

Glodon Company Limited

2022

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) REPORT



ABOUT THIS REPORT

Introduction

This report illustrates the achievements achieved by Glodon, and opportunities and challenges faced by Glodon in 2022, showcases the major initiatives and fruits of Glodon's sustainable development in 2022, and aims to present Glodon's practices and performance in actively fulfilling social responsibilities and promoting corporate ESG management to the community and stakeholders, with a view to gaining wider understanding, support and assistance from all walks of life.

Release cycle

This annual report is the 4th one on corporate ESG information disclosure by Glodon Company Limited.

Period

This report mainly covers the period from 1st January 2022 to 31st December 2022, and traces back to important years in the history of Glodon where necessary.

Note on the Company's title

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

Scope of organisation

With "Glodon Company Limited" as the main entity, the organisation herein includes its branches, subsidiaries and directly-controlled institutions.

References

- *Shenzhen Stock Exchange Guidelines for Self-regulation of Listed Companies No. 1 - Standardised Operation of Listed Companies on Main Board*
- *GB/T 36001-2015 Guidance on Social Responsibility Reporting*
- *UN 2030 Agenda for Sustainable Development*
- *GRI Sustainability Reporting Standards (GRI Standards)* of Global Sustainability Standards Board
- *ISO 26000 Guidance on Social Responsibility (2010)*, etc.

Note on data

Data in this report are collected from Glodon Company Limited's annual report, official documents, statistical reports and financial reports, as well as the summary and statistics of ESG practices of Glodon's branches, subsidiaries and directly-controlled institutions in 2022. Some of the data are imperfect due to statistics and calibre. Glodon will constantly improve the data indicator statistical system to ensure the provision of more extensive information.

How to access

This report will be presented both in physical and digital version. To download the electronic version of this report, please visit the official website of Glodon Company Limited: www.glodon.com. For a printed report, please contact us by phone or e-mail at:
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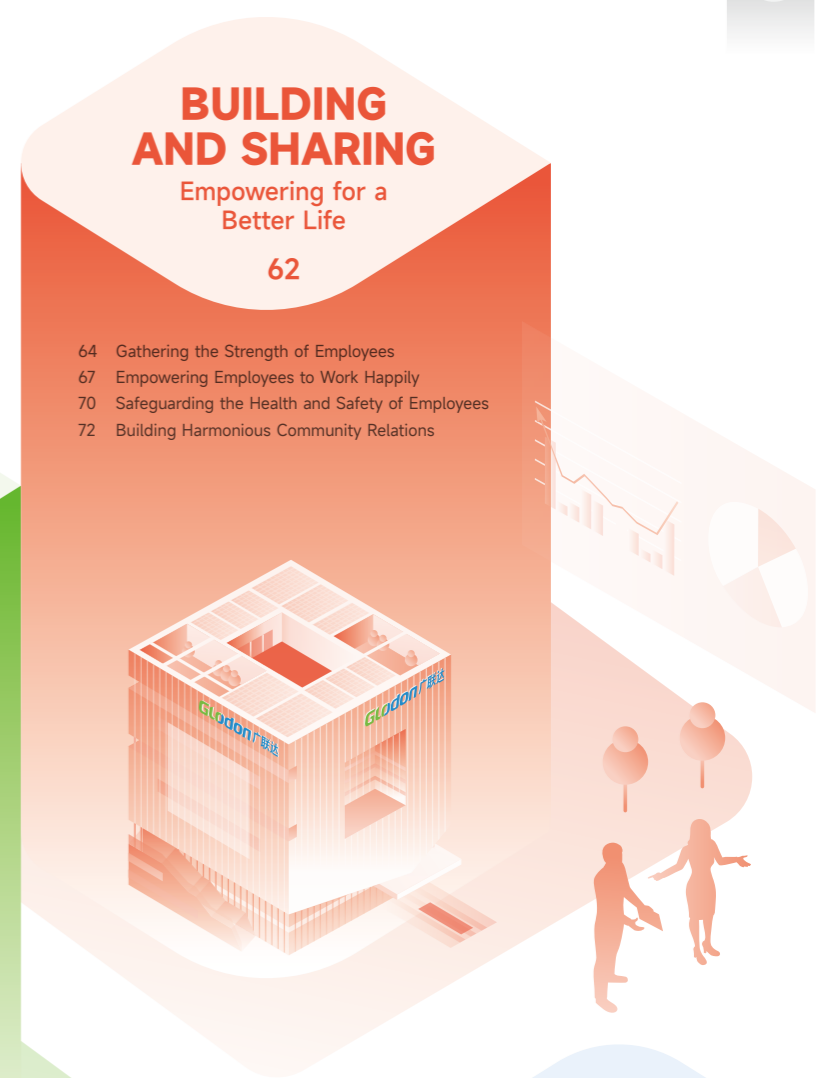
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LETTER FROM CHAIRMAN



As a digital building platform service provider, Glodon insists on positioning itself as a digital enabler and adheres to the corporate mission of "pursuing the material and spiritual happiness of all employees, creating a better living and working environment with technology". Against the strategic background of high-quality development and guided by the direction of "industrialisation, greening and digitalisation", Glodon constantly enhances the independent and controllable capability of key core technologies, explores the path to truly realise intelligent building in the building industry, and is committed to realising the vision of make every project a success.

Transform and help customers succeed. In the past year, with the value orientation of customer success and guided by the customer success indicator system, we implemented a technology strategy driven by "independent R&D + cooperation + investment and acquisition", promoted product innovation and iterative upgrading, and made a number of technological breakthroughs in the industry. The Company's digital cost business completed its cloud-based transformation, realising the leap from job-level tool software to an enterprise-level cost management solution. The digital construction business achieved scale development. The digital project integration management platform took shape, and was included the *2022 List of Pilot Demonstrations of Integration of New-Generation Information Technology and Manufacturing Industry* by the Ministry of Industry and Information Technology with its advantage of advanced platform performance and best practice cases in the field of digital transformation in the building industry. The digital design business released a digital design product set to promote the localisation and upgrading of key technologies. By developing in such areas as digital developer, digital city, digital finance, digital supply and purchase, digital college and innovation business, the Company provided high-value digital products, services and capabilities to its customers who are industry participants. What's more, the Company adhered to the bottom line of science and technology ethics, strictly controlled digital assets, constantly developed the ability of information security services, and its capabilities in data strategy, data governance, data architecture, data application and data security passed the test of national standards and reached an advanced level in China. Integrate cohesion and enable industrial upgrading.

Integrate cohesion and enable industrial upgrading. In the past year, centring on the whole lifecycle of engineering projects, we played the role of an enabler platform from consulting services, solutions, ecological cooperation,

talent training and other aspects, and joined hands with the whole industrial chain ecological organisations such as governments, enterprises, universities and research institutes to integrate ecological resources and build a new Internet ecosystem of construction industry. The Company released professional reports and books such as the *White Paper of the Digital Department of Housing and Urban-Rural Development*, and bravely undertook the task of digitisation of industry governance and high-quality development of the construction industry; continued to held "Digital Building Summit" with industry influence to promote government-enterprise dialogue and ecological interaction and enable the transformation and upgrading of the construction industry. and co-built a new industrial college and a talent supply platform to cultivate and deliver digital talents to the construction industry. and lead building enterprises on the path of high-quality development.

Drive green transformation through sustainability. In the past year, we closely followed the goal of achieving Carbon peak and Carbon neutrality, and actively driven the industrialisation, greening and digitalisation at planning, design, construction and operation stages of the building industry. Focusing on the target of reducing CO₂ emissions from engineering projects by 50%, we innovated and developed carbon accounting products, researched carbon management topics, and promoted the use of new materials, new equipment and new energy in the building industry to create a green ecosystem for sustainable development and a new model of ecological construction in the building sector. Glodon's Xi'an Digital Building Product R&D Base was put into operation on schedule, which would enable green, energy-saving, healthy and intelligent low-carbon operation and create a green building demonstration model. We built the first smart ecosystem model, Smart Guangyang Island, in China for sedimentary accretion of EIM platform and ecosystem management prototype products, which was included in the Global Sustainable Development Business Case Library: Green and Low-carbon Model Cases.

Improve governance and share development results. In the past year, we actively optimised corporate governance and focused on our core business to carry out comprehensive risk control, continued to conduct compliance audits and inspections, and dealt strictly with violations of red lines with zero tolerance. We attached great importance to investor relationship management, the protection of shareholders' rights, and high-quality information disclosure, which allowed us to build a high level of trust with investors and win the recognition of the capital market. The Company's market value increased from

RMB 38.3 billion at the end of 2019 to RMB 71.4 billion at the end of 2022. In 2022, we further strengthened our ESG management, made certain achievements in ESG-related evaluations at home and abroad, were listed in Carbon Technology 60, CSI 300 ESG and CSI 300 ESG Leaders indices, and were awarded "China's Top 100 Listed Companies by ESG" in the 16th Awards of the Value of Listed Companies in China.

As a market player, the Company is giving back to the community while developing and creating wealth. In 2022, the Company continued to play a role in major strategies and events such as rural revitalisation, flood control and disaster relief, and community building, assisting in realising people's aspirations for a better life.

The development of an enterprise is inseparable from the joint efforts of employees. We advocate keeping learning, diversity and inclusiveness, listen to the voice of employees, care for employees' physical and mental health, fully protect employees' rights and interests, create a healthy working environment for employees, provide a broad space for career development, carry out club activities, enhance the cohesion and sense of belonging of employees, and guide employees to pursue a better life in a healthy and sustainable way. The occupational happiness index and sustainable engagement index of employees in 2022 were stable and rising compared with 2021.

Road ahead is long and hard, but you will get through if you keep going. 2023 marks the opening year of the "9th Three-Year Strategic Plan" of Glodon, which signifies that the horn of Glodon's second decisive battle for entrepreneurship has sounded. We will firmly adhere to the "platform + ecosystem" development strategy and ensure customer success and business success through both customer base and product line. Glodon will promote its integrated development with partners, and make joint and sustainable contributions to the digital transformation and upgrading of construction industry to create a better future!

March 2023

ABOUT GLODON

Company Profile

As a digital building platform service provider, Glodon Company Limited has focused on the building information industry for more than 20 years and is a key software enterprise. The Company insists on positioning itself as a digital enabler and has established more than 80 subsidiaries in more than 100 countries and regions worldwide, providing professional services to 340,000 enterprises in the industry. Its business field focuses on the whole lifecycle of engineering projects. For various participants in the industry chain such as Administrators, Developers, Designers, Consultants, Contractors, Suppliers and Buyers, as well as fields of urban operation, finance and education, it provides whole lifecycle solutions of digital architecture with professional application in the construction engineering field as the core foundation support and industry big data and industry chain finance as the value-added services.

Listed on Shenzhen Stock Exchange in 2010, Glodon is the first and only company listed on the main board in the construction engineering field in China, with the stock code of 002410.



Green and healthy Glodon's Xi'an Digital Building Product R&D Base

<p>24 years experience in the building information industry</p>	<p>40.61 % R&D staff</p>	<p>Serving 100+ countries/regions worldwide</p>	<p>Serving 6 million+ construction projects</p>	<p>Glodon and its subsidiaries have obtained a total of 1,400+ software copyright registration certificates</p>	
<p>10,000+ employees</p>	<p>Serving 340,000+ corporate customers</p>	<p>Total operating revenue of RMB 6.591 billion</p>	<p>Serving 10 million+ users</p>	<p>2,000+ professional technical personnel</p>	<p>Participation in 168 national and industrial standards</p>

Value

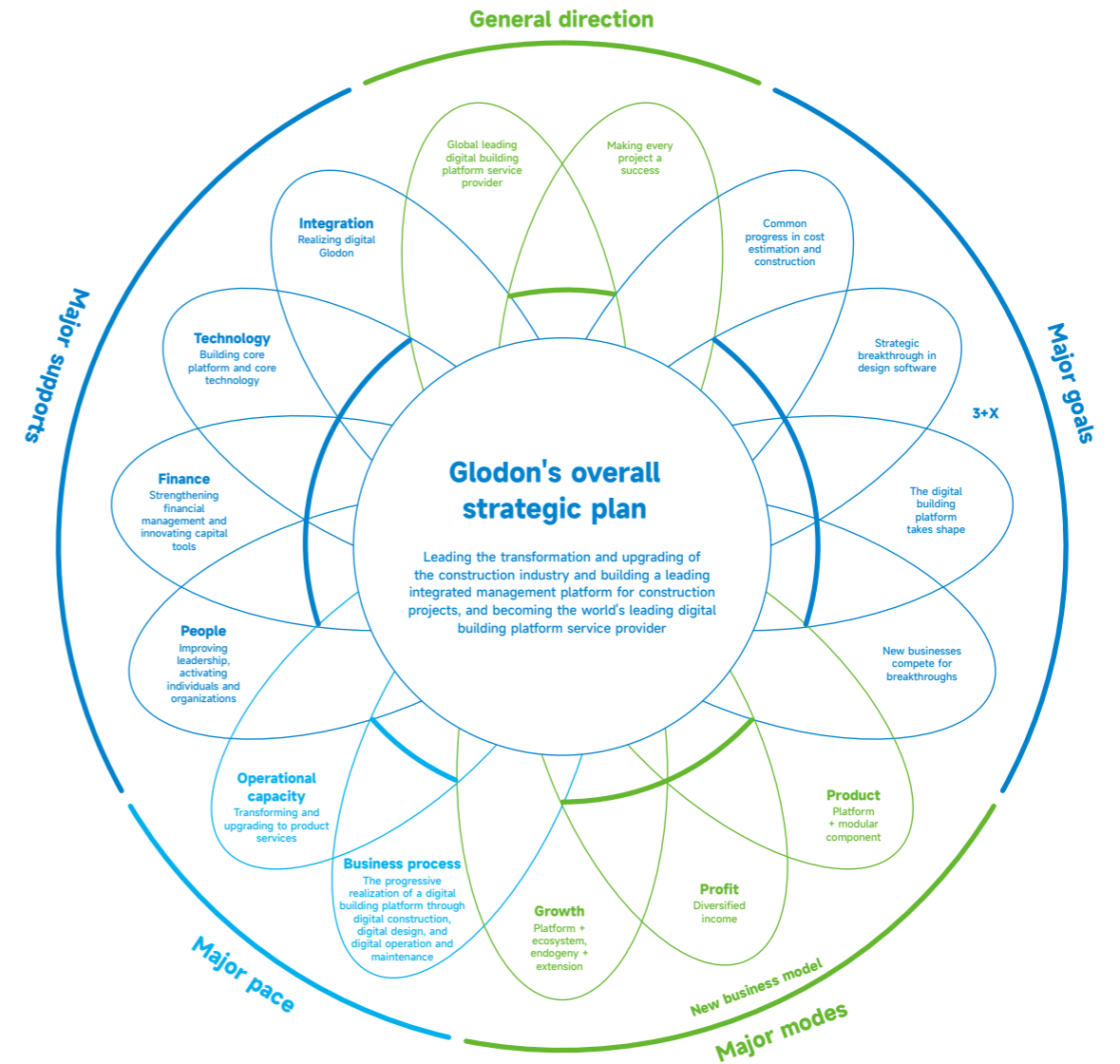
In 2022, we upgraded the Company's core value to 3.0 version, allowing the "G Star" to guide staff of Glodon to move forward in a complex and ever-changing external environment, so as to better respond to the challenges brought by the Company's internal transformation, promote the continuous transformation of positive energy within the Company, break through the bottleneck of enterprise growth with sufficient patience and strategic determination and by gathering wisdom, pooling strength and building consensus, and achieve stable and sustainable development.



Development Strategy

In terms of development strategy, Glodon has always focused on the digitalisation of the whole lifecycle of building, focusing on bidding and tendering engineering cost software at its inception, then focusing on construction digitalisation, promoting the digitalisation of the whole project process, and finally proposing systemic digitalisation. It truly connects the digital service chain of whole lifecycle including design, procurement and construction. In addition, to identify the "pain points" of digital transformation of enterprises, Glodon has built self-owned and self-operated physical buildings, making itself a pilot to enable the industry transformation.

