

2020

GLODON COMPANY LIMITED
Social Responsibility Report





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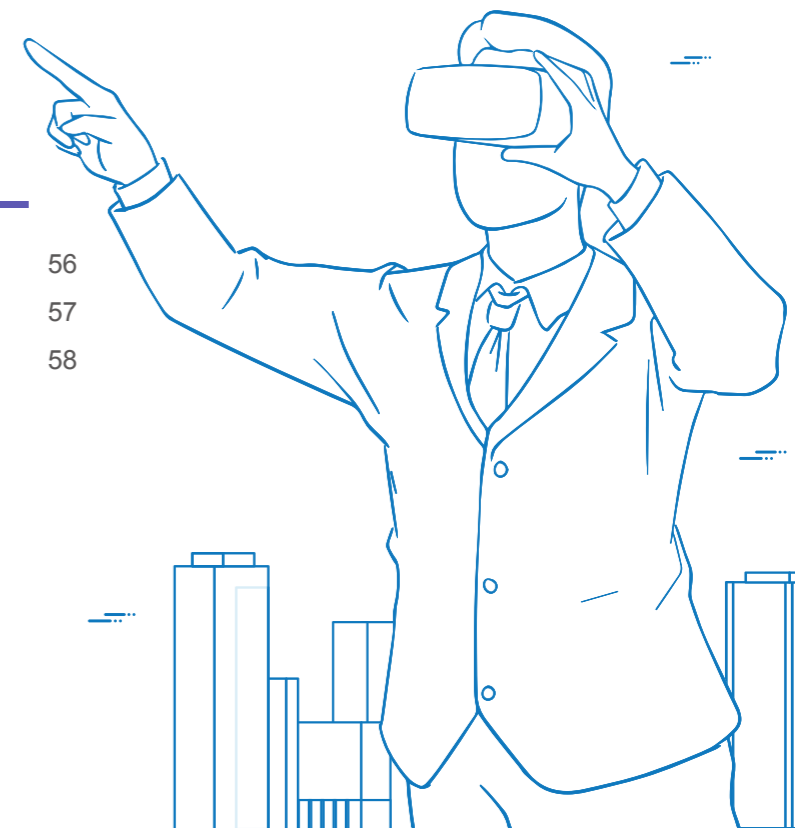
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About this report

Reporting period

From January 1 to December 31, 2020. Part of the contents and data may involve period other than the current year.

Scope of organization

With "Glodon Company Limited" as the main entity, the organization herein includes Glodon's branches, subsidiaries.

Release

The "2020 Social Responsibility Report" of Glodon Company Limited is the second social responsibility report issued by Glodon.

Preparation basis

This report was prepared with reference to the Guidelines of the Shenzhen Stock Exchange for Standard Operations of Listed Companies and the GRI Standards.

Note on the company's title

For ease of explanation and readability, "Glodon Company Limited" is also referred to as "Glodon", "the company", and "we" in this report.

Note on the data

All information and data cited herein are from the company's official documents, statistical reports and financial reports. Its materials were provided by Glodon's employees and partners. The report shall be only used for the purpose of disclosure about Glodon's sustainable development management, and shall not be used for commercial purposes. If there is a discrepancy between English and Chinese, Chinese shall prevail.

How to access

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Message from the Chairman



China's construction industry has enjoyed rapid growth during the past 40 years of reform and opening up, and its supporting role as a pillar in the overall economy has become more evident. However, there are still some problems, such as ill management, low efficiency, huge amounts of waste, high energy consumption, and insufficient scientific and technological innovation. Especially since the outbreak of the COVID-19 pandemic, many construction companies have been struggling with project deadlines. On September 22, 2020, the Chinese government proposed to scale up its nationally determined contributions (NDC) under the Paris Agreement by adopting more vigorous policies and measures so that CO₂ emissions will peak by 2030 and carbon neutrality will be achieved by 2060. As urbanization enables unprecedented growth of the global construction industry, it is crucial to the accomplishment of this goal. The "new normal" of the economy renders the traditional construction model outdated. Therefore, only through the digital transformation and upgrading of the industry can we fundamentally improve productivity and production relations. Specifically, the building of Internet platforms across the construction industry holds the key to many problems today.

As a strategy-driven company, Glodon has grown into China's No.1 engineering cost consultancy and the global leading service provider of digital construction platforms. It is implementing the secondary startup strategy. Glodon has been learning, practicing, summarizing experience and iterating to gain insights into the future and embark on a new journey. 2020 marks the start of the Eighth Three-Year Strategy of Glodon, and the key year of its secondary startup strategy. The basic unit of the construction industry is the engineering project, so what we hope to achieve with secondary startup is to make every project successful. This is more

than a slogan. There are specific indicators to assess whether a project is successful: cost reduced by one third, schedule halved, CO₂ emission halved, zero quality defect and zero safety accident. If these indicators are met, the cost of investors will be reduced, the waste of construction materials and consumption of energy is decreased, the carbon emission is diminished, and environmental pollution is prevented, thus benefiting customers, society and the sustainable development of humankind, and exerting profound social influence.

A company can exist for a long time, but it is challenging to secure sustainable growth, sound development and growing strength. Glodon's sustainability would have been impossible without a tiered business architecture, a development model featuring internal and external growth drivers and an expansion strategy focusing on both domestic and overseas markets, so that our growth is well-paced and orderly. Furthermore, our firm commitment to the mission and vision of the company, the customer-oriented approach, and a constant stream of valuable and high-quality products and services also contribute to our sustainable growth. With the advent of the digital age, digitization has become an important strategy to ensure the success of the secondary startup strategy. Through building digital architecture and a digital Glodon, we have moved faster to integrate the digital transformation of business and organizational structure, and added digital "wings" to our business.

People believe that an enterprise is born to make profits, but since our inception, we have pondered over the purpose and significance of Glodon. As a social platform, Glodon shoulders social responsibility for its employees, investors, customers, government departments and communities. Corporate social responsibility (CSR) work, however, is not just about setting up a set of norms or a checklist, nor is it about making companies hurt themselves. It is to leverage the core competence of a company to solve social problems and create social value. This explains why we adhere to the idea of "digital technology oriented toward social good" to guide our CSR work, and also points out our mission, which is to create a better living and working environment with science and technology.

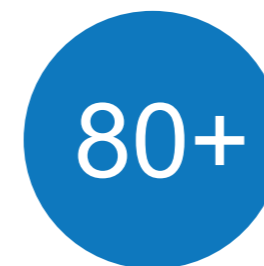
Glodon still has a long journey to go in CSR work, but I believe that many a little makes a mickle just as the ocean embraces innumerable small streams and the Galaxy comprises countless stars. I hope that through our 2020 social responsibility report, you can feel the sincerity, transparency, harmony and win-win spirit in what we do here. I also hope that every employee at Glodon will reexamine your work from the perspective of CSR, which will free your minds and enlighten your thoughts. As the saying goes, if you want to go fast, go alone; if you want to go far, go together. When we focus more attention on CSR, we will achieve sustainability of social, environmental and commercial interests in a better, faster and more efficient manner, and our steps on the secondary startup journey will be firmer. These efforts will eventually make Glodon jump higher, fare better, and go farther.

Chairman:

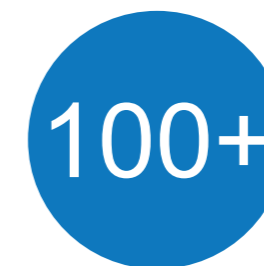
March 2021

About Us

Glodon is a service provider of digital building platform, with a long-lasting presence in the construction industry. By focusing on the whole life cycle of engineering projects, we offer professional applications in this field as the core support and provide value-added services such as industrial big data and industrial new finance. Founded in 1998, Glodon was listed on the Shenzhen Stock Exchange in May 2010, becoming the first company to be listed on the A-share market in the field of information-based construction engineering in China. The stock code is 002410.



Global branches and subsidiaries



Global clients (countries/regions)



Global R&D centers



- In 2008, Glodon started to go global
- Focusing on the subsidiaries in Finland, Britain and Sweden, Glodon expands its influence over the European market.
- Based upon the subsidiaries in Singapore, Malaysia, and Hong Kong, Glodon harnesses the regional advantages to develop the East Asian market.
- Six R&D centers: Beijing R&D center, Shanghai R&D center, Xi'an R&D center, US R&D center, Finland R&D center, Poland R&D center

Glodon is working hard to realize its secondary startup ideal of giving every project access to water, electricity and digital construction platforms. Guided by the vision of "Digital Building", we will continue to power the transformation of the construction industry, and make every project successful with science and technology.



Our Culture



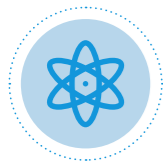
Mission

Ensure our employees are happy, and create a better working and living environment with technology.



Vision

Grow into a strong, globally respected enterprise with happy employees, cutting edge competitiveness and ongoing development.



Values

We are client-centric, we support entrepreneurship and the win-win concept, and we work hard.

Business Sectors

Glodon has harnessed information technologies including building information modelling (BIM), cloud computing, big data, Internet of Things, mobile Internet, and artificial intelligence, combined with advanced project management theories and methodology on lean construction, to develop professional applications and solutions, and roll out industrial big data and new financial services step by step. Therefore, a digital building industry platform is established to serve the whole life cycle of the construction industry.

The company will focus on the vertical and integrated expansion of professional applications and scale up the whole value chain. For example, the digital engineering cost service will go smart, the digital construction service will be expanded from "project-level application" to "enterprise-level multi-project application", and new business areas such as digital supply and procurement, digital city, digital finance and digital education will see major breakthroughs.

Business Sector	Contents
Construction Cost	We offer software tools and products, and data services for the calculation of engineering cost and work amount. Our services include three units, namely, engineering cost calculation, work amount calculation, and engineering information. After two decades of development, Glodon has secured a large market share in China for this service, and we have a competitive advantage.
Construction Management	We focus on this segment for further business growth and have shaped a complete solution for digital construction. Based on our digital project management platform (BIM + smart construction site) released in June 2019, we have developed many post-level, project-level and enterprise-level digital application systems, offering one-stop service for digital transformation of construction companies. The digital project management platform enables data exchange, promotes product integration and elevates the value. As a result, the advantages of business synergy and integration are emerging. In this segment, we mainly provide platform solutions and sell proprietary software products.
Innovation	This segment consists of innovation services, such as digital supply and procurement, digital city, digital decoration, digital finance, and digital education. By focusing on niche markets of the construction industry, we support and guarantee the upgrading of the industry through such dimensions as smart construction, operational management and talent cultivation.
Overseas Business	Cubicost, an international product series for digital engineering cost, has been developed to expand the Southeast Asian market; MagiCAD, a product line based upon mechanical and electrical BIM services of its subsidiary in Finland, aims to cover the European and US markets.

Our Achievements

Glodon focuses on the information-based construction industry for

20 years

Serves companies and clients more than

300,000

Covers construction projects more than

6 million

Our end users reach over

10 million

We have focused on the information-based construction industry for over two decades, covered more than six million construction projects, and served 200,000 companies and clients. Our end users reach over ten million.

We have released the *White Paper on Digital Construction* for three consecutive years, published the *Information-Based Development Report of Construction Industry in China* for nine consecutive years, drafted the *Analysis Report of BIM Application of Construction Companies in China* for four consecutive years, and issued the *Digital Engineering Cost Management* report.

Glodon is highly recognized by our clients and industry peers thanks to our professional products, perfect services and scientific management. We are now a leader in the information-based construction industry.



We have held the China Digital Building Summit for 11 consecutive years, and deeply participated in the Digital China Summit, China (Beijing) International Big Data Industry Expo, and Smart China Expo.

We have cooperated with over 70 industry associations and eight alliances, and formed strategic partnerships with a host of companies at home and abroad, to keep improving the technology ecosystem.

Securities Award

China Securities Golden Bauhinia Award--Best Listed Company in Investor Relations

Hong Kong Ta Kung Wen Wei Media Group

Golden Ox Award for Highest Investment Value

China Securities Journal; Haikou Municipal Government

Best Board of Directors of a Listed Company

National Business Daily

ESG Golden Award--Most responsible and Enterprising Chinese Enterprise

Sina Finance

Product Award

BIMMAKE was awarded the Top 10 Innovative Software Product of China's Software Industry.

Department of Industry and Information Technology of Hebei Province; Hebei Development and Reform Commission; Zhangjiakou Municipal Government; China Software Industry Association

Hummingbird Video Analysis System was awarded the Innovative Cloud Service (AI) Platform of China's Software Industry.

Department of Industry and Information Technology of Hebei Province; Hebei Development and Reform Commission; Zhangjiakou Municipal Government; China Software Industry Association

Pingfang Website was awarded the Best Innovative Application of Big Data-Driven Construction Industry.

