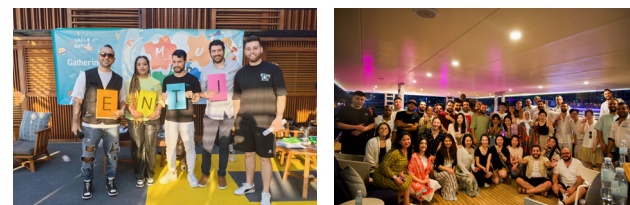
Comprehensive Benefits and Welfare

In strict compliance with relevant laws and regulations, Yalla provides employees statutory holiday benefits to protect their legal rights and interests. Additionally, we have implemented various benefits such as flexible work hours, weekly snacks, birthday gifts, departmental team-building events, and afternoon tea on holidays, continuously improving our welfare guarantee system and providing employees with multiple welfare measures to ensure they can truly feel the care and attention of the Company.

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



We have established a variety of clubs, including badminton, football, and basketball, and in 2023, we increased activity funds for these clubs to help employees maintain a better work life balance.



Team Building

EMPLOYEE DEVELOPMENT

We understand that providing abundant training resources and clear career advancement opportunities are crucial for attracting and retaining employees. Therefore, we have established a comprehensive growth platform integrating training, scientific assessments, promotions, and development activities to motivate employees to progress and gain recognition, continuously enhancing their self-value.

Training at Yalla Group

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

Internal Training:

- Leadership Training: 6R Leadership
- New Employee Training: Every new employee who joins Yalla is an indispensable source of fresh energy. Our new employee training program introduces them to our corporate culture and policies, helping them adapt to the new work environment and integrate into the team
- Yalla Academy: Provided training on multiple topics, covering modules such as interviewer training, security operation, and financial basis
- Departmental Internal Training

External Training:

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

Online Training

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



— OUR COMMUNITY

We have cultivated a large and vibrant Yalla community based on our dedication to delivering an engaging user experience tailored to local cultures. In the fourth quarter of 2023, approximately 36.2 million users visited our platform on average each month, and the number of paying users on our platform reached 11.9 million during the same period. At the same time, we, as an organization, are also actively engaged in the local communities.

YALLA COMMUNITY

The Culture of Our Community

We have constructed a Yalla ecosystem centered around our vibrant Yalla community. Through delivering a delightful mobile experience across the MENA region, we gradually cultivate a unique community culture that encompasses:

Superior Social Experience

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

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

Localized Appeal

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

Highly Interactive User Community

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

Various Online Community Activities

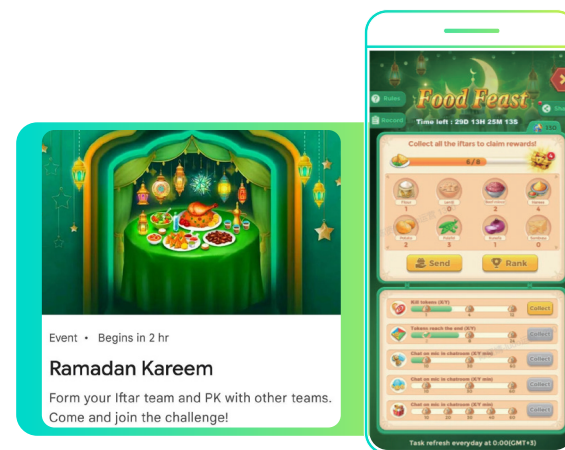
Within our Yalla community, we are devoted to offering companionship to our users and sharing their valuable moments with us.

We organize localized online events, most of which are based on traditional holidays, to further enhance user engagement and interactions. In 2023, we organized 40 online events in Yalla and 57 in Yalla Ludo, all of which were based on traditional festivals or localized Arabic designs to enhance user engagement and interaction. From June 23 to July 8 in 2023, our users celebrated Eid al-Adha on our platform by sending customized gifts and participating in online tasks. Approximately 4.1 million users participated in the event.