The years 2020 to 2022 are the eighth three-year strategic plan period for Glodon. 2022 is the year when Glodon's "8th three-year" plan will end and "9th three-year" plan will begin, and it is also a year of key milestone in Glodon's development history. The Company enhances its competitiveness through the strategy of "platform + ecosystem", establishes a sustainable development system that benefits all parties, and works together with various parties to promote the transformation and upgrading of the construction industry, and achieves the perfect completion of "8th three-year" plan.



Social Recognition

With its professional products, perfect services and scientific management, Glodon has become the backbone of the information service industry in the construction engineering field, and is highly recognized by government departments, industry associations and customers. By the end of 2022, it has received more than 400 awards in various categories.

Industry honours

<p>2021 Software Industry Leader in Platform Software Field</p> <p>China Software Industry Association</p>	<p>2022 Dominant Enterprise in National Intellectual Property</p> <p>China National Intellectual Property Administration</p>	<p>No. 8 of Top 100 Beijing Private Enterprises in Science and Technology Innovation in 2022</p> <p>Beijing Federation of Industry & Commerce</p>
<p>Top 100 Beijing Enterprises with Comprehensive Strength in Software and Information Technology Service Industry in 2022</p> <p>2022 Beijing Software Core Competitive Enterprise (Sized)</p> <p>Beijing Software and Information Service Industry Association</p>	<p>KPMG Top 50 Leading Real Estate Technology Companies in China in 2022</p> <p>KPMG</p>	<p>No. 10 of Top 150 China Software Enterprises in 2022</p> <p>China Internet Week, eNet Institute, DEBEN</p>
<p>2022 All-Data Smart Enterprise Award of Digital Transformation Pioneer of [Dingge Award]</p> <p>Harvard Business Review</p>	<p>Top 50 China Big Data Enterprises in 2022</p> <p>Top 30 Digital Enabling Pioneers in 2022</p> <p>Big Data Industry Ecological Alliance</p>	<p>ISO22301 Business Continuity Management System Certification</p> <p>International Organization for Standardisation</p>

Honours in capital market

<p>2021 Best Practice Award for the Performance Presentation Meeting</p> <p>2022 Best Practice Award of Office of Board of Directors of Listed Companies</p> <p>China Association for Public Companies</p>	<p>Outstanding Contribution Enterprise of SDG (United Nations Sustainable Development Goals)</p> <p>Beijing Rongzhi Institute of Corporate Social Responsibility</p>	<p>"Special Contribution Award for Corporate Governance" of the 17th "Gold Prize of Round Table" of Chinese Boards of Listed Company</p> <p>Directors & Boards, Jiangsu People's Publishing House Co., Ltd.</p>
<p>"Top 100 Companies Listed on Main Board with High Value" in 16th Awards of the Value of Listed Companies in China</p> <p>"Top 100 Listed Companies for ESG in China" in 16th Awards of the Value of Listed Companies in China</p> <p>Securities Times</p>	<p>The 4th New Fortune "Best Listed Company"</p> <p>New Fortune</p>	<p>"2021 Most Valuable Investment Award" of Golden Bull Award</p> <p>China Securities Journal</p>
<p>2022 Outstanding Growth Enterprise Award for China Listed Companies</p> <p>The World of Finance</p>	<p>Top 10 Cases of Good Corporate Governance in 2022</p> <p>Shanghai Jiemian Network Technology co., Ltd.</p>	<p>"2021 Outstanding IR Team" of p5w.net Investor Relations Gold Award</p> <p>"2021 Small to Medium Investor Relations Interactive Award" of p5w.net Investor Relations Gold Award</p> <p>"2021 Institutional Friendly Communication Award" of p5w.net Investor Relations Gold Award</p> <p>"2021 Best New Media Operation Award" of p5w.net Investor Relations Gold Award</p> <p>p5w.net</p>

*The above are some of the awards won by Glodon in 2022

Business Distribution

Diversified business

Glodon focuses on the whole lifecycle of engineering projects and the expansion of the whole value chain business. Through BIM and other technologies such as Cloud Computing, Big Data, Internet of Things, Mobile Internet and Artificial Intelligence and combined with advanced lean construction project management theories and methods, we develop professional applications and solutions for the construction industry and strive to build an internet platform for the building industry and continue to help transform and upgrade the building industry.

Focus on the construction stage of engineering projects, rely on the digital project integration management platform, provide solutions of digital enterprise, BIM+smart site, digital centralized procurement and collaborative operation, strengthen the scientific decision-making capability of construction enterprises, and achieve risk control and profitability improvement

Focus on building design, provide full professional collaborative design solution with data fusion, use design data to drive to achieve the design scenario, build design internet platform and ecosystem, and promote digital delivery and review of design outcomes

Focus on Developers, Contractors, Consultants, costing station, financial audit centre and trading centre, use digital technology and platform capability to help customers to connect the closed loop of data accumulation and application, enable all parties with data for fine management and achieve job efficiency improvement in the industry

Focus on Developers, use "platform-based business operation, lean project management and accurate customer operation" as the guiding ideology, provide solutions of Developers design management system, cost data system and engineering management system for enterprises using digital technology, and help enterprises achieve their digital transformation goals

Focus on the supply chain finance in the building industry, build a supply chain finance service platform by utilizing industry-wide real-time data and advanced digital technology, strive to provide accurate, efficient and green financing services for the building industry chain, and build a closer and healthier industrial ecosystem

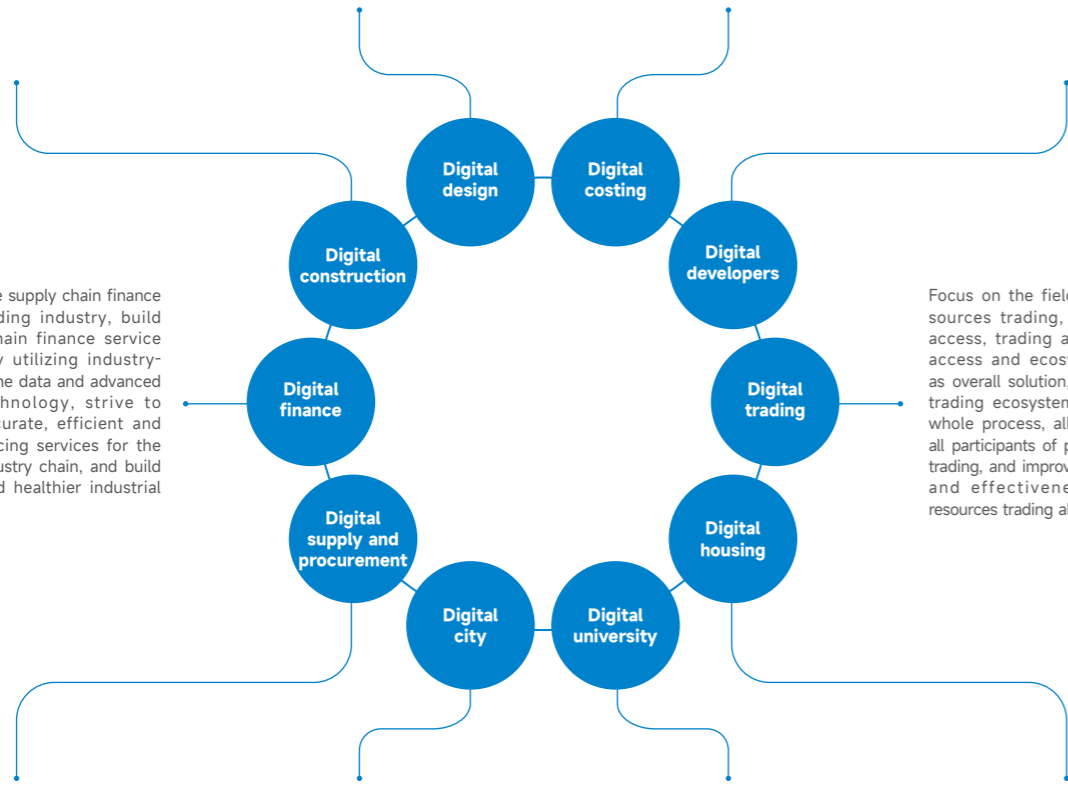
Focus on the field of public resources trading, provide "data access, trading access, service access and ecosystem access" as overall solution, build a digital trading ecosystem covering the whole process, all elements and all participants of public resources trading, and improve the efficiency and effectiveness of public resources trading allocation

Focus on the trading of building materials for engineering projects, rely on a one-stop B2B digital supply and procurement trading service platform, provide bilateral values and services for project buyers and building material suppliers, and improve the lean level of procurement

Focus on the high-quality development of cities, provide overall solution for urban planning, construction, management, operation and integrated ecosystem control, and promote more efficient urban governance, more convenient public services and more harmony between people and nature

Focus on building talents, integrate industry resources, link higher education institutions, building enterprises and industry talents around the whole career lifecycle of Developers, realize training of digital building talents of the whole supply chain, and deliver high-quality digital building talents for the industry

Focus on building a government big data ecosystem for the building industry, build a system integration platform and a data fusion platform to solve the problem of "various systems and data island", achieve improvement of data-enabled business efficiency and decision-making efficiency, and ultimately create a new governance system and governance capacity to enable the high-quality development of the industry



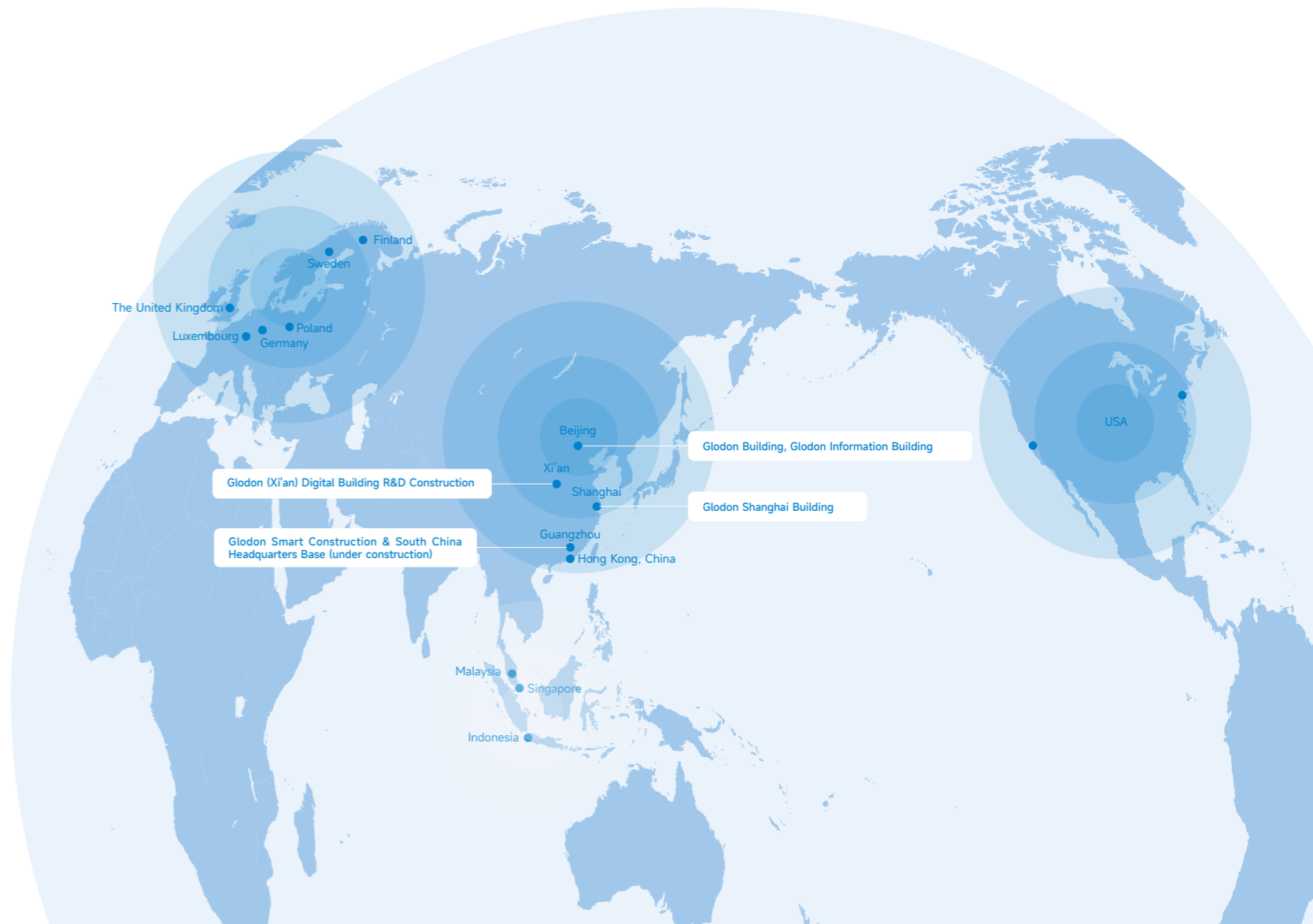
Internationalisation

Glodon has established more than 80 subsidiaries worldwide, with global business layout and continuous deepening of internationalisation. It has established subsidiaries in countries and regions such as the United States, Luxembourg, the United Kingdom, Finland, Sweden, Poland, Germany, Singapore, Malaysia, Indonesia and Hong Kong, China. Subsidiaries in Finland, the United Kingdom and Sweden can radiate into the European market, and subsidiaries in Singapore, Malaysia, and Hong Kong, China could drive the Southeast Asian market. It has served customers in over 100 countries and regions around the world.

Clients in more than **100** countries and regions worldwide

Establishing more than **80** subsidiaries worldwide

A total of **6** technology R&D centres worldwide

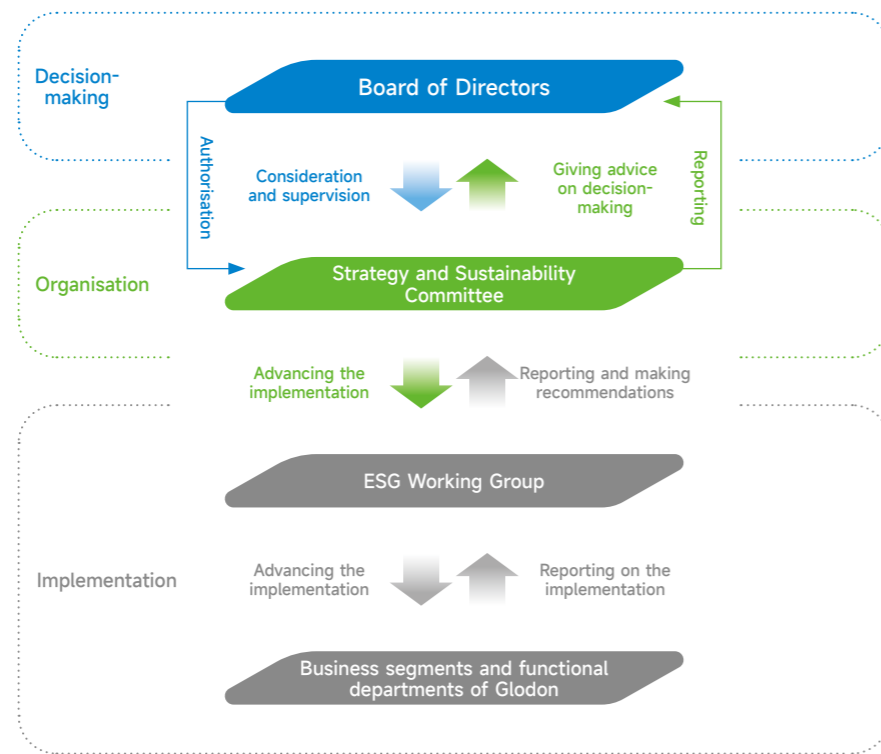


ESG MANAGEMENT

ESG Governance Structure

Glodon strictly complies with relevant laws and regulations and the applicable regulations and requirements formulated by the China Securities Regulatory Commission, Shenzhen Stock Exchange and other competent authorities, further strengthens ESG management, focuses on the construction of the Company's ESG governance system, improves the organization and continuously enhances ESG management. In 2022, the Company also made certain achievements in ESG-related evaluations at home and abroad, and was consistently listed in indices such as Carbon Technology 60, CSI 300 ESG and CSI 300 ESG Leaders Index, and was honoured as one of the "Top 100 Listed Companies for ESG in China" in the 16th Awards of the Value of Listed Companies in China.