Beijing CCID Publishing & Media Co., Ltd; Big Data Industry Ecological Alliance; *Software and Integrated Circuit Office*

Industry Award

Top 10 Innovative Software Enterprise in China's Software Industry

Department of Industry and Information Technology of Hebei Province; Hebei Development and Reform Commission; Zhangjiakou Municipal Government; China Software Industry Association

Core Software Brand of Trustworthy and Reliable Enterprise in China's Software Industry

Department of Industry and Information Technology of Hebei Province; Hebei Development and Reform Commission; Zhangjiakou Municipal Government; China Software Industry Association

List of Top Smart Cities--Excellent Enterprise Award

Chinese Society for Geodesy Photogrammetry and Cartography; China Urban Public Transport Association

Top 50 Big Data Enterprise

Beijing CCID Publishing & Media Co., Ltd; Big Data Industry Ecological Alliance; *Software and Integrated Circuit Office*

Top 30 Digitally Empowered Pioneering Enterprises

Beijing CCID Publishing & Media Co., Ltd; Big Data Industry Ecological Alliance; *Software and Integrated Circuit Office*

Case Award

China Broadcasting Network Corporation--Qingdao 5G High-tech Video Experimental Park Smart Operation Platform was awarded the First Prize in Excellent Application Case of the List of Top Smart Cities.

Chinese Society for Geodesy Photogrammetry and Cartography; China Urban Public Transport Association

Urban Drainage Information Management System was awarded the Second Prize in Excellent Application Case of the List of Top Smart Cities.

Chinese Society for Geodesy Photogrammetry and Cartography; China Urban Public Transport Association

CIM Smart Operation Center Platform was awarded the Excellent Software Prize of the List of Top Smart Cities.

Chinese Society for Geodesy Photogrammetry and Cartography; China Urban Public Transport Association

Guizhou Housing and Construction Cloud Big Data Smart Platform was awarded the Excellent Software Prize of the List of Top Smart Cities.

Chinese Society for Geodesy Photogrammetry and Cartography; China Urban Public Transport Association

Guizhou Housing and Construction Cloud and Big Data Smart Platform was awarded the DAMA 2020 Pioneering Prize of Data Governance, and was listed into *100 Excellent Cases of Ecosystem Building in China's Digital Transformation 2020*.

Chinese Society for Geodesy Photogrammetry and Cartography; China Urban Public Transport Association

Digital Economy Summit--Digital Economy Lighthouse Award

Securities Daily

01

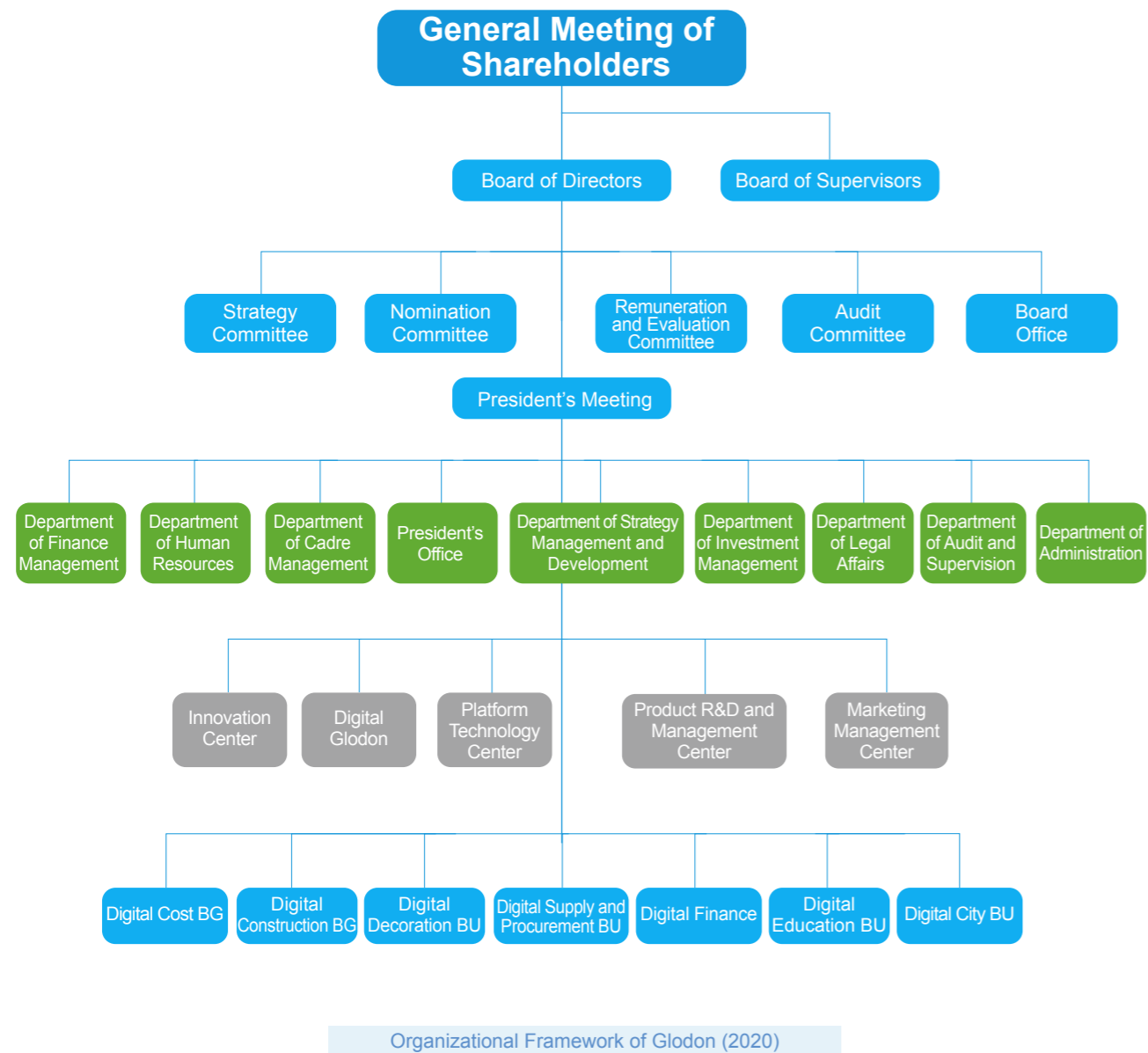
Corporate Governance

Glodon has constantly improved its corporate governance, upgraded the governance framework, clarified the rights and responsibilities of all levels and decision-making procedures, adopted a reasonable governance framework, implemented strict risk management measures and shaped a sound corporate culture, in a bid to make daily decision-making more efficient and reduce operational risks.



Governance Structure

We are committed to establishing a good corporate governance structure, strictly abiding by laws and regulations, and constantly improving information transparency. We have clearly defined the rights and responsibilities of the general meeting of shareholders, the board of directors, the board of supervisors and senior management, so that each unit operates independently, with effective checks and balances.



Organizational Framework of Glodon (2020)

► General Meeting of Shareholders

The general meeting of shareholders is the highest authority of the company. Glodon has worked, in accordance with relevant laws and regulations such as the *Company Law of the People's Republic of China*, the *Articles of Association* and the *Rules of Procedure of the General Meeting of Shareholders*, to ensure the compliant operation of the general meeting of shareholders, make it easier for shareholders to exercise their rights, and effectively protect the legitimate rights and interests of shareholders, especially those of small and medium ones. During the reporting period, the general meeting of shareholders held four meetings, and the turnout of small and medium shareholders and the voting rate of institutional shareholders both increased gradually. The participation rate increased from 18.08% in 2019 to 27.59% in 2020.

► Board of Directors

In 2020, the company completed the re-election of the board of directors. There are now nine directors (including one female director), three of whom are independent directors. In order to fully unleash the effectiveness of the board, the company has invited industry experts to serve as directors to provide professional support for the judgment of future trends and evaluation of opportunities. Experts in finance, remuneration and management have also been recruited to serve as independent directors to elevate the decision-making capability of the board of directors.

The board of directors has four special committees that are responsible for strategy, nomination, remuneration and evaluation, and audit, respectively.

01 Strategy Committee:

The strategy committee comprises six board of directors. During the reporting period, the strategy committee has coordinated the company's long-term development strategy and the Eighth Three-Year Plan, generated the strategic direction and specific objectives such as investment business positioning and ecological model, reviewed the internal and external environment, operation and capital market in the post-COVID world, and completed the closed-loop strategic management.

02 Nomination Committee:

The nomination committee comprises three board of directors, two of whom are independent directors. During the reporting period, the nomination committee has nominated two new senior managers according to the company's strategic plan, and put forward reasonable suggestions on the appointment and removal system and procedures of directors and senior managers.

03 Remuneration and Evaluation Committee:

The remuneration and evaluation committee comprises three directors, two of whom are independent directors. During the reporting period, the remuneration and evaluation committee has reviewed the annual performance and remuneration of directors and senior managers, participated in the formulation of annual remuneration evaluation and performance appraisal standards, and drafted the 2020 equity incentive plan.

04 Audit Committee:

The audit committee comprises three directors, two of whom are independent directors. During the reporting period, the audit committee has reviewed the annual internal audit work summary and plan, and the quarterly internal audit work reports, supervised the annual audit work of external audit institutions, put forward suggestions on matters of concern of audit institutions, and guided the construction of the internal control system of the company.

► Board of Supervisors

In 2020, the company completed the reelection of the board of supervisors. There are now three supervisors, including one employee supervisor (female) and one external supervisor with financial background.

The board of supervisors has conscientiously performed its supervisory duties in accordance with relevant laws and regulations such as the *Company Law of the People's Republic of China*, the *Articles of Association* and the *Rules of Procedure of the Board of Supervisors*. The board of supervisors oversees the performance of directors and senior managers, inspects the company's finance, risk management and internal control, strictly performs the entrusted responsibilities, and protects the legitimate rights and interests of the company and its shareholders.

Protecting Investors' Rights and Interests

Glodon protects its investors' rights and interests and ensures their returns through open, just and fair information disclosure, consistent and stable cash dividend policy, and active and equal investor relationship management. We also actively collect market suggestions and opinions through various exchange activities, and maintain smooth communication with our investors.

► Shareholder returns

Glodon has kept offering its shareholders sustained and reasonable dividend returns based upon the company's strategic plan and business growth. In making the profit distribution plan, we have listened to small and medium shareholders, ensured the compliance of the review procedures, and implemented the cash dividend policy in accordance with the Articles of Association. In May 2010, Glodon went listed. Since then, the company has delivered 11 consecutive cash dividends, with a total amount of 2.145 billion RMB, and the dividend rate was 55.13%.

► Communicating with investors

Glodon has proactively built communication channels with investors, offered timely reports of the governance, and given feedback to investors. In 2020, due to the COVID-19 pandemic, investors mainly communicated online. Over 130 activities were organized throughout the year, and 3,799 investors participated in them. Five regular telephone conferences were held, covering 1,542 investors at home and abroad. We have communicated with the market immediately after the announcement of the performance results, and then released the form of investor relations activities to ensure that all investors can understand the company's business progress in a timely and fair manner. When we release the semi-annual report and annual report, we also make a chart that interprets the key points of the reports to help investors quickly grasp our development.

Case: An online investor conference

On May 15, 2020, the National Day for Publicity of Investor Protection took place. Glodon invited the chairman and senior executives to introduce the company's development strategy for the next three years to investors and media at home and abroad through online livestreaming. The online investor conference covered 249 institutional investors, individual investors and media outlets in China and beyond, and became an exemplar project of the Publicity Month of Investor Protection jointly organized by Beijing Bureau of China Securities Regulatory Commission and the Listed Companies Association of Beijing.



2020 Investors Conference

► Protecting the rights and interests of small and medium shareholders

In 2020, the company adopted an equal approach to investors, and maintained smooth communication with small and medium investors through various channels, such as online voting at the general meeting of shareholders, arranging special personnel to answer the investor hotline, holding timely Q&A sessions on Interaction Ease, and organizing online performance briefing on Quanjing website. In recent years, Glodon has seen a rising proportion of small and medium shareholders participate in the general meeting of shareholders and a growing number of votes cast. Such progress shows that the rights and interests of small and medium shareholders are protected, as they play their due role in corporate governance.

Internal Control

In 2020, Glodon updated

67

internal management mechanisms, of which

43

had been released

24

had been revised

Glodon abides by the *Company Law of the People's Republic of China* and the *Guidelines of the Shenzhen Stock Exchange for Standard Operations of Listed Companies*, and has formulated a series of internal control management mechanisms such as the *Management Measures for Formulating Normative Documents*, the *Management System for Fixed Assets*, the *Management Measures for Accounting Records*, and the *Financial Management System for Overseas Subsidiaries*, thus shaping a complete and effective internal control system. The rigorous implementation of these laws and regulations ensure that the company is run in an orderly and legal manner. In 2020, Glodon updated 67 internal management mechanisms, of which 43 had been released, and the remaining 24 had been revised.

In 2020, Glodon harnessed more digital technologies to enhance internal control and improved relevant control measures to make internal control more efficient and stable.

The company introduced and implemented the DSTE (Development Strategy to Execution) project that aims to reshape the methods and processes from strategic planning to implementation. The project covers strategic planning, budget management, performance and cadre management, change management, and strategic implementation and monitoring. It provides the capability of strategic management and strategic implementation that includes both senior management and employees, strengthens internal control collaboration, and ensures the stability of the company.

The company reviewed the entire work flow of construction business and introduced digital technologies to upgrade the segment, and optimized more than 100 management processes in the fields of customer, business opportunity, quotation, product, authorization, supply chain, project, contract, order and payment collection. The whole business process is accessible on online platforms, and the blueprint process is aligned with the intra-system management process, thus laying a solid foundation for future intelligent transformation of the company's internal control procedures.