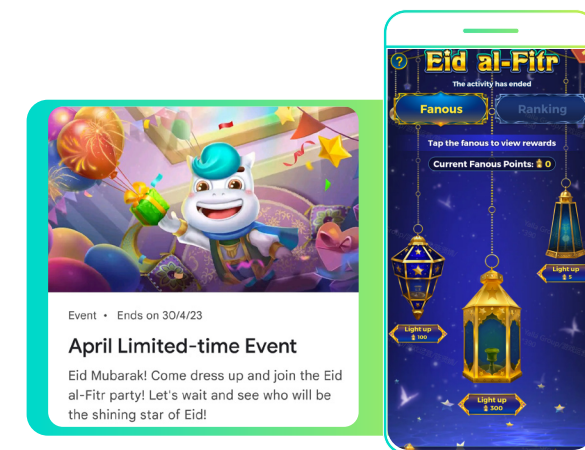
Traditional Festivals

Ramadan is a celebration that takes place in the ninth month of the Islamic calendar. Muslims must fast from sunrise to sunset for the entire month. During these unique festivals, we held activities to spend meaningful moments with our users in Yalla and Yalla Ludo. It is worth mentioning that during Ramadan, we held virtual check-in events in WeMuslim to provide our users with a different community experience.

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



Ramadan Events in Yalla and Yalla Ludo



Eid al-Adha Events in Yalla and Yalla Ludo



Ramadan Events in WeMuslim



Milestone Offline Event

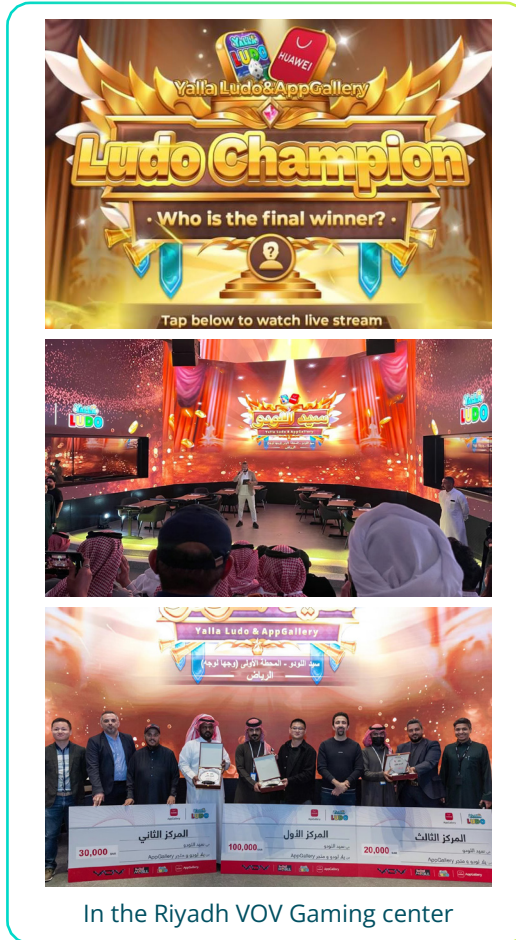
Our community activities also extend offline. As the most popular traditional offline game in the MENA region, the Ludo Championship became a hit once it was held.

The Ludo Champion Tournament Event

In 2023, we held the Yalla Ludo Offline tournament for the first time. More than 150,000 players signed up to participate in the competition. Through over 1.8 million online preliminary competitions in two weeks, 32 winners were selected to come to Riyadh to compete in the offline final tournament, which resulted in 3 top winners after fierce battles, with an enthusiastic engagement from the audience.

This exhilarating championship showcased participants' gaming skills and marked a significant milestone in Yalla Ludo's journey toward the world of the Esports ecosystem. The success of this tournament is a testament to our commitment to providing engaging experiences and fostering community through innovative gaming initiatives.

Yalla Ludo stands out not only as a dynamic platform for the classic game of Ludo but also as a community-centric entity that genuinely cares about its players. The Ludo championship showcased the platform's commitment to fostering a competitive spirit and its dedication to player satisfaction.



In the Riyadh VOV Gaming center

Activities to Raise Awareness for Animal Conservation

Animals are an essential component of the Earth's biodiversity. Each species plays a specific role in ecosystems, maintaining ecological balance. Furthermore, animals play a crucial role in providing many critical environmental services. Protecting animals helps maintain biodiversity, preserve ecological balance, and ensure the planet's sustainable development. To raise awareness about animal conservation, we initiated online activities related to animal protection on Yalla during World Animal Day.