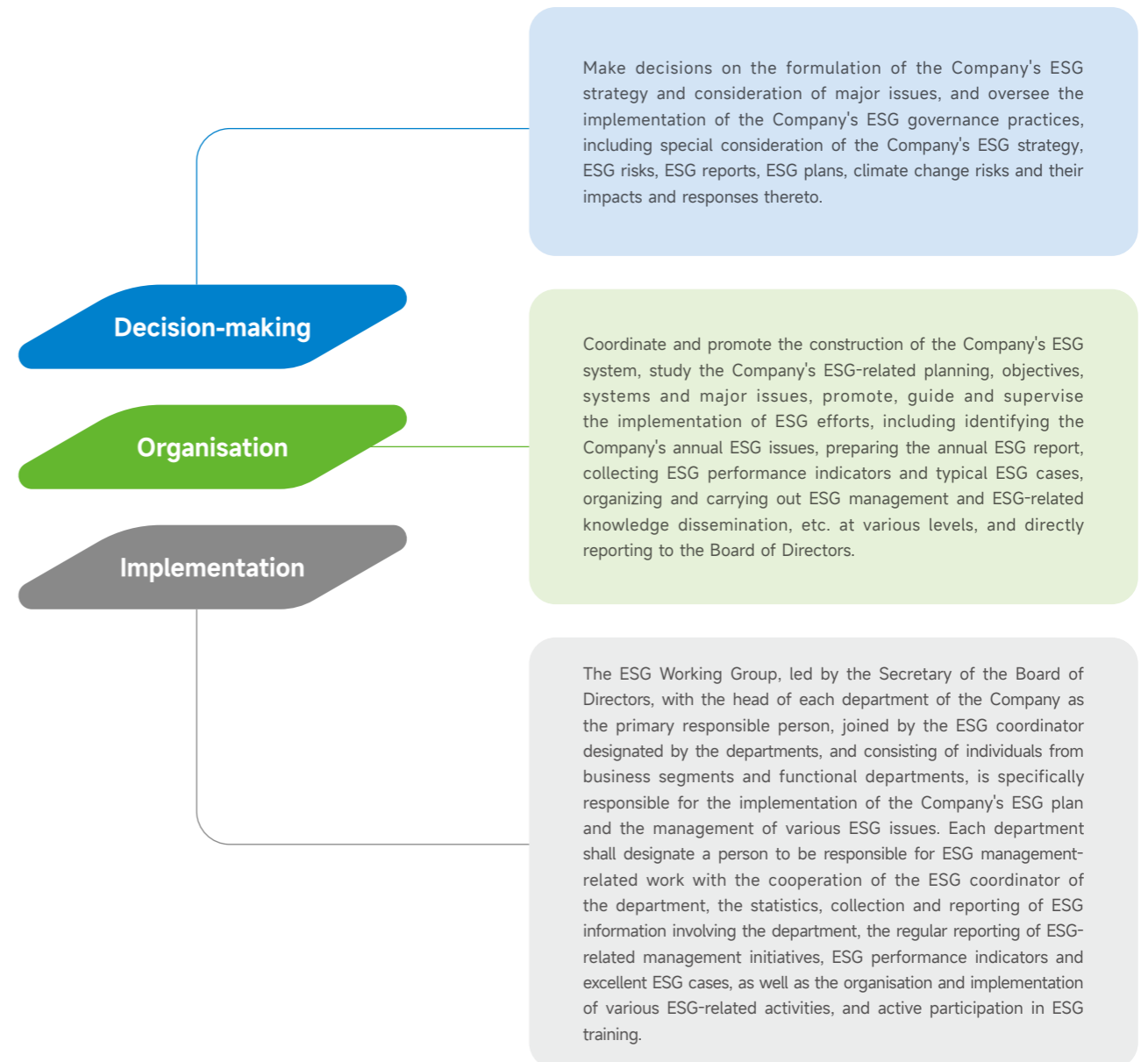
The Board of Directors is the highest governing body of the Company on ESG matters. In order to strengthen the management of ESG matters, the Strategy and Sustainability Committee has been established under the Board of Directors to assist the Board of Directors in the co-ordination of the Company's ESG management, provide recommendations on ESG matters and report to the Board of Directors on a regular basis. The ESG Working Group, led by the Secretary of the Board of Directors and consisting of individuals from relevant departments, is responsible for the promotion of ESG-related matters and reports and makes recommendations to the Strategy and Sustainability Committee. In addition, all business segments and functional departments work together to carry out ESG management in their respective departments and report on the implementation of ESG plans.



ESG Governance Structure of Glodon Company Limited

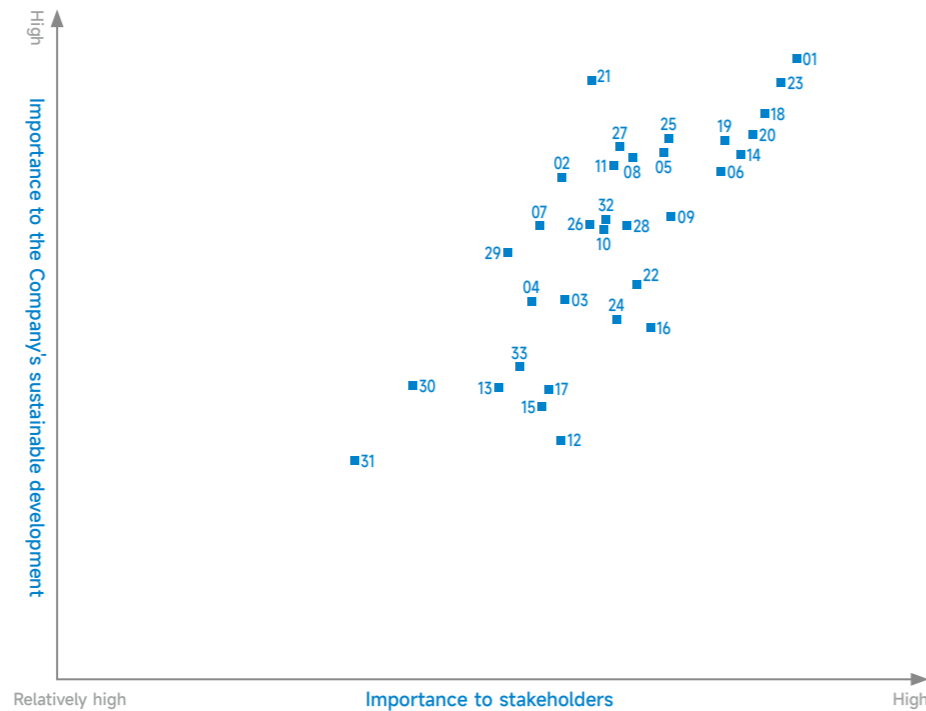
ESG Organisation

To ensure the supervision of corporate ESG management and various matters by the directors and senior management of the Company, and to promote the efficient handling of ESG management matters of the Company, the Company has defined specific responsibilities and division of labor for ESG management and related work from decision-making, organisation to implementation, and plans to establish an incentive mechanism linking ESG implementation with performance appraisal of managers at all levels.



Analysis of Substantive Issues

For the content of the ESG report of Glodon, the Company conducted a survey on "importance to the Company's sustainable development" and "importance to stakeholders" by means of targeted submissions to all employees, encouraging stakeholders' participation and online distribution to the public, etc. The survey focused on ESG substantive issues in 2022 and sought opinions from stakeholders such as clients, customers, shareholders, industry associations, strategic partners, universities, suppliers, the public, media, ESG/CSR experts, the Company's management and employees, etc. A total of 559 valid questionnaires were collected. Through data analysis, review and evaluation of ESG material issues by experts and board members, the Company identified, screened and prioritised ESG substantive issues, and a two-dimensional matrix of ESG substantive issues of Glodon in 2022 was finally determined.



ESG Substantive Issues Analysis Matrix of Glodon for 2022



Scan the QR code to view the ESG Issues Questionnaire of Glodon for 2022

- | | | |
|----------------------------------------|------------------------------------------------|-------------------------------------------------|
| 01 Response to national strategies | 13 Efficient use of resources | 25 Protection of employees' rights |
| 02 Safeguarding shareholders' rights | 14 Empowering green buildings | 26 Staff education and training |
| 03 ESG Management | 15 Responding to climate change | 27 Staff career development |
| 04 Governance structure | 16 Serving a low carbon society | 28 Occupational health and safety |
| 05 Governance by law | 17 Practicing low-carbon ideas | 29 Carrying out caring activities for employees |
| 06 Risk management | 18 Information security and privacy protection | 30 Community investment and development |
| 07 Anti-corruption | 19 Product liability | 31 Volunteering and philanthropy activities |
| 08 Compliant operation | 20 Intellectual property protection | 32 Win-win partnership |
| 09 Business ethics | 21 Service quality and customer rights | 33 Conducting localised operations |
| 10 Investor relations management | 22 Supply chain management | |
| 11 Strategy and culture | 23 Innovative development | |
| 12 Reduction of all types of emissions | 24 Response to emergencies | |

Stakeholder Engagement

In the process of corporate management and operation, Glodon attaches great importance to the expectations and demands of internal and external stakeholders on the Company and its ESG management, and promotes stakeholder participation and cooperation through targeted and effective communication to actively create a harmonious internal and external environment for development.

Stakeholders	Expectations and demands	Our response
Government	<ul style="list-style-type: none"> ◆ Compliance with laws and regulations ◆ Risk prevention ◆ Creating jobs ◆ Technological innovation ◆ Energy saving and emission reduction 	<ul style="list-style-type: none"> ◆ Improving corporate governance ◆ Compliance with laws and regulations ◆ Implementing national policies ◆ Creating jobs and providing professional training ◆ Leading the industry in innovation ◆ Promoting green building development ◆ Practicing low-carbon operation principle
Investors	<ul style="list-style-type: none"> ◆ Operating in compliance with laws and regulations ◆ Reducing operational risk ◆ Achieving increase in market value ◆ Information disclosure 	<ul style="list-style-type: none"> ◆ Optimising business operations and management ◆ Periodic reports and announcements ◆ Actively convening general meetings of shareholders ◆ Communicating with investors
Customers	<ul style="list-style-type: none"> ◆ Product quality assurance ◆ Service quality assurance ◆ Sustainable win-win cooperation ◆ Information security and privacy protection 	<ul style="list-style-type: none"> ◆ Promoting product innovation ◆ Improving customer service system ◆ Conducting customer satisfaction surveys ◆ Ensure information security and privacy protection
Partners	<ul style="list-style-type: none"> ◆ Leading the industry ◆ Disclosure and transparency of information ◆ Communication and cooperation 	<ul style="list-style-type: none"> ◆ Carrying out industry exchange activities and providing special training ◆ Strengthen strategic cooperation among government, enterprises, universities and research institutes ◆ Enhancing visits and exchanges of senior management
Suppliers	<ul style="list-style-type: none"> ◆ Fair procurement ◆ Performing contracts in compliance with laws and regulations ◆ Long-term cooperation 	<ul style="list-style-type: none"> ◆ Carry out procurement on the principles of fairness, justice and openness ◆ Signing a letter of commitment for social responsibility ◆ Creating a responsible supply chain
Staff	<ul style="list-style-type: none"> ◆ Protection of employees' rights ◆ Occupational health and safety ◆ Staff career development ◆ Staff care 	<ul style="list-style-type: none"> ◆ Signing employment contracts in accordance with laws ◆ Ensuring staff remuneration and benefits ◆ Conducting consultation and holding staff representative meetings ◆ Organising safety training and regular medical examinations ◆ Providing vocational training and promotion opportunities ◆ Providing a good working environment
Public	<ul style="list-style-type: none"> ◆ Jobs ◆ Transparent operations 	<ul style="list-style-type: none"> ◆ Providing employment opportunities and training ◆ Strengthening the dissemination of business information
Community	<ul style="list-style-type: none"> ◆ Harmonious development of community ◆ Philanthropy 	<ul style="list-style-type: none"> ◆ Supporting the economic and social development of the area where it operates ◆ Volunteering and philanthropy events
Media	<ul style="list-style-type: none"> ◆ Response to hot issues ◆ Information reporting 	<ul style="list-style-type: none"> ◆ Regular and non-regular theme forum ◆ Diversified new media channels for information dissemination

CORPORATE GOVERNANCE

Regulate the Operation of Shareholders' Meeting, Board of Directors and Board of Supervisors

In strict compliance with relevant laws, regulations and regulatory requirements, Glodon constantly improved the corporate governance mechanism, optimised the personnel structure, further diversified the composition of the Board of Directors, and effectively promoted the standardised operation and scientific decision-making of the Board of Directors and the Board of Supervisors on which directors and supervisors faithfully and diligently perform their duties. The Company has formed a governance structure consisting of the Shareholders' Meeting, the Board of Directors and its four special committees, the Board of Supervisors and senior management, with each unit operating independently and in coordination to continuously improve the level of corporate governance.

Shareholders' Meeting

The Shareholders' Meeting is the highest authority of the Company. In accordance with the Company Law and other laws and regulations, the Articles of Association and the Rules of Procedure of the Shareholders' Meeting, Glodon guaranteed the compliance operation of the Shareholders' Meeting, facilitated the exercise of shareholders' rights, and effectively safeguarded the legitimate rights and interests of shareholders, especially minority shareholders. In 2022, the annual Shareholders' Meeting and extraordinary Shareholders' Meeting were held twice in total, with 17 proposals considered. There were 384 participants in the meetings, with participating investors holding 56.03% of the shares, and small and medium investors accounting for 34.88% of participants. By the end of 2022, the combined shareholding ratio of major shareholders of the Company was 15.95%.

Directors and Board of Directors

The Company's Board of Directors consists of nine directors, including one female director (accounting for 11.11% of directors). There are six non-executive directors (including three independent directors), accounting for approx. 66.67% of directors. The professional structure of the Board members is reasonable and they all have the knowledge, skills and quality necessary to perform their duties. The term of office of directors is relatively stable, with an average term of three years. No directors resigned during the reporting period. Directors attended the Shareholders' Meeting and the meetings of the Board of Directors on time, actively participated in the training in business and relevant laws and regulations, and performed their duties earnestly. In 2022, nine meetings of the Board of Directors were held in total, with 41 proposals considered and 100% participation of directors.



The Board of Directors has four special committees that are responsible for strategy and sustainability, nomination, remuneration and evaluation, and audit, respectively.

Strategy and Sustainability Committee

The Strategy and Sustainability Committee comprises six directors. It plans the long-term development strategy of the Company as a whole, assesses the Company's development status, organises the formulation of development strategic plans, and supervises, inspects, and controls the Company's development strategy, business plans and investment plans. It focuses on major issues affecting the Company's sustainable development, plans and pushes forward the establishment of environment, social and governance (ESG) system, and studies ESG-related planning, objectives, systems and major issues. In 2022, a total of 4 meetings of the Strategy and Sustainability Committee were held.

Nomination Committee

The Nomination Committee comprises three directors, two of whom are independent. It selects candidates for directors and senior executives in accordance with the Company's strategic plan, and makes rational recommendations on the system and process for appointing and removing directors and senior executives.

Remuneration and Evaluation Committee

The Remuneration and Evaluation Committee comprises three directors, two of whom are independent. It reviews the annual performance and remuneration of directors and senior executives, participates in the formulation of annual remuneration evaluation and performance appraisal criteria, and drafts the equity incentive plan and employee stock ownership plan. In 2022, a total of 5 meetings of the Remuneration and Evaluation Committee were held.

Audit Committee

The Audit Committee comprises three directors, two of whom are independent. It reviews the annual internal audit work summary and plan, and the quarterly internal audit work reports, supervises and guides the annual audit of external audit institutions, puts forward suggestions on matters of concern of audit institutions, and guides the construction of the Company's internal control system. In 2022, 6 meetings of the Audit Committee were held totally.