The company formulated the *Information Management and Disclosure System* to clarify the collection, processing and delivery procedures, spread scope and accountability mechanism regarding internal control information. We have worked, in line with the internal control standards and the *Guidelines of the Shenzhen Stock Exchange for Standard Operations of Listed Companies*, to clarify the specific operational guidelines for the annual internal control and evaluation, align its scope, content, and steps with relevant methods, technologies and standards, and disclose the internal control self-evaluation report and authentication report on a regular basis. In 2020, the company recorded zero major accountability event.



Anti-corruption

Glodon abides by relevant laws and regulations including the *Supervision Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Opinions on Several Issues Concerning the Application of Laws in Handling Criminal Cases of Commercial Bribery*, and the *Interpretation of Certain Issues on the Application of Laws in Handling Criminal Cases of Corruption and Bribery*. The company also formulated the *Internal Audit Rules* and the *Red Line-based Management Measures for Values* to implement the control measures designed to enhance employees' professional ethics, improve the rules of honest business practices and perfect the code of conduct for employees.

In 2020, Glodon opened a website for clean governance (<https://yglz.glodon.com>), where anti-corruption rules and regulations are posted, ethical compliance learning material is offered, and training sessions on legal education and anti-corruption are hosted regularly, in a bid to enhance employees' professional ethics.

Glodon also released the *Complaint Management Rule* as part of its efforts to encourage employees to report any violation of the laws and regulations in business operations. The company publishes the information about its channel for filing a complaint through the official website, digital office platform, Guangqitong App, employee handbook, employee code of conduct, purchase and sales contract, and bidding information. In addition, anonymous reporting is also allowed.

In May 2020, Glodon officially joined the Trust and Integrity Enterprise Alliance and worked with hundreds of enterprises within the Alliance to address the dishonesty and corruption, so as to build a business environment with integrity, trust, honesty and self-discipline. In 2020, the company investigated into seven cases of violation committed by cadres and employees, involving embezzlement, contract fraud, deliberately limited access for suppliers, engraving of false seals, misappropriation for financial benefits, and illegal business operations, and issued warning to every member of Glodon to ensure legal and compliant operation.

Management of Suppliers

Cooperated with partner suppliers

1,075

In 2020, Glodon remained committed to strengthening the management of supply chains. The company published a host of measures to manage suppliers, so that those selected and granted access are reliable and high-quality.

► Supplier management system

Glodon has established a procurement committee to manage direct and indirect procurement and make procurement more effective and transparent. The company has also published the *Procurement Management Rule and the Supplier Management Standards* to regulate procurement and introduce a selection and removal mechanism for suppliers. By the end of 2020, Glodon had cooperated with 1,075 partner suppliers, all of which were registered in mainland China.

Criteria for suppliers	How we assess suppliers	Assessment requirements
<ul style="list-style-type: none"> Legal business license and necessary funding. Good social credit and financial status, presales and after-sales service, and service awareness. 	<ul style="list-style-type: none"> Prepare assessment documents. Undertake quality research. Assessment reports. Verification reports. 	<ul style="list-style-type: none"> Reputation and quality are assessed. Suppliers are assessed every six months. Suppliers that fail the assessment are blacklisted.

Glodon has assessed and reviewed its suppliers on an annual basis, and defined, in the *Supplier Management Standards*, the assessment items and scoring standards, so that the entire life cycle of suppliers is managed, and their comprehensive performance is improved.

► Suppliers ESG management

Glodon has formulated the mechanism of *Procurement Management Process*, which stipulates that the procurement personnel are prohibited from taking bribery or harming the company's interests for their own benefit, and that nepotism is banned during procurement. Moreover, the business reception standards are also listed.

Glodon has signed with its suppliers an integrity letter and a conflict of interest statement to prevent violation of laws and regulations and safeguard fair competition. Should a violation occur, the responsible supplier would have to pay liquidated damages and be included in the supplier blacklist. If criminal behavior is involved, the company will resort to the judicial authorities.

► Digital management

In 2020, Glodon put to full use the Supplier Relationship Management (SRM) procurement system, including the management module of the whole supplier life cycle. The SRM system has enabled the centralized and rigorous evaluation of suppliers according to relevant management rules and mechanisms, so as to attract more higher-quality suppliers and ensure the stability and long-term availability of supply chains.



Management of Responsibility

While committing to honesty and integrity in business, Glodon has shouldered the social responsibility, set up the mission of "creating a better working and living environment with science and technology", and implemented the internationally recognized commercial ethics and moral standards of humanity, so as to achieve win-win outcomes with its customers, employees, shareholders, partners and other stakeholders.

► Concept of Responsibility

Glodon remains committed to promoting industry development and innovation, while fulfilling its social responsibility. The company protects the rights and interests of shareholders and creditors, as well as those of its employees, treats customers with integrity, and makes sustained contributions to public welfare.

Glodon maintains its vigor and vitality thanks to its aboveboard business dealings. With strong business savvy and an indomitable spirit, we have made unremitting efforts to achieve excellence, and shared harmony and value with all stakeholders. We strive to be a brilliant corporate citizen as we contribute to social harmony.

► Management Framework

Glodon has put in place a CSR management framework that is led by the board of directors, organized by the board office, and implemented by relevant departments, so as to drive sustainability across the board and ensure effective management of social responsibility.

Decision-making Tier

The company's board of directors participates in the review and decision-making process for major CSR issues, including the development of relevant strategic guidelines and special review of CSR reports.

Organizational Tier

The company has set up a special working group in the BOD Office to coordinate daily CSR management, including preparing annual CSR reports, collecting CSR performance indicators, and organizing training and publicity.

Execution Tier

The company's functional departments, branches and subsidiaries are responsible for the centralized management of various CSR issues, and regularly report related management measures, performance indicators and outstanding cases, as well as organizing and holding various CSR activities.

► Communication with stakeholders

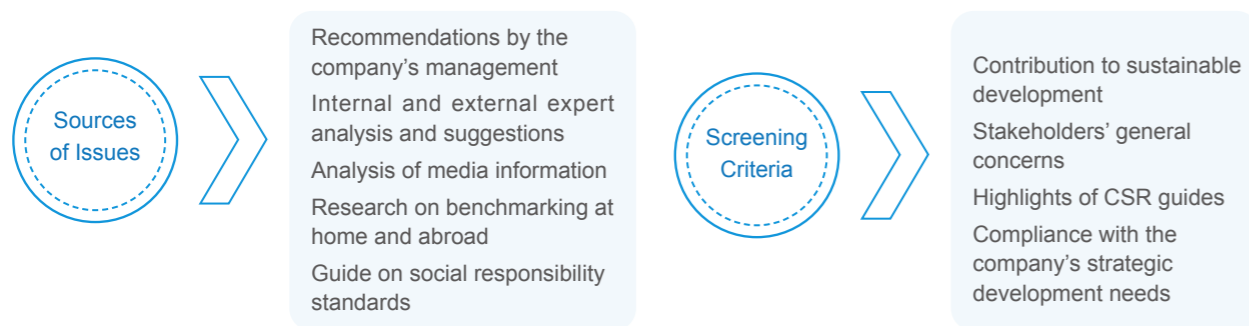
Glodon values communications with stakeholders and listens to opinions from different perspectives as an important basis for improving its CSR management. We adopt targeted communication methods for different stakeholders:

List of Stakeholders and Corresponding Communication Channels		
Stakeholders	Needs and Expectations	Communication Channels
 Governments	Compliant operations Promotion of employment Risk management Responding to national strategies Technological innovation	Information disclosure Daily communication and reports Site visits Supervision and inspection Visits and receptions
 Investors and creditors	Compliant operations Continuous and stable return on investment Improvement of product and service quality Risk management Corporate governance	General meetings of shareholders Periodic reports and announcements Investor communication meetings
 Clients	Improvement of product and service quality Information disclosure High-quality client service	Client satisfaction survey Visits and communications Client activities
 Partners	Contractual commitment Mutual benefit and long-term cooperation Improvement of the supply chain management Leading the industry development Technological innovation	Business negotiations Project cooperation Industry exchanges Intra-industry cooperation
 Employees	Protection of employee rights Occupational health and safety Vocational training Personal development Employee care	Consultation of opinions Career development and communication mechanisms Meetings of employee representatives Daily communication and exchanges
 Environment	R&D of environmentally friendly products and services Green operations Environmental promotion	Public survey of project and environmental impact Communication with environmental protection organizations
 Public	Stabilization of employment Joint building of a harmonious community	Open-day activities Public welfare activities

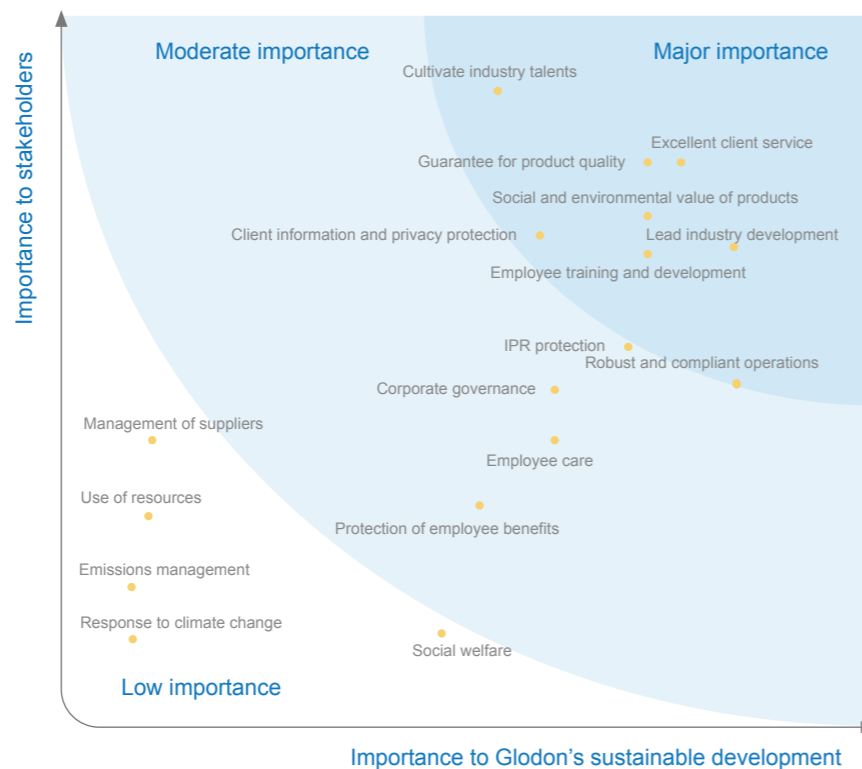
► Materiality Assessment

Pursuant to the CSR requirements in the *Guidelines of the Shenzhen Stock Exchange for Standard Operations of Listed Companies* and the *GRI's Standards for Sustainability Reporting*, Glodon has defined the content of the report, and learnt about stakeholders' concerns, expectations and demands about the company's sustainable development in various ways. We have identified and screened CSR issues related to Glodon through recommendations by the company's management, studies on domestic and foreign peer benchmarks, analysis of media information, and on-site research.

Screening Process for CSR issues



2020 Sustainability Issues Materiality Matrix of Glodon



We use anonymous online questionnaires to rank the selected issues in order to understand how much importance internal and external stakeholders attach to social responsibility issues. We conduct a survey of relevant parties every two years, analyze and calculate the latest data in the survey, and finally determine the disclosure scope and boundary of issues. Based upon these efforts, we can map the materiality analysis matrix of sustainability issues of Glodon.

► Support of the United Nations' Sustainable Development Goals

International sustainability trends are important to us. Guided by the United Nations' Sustainable Development Goals, Glodon takes actions to help build a sustainable planet.

United Nations Sustainable Development Goals	Glodon's practice
	Glodon has long supported poverty alleviation and assists impoverished regions via donations and other means.
	Glodon is highly involved in pandemic prevention efforts to help fight COVID-19 and ensure a healthy lifestyle and promote the well-being of people of all ages.
	Glodon is committed to providing rich, practical, industry-related training, laying a good foundation for career development.
	Glodon utilizes digital technology and renewable energy sources such as solar panels and ground source heat pumps in the daily operation and maintenance of buildings.
	Glodon provides equal and smooth growth prospects for employees, safeguards their rights and interests, protects their health, enriches their lives and cares for them.
	By contributing to the construction of smart cities, Glodon adds momentum to the upgrading of national infrastructure and supports long-term economic development.
	Glodon introduces the digital building concept to the industry and promotes efficient construction, to help create green and sustainable cities and communities.
	Glodon drives the development of green buildings, shortens the project duration, reduces carbon emissions, responds to climate change and its impact, and contributes to carbon neutrality.
	Glodon works closely with governments, schools, businesses and other partners to strengthen technological innovation and international exchanges, and to achieve a common vision of development.