World Animal Day Events in Yalla

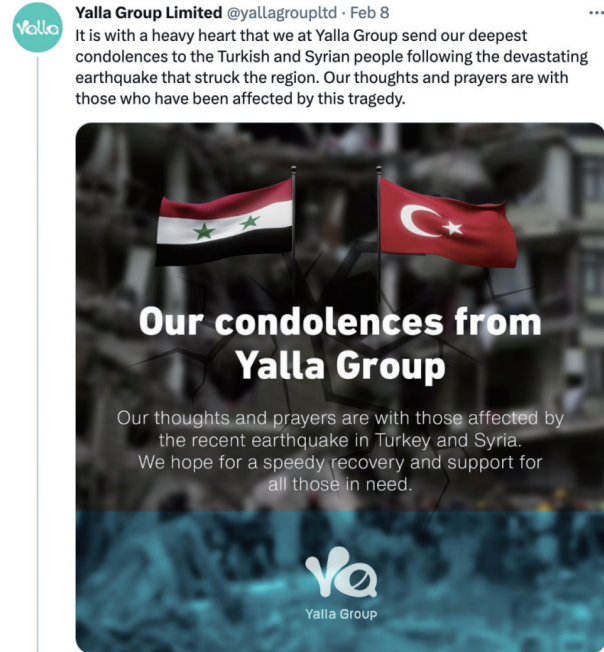
COMMUNITY ENGAGEMENT

Expression of Condolences to Earthquake Victims

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



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



Cooperation with Local Communities

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

We are honored to have been selected as a partner of the National Program for Coders, which is the biggest national program that specializes in enabling coders and unleashing the potential of the coding communities in the UAE. In 2023, we continued to deepen the cooperation with the Ministry of Artificial Intelligence, Digital Economy, and Remote Work Applications and actively engaged in several initiatives to help create the best ecosystem in the world for coders to develop, grow and thrive.

In 2023, we continued to collaborate with universities to establish practical internship bases jointly. In addition to keeping interactions and exchanges, we have opened internship channels for outstanding talents from the universities, providing them with the opportunity to grow by practicing in actual working scenarios.

Furthermore, we continued to support the Badminton Association of the School of Management at Zhejiang University in 2023 to encourage a healthy lifestyle.

APPENDIX

APPENDIX 1

GRI Standard Index

Chapters	GRI Standard Index
About this Report	
About Yalla Group	
Letter from our CEO	
Letter from our President	
Responsible Governance	
Corporate Governance	3-3, 2-13, 2-14, 2-9, 2-12, 3-2, 205-1, 205-2, 205-3
ESG Governance	
Environment	
Yalla's Response to Climate Change	201-2, 305-5, 302-4, 306-1, 306-2, 306-4, 302-1, 304-2, 203-2
Green Office	
Trust	
Information Security	
Supply Chain Management	418, 308-1, 414
Intellectual Property	
Our People	
Rational Recruitment and Management	
Diversity, Equality and Inclusion	401-1, 401-2, 405-1, 408-1, 409-1, 404-2, 404-3, 403-1, 403-3, 403-5, 403-6
Employee Care	
Employee Development	
Our Community	
Yalla Community	
Community Engagement	413-1, 413-2
Appendix	
Appendix 1-GRI Standard Index	
Appendix 2-Business Review	102-55, 201-1
Appendix 3-Awards & Recognition	

APPENDIX 2

Business Review

To learn more about our financial performance, please refer to the financial statements included in our Annual Report on Form 20-F for 2023, which was filed on April 2024.

Operating Highlights

Key Operating Data	Three Months Ended	
	December 31, 2022	December 31, 2023
Average MAUs (in thousands)	31,987	36,237
Paying users (in thousands)	12,457	11,930

Financial Highlights

	Year Ended	
	December 31, 2022 US\$	December 31, 2023 US\$
Revenues	303,603,522	318,877,564
Costs and expenses		
Cost of revenues	(113,808,128)	(114,527,174)
Selling and marketing expenses	(49,939,683)	(45,382,752)
General and administrative expenses	(36,582,626)	(36,808,454)
Technology and product development expenses	(24,575,485)	(25,804,995)
Total costs and expenses	(224,905,922)	(222,523,375)
Operating income	78,697,600	96,354,189
Income before income taxes	81,636,828	115,743,892
Net income	79,037,845	113,058,436
Net income attributable to Yalla Group Limited's shareholders	79,756,797	117,342,777

	As of	
	December 31, 2022 US\$	December 31, 2023 US\$
Total assets	506,338,256	638,952,261
Total liabilities	66,473,782	76,285,286

APPENDIX 3

Awards & Recognition

Yalla Group

Golden Award for 'Most Innovative Social App' at The Middle East & North Africa Stevie Awards 2023

Top 30 EMEA Headquartered Publishers in data.ai's Top Publisher Awards 2023

President Saifi Ismail

One of "Dubai 100" most powerful and influential thought leaders and businesspeople