Supervisors and Board of Supervisors

The Board of Supervisors of the Company consists of three supervisors, including one employee supervisor (female) and two shareholder representative supervisors, accounting for approx. 66.67%. The average term of office of the members of the Board of Supervisors is three years. No supervisors resigned during the reporting period. In accordance with the relevant provisions of the Company Law, the Articles of Association and the Rules of Procedure of the Board of Supervisors, the Board of Supervisors faithfully performed its supervisory duties in the spirit of being responsible to all shareholders, ensured that the Company complied with and conforms to Chinese laws and regulations, listing rules, the Articles of Association and other relevant regulations, promoted the standard operation of the Company and endeavoured to safeguard the legitimate rights and interests of the Company and its shareholders. In 2022, a total of 8 meetings of the Board of Supervisors were held, with 25 proposals considered and a participation rate of supervisors of 100%.

Senior Management

As the executive body of the Company, the senior management is appointed by and accountable to the Board of Directors. In accordance with the provisions of the Company Law and the Articles of Association, as authorised by the Board of Directors, it implemented the resolutions of the Board of Directors and organised the production, operation and other business activities of the Company. By the end of 2022, the Company had a total of eight senior executives (including three female executives), three of whom are members of the Board of Directors. The average tenure of executives is three years and the turnover rate is approx. 12.5%. In 2022, a total of 17 regular meetings of the President's Office were organised.

Investor Relations Management

Glodon focused on investor relations management, and established and improved a sound compliant, pragmatic, transparent and efficient information disclosure mechanism by taking investors' information needs as its starting point, so as to provide a smooth communication channel for all investors, especially minority shareholders, and to drive the Company's development in a more open, transparent, and sustainable manner.

Year 2022

137

investor exchanges

1

investor conference

2,339

investors received

5

investor consultation channels

4

regular report teleconferences

1,193

persons at home and abroad covered by regular report teleconferences

66

exchange interactive platform responses (interactive responses)

1,584

hours of exchange interactive response time

154

public announcements

Regulate information disclosure

Information disclosure is one of the investor communication tasks that the Company pays great attention to and is the most direct and efficient way for investors to understand the Company. After years of exploration, the Company has developed a compliant, pragmatic, transparent and efficient information disclosure mechanism. The Company's information disclosure work has been rated as Class A by Shenzhen Stock Exchange for three consecutive years, and the Company's 2021 ESG report has been rated as Class AA among "MIIT Reports on Social Responsibility of Thousands of Excellent Enterprises".

Enhance the value of information disclosure

- ◆ On the basis of compliance and information disclosure, proactively meet the information needs of investors, follow the Company's development strategy and business changes, and convey the Company's information and value to investors in a concise, easy-to-understand, timely and accurate manner
- ◆ Focus on feedback from capital market investors and maximise response thereto to develop a high-quality interaction between business development and capital market

Smooth information communication channel

- ◆ Actively hold investor conferences and performance briefing meetings, open investor relations management e-mail, investor hotline, and Shenzhen Stock Exchange interactive platform, organise Shareholders' Meetings, roadshows, "offline+online" research and exchange activities, etc., to enrich the channels for investors to participate in corporate governance and ensure the smooth expression of opinions and suggestions from investors, especially small and medium investors

Case

Create an open and transparent investor interaction ecosystem through honest and open communication

In June 2022, the Company held the 10th Glodon Investor Conference, which invited nearly 1,000 persons, including investors, analysts and media, and was covered by many media. Global investors could watch the live broadcast of the conference in real time through telephone access, online meeting, etc. The Company's directors, supervisors, senior executives and core personnel attended the conference and made keynote speeches and one-on-one communication based on the Company's development and investors' concerns, actively exporting effective information to the market, creating a good ecosystem of mutual trust and mutual recognition, open and transparent investor interaction, and jointly promoting the sustainable, healthy and stable development of the Company.



Scan the QR code to replay
2022 Glodon Investor Conference

Safeguard shareholders' rights and interests

The Company attached great importance to the protection of investors' rights and interests, and had made a restricted stock incentive plan to continuously optimise the composition and shareholding ratio of shareholders and safeguard the legitimate rights and interests of small and medium investors. In 2022, major shareholders accounted for 0.0032% of shareholders, with a shareholding ratio of 15.95%, and directors, supervisors and senior executives (including major shareholders) held 21.18% of the shares. Since its listing in May 2010 to the end of 2022, the Company has successively paid cash dividends for 13 times, with a cumulative amount of RMB 3.268 billion and a dividend rate of 58.28%.



Strengthening Risk Prevention and Control

Glodon carried out comprehensive risk control over its key core business, created and improved its risk map with a risk-oriented approach, strengthened digital audit, and regularly assessed risks, so as to timely prevent risks in the Company's operation and development.

Year 2022

Advancement of

158

audit rectification recommendations at departmental level

129

audit findings rectified and implemented in the same year

43.27 %

completion rate of rectification of audit findings

Sound internal risk control system

The Company continued to strengthen the construction of a risk prevention and control system, established a risk control project team, implemented internal control evaluation projects, and carried out internal control and comprehensive evaluation. The Company developed and revised the *Comprehensive Risk Management System*, the *Audit Supervision Management System*, the *Rules for the Implementation of Audit Rectification*, and the *Internal Control Evaluation Management System*, and conducted regular business risk control and management assessment. From the perspective of an independent supervisory third party, and from the dimensions of business process design and business process execution, the Company identified high, medium and low risks of business activities, assessed the risk management in business activities, finished the *Company-level Internal Control Evaluation Report*, and organised 153 internal control risks in total. Guided by risk identification, the Company iteratively updated its risk map and revised risk indicators. In 2022, the risk map identified a total of 154 risk points, of which 36 were low risk, 66 were medium risk and 52 were high risk, an increase of 153% over 2021. According to the results of previous audits and digital analysis, 53 qualitative risk warning indicators and 100 quantitative risk warning indicators were identified, and a digital process was developed for all indicators. In 2022, the Company completed the *Risk Inventory of the Company's High-risk Positions*, outputting 21 risky business scenarios that correspond to 40 risk indicators.

Enhance digital audit

The Company actively improved the construction of audit digitalisation, established six audit sections, namely economic responsibility audit, contract audit, financial audit, sales audit, procurement audit and manpower audit, set up about 100 corresponding risk warning indicators, and timely prompted business risks to maximise the avoidance of relevant risk points. A systematic process audits for projects in progress and digital system construction was conducted. The scope of risk-based audit was expanded for seven business areas including corporate performance management, human resources, fund management and asset management. In 2022, 158 audit rectification recommendations at departmental level were advanced, and the combined percentage of rectification advanced was 81.65%.

Law-based Compliant Operation

Glodon insisted on improving the foundation of the rule of law system and the compliance system, and constantly enhanced the ability of corporate governance according to law, so as to drive its law-based compliant operation. In 2022, Glodon was not involved in major litigation or arbitration matters.

Year 2022

49

sessions of business-related legal training course

12

sessions of law dissemination training course

100 %

coverage of legal and regulatory training and education

43

system updates and iterations

Law-based corporate governance

The Company strictly followed relevant national laws and regulations, formulated rules and regulations related to corporate compliance according to law, and improved the institutional foundation for law-based corporate governance; and strictly prevented legal risks in such manner as sending regular monthly high-level legal reports by email to deliver legal updates, latest cases and contract and intellectual property data to the management team to help the team timely identify and rectify legal risks relating to major business decisions, economic contracts and rules and regulations. The Company opened an official account "Legal Classroom" to regularly collect the legal and regulatory needs of the workforce and push business-related legal knowledge and system requirements to them on a weekly basis. In 2022, 48 compliance articles were output in total, with a cumulative reading of 4,560 times, raising the workforce's legal and compliance awareness and pushing forward the Company's decision-making and operation in accordance with the law.

Compliant operation

The Company actively improved the construction of a compliance management system, developed an *Intellectual Property Management System*, revised the *Glodon Employee Handbook*, and adopted a project-based management approach to promote the implementation of anti-monopoly compliance, data compliance, human resources compliance and other special projects to facilitate a more systematic and standardised compliance management. The Company strengthened business compliance management and set up a special compliance committee to ensure rules were put in place, and actively raised employees' compliance knowledge and abilities by providing training in business-related contract execution, trade secrets, business compliance and anti-monopoly law and in work-related compliance knowledge for employees at different levels. The Company also strictly followed overseas compliance rules and paid close attention to overseas compliance risks. Overseas subsidiaries strictly followed the requirements of the *United Nations Convention against Corruption*, the *Treaty on European Union* and other international rules, and clearly set anti-commercial bribery and anti-unfair competition as bottom line of compliance management to raise the ability and level of overseas compliant operation.



Implement Anti-corruption

Glodon strictly complied with relevant laws and regulations including the *Supervision Law of the People's Republic of China*, and the *Anti-Money Laundering Law of the People's Republic of China*, constantly improved the anti-corruption governance mechanism and built a clean and compliant system. Glodon carried out integrity and anti-corruption education for the Board of Directors and all employees and integrity education and training for suppliers to guide employees and suppliers to consciously resist commercial bribery. Meanwhile, the Company opened a transparent complaint and reporting management channel in an effort to create an honest, civilised, clean and self-disciplined business environment.

Year 2022

0

corruption cases

3

anti-corruption training sessions

2

hours of anti-corruption training

80%

of cadres involved in anti-corruption training

7

reports handled

Follow-up rate of reporting of
100%

with a satisfaction rate of
95%
in reporting handling

2

anti-commercial bribery training sessions

Create an environment where no one has the desire to commit corruption

- ◆ Establish an integrity compliance system covering the Company's full-calibre, multi-line and multi-level management system, sort out personnel in key positions, focus on the performance in key positions and the use of management authority, carry out economic self-assessment of cadres, including the performance of duties, system construction and internal control management, and work on prevention and publicity
- ◆ Establish an integrity management mechanism that links violations to employee performance, develop an anti-corruption incentive mechanism, and encourage all employees to fight against corruption, so as to establish a good anti-corruption ecosystem
- ◆ Assess the first 66 positions and the second 247 positions in 29 regions with the Risk Assessment and Screening Report for High Risk Positions to strictly prevent fraud risks
- ◆ Enhance the publicity of corporate culture and constantly carry out education and training in integrity and anti-corruption for directors, senior management and all staff of the Company

Weave a tight net where no one is able to commit corruption

- ◆ Revise and release the Reporting and Investigation Management System and the Red Line Employee Conduct Management System to standardise the reporting acceptance and investigation process system and improve reporter protection, information confidentiality and reward mechanism
- ◆ Smooth reporting channels, establish a sunshine integrity platform and set a reporting email. Open a reporting hotline and internal reporting channels. The Company received 7 supervisory reports on trust-breaking and corruption in 2022
- ◆ Continuously enhance suppliers' integrity awareness. In 2022, the Company had a total of 1,836 eligible suppliers, among which 718 suppliers had signed the Letter of Honesty and Integrity Commitment, accounting for 39.11%. The Company had a total of 22 integrity talks with key suppliers by means of on-site interview, telephone interview and questionnaire survey in order to strictly prevent commercial bribery and enhance competition fairness

Crack down hard so that no one dares to commit corruption

- ◆ With zero tolerance, seriously investigate and deal with social breach of trust by cadres and employees, strictly investigate the risk of violation of discipline of commercial bribery and job-related crimes, and announce and alert violations through internal announcements
- ◆ Transfer those who have violated relevant laws and regulations, causing potential damage or actual losses to the state and enterprises to judicial authorities in strict accordance with judicial procedures, and cooperate with the investigation and punishment



SDG Icons

CUSTOMER SUCCESS

Empowering Enterprises to Increase Efficiency

Glodon always focuses on customers, and with the customer success indicator system as a traction and the digital transformation as a starting point, leaps towards "three fines", namely fine engineering, fine design, and fine service and management. Glodon continues to improve its information security and data privacy protection service support capability, strengthens intellectual property protection, wins the trust of customers with quality products, efficient services, reliable qualification and good reputation, and promotes the high-quality development of the construction industry.

88.1
points in overall customer satisfaction

155
patents applied

0
data breaches

Included in **TOP10**
among "2022 Top 150 Software Companies in China"

Complaint handling rate of **100 %**

Awarded "Top 100 Enterprises by Comprehensive Strength in Beijing Software and Information Technology Service Industry"

The above data are for 2022

Improving customer quality service

With the aim of bringing more value to customers, Glodon takes the actual needs of customers as the starting point, enhances the internal strength of high-quality customer service, explores more market clues, gains deeper insight into customer needs and forms a closed loop of business faster. Glodon develops new digital service tools to enhance professional service, upgrades the "iron triangle" customer service system, constantly optimises customer experience and realises the resonance of corporate strategy driving, customer value driving and data driving.

Year 2022

90.0
points in customer service satisfaction and
87.5
points in customer product satisfaction



Approx.
280,000
users of Digital Service Centre



102,000
times of application of digital marketing products



Focus on customer success

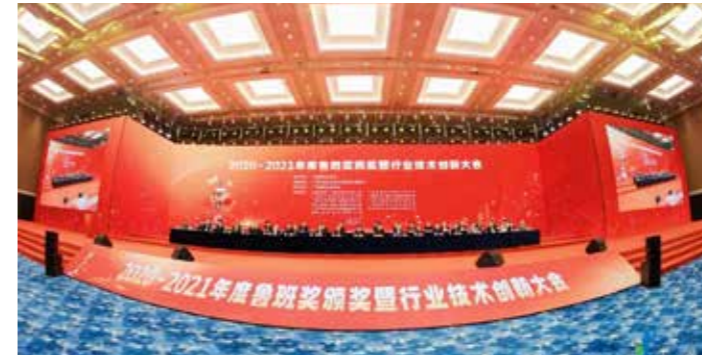
Guided by customer value, we link all levels and value chains of the Company, quantify the support relationship between core value business and customer success, explore and practise the customer success indicator system, lead the continuous improvement of our products, and precisely address customer needs. By the end of 2022, the customer success indicator system has been incorporated into the Company's strategic management system and product management system, reaching 100% coverage of key products at the company level and business group level, forming a closed loop that drives process construction and leads organisational upgrading. In 2022, Glodon assisted 26 partners in winning 2020-2021 Luban Prize.

Case

Decorative measurement products grow in value internally and externally through the customer success indicator system

In 2022, the customer success indicator system was applied in several business lines, and the decorative measurement products derived a series of core scenario indicators such as "engineering quantity calculation time" under the core values of speed and efficiency, which accurately quantified customer success, indicated the core contradictions, improved and upgraded the product roadmap planning, and upgraded the version value verification from qualitative user research to quantitative data analysis.