02 Fighting the COVID-19 Pandemic

After the outbreak of the COVID-19 pandemic, Glodon quickly set up a task force for COVID-19 prevention and control headed by senior executives of the company, and adopted a two-pronged approach to daily operations and pandemic control. We have taken the initiative to make innovations, adapt to changes and turn crises into opportunities in a well-conceived manner, and we have fulfilled our CSR by rushing to the rescue of the pandemic-hit areas, boosting the resumption of production and work, and caring for our employees. These efforts would help defeat the virus.





Pandemic Relief Efforts

Amid the COVID-19 pandemic, Glodon harnessed its own big data platform and integrated software and hardware to boost the construction of Wuhan Huoshenshan Hospital, Leishenshan Hospital, and over 50 Xiaotangshan-Model hospitals across China, rushed to aid Beijing Xiaotangshan Hospital, the Third People's Hospital of Yunnan Province, Hanan Branch of the Second Affiliated Hospital of Heilongjiang University of Chinese Medicine, the People's Hospital of Guangxi Zhuang Autonomous Region--Yongwu Hospital, and Shandong Public Health Emergency Center, and donated medical supplies and other essentials to medical institutions. These efforts have built a strong defense against the virus, and accelerated the resumption of work in China's construction companies.



Case: Glodon joined over 100 building material suppliers to help build Wuhan Huoshenshan Hospital

On January 26, 2020, Glodon received a call for emergency assistance from Wuhan Huoshenshan Project Department, which required rainwater pumps, draught fans, and pandemic prevention doors, etc. Pingfang website (www.m2.com.cn), a trading service platform of building materials under Glodon, started the precision matching service of supply and procurement and spent only two hours locating the first batch of materials in urgent need. Afterwards our project team contacted Huoshenshan Headquarters and volunteered to recruit donors of building materials, and offered the precision matching service for free to aid the location of anti-pandemic material and equipment. With the help of our extensive resource pool, we were able to cover, in short time, over 100 building materials companies received the donation of more than 90 types of materials, including ceramic tiles, coatings, waterproof materials, draught fans, pipes, cables, water purifiers, fire-fighting facilities, and medical supplies. Our work was highly recognized by Huoshenshan Project Department.



Glodon rushed to Wuhan and built Huoshenshan Hospital

Case: Glodon Project Brainpower boosted the safe construction of Xiaotangshan-Model Hospitals

Glodon leveraged the IoT and BIM technologies to develop, based upon a consistent platform, software solutions such as the Workers' Real Name Authentication System and BIM 5D+ Data Decision-making System for Smart Project Sites, and launched hardware products such as the thermal imaging camera, automatic gate, and facial recognition machine, which were put into the construction sites. The software and hardware products enabled us to better manage the workers during the pandemic period and offered smart pandemic control measures. Put together, the Project Brainpower came into being, which empowered the project management team to track the data of workers, coordinated the whole production process, and effectively lowered the risk for potential COVID-19 outbreaks. Therefore, a complete set of solutions for controlling the pandemic was shaped to ensure the smooth operation of the project.



Glodon aided the building of Beijing Xiaotangshan Hospital



Helping the Industry to Resume Production

Glodon offered 13 products and services free of charge and hosted over 600 livestreaming events for public welfare, in a bid to help construction companies battle the COVID-19 pandemic and ultimately reopen the industry.

Case: The Pandemic Control Data Platform of Xi'an Economic and Technological Development Zone ensured successful reopening of companies

Glodon partnered with Xi'an Economic and Technological Development Zone to launch the Pandemic Control Data Platform, which was designed to thoroughly examine the industrial enterprises in the Zone. The Data Platform carried out all-inclusive, distributed and dynamic supervision, reported relevant information in a timely and accurate manner, and made investigation work more efficient, so that enterprises in the Zone could resume production smoothly.



Case: Glodon offered free products and services to tide over difficulties together with the industry

Glodon offered 13 free products and services shortly after the outbreak of the COVID-19 pandemic to meet the special needs of the construction industry, and worked together with industry peers to overcome challenges.

Glodon Pingfang website (www.m2.com.cn) offers direct matching services for building materials companies and the demand side.

Glodon Zebra Schedule helps a project manager work out a suitable progress plan and devise an optimum construction plan.

Glodon Xiezhu Products offers online information management, online task coordination, and online drawing accounting and auditing services.

Glodon Synergy Operation offers online supervision service for construction companies to avoid the gathering of employees after resumption of work.

Glodon Architecture Cloud Course offers online teaching resources for over 120 architecture courses to help faculty and students at engineering schools continue learning despite school closures.

Glodon Digital Finance offers credit loans to micro and small businesses to help them out.

Glodon BIM 5D helps construction companies understand the entire production process and implements strict pandemic control measures to protect the workers.

Glodon Mobile Engineering System provides remote engineering supervision solutions for the construction side.

Glodon Quality Management System offers on-site measurement and process check services.

Glodon AI-Based Rebar Counting App enables intelligent check of building materials.closures.

Glodon Anti-Pandemic App helps the company collect and compile data on employees and pandemic prevention supplies.

Glodon MagiCAD offers professional and integrated solutions for electromechanical equipment and sets up tailor-made courses free of charge.

Glodon Cost Criteria and Dispute Settlement System offers consultation, dispute settlement and online interaction services of the engineering cost sector.



Some of Glodon's free products and services

Case: Glodon offered online practical teaching solutions for colleges and universities during the COVID-19 pandemic

Glodon launched an online learning platform designed for engineering courses in a timely manner to make sure that faculty and students could continue to learn despite school closures. It also worked with experts and scholars from a variety of colleges and universities to roll out the online practical teaching solution that covers a complete chain of education scenarios including lesson preparation, teaching, exercises, examination, and assessment. Furthermore, 200 top-quality courses and many practical training exercises were offered, 400 engineering schools gained access to cloud authorization for free, and 700 engineering schools tuned in to our lectures and received our practical guidance. Our solutions opened up more liberal teaching and training scenarios, and delivered tangible benefits to teachers and students.



Glodon offered an online practical teaching solution

Case: Glodon offered a free course on the resumption of work

China Construction Industry Association partnered with Glodon Company Limited to host four free livestreaming lecture series entitled "Fighting COVID-19, Construction Industry is Acting", which were well-received by construction companies. The lectures received a total of 260,000 views. A wide range of topics were covered, including the general picture of the resumption of work in construction companies, interpretation of relevant national policies, legal risks in construction induced by the pandemic and corresponding prevention measures, and the balance between pandemic control and higher output.



Glodon offered a free course on the resumption of work



Orderly Resumption of Work

The COVID-19 pandemic is a war without smoke of gunpowder. Glodon attaches great importance to the health and safety of every employee, so it has taken a series of steps to resume work efficiently without compromising our employees' health.

▶ Digital technologies empower remote working

Health information collection: Although the pandemic swept across China during the Spring Festival holiday, the R&D team of Glodon spent only one day developing a mini-program for collecting our employees' health and travel information during the holiday and for monitoring any potential problem.

Remote working guarantee: We offered online support such as VPN and videoconferencing to our frontline employees, and leveraged our online learning platform, Glodon Online University, to enable employees to learn online and share documents, so as to make the resumption of work more efficient.

▶ Delivering strong logistical support

Glodon harnessed both domestic and overseas channels to stockpile masks, disinfectants, medicinal alcohol and other anti-pandemic supplies so that every employee, both at home and abroad, would have access to them. We published the guidelines on returning to work, the measures for ensuring resumption of work, and operating instructions of electronic seal. We also disinfected and aired offices and canteens. Such efforts ensured strong logistical support ranging from healthcare and food to accommodation and transport.



Anti-pandemic measures in office buildings (self-owned and rental)

Case: "We Care About You" Activities

Glodon launched the "We Care About You" activities to guarantee employees' access to daily essentials during the pandemic. When they came to work, they could buy fruit and vegetables at an affordable price from the company and enjoy other services.



"We Care About You" Posters

03 Seeking Innovation-Driven Development

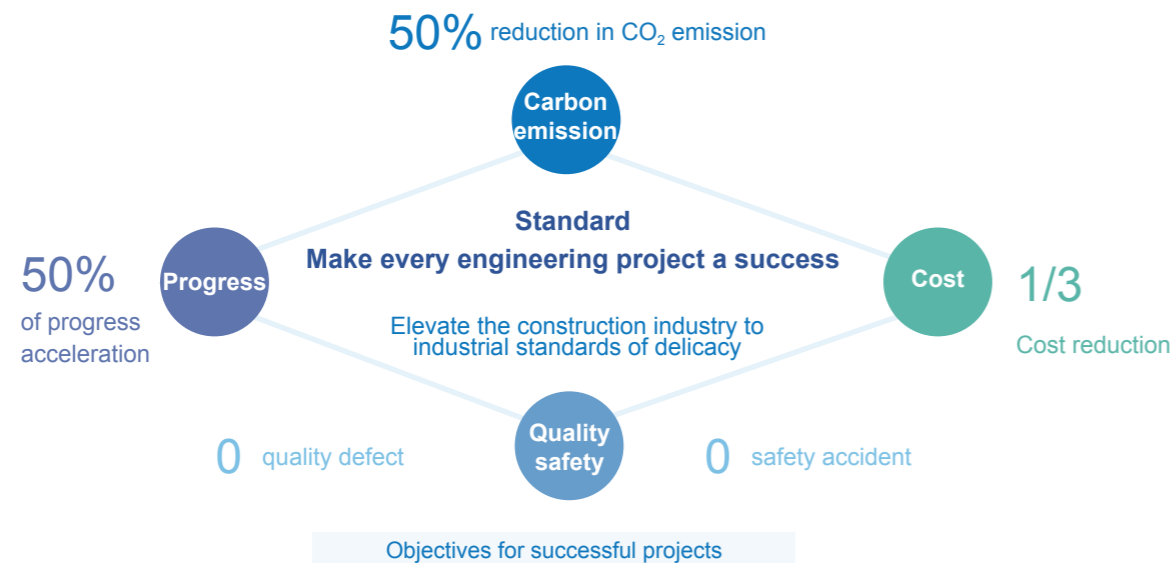
Glodon has remained committed to leading the global construction industry in terms of information-based services and upgrading the entire industry. With a proven track record in industrial innovations, we have shaped strong R&D capabilities and generated a host of scientific outcomes.





Leading Industry Trends

In 2016, Glodon raised the idea of “digital building” for the first time across the construction industry. The idea aims to transform the resource allocation method, organizational mode of production, business logic, and value creation mechanisms through application of the latest generation of information technologies such as BIM, cloud computing, big data, IoT, mobile internet, and AI. By 2020, Glodon had released the *White Paper on Digital Building* for three consecutive years to help build new infrastructure in the construction industry and offer practical pathways and technological support for its upgrading. By focusing on digital transformation, Glodon contributes greatly to carbon emissions reduction.



*The metrics for the success of a project are derived from *Construction 2025: Strategy* published by the UK government.

Guided by our ambition of “making every project a success”, Glodon has engaged in scientific and technological innovations and boosted the digital transformation of the construction industry. We have undertaken and implemented national subjects for innovative research, hosted industry summits, and conducted research into emerging industry trends.

Case: Glodon undertook the City Information Modeling (CIM) Platform Key Technology Research and Demonstration Project, part of a national special project on IoT and Smart City Key Technology and Demonstration

In 2020, Glodon, for the first time, led the national key research and development project, participated in the special project on IoT and Smart City Key Technology and Demonstration, and successfully got the tender for CIM Platform Key Technology Research and Demonstration Project (Application and Demonstration Type). This project aimed to make breakthroughs in CIM technology, explore new models for smart city growth, move faster to build a new ecosystem for CIM platform, and boost the development of construction business.

China Digital Building Summit has been held for 11 consecutive years since 2010. The Summit gathers tens of thousands of visionary experts in the construction industry at home and abroad, focuses on the reform, development and breakthrough of the industry in the new era, explores the future direction, challenges, pathway, methodology, value and contribution of the industry, and discusses the digital transformation of the industry in China, so as to lead industrial innovations and achieve high-quality development.

Case: Glodon hosted China Digital Building Summit 2020

In September 2020, Glodon worked with China Real Estate Chamber of Commerce and China Construction News to jointly host China Digital Building Summit 2020. The Summit, which had taken place in 17 cities, comprised two sub-forums, namely, national digital building forum and entrepreneurs forum, with the latter gathering hundreds of board chairmen and general managers for their insights.

At this year’s Summit, Glodon released the *White Paper on Digital Building Platform: Building New Infrastructure for Digital Transformation* to explore further the idea of digital building platforms. As digital infrastructure for digital industrial transformation, digital building platforms would constitute the “digital foundation” for the construction industry to enter the digital world, build “digital production lines” with software and data, and leverage the development paradigm of “platform+ecosystem”, to achieve long-distance coordination and win-win of the whole value chain.



China Digital Building Summit 2020

Case: Glodon undertook the First (2020) China Construction Industry “New Infrastructure” Leading Digital Project Summit

In June 2020, the First (2020) China Construction Industry “New Infrastructure” Leading Digital Project Summit was held in Beijing. The Summit focused on how digital projects empowered by new infrastructure, such as 5G network, big data center and artificial intelligence, could use cloud technology, big data, Internet of Things, mobile Internet, artificial intelligence, and BIM technology to help engineering projects resume production efficiently and accelerate their progress. Digital applications were implemented to drive digital transformation of enterprises and help build a digital economy. We also launched the innovative cloud sub-forum to deliver whole-process experiences of digital projects, attracting a total of 133,000 participants to discuss the application of digital technologies in the project.

Case: Glodon undertook the First (2020) CIO Online Conference on Digital Transformation of China’s Construction Industry

In April 2020, the First (2020) CIO Online Conference on Digital Transformation of China’s Construction Industry, hosted by China Construction Industry Association and undertaken by Glodon, was held virtually. The Conference aimed to use digital technology to help construction enterprises resume work safely and efficiently, promote the integration of enterprises and projects and of operations and finance, speed up the digital transformation of the construction industry, and improve the effect of real-world applications. A total of 38,000 participants from thousands of enterprises and industry associations attended the Conference.

Case: Glodon undertook China Real Estate Chamber of Commerce (CRECC) Annual Conference 2020

On December 14, 2020, Glodon undertook CRECC Annual Conference 2020, under the theme of “Digitally Empowered Ecological Beauty, CIM-Driven Smart City”. It focused on urban ecological improvement centering on digital technology, and smart city building with the core of CIM. The Conference gathered industry experts and businesses together to discuss the future of the construction industry.



CRECC Annual Conference 2020

Guided by the philosophy of digital buildings, Glodon has developed digital production lines to empower construction companies to make every project a success. The following four features stand out:

<p>More efficient allocation of resources and intensive management of multiple projects enable the construction side, design-build firms, EPC, and project overseer to conduct coordinated management on the same platform.</p>	<p>Faster project progress (half the project duration). Trial and error at no cost, and less reworking and modification.</p>
<p>Better architectural products of industrial grade. Zero safety accident and zero quality defect.</p>	<p>Less waste and carbon emission (down by 50%). Building cost reduced by one third.</p>

Case: Digital Transformation Journey of The Fourth Construction Co., Ltd. of China Electronics System Engineering (CEFOC)

Glodon assisted CEFOC with the building of a safety management system to manage and oversee the entire project site, and ultimately enable the predictability of potential safety hazards and analysis of the result. By the end of 2020, CEFOC had installed the safety management system to all its projects. A total of 103,587 potential dangers were screened and addressed, and 14,152 risks were identified.

Moreover, Glodon deployed a labor management system for CEFOC, which combined unified labor management methods and IT-based tools to control labor risks and ensure smooth labor information flow among projects and offices, so as to build greater capability for labor management at project sites.

Case: BIM application at Guangxi University Student Center Project

The Guangxi University Student Center saw the whole-process application of BIM technology, which improved the management efficiency of owners, designers and construction workers, saved communication time and construction duration, avoided on-site reworking, and produced sound economic and social benefits. A total of 614,000 RMB were saved, the construction duration was shortened by five percent, the work collaboration efficiency increased by 20 percent, and the on-site construction efficiency grew by 30 percent. There was zero complaint and zero accident regarding quality safety. Furthermore, relevant data was generated to support the operation and maintenance at a later stage.



BIM application at Guangxi University Student Center Project

Enhancing Cooperation on Innovation

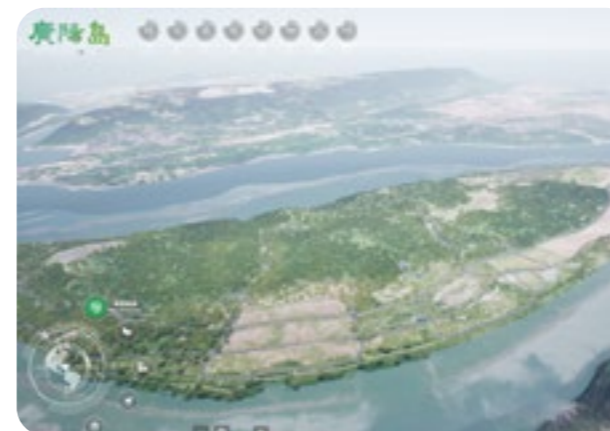
As China transforms the growth model, upgrades the economic structure, and shifts growth drivers, the digital transformation of the construction industry will be a new engine to drive the industry forward. Glodon has carried out strategic cooperation with excellent enterprises in the industry, and cooperated with its partners to conduct in-depth research on digital transformation.



Case: Smart Guangyang Island Project

As a key project of Chongqing Municipality and even China, the Smart Guangyang Island Project marked a milestone for the expansion of the new city business of Glodon. On December 7, 2020, Glodon signed a cooperation agreement with Chongqing municipal government and Chongqing Guangyang Island Green Development Co., Ltd. to enhance the application of smart technologies in improving natural ecology, human ecology and industrial ecology of Guangyang Island. The Smart Guangyang Island Project integrated EIM (ecological information model) technology, Internet of Things, big data, intelligent control and other latest generation information technologies with ecological indicators, ecological monitoring, and ecological simulation, put forward the creative construction concept of "smart ecology", and built a new ecological governance model featuring dual development of smart technology and ecology.

The Project would rapidly develop Glodon's capability in the management of complex, mega projects, cement our technology base in EIM and IoT, and expand our presence in new business areas such as ecological civilization and smart city.



Smart Guangyang Island Project

Case: Glodon and Hangzhou Deep Robotics built a joint lab of quadruped construction robots

On the morning of September 21, Glodon Company Limited and Hangzhou Deep Robotics hosted a strategic cooperation signing ceremony on building a joint lab of quadruped construction robots.

By integrating the capabilities of Glodon's digital building platform with Deep Robotics' quadruped robots technology, the two industry leaders would be able to leverage their respective strengths to develop quadruped construction robot solutions that combine software and hardware. In addition, Glodon utilized its resources, connections and platforms to promote the application of quadruped robot technology in the construction industry, and achieve win-win results for customers, Deep Robotics and itself. Quadruped robots have the most reliable motion chassis to operate in the complex ground environment of the construction site. The joint lab would help quadruped robots gradually lift the loading capacity and operability, so as to adapt to more complex real-world scenarios.



Glodon and Hangzhou Deep Robotics engaged in strategic cooperation

Case: Glodon joined the National Academy for Mayors of China to build "Glodon Education Center"

On August 20, 2020, Glodon officially launched the National Academy for Mayors of China (Ministry of Housing and Urban-Rural Development Cadre Academy) On-site Education Center. China Mayor Training Academy is the only specialized training organization, that is directly under the Ministry of Housing and Urban-Rural Development of the People's Republic of China, responsible for the education and training of mayors, leading officials in the housing and urban-rural development system, and professional technicians.



Glodon officially launched the National Academy for Mayors of China On-site Education Center

Glodon highly values partnerships with top research institutions at home and abroad, introduces cutting-edge ideas, and observes emerging sci-tech trends. The company has cooperated with Tsinghua University, Tongji University, and Huazhong University of Science and Technology to boost scientific research and technology commercialization, based upon the most pioneering technologies and advanced algorithms of digital building. In 2020, Glodon became the evaluation organization of 1 + X "digital applications in engineering cost" vocational skills in the context of national vocational education, laying a foundation for connecting industry needs with talent cultivation at school.

Glodon launched the Glodon Informatization Application Skills Certification for Construction (GIAC), which was designed to evaluate and certify BIM practitioners and college students of relevant majors in terms of their professional software skills, application experience and professional capability. In 2020, Glodon opened more than 30,000 GIAC certification seats free of charge. As an effective evaluation tool for digital skills of professionals, the GIAC standard has gradually been recognized by the industry. 2020 saw over 20,000 professionals get certified before they entered the industry.

Glodon-University Partnership

May 2020

Glodon launched the Project Selection Activity Among Young Scholars Majoring in Architecture at Colleges and Universities, and received more than 50 project applications from top universities in China. We selected three outstanding pieces from the finalized projects and awarded them.

September 2020

Glodon and South China University of Technology jointly built the Digital Building and Smart Manufacturing Society, and conducted all-round cooperation in talent cultivation, internship and employment, new engineering courses development, and international exchanges, in a bid to cultivate more well-rounded, digital-savvy professionals for the construction industry.



Glodon and South China University of Technology jointly built the Digital Building and Smart Manufacturing Society

December 19, 2020

Glodon and Tongji University signed a cooperation agreement to build "Tongji University-Glodon Joint Research Center on Intelligent Construction", and set up an educational fund, so as to deepen cooperation in teaching, talent cultivation, scientific research, and markets, promote the profound integration of industry, university and research institutes, and boost the technological innovation and talent cultivation of China's intelligent construction sector.



Glodon signed a cooperation agreement with Tongji University

December 13, 2020

Glodon held a seminar on "Research Fields and Methodology in the Context of Growing Digital Applications in the Construction Industry", which was attended by more than 60 construction colleges and universities in China. During the seminar, Glodon gave awards to outstanding projects, and encouraged more researchers, scholars, teachers and students to participate in the research of cutting-edge industry trends, so that they could all contribute to the progress of the industry.

Focusing on Scientific Research

As a leading technology enterprise in the industry, Glodon attaches great importance to technology investment, and focuses on scientific research by making sustained investment in key and core technologies, implementing the multi-pronged technology strategy of “proprietary research+partnership+investment+mergers and acquisitions”, and building an independent intellectual property system. The total R&D investment reached 1.339 billion RMB, accounting for 33.93% of the operating revenue, with a year-on-year growth of 23.13%. By the end of 2020, the company had six R&D centers, 191 authorized patents, 907 registered software copyrights and 471 registered trademarks.

Researcher talent pool

Driven by customer demands, Glodon has established a complete R&D management structure, and effective control and empowerment mechanisms to attract talents and improve management of research. Glodon has made unremitting efforts to build a large talent pool of 3,289 researchers. The professional young talents have become the backbone of the company. Glodon has also built a long-term talent training plan to ensure a steady stream of high-caliber talents.

Glodon Talent Training Mechanism

1

- Supporting the growth of R&D and management teams

2

- Focusing on key positions and systemic training of promising employees
- Creating Top of Top (TOT) Long-term Training Program for whole-process and systematic training
- Building a training framework for R&D managers and architects

3

- Promoting the work rotation of R&D personnel among different departments to cultivate well-rounded talents
- Promoting the work rotation of R&D personnel to product and market departments
- Promoting the work rotation of R&D personnel in different departments
- Promoting the work rotation of R&D personnel to business and functional departments to broaden their horizons.

4

- Cultivating more talents for Xi'an R&D Center for its sustained development
- Designing policies to break the glass ceiling in Xi'an R&D Center to give more growth opportunities to promising employees
- Recruiting more employees for Xi'an TOT Program to optimize the local talent structure.

Research innovations and outcomes

Glodon has set up an “Award for Outstanding Contribution” to commend those who significantly contribute to technological breakthrough and innovation, technology platform construction and capability sharing, technology engineering, and R&D process/tools/methodology. We hope to encourage continuous research and innovation, make breakthroughs in key technology and disseminate them across the company, and improve the overall innovative development capability.

The company has invested more in computer graphics, artificial intelligence, cloud computing, big data and other strategic technologies, and made major breakthroughs. Our proprietary computer graphics platform breaks the monopoly of foreign graphics engines, and the BIM visualization technology supports the design of the construction plan and of home decoration at the same time. We have made breakthroughs in intelligent AI algorithms and intelligent analysis for drawing segmentation. In terms of technical infrastructure, we have introduced cloud neutrality into the whole portfolio of our cloud products. In addition, the company continues to explore potential applications for CIM technology, blockchain, robotics, derivative design and other cutting-edge technologies.

Intellectual property management

Glodon formulates and improves the internal mechanism concerning intellectual property rights, and regulates the internal approval process, division of approval rights and responsibilities, cost and risk notice, problem-solving process documentation, and file management. Therefore, intellectual property management is rules-based. We also constantly revise and update the above mechanism. Moreover, information technology is used to help build an intellectual property management system to streamline the above-mentioned mechanism, and manage the patents, trademarks, and copyrights in a rules-based manner. Finally, the system is implemented and the management of intellectual property rights is data-driven, standardized and web-based.

Case: Glodon was designated as “Beijing Intellectual Property Pilot Enterprise”

Glodon was designated as “Beijing Intellectual Property Pilot Enterprise” because of its strong innovation capabilities of technology and patent in the realm of IT-based architecture. The Beijing Municipal Intellectual Property Office bestowed the Intellectual Property Pilot Enterprise Certificate upon us.

The title of “Beijing Intellectual Property Pilot Enterprise” symbolizes recognition of an innovation entity in the cutting-edge and intellectual property-intensive industries, which engages in continuous innovation, and is mindful of making and implementing intellectual property strategy or plan.



Beijing Intellectual Property Pilot Enterprise Certificate

Case: Glodon won the Excellent Patent of Engineering Construction 2020 award

On November 3, 2020, China Association of Construction Enterprise Management held the Third Science and Technology Innovation Conference of Engineering Construction Industry, where Glodon's patent of “Material Replacement Method and Device of Rendering Object” won the Excellent Patent of Engineering Construction 2020 award. The patent was applied to the field of 3D model display engine, which addressed the material replacement problem of the display, and could greatly improve the display quality and interactive performance of the display engine.