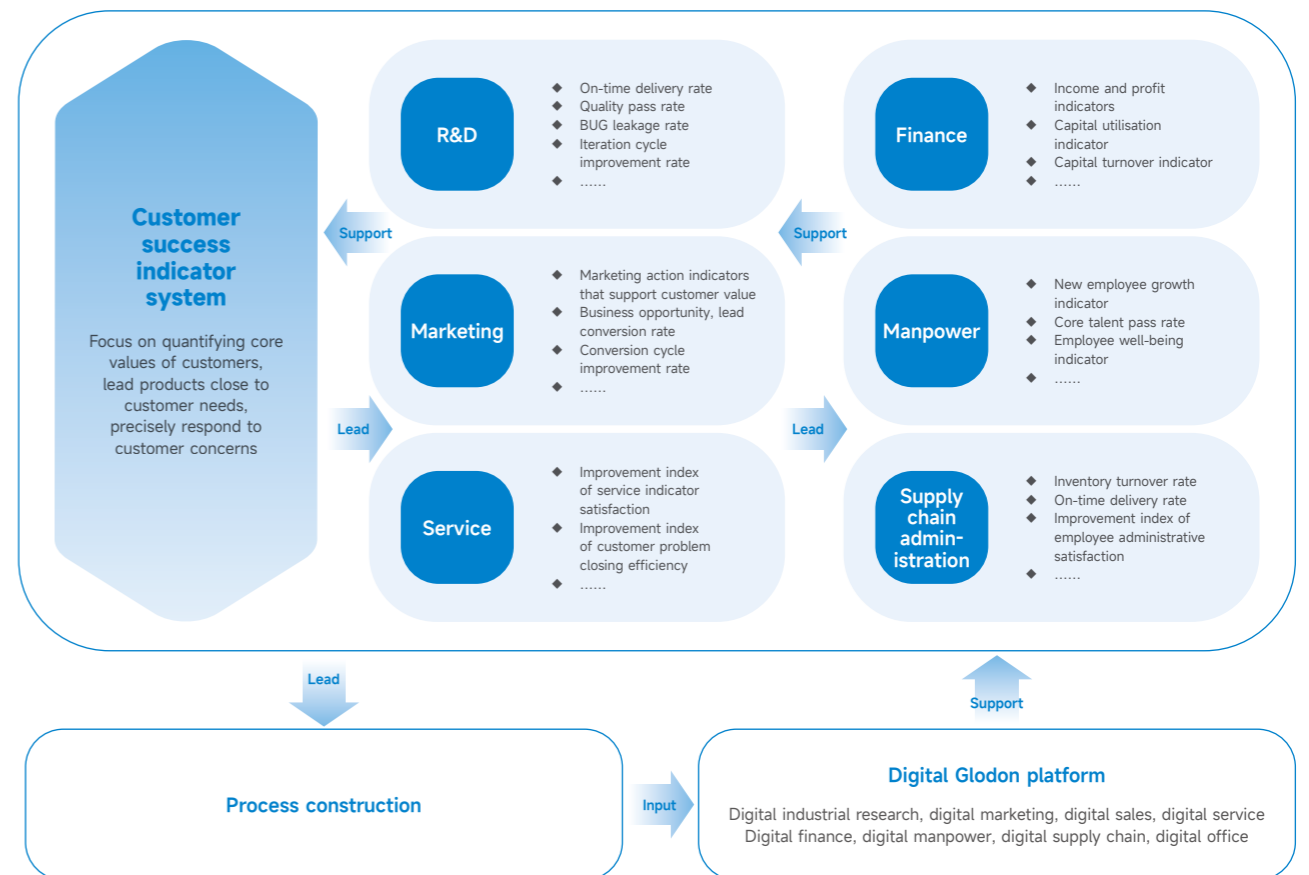
- Customer value growth** 14.4% faster in engineering quantity calculation time, 20%-30% increase in user perception efficiency
- Increased industrial research benefits** 10% increase in annual value attainment rate, 50% reduction in value verification cycle, 82% reduction in R&D cost waste
- Teamwork for efficiency** 30% increase in programme output efficiency, 75% reduction in release gap



In 2022, 26 Glodon partners were honoured with the 2020-2021 China Construction Engineering Luban Prize



The customer success indicator system transforms the core values of customers into data indicators, leads the continuous improvement of research, marketing, services and various support resources, and links customer needs with the Company's front, middle and back offices, promoting the construction of key processes and establishing an organic closed-loop system



Ensure reliable operation

Guided by the quality policy of "quality first, customer first, technological innovation, continuous improvement", we control product quality from development, testing to operation and maintenance to reduce operational risks. We are committed to providing customers with high-quality information system services and further improve service quality after being rated Level CS4 in Information System Construction and Service Capability. We have set up a group-level quality management committee, which works closely with R&D management committees at all levels to control product quality from the source; established a quality management system to guide all business teams in delivering high-quality results; raised product monitoring, early warning, and repair capabilities to avoid online accidents; and built a quality talent team, continued to follow up system optimisation and upgrading, and provided customers with reliable and stable products and services. In 2022, the one-time pass rate of material management product line was 99% in final customer demand verification.



"Glodon project team, in terms of later system optimisation and upgrading, has won unanimous praise from our leaders and colleagues for their proactive, diligent, dedicated and tight work to improve system functions."

- Shenyang Public Resources Trading Management Office

Devote to customer satisfaction

We continue to improve our customer management system, develop organisational-level marketing capabilities, and rely on more than 80 subsidiaries worldwide to form a global service network; open diversified service channels to provide customers with one-stop service; constantly improve complaint management, quickly respond to and properly solve customer complaints and problems; expand the service interface, gain comprehensive insight into and respond to customer needs; and deepen customer satisfaction survey, and form closed-loop management to continuously improve customer satisfaction. Our design and development of computer application software and after-sales service for information system integration have passed GB/T 27922-2011 certification.

Diversify service channels

- ◆ Provide multi-client services, including service hotline, online customer Q&A, product updates, operation and maintenance, online user guides, and user instructions and training, to fully respond to customer needs
- ◆ Promote and iterate the application of intelligent customer service system in order to rapidly respond to the hardware and software problems encountered by users around the clock



"Sales and Service Dialogue" enhances the customer service capability of business staff and accurately grasps customer needs



CIFI Group & Glodon's List Project won the 2022 CIOC Award, and Glodon's project team was awarded the 2022 "Gold Supplier" banner by CIFI Group

Improve complaint response

- ◆ Establish a complete customer complaint handling process, and clarify the responsibilities of each department and link to ensure response within 2 hours and processing within 3 working days
- ◆ Develop complaint rectification principles, processes, time limits, audit and implementation requirements, and analyse complaints to avoid re-complaints
- ◆ Set up a complaint follow-up process to assess the satisfaction of handling. In 2022, 168 complaints about products or services were received, 100% of which were handled

Enhance service capability

- ◆ Build a "3+X" customer interface based on the "iron triangle" customer service system to achieve centralised and optimal resource allocation and quickly and adequately respond to customer needs
- ◆ Build the role and competency model of the "iron triangle" customer service team to enhance the service capability of business staff. Six sessions of "iron triangle" competency training camp with over 3,000 participants have been held

Conduct satisfaction survey

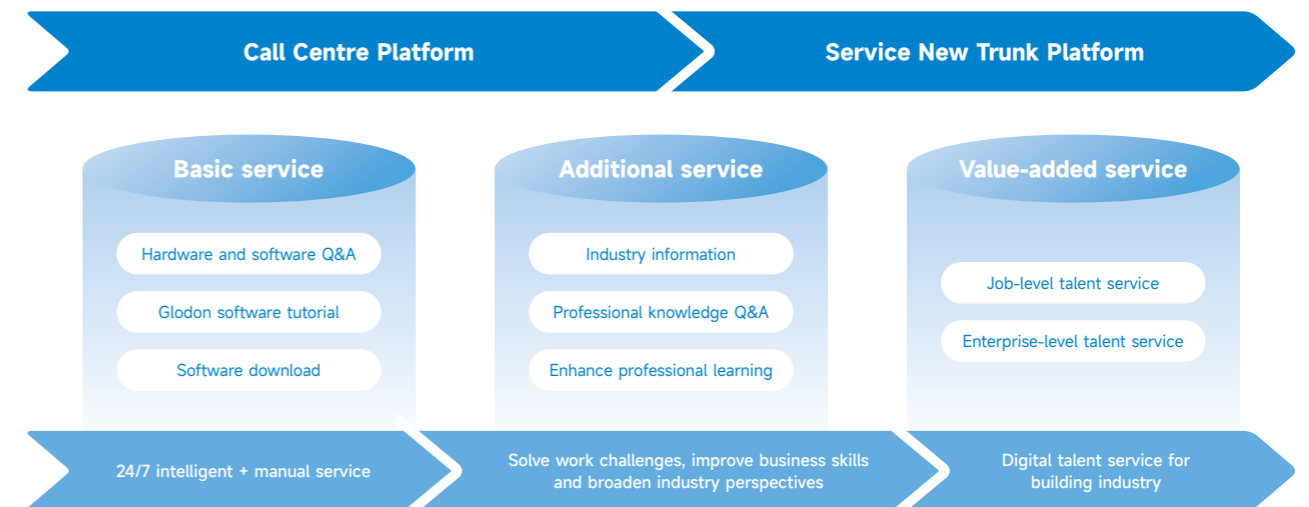
- ◆ Conduct year-round customer satisfaction surveys in collaboration with third-party professional institutions based on the Group's strategy and quantitative interview. In 2022, a total of 5,000 customers were surveyed.
- ◆ Subject business lines to customer satisfaction and complaint rate assessments to motivate products from all lines with targets to continuously deliver better customer service experience. In 2022, the Group's overall satisfaction, service satisfaction and product satisfaction were better than the previous year

Case

Upgrade the Call Center in a digital way and increase response rate to customers

The Call Centre, as the window to undertake Glodon's nation-wide user service, undertakes 12,000 telephone enquiries per day, covering 50+ products. Behind the massive incoming calls are actually users' requirements for product use. In order to absorb the service pressure brought by the increasing number of products undertaken, the Call Centre has completed business upgrade through digital exploration, so that product demand is automatically entered in a timely manner. As of December 2022, the response rate of user needs calls was 100%, with an average waiting time of 8 seconds; the time to solve problems was reduced by 20% over 2021; and the top satisfaction of user callers was 98%.

Construction of Glodon's diversified customer service channels



Ensuring Data and Information Security

Glodon is deeply aware of the importance of information and data resources, comprehensively promotes data foundation management, accelerates its data quality governance, promotes data integration and sharing, and consolidates the underlying foundation for big data application. At the same time, Glodon adheres to the bottom line of scientific and technological ethics, strictly controls data assets, continuously improves the organisation and rules of data management, intensifies the means of information security protection, and gives full play to the value of data in promoting enterprises' information-based, digital and intelligent development. In 2022, Glodon passed the information security service qualification certification by China Cybersecurity Review Technology and Certification Centre, gaining Level 2 service qualification in information system security integration, software security development and information system security operation and maintenance.



Year 2022

0
data breaches



Glodon's digital labour management system was included in **the outstanding cases of typical application scenarios of data elements in 2022**



Keep information secure

We strictly comply with national laws and regulations, including the *Personal Information Protection Law* and the *Data Exit Security Assessment Measures*, and have developed the *Information Security Management System*, the *Data Backup and Recovery Management System* and other information protection systems, in a view to create a cybersecurity support system with strategic goals of being "trustworthy", "controllable", "manageable" and "traceable". We implement level-by-level management of information security products and level-by-level response and disposal of information security incidents to effectively safeguard the system and data security of the Company and its customers. As of the end of 2022, the Company passed the information security management system certification in accordance with GB/T 22080-2016/ISO/IEC/27001:2013, and 15 filing systems passed Level 3 certification of classified protection of information system security. In 2022, there were 0 major information security incidents.

Protection of customer personal information security

- ◆ Update and release 5 information security systems throughout the year, including *Information Security Management System*, *Network Policy Change Security Management Specification* and *Anti-virus Management System*
- ◆ Build and implement a data security protection system and develop contingency plans for data incidents at different levels. Monitor and handle high-risk incidents within 24 hours, and fix 55% of high-risk vulnerabilities within 14 days
- ◆ Conduct regular system information security reviews and tests to strengthen anti-intrusion capabilities
- ◆ Carry out information protection awareness training. Throughout the year, 4 monthly legal affairs reports, 3 legal mini-classes and 1 monthly construction magazine were published

Protection of personal information security

- ◆ Implement the *Management Regulations for the Use of Employee Personal Information*, carry out special compliance of employees' personal information, fully scan risks in information collection, processing and storage process
- ◆ Adhere to the principle of minimising access to and collection of key sensitive personal information and establish a process mechanism for the use of sensitive information

Cross-border data and information security protection

- ◆ Manage user data generated in different countries and regions within and outside China in a differentiated and targeted manner in strict accordance with local regulatory requirements. Timely adjust strategies and responses to changes in user data volume and business needs in each region
- ◆ Develop a comprehensive compliance strategy for cross-border data flow compliance of products of MagiCAD, a Finnish subsidiary, based on different data regulatory requirements in the EU and China

Case

Govern weak passwords to secure the first user privacy protection firewall

In order to provide more secure account services, fully safeguard user data privacy and security, and meet the complexity requirements of cybersecurity at the current stage, the Glodon User Centre has initiated the governance of non-compliant passwords with weak security strength. Throughout the year, the password rules of 27 applications were adjusted, reducing the number of weak password calls by 91.6%. A unified password constraint rule for users was released to solve the problem of weak password writing at source and build a solid information security firewall.



Manage data assets

We strictly abide by the *Cybersecurity Law* and the *Data Security Law*, focus on data "penetration, management and application", improve the top-level design of data governance, build a professional system of data management from the data lifecycle management, and promote the Company's digital transformation. We develop data classification specifications, consolidate the responsibilities of data owners, users and administrators, and deepen flexible and secure data exchange and sharing. In 2022, Glodon passed DCMM Level 4 certification in quantitative management.



DCMM Level 4 certification in quantitative management signifies that Glodon's data management has reached an advanced level in China

Improve data governance structure

- ◆ Establish a Platform and Data Committee and a Digital Glodon Department at Group level to serve the enterprise's digital development and implement data governance
- ◆ Develop the *Glodon Data Governance Rules* to guide the construction and management of data governance in the Company and enhance data governance capabilities at group and departmental levels

Improve data management mechanism

- ◆ Fully implement the *Glodon's Data Strategy Management Measures*, sort out and form an institutional system of 12 data management measures
- ◆ Update and release the *Big Data Platform Authorisation Management Measures*, and add legal compliance audit to the process of data authorisation access

Deepen data exchange and sharing

- ◆ Develop the Company's data resource directory, count 12,000 database tables and publish 1,026 core data tables
- ◆ Standardise the data sharing process and realise the "online application, online approval and online application" of data requirements

Case

"One Network" of public resources trading in Guizhou Province comprehensively controls data at national, provincial and municipal levels

Glodon's Guizhou public resources trading interconnection platform has become the first platform in China to connect national, provincial and municipal data, which vertically connects to the trading systems of 9 city (prefecture) trading centres and horizontally connects to the platform systems of 14 provincial administrative supervision departments. The powerful data centre promotes the flexible flow of industry data, enables macro decisions to be based on data and public services to be accurate and effective, and makes bidding prices more reasonable, optimising the trading competition environment, and fully realising the high-quality and efficient use of data.

Providing Efficient and Quality Products

By combining information technology with advanced lean construction theories and methods, Glodon concentrates its technical strength, business resources and organisational capabilities to promote industrial iteration and upgrading represented by new design, new construction and new operation and maintenance, create a new model of "digital building", and realise that the whole process, all elements and all participants in buildings are digital, online and intelligent. In 2022, Glodon passed the ITSS (Information Technology Service Standard) level 2 assessment in O&M service capability maturity, and the best practice case of digital project integration management platform was included in the pilot demonstration list of the integration and development of the new-generation information technology and manufacturing industry in 2022 by the Ministry of Industry and Information Technology.

Empower projects to achieve "greater, faster, better, more economical" results

We develop quality products with solid core technologies, create a new platform ecosystem for projects, enterprises and industries, help customers improve collaborative efficiency and management efficiency, optimise resource allocation, and facilitate efficient decision-making, so as to achieve the goal of making every engineering project a success. By the end of 2022, we have helped more than 6 million projects to succeed, setting up an all-round benchmark for the digital transformation of the building industry.