Glodon has resorted to law to protect its intellectual property rights, cooperated with law enforcement agencies to launch special campaigns against piracy, and helped handle more than ten cases in 2020, effectively protecting the legitimate rights and interests of the company. The fine paid by law-breakers totaled 3.21 million RMB.

04 Low-carbon Development

Glodon harnesses technology to empower digital buildings, and uses BIM, big data, cloud computing, mobile Internet, Internet of Things, intelligent hardware and other Internet Plus technologies to make future building products greener and smarter and deliver enjoyable living experience. Glodon also uses its smart office technologies and applications to minimize the environmental impact of operations and protect clear waters and lush mountains.



Low-carbon Ecology

Glodon remains committed to promoting the harmony between digital buildings and the environment, and promoting the development of green buildings in China with information technology and product. As the Internet platform of the construction industry, Glodon Digital Building Platform helps build new infrastructure to support the digital transformation of construction companies, achieves the goal of faster progress and better products through “connection, coordination and intelligence”, and reduces 50% of carbon dioxide emissions.

Major collision problems found before construction

50

reduced the waste more than

1 million yuan

Case: Beijing Tiantan Hospital (2015)

The Beijing Tiantan Hospital new site project utilized the overall solution of digital construction; it used BIM technology in the application stage of deepening design, and found more than 50 major collision problems before construction, thus reducing the waste of more than one million RMB, and saving materials worth of nearly one million RMB in quantity reporting, verification and material procurement. The fine management concept was put into practice. The project won the buildingSMART Best BIM Construction, Management, and Application Award 2015, the First Prize of 2015 BIM Competition of China Construction Industry Association, and the First Prize of the Fourth “Longtu Cup” in Construction Team.

Case: Glodon’s smart and digital water management



The two sewage disposal plants of Xi’an Capital Water Company Limited utilized Glodon’s Guangwushi Smart Operation and Management Platform, which combined BIM+ cloud computing, big data, Internet of Things, mobile Internet, and artificial intelligence to manage production scheduling, overhauling, supervision and early warning. The management and operation were, therefore, more delicate, professional and intelligent.



The project of Yancheng Urban Sewage Treatment Information System focused on the supervisory needs of Yancheng urban drainage, integrated the basic information, monitoring data, videos and images of sewage users, pipe networks, pumping stations, sewage treatment plants, drainage outlets and water points, built a complete digital image of drainage system operation for users, assisted decision-making, improved the intelligent management and analysis of urban drainage system across the board, and achieved the goal of “smart drainage” featuring “real-time perception, precise knowledge and efficient operation”.

Glodon’s smart and digital water management

The Yancheng Water Source Diversion and Supervision Platform offered real-time monitoring of the urban three water sources, water diversion process of pumping stations and waterworks, water distribution and water purification. It ensured the stable, safe and economical transfer of raw water, made water diversion more digital, intelligent and web-based, and promoted the safety and sustainability of urban water supply.

Green Buildings

Glodon Intelligent Building Product R&D and Industrialization Center is located in Xi’an Economic and Technological Development Zone in Shaanxi Province. The Center covers a total of 66,000 square meters. It started construction in August 2019 and is planned to be completed in June 2022. The project is committed to building itself into one of the largest information technology enterprises and R&D and innovation centers in Xi’an. It is also the most distinctive green and intelligent building in Xi’an. It has also seen the application of intelligent building technologies and ideas to the whole life cycle of the project. The project is expected to obtain LEED Gold Certification, WELL Gold Certification and China Green Building Three-Star Certification.



Glodon Intelligent Building Products R&D and Industrialization Base

Energy Saving:

- Setting up an efficient roof insulation system, and making reasonable thermal bridging design to avoid frost.
- Building thermal insulation around the foundation slab and basement enclosure structure to retain heat and keep away damp.
- Installing high-efficiency air conditioning unit and environment-friendly refrigerant, selecting suitable types of fresh air handling units, and designing a reasonable pipe network, to regulate and circulate fresh air.
- Setting up a photovoltaic system on the roof to provide electricity for indoor lighting, and a solar space-heating system to supply hot water to the bathroom and shower.
- Attaching an adjustable shading device onto the atrium roof to block sunlight radiation and reducing electricity consumption of the air conditioning system without compromising natural lighting in the summer.

Lighting:

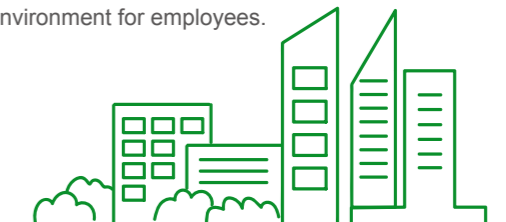
- Controlling roadway lighting, landscape lighting and floodlighting to avoid light pollution to surrounding buildings and roads.
- Using LED lighting across the board and the intelligent lighting control system for better lighting and lower energy consumption.
- Introducing Solatube Daylighting Systems to bring sunshine down to the basement and create a comfortable environment.

Water Conservation:

- Designing sponge cities to regulate and store rainwater through the rainwater recycling system, concave green land, and permeable pavement. Combining rooftop rainwater harvesting and road runoff collection. Using microspray irrigation and trickle irrigation.
- Using water-saving equipment in the bathroom and shower to increase water use efficiency by 30%.

Environmental Quality:

- Installing an electric ventilation fan on the atrium roof to circulate fresh air.
- Collecting, analyzing and controlling the indoor concentration of pollutants such as ammonia, formaldehyde, benzene, total volatile organic compound, and radon.
- Intelligent services such as facial recognition system, indoor precise positioning system, intelligent navigation and intelligent settlement at restaurants provide a variety of smart solutions for employees to work and live efficiently.
- Integrating the design of civil engineering and inner decoration. Using glass partitions and modular walls to facilitate functional modification of offices and activity rooms and reduce the subsequent material waste caused by later changes.
- Installing CO2 concentration sensors in spaces with high personnel density. The fresh air handling units will start working when CO2 concentration reaches a certain level, so as to save energy as much as possible while maintaining a comfortable indoor environment.
- Installing double-layer medium efficiency filters in the fresh air handling units to reduce the indoor PM 2.5 and PM 10 concentration, and offer a healthy working environment for employees.



Green Operations

As a socially responsible company, Glodon attaches importance to the harmony between operation and the environment. Based upon the energy management system of the building, the company has developed an intelligent office operation system to improve the efficiency of resource use, and championed a host of green office steps are to minimize our environmental footprint.

Glodon uses intelligent control and management systems in daily operations, such as fire control and prevention system, ground source heat pump control system, intelligent lighting system, solar power hot water system, and air conditioning management system. The intelligent systems can automatically adjust the operation modes in light of the natural environment and office environment, reduce the intervention of property administrative staff, and decrease the energy consumption of office facilities. Classified garbage cans are placed in office settings, and special personnel are arranged to collect them every day. A qualified professional garbage sorting company is hired to transport the garbage to stations.

Case: Solar power heating system

Glodon uses the solar power heating system to supply hot water for the bathrooms and restaurants, adopts the energy-saving and environment-friendly ground source heat pump system to reduce electricity consumption, and installs the energy conservation and emissions reduction system to air conditioning water pumps and fan coil units to enable automatic control of energy saving. Energy saving measures are also applied to public area lighting and basement lighting. In the offices, using LED energy-saving lights can reduce the power consumption by 76%. Water saving faucets and tanks are used in toilets. Meanwhile, great efforts are channeled to enhance water saving awareness.

Glodon has advocated the philosophy of resource saving and green offices, and conveyed the idea of green operations to every employee through garbage sorting education and green office training. The company has also adopted the all-in-one card system to promote paperless, IT-based and online green office operations through the digital co-learning and co-creation project.

Case: 21-Day Garbage Sorting Activity



21-Day Garbage Sorting Habit Formation

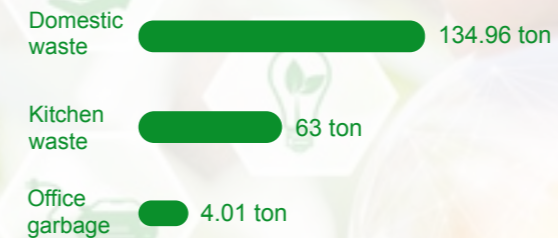
In 2020, Glodon organized the 21-Day Garbage Sorting Activity to improve employees' environmental protection awareness. The purpose of the activity was to encourage employees to develop the garbage sorting habit through the 21-day rule. During the activity, the participating employees took photos of their classification result every day, watched the waste classification activities of the property management, and cooperated with the supervisor for online and offline inspection. A total of 25 teams consisting of 123 participants joined in the activity, and 35 supervisors carried out 430 supervision tasks.

Glodon formulated the *Vehicle Management System* to strength vehicle management, reduce unnecessary vehicle use and greenhouse gas emissions, and practice the concept of green operations. In 2020, the company revised the *Vehicle and Driver Management Measures*, and implemented every item stipulated herein. On December 2, when the National Traffic Safety Day took place, we hosted activities to publicize road safety.

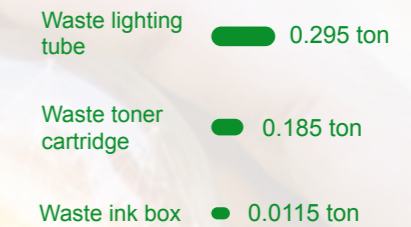
In 2020, Glodon reported zero environmental accident, and received no administrative penalty due to environment-related matter.

Glodon Discharge-related Performance 2020

Non-hazardous waste (Emissions in 2020)



Hazardous waste (Emissions in 2020)



Glodon Resource Usage-related Performance 2020¹

Resource types	Unit	Usage amount in 2020
Purchased electricity	kWh	5,959,824.50
Gas	m ³	70,000.00
Petrol	ton	16.00
Office paper	ton	29.50
Fresh water	ton	64,861.96
Greenhouse gas emissions	tons of CO ₂ equivalent	5,519.39

1. The statistical scope is Glodon headquarters building

05 Excellent Customer Services

In line with our client-centric approach, we continually refine our services and conduct extensive online and offline interactions with clients, using big data technology. This makes Glodon more attractive for users: a win-win for our clients and ourselves.



Information Security and Privacy Protection

Glodon abides by the *Cybersecurity Law of the People's Republic of China*, *Regulations on Protection of Computer Software*, *Regulations on Management of Information Services on Mobile Internet Applications*, *Regulations on Technical Measures for Cybersecurity Protection*, *Management Measures for Internet Information Services* and relevant laws and regulations promulgated by the listing locations. As for data management and its cross-border transmission in overseas offices, the company would comply with the territorial data protection and management regulations. We have established a perfect information security management system, and issued *Data Assets Management System*, *Information Security Management System*, *Data Management Measures for Enterprise Owners*, and *Implementation Guidelines for Content Security Management*. Our enterprise data management system is established with the most rigorous standards, and a complete closed loop for data management takes shape. Therefore, the information security of the source code and final deliverable is guaranteed.

Glodon values the security and privacy of customers' information, and does our best to provide stable, reliable, safe and compliant cloud computing services. The company continues to improve the user privacy agreement and relevant technology, perfects the user terms and conditions and privacy policy according to the requirements of laws and regulations, and carries out the special campaign to protect customer information on our APP, so as to protect the confidentiality, integrity and availability of customer systems and data. Also, the company has passed the certification for information security management system according to ISO 27001. The Digital Project Platform (BIM + Smart Project Site) and the Construction Cloud Course System (Teacher End) have passed the national-level 2.0 evaluation and certification for protection systems.

2020 priorities in information security and privacy protection

Updated international <i>Privacy Policy</i> and <i>User Agreement</i>	<ul style="list-style-type: none"> Completed the final draft of international <i>Privacy Policy</i> and <i>User Agreement</i>
Completed domestic <i>Privacy Policy</i> and <i>User Agreement</i>	<ul style="list-style-type: none"> Completed the final draft of domestic <i>Privacy Policy</i> and <i>User Agreement</i> Offered legal texts of user interface and pop-up windows
Revised privacy and compliance policies for APP project	<ul style="list-style-type: none"> Offered privacy compliance policies for new APP products, revised their privacy policies and made interface design complaint with laws and regulations
Transferred international user center data to domestic dealing department	<ul style="list-style-type: none"> Evaluated and analyzed legal risks, and performed cross-border data transmission in compliance with laws and regulations

Multi-channel Customer Service

Our promise:

Door-to-door service in **3** days

Product launch in **21** days

Question response in **1** hour

Problem solve in **1** day

Glodon connects with customers and helps them achieve success. By focusing on customers, the company brings them more value, and offers better and more comprehensive services. Based upon the real needs of customers, the company provides one-stop services, ranging from software acquisition, everyday learning, problem consultation and knowledge sharing through professional and IT-based means, and offers value-added services such as talent recruitment, and personnel training and evaluation in combination with the needs of corporate customers.



Glodon Service Framework

Relying on the service networks in more than 200 cities in China, Glodon has built a customer-centered operational service framework. With the help of information technology platforms, the company has expanded diversified customer service channels including the service hotline, one-stop Glodon mall platform, cloud classroom, Guangxiaoe intelligent customer service, and Xinganxian APP, providing customers with excellent, efficient, fast and convenient services and technical support. The company provides timely response services throughout the year, and promises that member users will enjoy door-to-door service within three days, product launch is within 21 days, daily problems will be responded to within one hour, and solved within one day.