Using enterprise database products, Huashen Jinjian completed data analysis of nearly 200 projects, forming databases and indicator databases of different types, regions and business formats



The developer cost data system of Greentown China relied on 87 cities, 1,820 standards and indicators, 1,290 calculation documents and 998,310 pieces of data to establish an online pricing platform, an online cost data compilation standard platform and a cost calculation database

Greater

Efficient resource allocation
Intensive multi-project management

With the digital project management platform, a group put more than **3,000** projects online into the quality and safety inspection system and more than **100** key projects online into the smart construction site system to supervise field production operations

Faster

Improve equipment efficiency
Greatly shorten project duration

Tongzhou Branch of Beijing Anzhen Hospital shortened the construction period by **2** months and saved **RMB 1.62 million** in equipment rental costs by using the tower crane monitoring system to improve work efficiency

Better

Improve safety and quality
Deliver industrial-quality building products

A convention and exhibition centre, after introducing a smart construction site system, screened hidden hazards for **8,632** times, achieved a timely rectification rate of **93%**, and cut the time to address hidden hazards by approx. **55%**

More economical

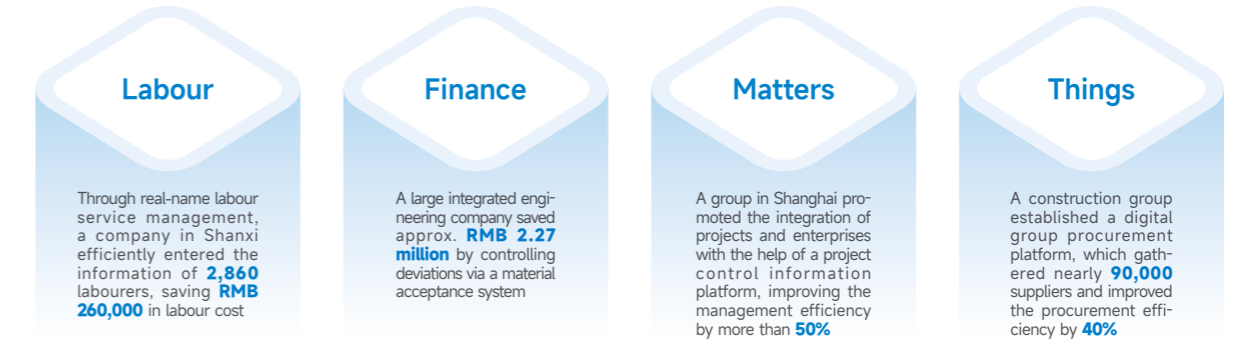
Delicacy management
Improve economic benefits of construction enterprises

A project in Beijing estimated that the economic benefits could be improved by **RMB 1.04 million** through delicacy management, including material cost savings of **RMB 440,000**

Empower projects to achieve "greater, faster, better, more economical" results

Assist enterprises in delicacy management

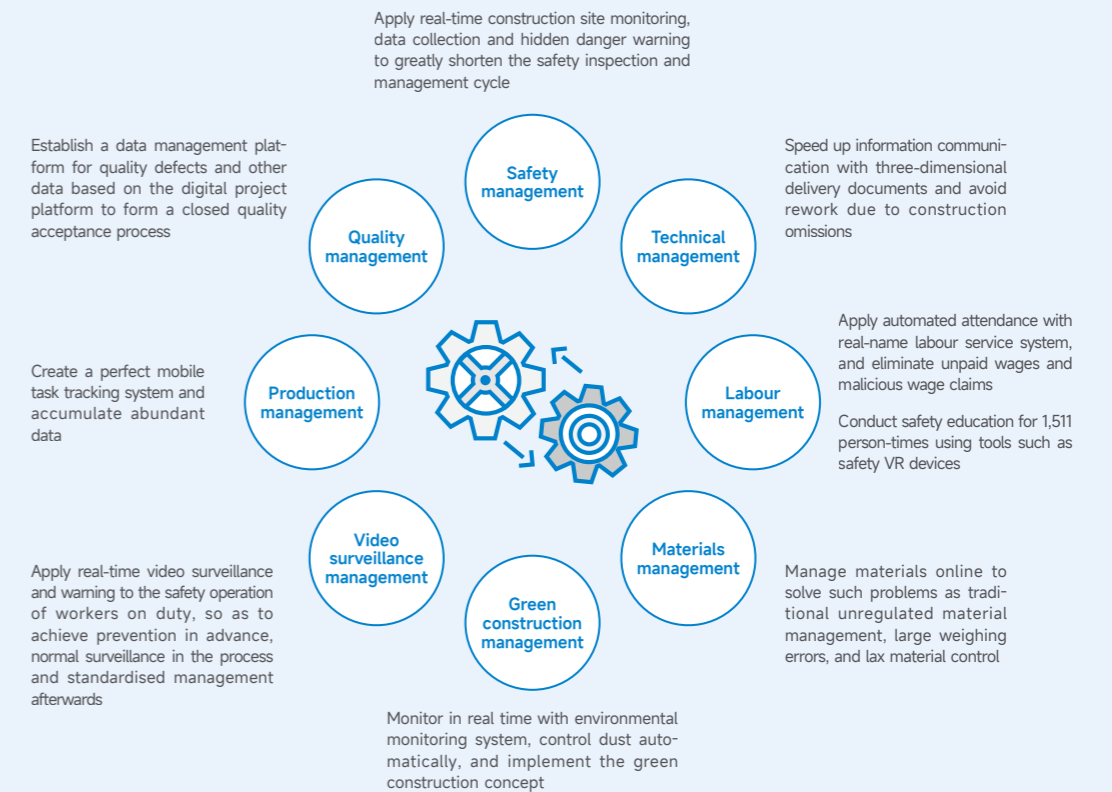
We are committed to solving systemic problems in business operation, creating application scenarios for whole-process data-driven decision making by using "data + algorithm", promoting on-site delicacy management, supporting enterprises' business decision-making, strengthening corporate control, enhancing corporate expansion and making development more resilient.



Case

Renovation and reconstruction of Beijing workers stadium continue the craftsmanship in classic building

The protective renovation and reconstruction of Beijing Workers' Stadium was completed in December 2022. The project used the "BIM+Smart Site" platform to integrate on-site systems and hardware equipment, reducing rework caused by poor information communication, reducing the possibility of common quality problems and eliminating safety hazards during construction in their early stages.



Respecting and Protecting Intellectual Property Rights

Glodon strictly abides by the laws and regulations related to intellectual property protection, revises and implements the *Patent Management System* and the *Copyright Management System* in accordance with the business development of the Company, improves and deepens Glodon's intellectual property work system, and protects proprietary intellectual property rights. In addition, Glodon strengthens the awareness of intellectual property protection among all staff and respects the intellectual property rights of customers and business competitors. In 2022, Glodon was awarded the "2022 Dominant Enterprise in National Intellectual Property" by China National Intellectual Property Administration.



Implement protection actions

We innovate the intellectual property protection mechanism, improve the efficiency of intellectual property protection, and form closed-loop collaboration of "product planning - protection plan - intellectual property layout - problem improvement" to protect technological outcomes from infringement and prevent intellectual property risks. Use compliant legal means to exercise power legitimately and maintain a healthy market competition order.

Achieve closed loop of intellectual property protection

- ◆ Include the compliance requirements for intellectual property protection and anti-infringement audit into the project approval, incubation and scale-up stages
- ◆ Establish a synchronisation mechanism for intellectual property information, deepen collaboration among relevant departments and improve compliance efficiency through digital means

Implement intellectual property protection actions

- ◆ Revise and implement the *Patent Management System*, *Copyright Management System* and *Computer Software Management System* and integrate intellectual property work into the whole lifecycle of the Company's products
- ◆ Carry out in-depth special operations to combat piracy, cooperate with public security authorities to crack down on illegal acts and create a healthy market environment

Strengthen intellectual property protection awareness

We continue to increase the popularisation, promotion and cultivation of intellectual property protection awareness, set up a series of intellectual property training courses close to our business, and further enhance the ability of all staff to create, manage, protect and apply intellectual property. Provide open days of intellectual property activity for the public, create an atmosphere of respect for intellectual property and create a favourable intellectual property environment for the technological and business development of enterprises. In 2022, the Company used a combination of online and offline methods to conduct 23 training sessions on intellectual property, reaching more than 2,000 audiences.



Glodon holds open source and intellectual property forum for the public to enable software companies to comply with open source and intellectual property protection

Year 2022

155

patents applied

29

patents granted



154

patents for invention applied

22

patents for invention granted



78

trademarks successfully registered

281

software copyright certificates registered





OPEN AND WIN-WIN

Enabling the Construction Industry

Integration and sharing is the essence and requirement of digital transformation of the industry. Faced with the wave of transformation and upgrading in the construction industry, Glodon gathers the energy of innovation, becomes a pioneer in industrial innovation, achieves key technological breakthroughs, and strengthens its innovative R&D capabilities in multiple dimensions. It collaborates with partners to accumulate, summarize, and share their rich experience in the application of digital building technology, and cultivates digital architecture talents. It strengthens the resilience of sustainable development in the supply chain, focuses on responsible procurement management, stimulates internal and external innovation vitality with an open and enterprising attitude, and enables the digital intelligence upgrading of construction industry.

Average annual R&D investment of RMB **1.858 billion**

Support and promote the employment of **3,000** graduates from construction colleges and universities

Participation in the preparation of **168** national, industry, local, group and enterprise standards, of which **72** have been promulgated and implemented

40% of suppliers have signed the letter of commitment for social responsibility

Cooperate with **90%** of construction colleges and universities in China

718 suppliers have been reviewed for the environmental and social risks

The above data are for 2022

Enhancing the Capacity for Independent Innovation

Glodon adheres to integrity and innovation, continues to increase investment in key core technologies, builds a proprietary intellectual property right system, and implements a multi-wheel driven technology strategy of "self-research+cooperation+investment and mergers and acquisitions", providing strong support for the Company's product and business development. In addition, we are committed to building a national team in the field of information technology in the building industry by creating a comprehensive innovation atmosphere and enhancing the innovation ability of all staff. In 2022, Glodon was rated as one of Top 10 in Top 100 Beijing Private Enterprises in Science and Technology Innovation in 2022.

From 2021 to 2022

The Company introduced a total of **2** postdoctors



Year 2022

The growth rate of average annual R&D input is **28.36 %**



R&D staff account for **40.61 %** of the total number of employees in the Company



Strengthen R&D capabilities

We have set up R&D centres and participated in the establishment of multi-disciplinary innovation centres worldwide to carry out in-depth research on key core technologies in different business areas. We improve the R&D and innovation management system, use efficient industry research tools to support technological breakthroughs, product upgrading and idea implementation, and improve the innovation and creation efficiency of all employees. Together with our partners, we continue to develop key technological breakthroughs and innovations to continuously strengthen our core competitiveness.

Develop industry research tools

- ◆ Continuously upgrade the Company's product R&D methodology and provide guidance for the implementation of R&D ideas by combining business changes and feature updating and expansion
- ◆ Create an internal digital industry research platform to provide digital industry research tools for R&D staff to play an important synergy and optimization role. Cover 80+ products and 400+ feature teams

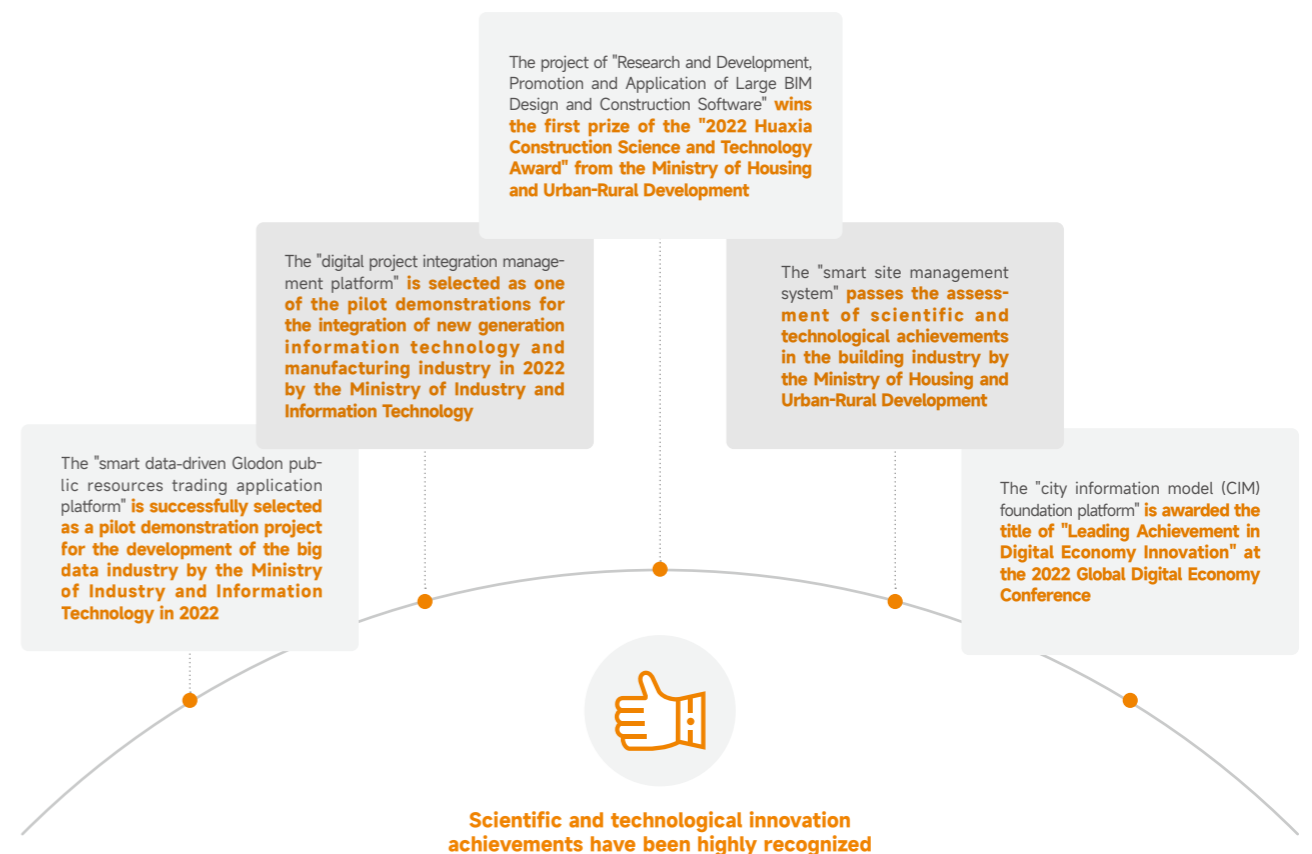
Reserve innovative talents

- ◆ Develop corresponding improvement plans for industry research talents of different businesses and positions, forming a job-oriented, certification-driven and special practical training model to enhance the innovation quality of talents comprehensively
- ◆ Further enhance the training of TOT outstanding graduate talent program and add a new "High Potential On-campus Recruitment Plan" to meet the demand for intensive training. A total of 507 trainees are trained throughout the year to build up a talent pool for the R&D strategy
- ◆ Insist on the industry-university-research cooperation, establish Glodon postdoctoral research workstation, and cooperate with Tsinghua University Computer Science and Technology Postdoctoral Station. Some postdoctors have been graduated successfully. Currently, there are two active members and one outgoing member, supporting the Company's technological innovation

Carry out cooperation

- ◆ Lead or participate in more than 30 national key projects hosted by the Ministry of Industry and Information Technology, the Ministry of Science and Technology, the Ministry of Housing and Urban-Rural Development and the National Development and Reform Commission, and provide technical support for the national strategy of technological self-reliance and self-improvement
- ◆ Strengthen external technical cooperation and conduct collaborative research projects with Tsinghua University, Tongji University, Huazhong University of Science and Technology and Southeast University
- ◆ Maintain cooperation with more than 80 industry associations and 11 industry alliances. Achieve strategic cooperation with domestic and foreign enterprises and promote continuous improvement of the technology ecosystem

Carry out in-depth research on key core technologies



Create an innovative atmosphere

We fully mobilise the innovation enthusiasm of all staff, and hold monthly daily exchange and sharing on industry research, forming a positive cycle driven by mutual inspiration. We hold innovative activities such as "hackathon" to activate internal innovation vitality and inject new thinking into business development. We hold industry research summits for the whole line of business, and select honours such as excellent cases of industry research, and awards for outstanding people in industry research, form positive incentives and release the source of power for high-quality development of enterprises.

Create a technical benchmark

- ◆ Interview with benchmark figures, interpret the growth process of top technical talents from the perspectives of technology field, working style and life, and condense the leading demonstration experience
- ◆ In 2022, add quarterly GDP Agile Improvement Award to encourage product updating and innovation breakthrough

Promote daily innovation

- ◆ Establish a community on the theme of "testing", "agile" and other quality and efficiency aspects of development, organise regular exchange events, and provide a platform for experience sharing and mutual learning and progress
- ◆ Invite advanced experts, teams and projects for technical sharing, carry out "public code review" workshop, organise agile training camp around the theme of "Innovation Iteration", and provide convenient and accessible learning windows



On-the-job system architects continue to inspire innovation

Case

Hackathon launches hot-topic track to activate internal innovation

The 9th Hackathon Competition of Glodon was held in Beijing, Xi'an and Shanghai from October 21 to 22. This Hackathon Competition continues to adhere to the core concept of "technology drives the future". In addition to continuing the previous open theme, this year, two themes of "privacy computing" and "space design automation" are added closely following the hot spots of social concern and business development needs. A total of 114 teams were attracted to sign up, and 28 award-winning products were finally selected. The operation satisfaction of the competition was 96%, effectively incubating innovative projects, tapping innovative talents and improving the warm atmosphere of innovation of the Company.