Improving Customer Experience

960,000 students on our online platform

Nearly 15.50 million views

500,000 registered users

70,000 daily active users

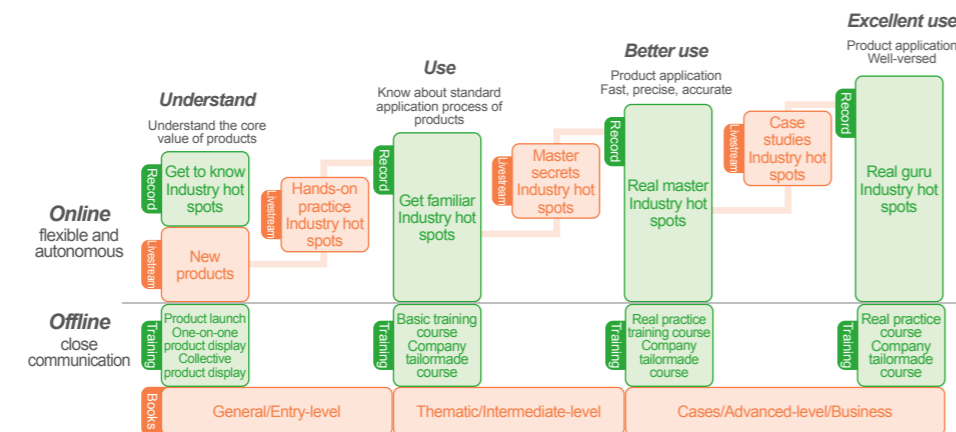
10,911 hours of online and offline training

13,739 teachers trained

Glodon abides by the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and formulated the *Channel Service Management System* and the *Complaint Management Standards*, which listed clear requirements on the customer complaint level, dealing process and response deadline, so as to ensure that all kinds of customer feedback and complaints can be properly handled in time.

In 2020, the company continued to accelerate the application of new technologies such as artificial intelligence, big data, mobile Internet and cloud computing, moved faster to offer professional and systemic products and services, expanded the scope of intelligent customer service, and greatly improved the customer service capability and experience.

In order to provide customers with reliable and sustained services, Glodon has established an online and offline training system for service personnel of tools and solutions, trained service personnel on a large scale, summarized the implementation methodology of standard solutions, and greatly improved the standardization and scale of solution service implementation. In 2020, the total number of students on online platforms reached 960,000, receiving 15.50 million views. By the end of 2020, the Construction Cloud Course Platform had 500,000 registered users, with an average of 70,000 daily active users. In 2020, Digital Education BU delivered 10,911 hours of online and offline training, and 13,739 teachers were trained.



Online and offline training system for service personnel

Glodon has constantly enhanced the professional capability of service personnel, upgraded the internal system processes, and formulated the *Glodon Digital Education Service Specifications*, *Operation and Maintenance Positions Service Specifications*, and *Glodon Service Behavior Specifications*. In 2020, the company solved 6.75 million problems, with a satisfaction level of 98.5%. 3.35 million problems were addressed by intelligent customer service personnel, who improved product interface and internal knowledge structure based upon customer application scenarios. 350,000 people used the service.

In marketing, Glodon fully protects the interests of its users, and lists the satisfaction level as a performance indicator. All business lines regularly organize user return visits,

continuously monitor user satisfaction, and formulate and implement special improvement plans according to the feedback. In 2020, the company organized the annual satisfaction level survey of the five business lines, namely, Digital Cost BG, Digital Construction BG, Digital Education BU, Digital Supply and Procurement BU and Digital Decoration BU. For the first time, the company combined face-to-face customer interview, business data, telephone survey and network survey, and dug into relevant enterprises and government departments, so as to collect comprehensive customer opinions, objectively analyze their experiences, and gain deeper insights into the future work for higher customer satisfaction.

The company has upgraded the Glodon mall platform to ensure that it is capable of supporting massive online procurement from customers. With smooth customer service support channels such as the 400 hotline, intelligent robots and Xinganxian APP, we have refined customer labels to improve service precision and customer satisfaction; we have also used the service platforms in a more economical manner to enlarge the resource value through business sharing.

Case: Digital Supply and Procurement established a customer fulfillment mechanism

Glodon adopted a customer-first approach in setting up service procedures and process safeguard, understanding customer needs, addressing their problems and helping them achieve success. The company strictly implemented the customer fulfillment standards and offered services beyond customers' expectations.

In 2020, Digital Supply and Procurement established a customer fulfillment mechanism, put customers first, set up service procedures and process safeguard to enable customers' success, fully understood customer needs, and resolved customer problems.



Case: Glodon offered 24/7 caring services amid the COVID-19 pandemic

"Our city will recover soon; Glodon's service never cease."

After the outbreak of the COVID-19 pandemic, Glodon's branches across China shifted to online services, and provided customers with online products, services and training. Although Hubei was the epicenter of the pandemic, the local branch of Glodon did its best to sustain online services and respond to customers' questions 24/7.



The customer service personnel at Glodon Hubei branch kept working amid the pandemic.

06

Caring for Employees

Glodon keeps improving the talent management system, recruits employees in accordance with the law, formulates a well-designed training and promotion mechanism, creates a platform for employees to realize their value, protects the rights and interests of employees, cares for their physical and mental health, and drives the common growth of employees and enterprises. Our goal is material abundance and psychological well-being for all employees. The former refers to equitable and sufficient income and benefits for employees to live a decent life after they create value for the company; the latter refers to individual growth and self-fulfillment of employees after they work hard.





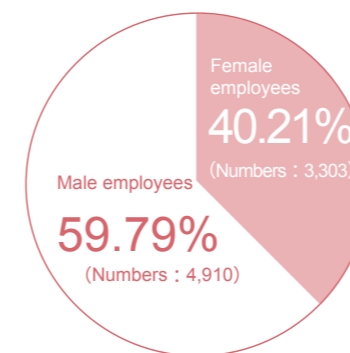
Safeguarding the Rights and Interests of Employees

Glodon strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, the relevant laws and regulations issued by the listing locations, international conventions approved by the Chinese government, and the relevant laws and regulations in the areas with our presence. We have established complete employment management systems, including the labor contract management system, salary and benefits management system, performance management system, employee care management method, vocational training management system, attendance and leave management system, etc.

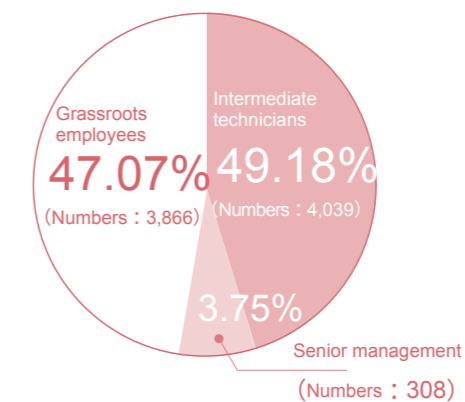
Glodon attaches great importance to the interests of employees, protects the legitimate rights and interests of employees and retirees to the greatest possible extent, strives to form a benefit sharing mechanism between the company and employees, establishes a harmonious labor relationship, ensures strict compliance operation from recruitment interviews to reemployment of retirees, recruits new employees in accordance with laws and regulations, and eliminates any form of discrimination based upon gender, age, region, race, religion and health condition. Forced labor or child labor is forbidden from all work units or positions. By the end of 2020, Glodon hired a total number of 8,213 employees, all of whom had signed work contracts with the company. There was no report of discrimination, child labor and forced labor.

Staff Composition of Glodon

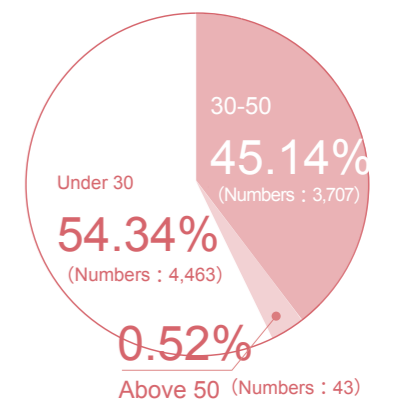
By Gender



By Level



By Age



New hires in 2020: 2,316

Turnover rate in 2020: 15%

Glodon has established a trade union and appointed employee supervisors to ensure that its employees can fully participate in democratic management, democratic participation and democratic supervision. It has also set up a democratic management system and an information disclosure system, whose fundamental unit is employees' congress, so as to continuously improve the level of enterprise democratic management.

In order to ensure smooth communication between employees and the company, Glodon has developed diversified channels to have dialogues with employees and adhered to democratic procedures. Through holding employees' congresses and face-to-face meetings with senior executives, the company can listen to employees' voices, encourage employees to participate in the management of enterprise production and operation, improve the coordination mechanism concerning labor relations, and promote harmonious labor relations.



Glodon won the title of "Excellent Unit with Harmonious Labor Relations"

Case: "Glodon Meeting with the BOSS" Activity

In 2020, Glodon hosted six Meeting with the BOSS activities, where executives made six strategic interpretations, shared six business cases and two cultural stories, answered questions from employees present at the activity, and used the intranet forum to respond to matters of general interest. A total of 525 employees participated in the offline activities, and 5,178 employees joined in online discussions.



Glodon Meeting with the BOSS Activity

In 2020, Glodon launched the salary system reform by redesigning the value distribution system given the company's strategy, the positioning of different business sectors and their development stages. Specifically, the company introduced a salary structure of "basic salary package + dynamic extra package", which means that an employee's salary consists of an annual salary package, short-term incentives and medium and long-term incentives. The new system protects the interests of employees, and stimulates their enthusiasm and creativity, so that they can better realize their own value.

累计:

6 strategic interpretations

6 business cases

2 cultural stories

Employees participated

525

Online discussion

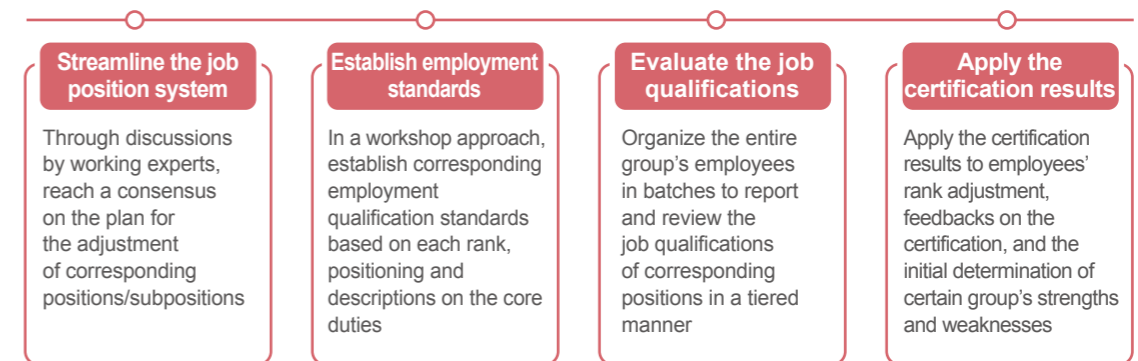
5,178

Promoting Employees' Growth

Glodon strives to create growth opportunities for employees, implements the strategy of strengthening the enterprise through talent cultivation, establishes and improves the mechanism of talent selection, training and use, pays attention to the objective needs and career progress of employees at different stages, and provides a stage for employees to realize their self-worth. At the same time, the company improves the training system, optimizes the employee growth system, creates growth opportunities for employees, widens promotion channels, and makes every employee give full play to his/her strengths, in a bid to guide talent development and talent reserve.

The company has also developed a clearer and better promotion mechanism. There are now qualification requirements for over 20 sub-categories of positions, which cover more than half of our employees, so that their career development and promotion channels are smoother.

Glodon's process for managing job qualifications



In 2020, Glodon continued to carry out training projects for employees at all levels, set up a cadre academy, a research academy and a development academy, and offered systematic training courses for all employees through the vocational schools, so as to build a multi-tiered training model and boost orientation training.

Case: Development of Development (DOD) Summer Camp for Cadres and Experts

In 2020, Glodon launched a DOD Summer Camp for Cadres and Officials to build consensus on corporate culture, beliefs and vision, and achieved the following three goals.



Through the DOD program, trainees became confident in corporate restructuring, their morale was elevated, cadres' line of thinking was consistent, and the talent pool was bigger.



DOD Summer Camp for Cadres and Experts

Case: Glodon Young Leaders Camp 2020

Glodon Young Leaders Camp, part of the company's Cadre Talent Pool Program, aims to identify and train talents and include them into the talent reserve. At Glodon Young Leaders Camp 2020, ten online courses of China-Europe International Business School and four thematic courses that focus on influencing others constructively were made available, and ten livestreaming training sessions were offered. The Camp cultivated 70 highly promising cadres from Digital Cost BG and Digital Construction BG, and confirmed the viability of the "talent identification + talent development" model at Glodon.



Glodon Young Leaders Camp 2020

Case: Glodon General Managers Training Camp 2020

General Managers Training Camp, a major programme for selecting middle-level cadres, aimed to enhance leadership, improve organizational ambience, and build a high-performance organization. 80% of participants completed the tasks, and summarized 300 cases of leadership and team management. To ensure that all the trainees would get an effective learning experience, the Camp shaped a complete learning model featuring pre-training reflection, in-training discussion, post-training practice, and year-end presentation.