Hackathon brings together innovation teams from Beijing, Xi'an and Shanghai



TOT (TOP of TOP) on-campus recruitment training plan nurtures creative new force

Deepen learning and exchange

- ◆ Open up technical resources and information sharing platforms such as talent circle, talent think tank, wiki and online learning platform, and effectively promote the sharing of internal learning resources
- ◆ Set up a special inner source team, complete the construction of 7 inner source mechanisms and 1 developer agreement, and improve the flow efficiency of internal technical resources

Organise industry research summits

- ◆ Organise annual summits on industry research, hold a series of events such as hackathon, technology open day and TED knowledge sharing, and promote full participation in innovation and creation
- ◆ Select annual awards such as the Outstanding Case Award for Industry Research and Best Industry Research Personnel, recognise outstanding individuals and practices in product research and development, and fully leverage internal incentives

Case

Hold a building technology innovation and entrepreneurship competition and gather industrial innovation driving force

On December 20, 2022, the Grand Final of Glodon Building Technology Innovation and Entrepreneurship Competition came to a successful conclusion. With the theme of "gathering building sparks and creating industrial ecosystem together", this competition aims to discover and cultivate excellent start-up teams with innovative technology and growth potential in the industry, jointly create building technology industry ecosystem, invest or support the rapid development of excellent building technology enterprises, and jointly serve the digital innovation and upgrading in the building field.

Cultivating Digital Building Talents

Glodon keeps in mind that professionals are the builders of digital building and the first driving force for industrial development, actively integrates industrial resources, provides digital building talent cultivation solutions around the whole lifecycle of Developers, cooperates with ecosystem partners such as government, industry, learning and research partners to provide support for the employment of college students and the skill improvement of employees, provides high-quality digital talents for digital transformation of building enterprises, and accumulates more driving force for the development of the building industry.

Year 2022

Provide total solution for
274
colleges and universities



Provide talent cultivation solutions and professional consulting services for
449
colleges and universities



Build an ecosystem platform for school-enterprise cooperation with
99
colleges and universities



Cooperate with professional colleges and universities to build
89
training bases



Carry out
69
industry-university-research cooperation projects with colleges and universities



Jointly cultivate talents by schools and enterprises

Through the analysis, deconstruction and reconstruction of the future industrial demand, we empower the industry resources to colleges and universities, combine the cutting-edge science and technology and information industry to construct new scenes, new post capability models and new demands for talent ability, carry out systematic construction of digital teaching platform around students' actual practical ability, innovation and entrepreneurship ability and cross-border integration ability, create a complete teaching system and form a competitive teaching model.

Develop teaching products

- ◆ Develop teaching products to match the training of intelligent construction talents. Cover over 100 undergraduate and higher education institutions, give class in over 50 colleges and universities and cultivate over 5,000 students
- ◆ To fill the shortage of professional teaching materials, organise experts from more than 70 universities to develop 12 intelligent construction series teaching materials

Open learning platform

- ◆ The Glodon digital training platform strongly supports the digital transformation of teachers' teaching and students' practical training. By the end of the reporting period, 900 colleges and universities have been registered, 8 platform-based practical training courses have been provided, and 2,771 teachers and 96,729 students have accepted the practical training and teaching services
- ◆ More than 1.47 million users use mobile teaching aids, with 30% of the total number of active users taking courses, effectively helping users to improve their job skills. More than 400,000 new C-end users are added throughout the year, with the highest monthly active users being 180000+

Jointly cultivate talents

- ◆ Collaborate with Huazhong University of Science and Technology to undertake the collaborative education project of the Ministry of Education, and jointly create a virtual simulation experimental teaching system under engineering conditions
- ◆ Maintain cooperation with more than 1,800 colleges and universities, accounting for 90% of construction colleges nationwide. Cooperate with 66 colleges and universities to carry out cooperative education projects, and jointly carry out teacher training with 657 construction colleges and universities

By the end of 2022

Cooperate with more than
1,800
higher education institutions



Promote learning through competition

- ◆ Build a diversified and orderly advanced competitive platform of "school-provincial-national-international", covering 31 provinces, autonomous regions and municipalities directly under the Central Government, and hold more than 40 provincial events, 4 national events and 2 international events annually, covering more than 1,100 colleges and universities and more than 80,000 teachers and students
- ◆ "National University BIM Graduation Design Innovation Competition" has been selected into the "National University Subject Competition Ranking" by the China Association of Higher Education for two consecutive years, becoming the only BIM competition in the national university student building competition

Enable talent growth

We enable the whole lifecycle of Developers' learning, training, evaluation, certification and employment, connect the education ecosystem with the industry ecosystem, effectively match the talent supply end and the demand end, realize the integration of vocational education and professional basic education, cultivate and output high-quality and practical talents for the digital field of building industry, and achieve the building life of Developers.

Case

Supporting BIM competition of the National Employee Digital Application Technology Skills Competition

In 2022, a national-level event in the direction of "digitisation" - the National Employee Digital Application Technology Skills Competition, organised by All-China Federation of Trade Unions, kicked off. As a domestic BIM software technical support enterprise, Glodon has enabled all provinces to actively carry out a series of talent selection and enterprise empowerment training events with BIMMAKE software as the core, helping to hold provincial competitions and national finals smoothly. During the period from July to November 2022, it successfully responded to the requirements of more than 20 key regional trials and training in China, and promoted the application upsurge of domestic BIM software from point to area. During the period, a total of more than 30 pre-competition trainings are organised, covering Beijing, Shanghai and Jiangsu, and training nearly 1,000 seeded players in BIM applications.

Case

"Digital Transformation is Just in Time" alliance event, analysing the need for digital building talents

On April 12, 2022, the first phase of "Digital Transformation is Just in Time" forum series jointly organised by Glodon Digital University and Zhongguancun Digital Building Green Development Alliance, was held at Glodon Beijing Headquarters. Experts from well-known universities and entrepreneurs in the industry discussed deeply around the "demand and cultivation of digital building talents", attracting more than 4,000 teachers and students from construction colleges and universities, and jointly helping the digital transformation of building industry.

Develop a talent cultivation system

- ◆ Release three systems for talent cultivation (employment standard system, course system and comprehensive evaluation system), cover 14 occupational areas, guide by enterprise needs, support the ability growth of building talents and open up the cultivation path for C-end talents

Conduct occupational skill certification

- ◆ Glodon informatisation Application Skills Certification for Construction (GIAC) standard has become a reference for many enterprises to evaluate talents and set salaries and posts. 1,100 GIAC examinations are held throughout the year, with 103,750 candidates participating, of which 62,182 pass the examination
- ◆ The 1+X Engineering Costing Digital Application Certificate has been recognised by the National Credit Bank of Vocational Education as a credit value of Certificate Credit Bank, which is used as the basis for colleges and universities to convert student learning outcomes. There are 465 national pilot colleges and universities for 1+X Engineering Costing Digital Application Certificate, and more than 20,000 people have been assessed for digital application certificates

Establish a talent transfer channel

- ◆ Successfully launch Glodon Building Industry Recruitment Platform Version 1.0 which is dedicated to the accurate matching of building companies and job seekers. There are more than 10,000 jobs on the platform, more than 5,000 resumes have been perfected and about 3,000 students seeking jobs have been served in the building industry



Clients to host professional certification competition for 10,000 people and cultivating budgeting talents

Driving Digital Upgrading of the Industry

Glodon has accumulated many years of experience in digital building services, fully grasped the development trend of the industry, researched and explored the digital transformation path with various partners, standardised the digital language system of the industry, improved data quality, opened up data island, fully released data value, shared excellent practices of digital transformation, joined hands with industry participants to form a consensus on digital transformation in the industry, and drove the transformation of improving quality and efficiency in the building industry.

Year 2022

Sign
125
cooperation projects with
local governments



Participate in
8
trade associations and
4
alliances



Host and co-organise
25
industry summits, forums
and conferences



Participate in
65
forums, conferences
and lectures



Issue
16
white papers and
industry reports



Industry Insight

We focus on the hot topics of industry transformation and upgrading, and continuously output the latest research and insights. We also adhere to standards to lead the way, summarise proven methods for digital transformation of enterprises and promote a standardised, healthy and flourishing building industry.

Deepen industry research

- ◆ Release the industry's first "Digital Housing and Construction Office" White Paper (Building Industry Volume 2022), which is oriented at the digitalisation of competent departments of building industry
- ◆ Launch the industry's first "Digital Supply Chain" White Paper
- ◆ Release *Digital Cost Management White Paper* for five consecutive years
- ◆ Prepare *Analysis Report on BIM Application in China Enterprises in Building Industry* for 6 consecutive years
- ◆ Release five industry monographs on digital transformation in building

Lead the industry development

- ◆ Participate in the preparation of the first national standard for digital transformation, namely, *Integration of Informatisation and Industrialisation - Digital Transformation - Reference Model for Value and Effectiveness*
- ◆ Participate in the preparation of digital standards in many provinces and municipalities to standardise data application, open data island and unlock data value
- ◆ Establish a think tank of digital design experts and employ a total of 67 industry experts to contribute to the digital transformation of the industry

Promote the concept of digital intelligence

We are committed to researching digital transformation strategies, exploring transformation paths, sharing best practise of digital transformation and raising industry awareness, disclosing outcomes of digital intelligence, actively working together with all parties in the industry to explore practical development paths, and promoting the accelerated transformation and upgrading of the building industry.

Spread the experience of digital intelligence

- ◆ Deeply participate in many national conferences. Deeply participate in the Digital China Construction Summit for 5 consecutive years, and be invited to host the national "Innovation-driven, Digital-led - Special Seminar on Digital Transformation of Building Enterprises" in 2022
- ◆ Host the China Digital Building Summit for 13 consecutive years and promote the reshaping of enterprise control and expansion capabilities by digitalisation

Share outcomes of digital intelligence

- ◆ Set up sharing channels such as digital building lecture hall and create a professional communication and learning platform for digital transformation of building industry. The overall exposure rate is over 9 million times
- ◆ Provide free product services and help spread digital tools. A total of 78,928 new users enjoy the free use of Glodon BIMMAKE products throughout the year, covering 50,898 companies and 60,290 projects

Case

Glodon's open platform accelerates digital transformation in the building industry

In 2022, Glodon's open platform made the Company's capabilities used in various building projects known to the public, seeking to accelerate the digitalisation process across the industry. More than thirty components are available and a wealth of teaching materials and template tools are provided, so as solve the problem of difficult learning and questioning for developers. It also provides a privatised environment to further accelerate the digital transformation of state-owned building enterprises. It has now been deployed in SCEGC Digital Technology Co., Ltd. and it provides a platform and growth engine for SCEGC's own digital application development capabilities and ecosystem development.

Case

GFC standard of Glodon makes full-cycle data exchange smooth

In June 2022, Glodon officially released the digital building data exchange standard (GFC standard) compiled by itself. The data commonly used in the field of construction engineering are structured and standardised, and the data exchange at each stage of construction engineering is achieved, so as to effectively avoid the "mistakes, omissions and conflicts" of projects caused by data redundancy, large transmission loss and technicians' understanding at each stage and each discipline of digital building, and promote the digital intelligence transformation in whole lifecycle of the project.

Building Sustainable Supply Chains

Glodon attaches importance to the transfer of sustainable development value in the supply chain and works together with suppliers to develop responsible procurement and form a unified value consensus. It plays a full role as a platform linking the supply and procurement parties of the industry, maintains an open and transparent business environment, guides the healthy development of the supply chain of building industry by means of digitalisation and standardisation, and creates a win-win, efficient and reliable supply ecosystem.

Practise responsible procurement

We have established a procurement management committee to oversee the transparent conduct of all types of procurement operations and to supervise the implementation of all improvements. Revise and improve the Group's procurement management system, issue the *Procurement Management System* and *Supplier Management System*, ensure fair and equitable procurement and continuously improve the quality of the supplier base. Built a supplier management system, establish a whole lifecycle management process, use digital means to improve procurement efficiency, ensure transparency and traceability, and effectively ensure product quality.

Responsible access

- ◆ From June 2022, incoming suppliers must sign the *Corporate Responsibility Commitment* to comply with the SA8000 social responsibility standard
- ◆ Suppliers providing manufacturing services must have QHSE management system certification and take management measures in quality, health, safety and environment
- ◆ 449 suppliers were included in the supplier base in 2022, with the supplier review pass rate increased to 92.58%

Responsible assessment

- ◆ Establish a risk assessment model for suppliers and set health, safety and environmental management system certification and environmental qualification certification as important deduction items of assessment
- ◆ 1,836 suppliers meeting credible and reliable standards by 2022. Glodon's intelligent hardware products are not subject to any product quality problem throughout the year, and the number of products that have to be withdrawn and recalled for health and safety reasons is zero

Responsible review

- ◆ Conduct regular environmental and social risk reviews of suppliers. Conduct online and offline review on a monthly basis for key suppliers who work closely together. Or conduct supplier review based on projects and project requirements
- ◆ Judge the potential risks and problems of suppliers based on the quantitative review result reports at each stage, control them in real time and take corresponding corrective measures for the problematic items. Initiate the exit mechanism for suppliers who fail to pass the correction
- ◆ In 2022, 17 suppliers subject to improvements after review, and 39 suppliers subject to cooperation termination after review. All key supplier resources and reviewed manufacturing suppliers meet environmental and social risk management policies of suppliers

Enable upstream and downstream of the industry

We are committed to improving the operational efficiency and risk resilience of the industry's supply chain, integrate upstream and downstream industrial resources through the digital supply and procurement platform "m2.com", and solve the painful point of information asymmetry. We lead the way in initiating the establishment of the QCDS comprehensive evaluation standard for building materials suppliers, promote the standardisation of the industry's supply chain and provide driving force to the sustainable closure of the supply chain.

Integrate quality resources in the industry

- ◆ Continuously upgrade the digital supplier base, cover 993 categories required for the engineering cycle, select more than 100,000 high-quality supplier resources and more than 1 million commodity items. Recommend a total of 188,181 suppliers in 2022, an 88% year-on-year increase, and help customers improve their procurement efficiency by 8 times
- ◆ Significantly improve procurement efficiency, efficiently complete demand matching and support enterprises to resume work and production. A total of 4,859 buyers post 17,956 requests throughout the year, and the supplier is recommended for each request in 3.8 hours in average

Establish professional procurement standard

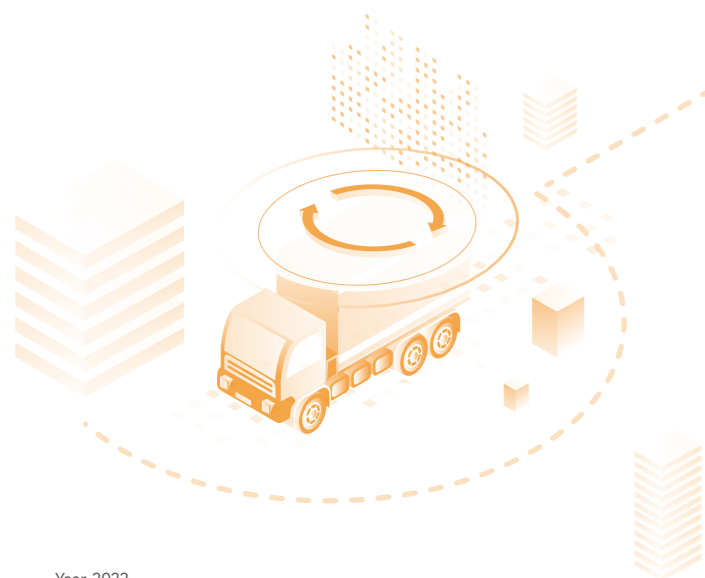
- ◆ Establish QCDS comprehensive evaluation standard for building materials suppliers, evaluate suppliers in terms of quality, cost, delivery, service and other dimensions, and select high-quality resources, and solve the pain points of low price winning, difficulty in sourcing, subjective evaluation indicators and supplier performance risks in the industry
- ◆ The supplier evaluation standard system is based on the principles of objectivity, impartiality and non-financial nature, and links development opportunities for high-quality small and medium-sized suppliers
- ◆ By 2022, the standard has supported the business management work of more than 300 procurement customers, completed the evaluation and certification work of 1,000 platform suppliers, and more than 60% of procurement business has achieved the standardisation of professional abilities

Year 2022

718
suppliers have been reviewed for the environmental and social risks



39.1%
of suppliers meeting environmental and social risk management policies of suppliers



Year 2022

1,836
suppliers in total



100%
public procurement rate



Case

Glodon's construction supply chain finance risk control model keeps ESG indicators under review

In 2022, ESG factors have been incorporated into Glodon's construction supply chain finance risk control model. The main credit evaluation system for EPC enterprises focuses on issues such as production accidents, migrant worker wages, and social reputation, and sets up separate ESG indicators to consider the performance data of EPC enterprises, so as to promote the importance and investment of ESG capabilities in EPC enterprises through financial services. Throughout the year, 33.3% of prospective EPC customers are not admitted due to inadequate ESG and a further 12.5% of admitted EPC customers have their credit lines downgraded or frozen due to ESG deduction. As an active practitioner of the ESG concept, Glodon continues to use market-based mechanisms such as access and credit awarding to guide the building industry to pay attention to and value the ESG concept and help build a green social credit system.