Glodon General Managers Training Camp 2020

Caring for Employees' Daily Life

Glodon attaches great importance to occupational health and safety, earnestly implements the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, follows the rules of occupational health work and the characteristics of the software industry, pays attention to active prevention and management of occupational disease, and carries out occupational health monitoring. The company hosts annual medical examinations for employees, with 76% of them receiving the test. It also works to ensure the health of employees from the following dimensions, including the prevention of occupational diseases, medical examinations, health consultation, supplementary medical insurance, improvement of the canteen, dormitory and working environment, organization of sports activities, and distribution of smog prevention equipment.

Activities

- 5 gourmet festivals
- 25 subsidiaries
- 5 sports clubs

Case: Glodon organized a host of staff activities

- In 2020, the Glodon system organized five gourmet festivals on the Dragon Boat Festival, the Mid-Autumn Festival, Christmas Day, the Winter Solstice and the New Year's Day.
- Organized the Golden Autumn Sports Meeting that covered 25 subsidiaries and branches.
- Launched five sports clubs of football, jogging, basketball, table tennis, and badminton.



Glodon Golden Autumn Sports Meeting 2020

Glodon pays the statutory benefits for employees in accordance with laws and regulations. In order to motivate employees, ensure their stable performance and improve their sense of belonging, the company has established a sound welfare system, providing employees with Glodon-style Family Foundation products, including personal accident insurance and supplementary medical insurance.

Case: Glodon Family Foundation

- Family Foundation received 3,648 donors
- Received 1,083,819 yuan
- Assisted 94 employees
- Spent 1,105,928 yuan

In the spirit of mutual assistance and extensive relief, Glodon set up the Family Foundation in 2009 to fund permanent and dispatched employees, and those who are rehired after retirement, in the headquarters, subsidiaries and branches. The Foundation also funds the immediate family members of our employees to help them get through life crises such as a severe disease, a disaster or the death of a relative.



Glodon released the *Management Measures for Family Foundation*, established a Family Foundation Management Committee and a Family Foundation Secretariat, and appointed a financial management representative, to ensure the smooth operation of the Foundation and care for the employees. In 2020, Glodon Family Foundation

received a total of 1,083,819 RMB from 3,648 donors. It offered assistance to 94 employees and spent 1,105,928 RMB. Moreover, the Foundation has continued to improve the donation rules, operation mechanisms, and the online donation platform, to sustain the Foundation and improve the donation efficiency, so that every employee at Glodon could feel the warmth and love.

07

Harmonious Society

Glodon is rooted in the society and gives back to it. The company has proactively responded to the national policies and participated in social welfare activities including education, medical and health care, poverty and disaster relief, and environmental protection, so as to contribute to the society and promote its development. Going forward, Glodon will be committed to developing "digital philanthropy" by applying its products to public welfare. It will cooperate with governments, the business community, and non-profits to enrich public welfare activities and facilitate win-win. In 2020, Glodon invested 5.7739 million RMB into public welfare.



Supporting Rural Revitalization

Glodon keeps pace with national development and shoulders social responsibility. The company implements relevant policies to the letter and addresses the pressing social problems. From the countryside and towns to the grassland and hinterlands, Glodon has put poverty alleviation high on its agenda. In 2020, we invested 554,000 RMB in pairing assistance projects to help the local people eliminate poverty.

Case: Big data helped Yan'an City achieve targeted poverty alleviation

Yan'an City made great achievements in poverty alleviation, but in practice, the poverty alleviation staff found that intelligent tools could be used to facilitate work in the following three aspects. First, strengthening the coordination among different departments at all levels; second, improving the precision decision-making capability; and third, establishing a dynamic monitoring and early warning system for detecting risks of falling back to poverty to make intervention in advance and consolidate the poverty alleviation outcomes.

Glodon built a big data platform of poverty alleviation for Yan'an City. The platform enabled cross-departmental data exchange and comparison, accurate management and decision-making, whole-process tracing and dynamic early warning for risks, based upon different work situations and business needs, so as to make poverty relief more precise, science-based and intelligent, and finally eliminate poverty from Yan'an.



Yan'an City Big Data Platform of Poverty Alleviation

Case: Glodon carried out poverty alleviation at Baomen School and Dashizhai Middle School in Inner Mongolia

On September 17, 2020, Glodon joined Malianwa Street Office of Beijing to visit Baomen School and Dashizhai Middle School in Horqin of Xing'an League of Inner Mongolia to launch a series of targeted poverty alleviation activities. Glodon donated ten desktop computers and 50,000 RMB to build a Book Corridor at Baomen School, and donated ten desktop computers and one laptop computer to Dashizhai School. In the following day, Glodon hosted a research meeting with officials from the government of Ulan Maodu Sumu, to discuss the development of the local tourism industry, prepare for expanding the procurement channels for local beef, mutton, and crabapple, and pave the way for the follow-up industrial assistance.



Glodon Donation Ceremony

Case: Glodon visited Manzutun School of Inner Mongolia to coordinate and inspect poverty alleviation

On September 2, 2020, Glodon and the Zhongguancun Science City Federation of Trade Unions visited the Poverty Alleviation Industrial Park of Ping'an Village in Xing'an League, Inner Mongolia, and made donations to Manzutun School, where the teachers teach in Mongolian, and the students receive primary and junior high schooling. Since 2008, township cadres and heads of township units have delivered sustained pairing help to 97 poor students. Glodon and Zhongguancun representative enterprises donated 320,000 RMB worth of materials altogether.



Glodon coordinated and inspected poverty alleviation

Boosting Social Development

Glodon has engaged in philanthropy and public welfare with business principles and professional services. The company is enthusiastic about the education undertaking and helping the disabled, and aims to create its unique style of public welfare. We hope to give back to the society with our excellent behavior and effective actions, so as to deliver a better life to everyone.

Glodon encourages its employees to volunteer. In 2020, Glodon Volunteer Team was formally established, based on the labor union of the company. On June 5, 2020, the first volunteer conference was held. With the theme of "We approach you with love", the Volunteer Team has carried out a series of activities, including Getting Close to Xiaoguang, Getting Close to Medical Workers, Getting Close to Vulnerable Groups and Getting Close to Earth, so as to integrate into the community, serve the people and fulfill our responsibility.



The First Glodon Volunteer Conference

Case: Glodon joined the Life Alliance of Peking University International Hospital

On August 19, 2020, Glodon invited the anti-pandemic medical team from Peking University International Hospital to share their stories of fighting the COVID-19 in Hubei Province. Liu Kunpeng, chief physician of the Anesthesiology Department of Peking University International Hospital, and Yang Yanjun, head nurse of the Department of General Surgery, shared the stories of bravery of sacrifice. Rong Yihui, deputy chief physician of the Infectious Diseases Department of Peking University International Hospital, gave a lecture on how to stay safe amid the pandemic and on some knowledge of blood donation. That Glodon officially joined the Life Alliance of Peking University International Hospital symbolized its commitment to employees' health and attention to medical care.



Glodon joined the Peking University Life Alliance of International Hospitals

Case: Glodon organized the Getting Close to Earth Activity (Clearing the Mountains of Garbage)

On November, 2020, Glodon launched the Getting Close to Earth activity by organizing 90 employees and their family members as well as workers of the Federation of Labor Unions from Zhongguancun Science Park to step out of the offices and embrace nature. They took real actions to give back to nature by clearing the mountains of garbage.



Glodon organized the Getting Close to Earth Activity (Clearing the Mountains of Garbage)

Education facilitates social progress. Based upon its own industry advantages, Glodon cooperates with the government, schools, enterprises and non-profit organizations to fully support the development of education. In 2020, Glodon donated 3.63 million RMB to boost the delivery of high-quality education by setting up special scholarships, building educational infrastructure, giving away books, and contributing to student loans.

Case: Glodon offered free cloud authorization to engineering schools

In 2020, Glodon offered free cloud authorization to over 400 engineering schools, and gave online lectures and practicum guidance to more than 700 engineering schools, to support remote teaching and professional training during the COVID-19 pandemic. Glodon released 200+ excellent courses and many free exercises on its Cloud Course Platform to benefit teachers and students, which was well received by all.

Partial List of Donations

Public welfare area	Support for UN SDGs	Contributions (CNY)	Details
Education support	4 Quality education	3,000,000	Built a joint scholarship with Huazhong University of Science and Technology Education Development Foundation
Rural revitalization	10 Reduced inequalities	500,000	Contributed to Beijing Fengguichao Public Welfare Foundation
Education support	4 Quality education	300,000	Contributed to Beijing Haidian Education Foundation
Education support	4 Quality education	130,000	Built a joint scholarship with Beihang University Education Foundation
Education support	4 Quality education	100,000	Built a joint scholarship with Zhejiang College of Construction
...			
Total contributions in 2020		5.7739 million RMB	

GRI Index

Index No.	Items for Disclosure	Chapter Concerned
102-1	Name of organization	About this Report
102-2	Events, brands, products and services	About Glodon: Business Structure
102-4	Business location	About Glodon
102-5	Ownership and legal form	Corporate Governance
102-6	Markets served	About Glodon
102-7	Size of organization	About Glodon
102-8	Information about employees and other workers	Creating a Career Home for Employees
102-9	Describe the organization's supply chain	Corporate Governance: Management of Suppliers
102-13	Institutional associations (such as industry associations) and national or international initiatives that the organization has joined	Corporate governance: - Management of responsibilities Seeking Innovation-Driven Development - Leading industry trends
102-14	Statement from senior decision makers	Message from the Chairman
102-16	State the organization's values, principles, standards and codes of conduct, such as codes of conduct and ethics	About Glodon: Corporate Culture
102-18	Institutional governance structure, including committees under the highest governance body. Description of committees responsible for decision-making on economic, environmental and social impacts	Corporate Governance-Governance Structure Corporate Governance-Management of Responsibilities
102-40	List of stakeholder groups	Corporate governance: - Management of responsibilities
102-42	Identify and select stakeholders	Corporate governance: - Management of responsibilities
102-43	Policy for stakeholder engagement	Corporate governance: - Management of responsibilities
102-44	Main issues and concerns raised	Corporate governance: - Management of responsibilities
102-46	Define the report content and boundary of issues	Corporate governance: - Management of responsibilities
102-47	List of material issues	Corporate governance: - Management of responsibilities
102-50	Reporting period	About this Report

Index No.	Items for Disclosure	Chapter Concerned
102-52	Reporting cycle	About this Report
102-53	Contact person for the report or its content	About this Report
102-54	Declaration of compliance with GRI standards	Not applicable
102-55	GRI Index	GRI Index
201-1	Directly generated and distributed economic value	Corporate Governance: Protection of Investors' Rights and Interests
203-2	Significant and indirect economic impact	Harmonious Society
205-1	Operational outlets that conduct anti-corruption risk assessments	Corporate Governance: Anti-Corruption
205-2	Communication and training on anti-corruption policies and procedures	Corporate Governance: Anti-Corruption
205-3	Confirmed corruption incidents and actions taken	Corporate Governance: Anti-Corruption
302-4	Reduction of energy consumption	Low-carbon Development
305-4	Intensity of greenhouse gas emission	Low-carbon Development
401-2	Benefits for full-time employees (excluding temporary or part-time employees)	Caring for Employees - Safeguarding the rights and interests of employees- Caring for employees' daily life
403-1	Workers' representatives in the Joint Labor and Health Commission	Caring for Employees - Safeguarding the rights and interests of employees
403-2	Proportions of work-related injuries by region and gender, work-related injuries, occupational diseases, delay of work, absenteeism, and the number of deaths due to work	No work-related fatalities and injuries occurred at Glodon in 2020
403-3	Workers in occupations with a high incidence of occupational diseases or with a high risk of occupational diseases	Caring for Employees - Caring for employees' daily life
404-1	Average hours of training per employee per year	Caring for Employees - Promoting employees' growth
404-2	Program for employee skills development and program for transitional assistance	Caring for Employees - Promoting employees' growth
413-1	Operational outlets with local community's involvement, impact assessment and development plans	Harmonious Society

Readers' Feedback Form

Dear readers,

Many thanks for your reading of the "Social Responsibility Report 2020" of Glodon Company Limited. We value and look forward to your feedback on Glodon's sustainability-related management, practices and disclosure. Your opinions and suggestions will constitute an important basis for our continuous efforts to promote management and practice of sustainable development. We're looking forward to your response!

Optional Questions (Please tick in the corresponding box)

1. Do you think this report reflects the significant economic, social and environmental impact of Glodon?

Yes Normal No

2. Do you think the analysis of the stakeholders identified in this report and their relationship with Glodon are accurate and comprehensive?

Yes Normal No

3. Do you think the information provided in this report is comprehensive?

Yes Normal No

4. Do you think the information provided in this report is readable?

Yes Normal No

Open Question

If you have other comments and suggestions on the "Social Responsibility Report 2020" of Glodon Company Limited, please feel free to inform us.

Your Contact Information

Name:

Employer:

Telephone:

E-mail:



Glodon 广联达
Make every project a success