SMART ECOSYSTEM

Enabling Low Carbon Transformation

Glodon has taken the initiative to join the action to address global climate change, actively practise the concept of low-carbon operation, explore and carry out enterprise carbon management, and help enterprises to save energy and reduce emissions in a scientific way. In addition, it focuses on enabling the green and low-carbon transformation of the building industry with digital technology, guides the green and low-carbon development of the whole lifecycle of the building industry, creates green building demonstration models, leads the future development of building products in the direction of green, intelligent and livable, promotes the formation of a green development and lifestyle, and makes positive contributions to the implementation of the carbon peak and carbon neutral targets and the construction of ecological civilisation.

Total greenhouse gas emission equals to
3,187.27 t
carbon dioxide equivalent

Savings in total water consumption of
224 t

Direct greenhouse gas emission equals to
142.67 t
carbon dioxide equivalent

Total office paper consumption of
6 t

Indirect greenhouse gas emission equals to
3,044.60 t
carbon dioxide equivalent

Total natural gas consumption of
53,000
cubic metres

Scope of statistics: Glodon Beijing Headquarters

SDG Icons



Exploring and carrying out enterprise carbon management

Glodon continues to pay attention to the impact of global climate change on the building industry and actively carries out the identification and management of carbon emission sources in production and operation, so as to develop countermeasures for energy saving and emission reduction. It continuously improves the efficiency of energy use and reduces direct and indirect greenhouse gas emissions. It is committed to creating green building demonstrations, exploring ways to reduce emissions in operational practice with digital technology, and continuously improving the ability to address climate risks.

Carbon emission identification and management

We have systematically identified the key areas of use for direct energy consumption (Scope 1) and indirect energy consumption (Scope 2 and Scope 3) in enterprises, and have developed management responses accordingly in an effort to reduce carbon emissions from operational activities. In addition, we actively promote the reduction of emissions and carbon in the upstream and downstream of the industry chain to help the industry's low-carbon transformation.

In 2022, the Company conducted internal accounting of greenhouse gas emissions in accordance with the General Rules for Calculating Comprehensive Energy Consumption and the Guidelines for the Preparation of Provincial Greenhouse Gas Inventory, and the total greenhouse gas emissions from Beijing Headquarters were 3,187.27t carbon dioxide equivalent, including direct greenhouse gas emissions of 142.67t carbon dioxide equivalent and indirect greenhouse gas emissions of 3,044.60t carbon dioxide equivalent.

Scope of greenhouse gas emission	Source	Area of use	Management measure
Scope 1	Emission from mobile combustion	Fuel vehicles of the Company	Strengthen the management of vehicle fuel consumption statistics of the Company, choose economic routes as far as possible for driving the vehicle, use one vehicle for many purposes, reduce the use of air conditioner, carry out regular maintenance, ensure that vehicles run well and reduce fuel consumption
	Emission from stationary combustion	Boiler and canteen areas	Promote the use of renewable energy, use automation technology and other technologies, reduce waste and increase energy efficiency
	Fugitive emission	Refrigerant escape	Choose environmentally friendly refrigerants for replacement and regularly check and maintain refrigeration equipment to reduce refrigerant leakage
Scope 2	Indirect greenhouse gas emission from purchased electricity	Production, auxiliary production and non-production departments	Conduct digital upgrading of the power distribution system in the Glodon Building, implement precise control, and reduce unnecessary emissions
		Central heating and hot water supply	Promote investment in renewable energy and prioritise renewable heat
Scope 3	Related indirect emission along the supply chain	Staff commuting	Encourage staff to work green and advocate green travel. The Company's nine staff shuttle buses are all new energy vehicles
		Emission from business travel	Reduce travel by implementing an electronic seal system and holding online forums and online meetings
		Supply chain such as logistics and distribution	Incorporate carbon reduction targets into supplier management guidelines and give preference to material suppliers who practise low carbon concepts
		Waste disposal	Choose a professionally qualified waste disposal agency to enhance waste separation and reduce waste discharge

Energy use management

(emission reduction strategy for scope 1 and scope 2)

We attach great importance to the management of corporate energy use, and in conjunction with the construction of the green and energy-saving Glodon (Xi'an) Digital Building Product Development Base, we practise and spread the concept of green building. We continuously improve the efficiency of energy use in offices and promote energy saving and emission reduction in enterprises.

Save energy

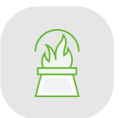
- ◆ Reduce non-renewable energy consumption, reduce the use of natural gas combustion in heating boilers, and use solar energy system to provide hot water more frequently, and maximise the use of clean energy
- ◆ The property department conducts weekly statistical supervision of energy consumption data in all areas of the building to keep abreast of energy consumption, and installs energy saving and emission reduction systems for air conditioning pumps and fan coils to achieve automatic control and reduce energy consumption

Save electricity

- ◆ Arrange a sunken courtyard for some basements in conjunction with the ground landscape, provide natural light skylights and arrange light harvesting devices, maximise the use of natural light, and reduce the power consumption for daily lighting
- ◆ Keep the operation temperature of air conditioner above 26 degrees Celsius in summer and prohibit the use of high-power heating equipment in the office under normal heating conditions in winter; and keep the operation temperature of air conditioner faceplate in the bathroom not higher than 26 degrees Celsius in summer and 20 degrees Celsius in winter
- ◆ Post signs of "turn off when leaving" on lights and office equipment, turn off the light when leaving during daily work, set the operation time of light and air conditioner in the dining area of the restaurant, and keep them off outside the time range

Glodon energy use in 2022

Total natural gas consumption
5.3 10,000 cubic metres



Total gasoline consumption
9.6 t



Total purchased electricity
533.86 10,000 kWh



Case

Glodon (Xi'an) Digital Building Product R&D Base, creating green building demonstration

The construction of the Glodon (Xi'an) Digital Building R&D Base started in 2019 and took three years to complete, with a total investment of RMB 22.5 million in environmental protection. It uses BIM technology and a digital management platform throughout design, construction and operation and maintenance, making the Building a "super testing ground" for exploring digital buildings and profound practise of "digital building". In addition, it is also a digital R&D building that combines green, energy-saving, health and intelligence.



Scan the QR code to check the green, energy-saving, healthy and smart digital office environment

- Lean construction process**
 - The project adopts the IPD project management model and implements data-driven lean construction. Relying on the integrated application of digital construction platform, system and hardware and software tools, achieve digitalisation, online and intelligence of the entire construction process. Considering the reasonable loss value based on the BIMMAKE model, the actual volume deviates from the planned volume by -0.41%, so as to maximise the reduction in resource use
- Green space planning**
 - On the north side of the Building, a new soundproof glass curtain wall is used to isolate traffic noise while allowing the Building to fully access natural light. The office area faces south and receives warm sunlight
 - Use intelligent sunshades that open and are closed by themselves according to the intensity of sunlight, balance the use of natural light and electricity, regulate indoor light, and reduce electricity consumption
- Ecological building landscape**
 - In addition to regular outdoor and roof greening, vertical greening and ecological atrium are installed indoors, with over 30 evergreen plants planted. In combination with a green ecosystem, digital technology is used to automatically balance the temperature and humidity of the atrium, keeping the office space and outdoor environment in an evergreen state, while increasing carbon sink offset
 - A 36m high and 12m wide waterfall in the atrium is a natural humidifier for the Building. The combination of the spray system and the water curtain in the atrium meets the landscape design requirement while building the humidity environment required for plant growth, making the Building more energy efficient, ecological and environmentally friendly
- Recycling of water resource**
 - Water for waterfall flow and plant irrigation is rainwater recycled through 'sponge city' technology, and rainwater can also be recycled for over 80% of the outdoor landscape
- Clean energy use**
 - Roof PV power provides electricity for the operation of the Building. Electricity can be stored by roof PV power, so as to ensure lighting in the Building all day long
 - Adopt solar PV system, solar hot water system, heat recovery system and noise shading system, realize transformation from energy use into energy creation and from performance into energy saving, achieve self-production of building energy, and realize energy saving and carbon reduction
- Low-carbon operation monitoring**
 - During the operation process, conduct practical application pilot of building carbon management and carbon measurement products, set an advanced and reliable intelligent operation and maintenance platform which integrates the building heating, air conditioning and ventilation system and building lighting system, so as to realize the calculation of carbon emission aggregation for the whole lifecycle of the building
 - By collecting equipment operating parameters and indoor environmental parameters, calibrate the indoor environmental simulation model and building energy consumption analysis model, conduct comparative analysis between simulated data and actual electricity consumption data, and compare and evaluate them with expected design values

Build green value chains together

(emission reduction strategy for scope 3)

We adhere to the concept of green development and focus on carbon reduction in logistics, green procurement, online meetings and encouraging employees to travel green as key aspects of energy saving and emission reduction in scope 3, strengthen the management of indirect emissions generated by the supply chain, and work together with partners to build a green value chain.



Case

Reducing carbon emissions from logistics and implementing electronic contract seal

Glodon actively implements the electronic seal system, and by the end of August 2022, the Company has reduced a total of 7,265 contracts by mail, involving 29 regions (251 contracts for each region in average). The average completion cycle of sealing on the contract in a single region is reduced by 50% compared to the sealing time by mailing to the headquarters, improving the efficiency of contract management while greatly reducing the carbon emission generated in the process of express mailing.

Case

Building a green procurement platform and promoting development of green building materials

Glodon integrates upstream and downstream industry resources, creates industry-wide green building material whole-chain service and builds a digital and information management platform for green building materials. Digitally display green building materials in all aspects at the demand end, digitally match green building material demands with building materials manufacturers, and fully connect the upstream and downstream of operation-assisted construction projects, so as to share green building materials data and achieve bilateral demand satisfaction. The green building material service platform covers all certified products and supplier data, covering 51 building material categories, 2,300 green building material companies, 3,400 green building materials and 5,700 green building project cues.

Case

Promoting remote working and practising green office

Glodon takes practical actions to practise the concept of green office and actively optimizes remote cooperative office tools. In 2022, a total of 4,132 employees have realized remote home office and a total of 192,036 days of remote work, saving an average of 42.67 days of commuting days per person and reducing carbon emissions brought about by employees' commuting. In addition, it promotes remote communication and exchange with customers to minimise the carbon emissions from business travel.

Practising Eco-friendly Concepts

Glodon actively fulfils its social responsibility for environmental protection, focusing on the management and use of water resources, office paper and other resources to continuously improve the efficiency of resource utilisation. It strengthens the management of emissions in compliance with regulations and reduces waste discharge to minimise the impact of business operations on the environment and natural resources.

Resource utilisation management

We continue to strengthen the reduction and greening of resource use, and continue to improve water efficiency through the establishment of intelligent water saving systems and water saving renovation of water infrastructure. At the same time, we encourage staff to save office paper and reduce the use of packaging materials as far as possible, and promote the whole enterprise to take practical action to practise the green office concept.

Water resources management

- ◆ Considering the use of siphonic roof for drainage, the use of sponge facilities (green roofs, permeable paving, sunken green areas, rain gardens), the collection and reuse of rainwater (grey water, tail water, condensate water) and the reuse of non-conventional water resources, and establishing a smart water saving system
- ◆ Providing water-saving taps and water-saving tanks in all bathrooms, and establishing a water reuse system. 430 tonnes of recycled water were used in 2022.
- ◆ Irrigating the greenery using a sprinkler system in the afternoon or evening when the temperature is low, making plans on the greenery watering according to the weather forecast and the probability of rainfall on the irrigation day to avoid rain during or after irrigation in order to save water

Resource consumption management

- ◆ Reducing the use of packaging materials, focusing on avoiding excessive packaging of holiday gift boxes, and adopting lightweight and reduced packaging methods to produce holiday gift boxes
- ◆ Promoting the use of reduced and paperless meetings, reducing paper consumption for printing meeting documents and using biodegradable, eco-friendly and reusable paper to print office documents

Waste discharge management

We continue to improve the solid waste management mechanism of the Company, revise and improve the solid waste management system in strict accordance with the newly revised *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, classify and manage solid waste generated by the enterprise, promote waste reduction at the source and ensure compliant disposal of waste, and continue to regulate the collection, storage, reuse, harmless treatment and transfer and disposal of solid waste.

Resource Utilization of Glodon in 2022

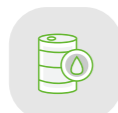
Total consumption of office paper

6 tonnes



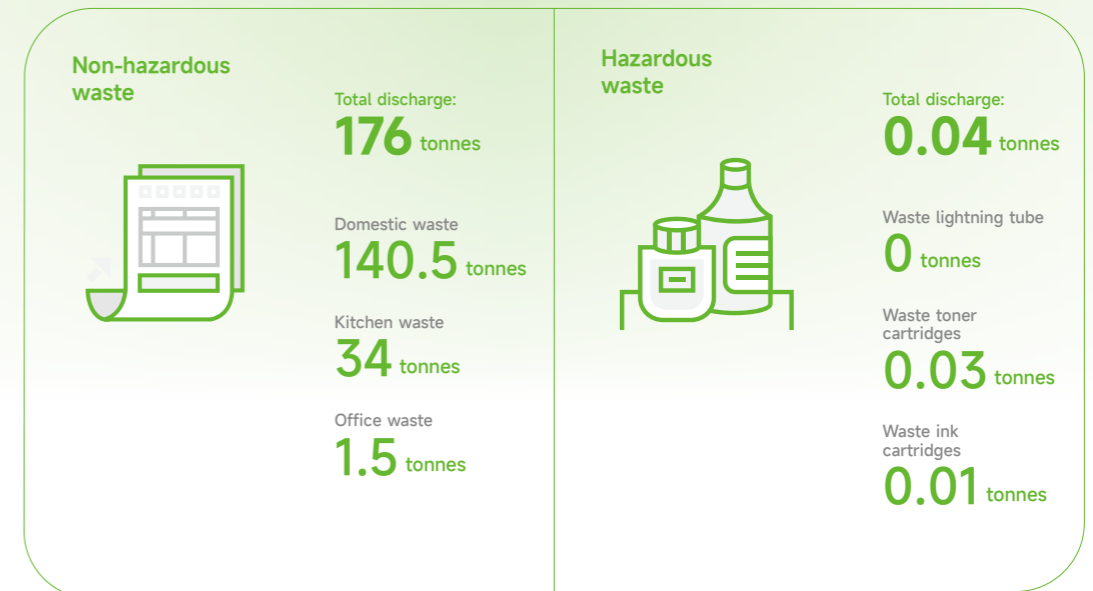
Total consumption of fresh water

28,474 tonnes



Scope of statistics: Glodon Beijing Headquarters

Waste Discharge of Glodon in 2022



Scope of statistics: Glodon Beijing Headquarters

General waste	Electronic waste	Hazardous waste
<p>Domestic waste, kitchen waste, office and marketing waste paper, construction waste, etc.</p>	<p>Replaced electronic components and electronic equipment, and scrapped equipment such as office printers, photocopiers, fax machines and calculators</p>	<p>Bare circuit boards, batteries, etc. from base stations and server rooms, toner cartridges, ink cartridges, fluorescent tubes, etc. from office premises</p>
<p>Management methods</p> <ul style="list-style-type: none"> ◆ Domestic waste is sorted, disposed of and transferred to the location designated by the sanitation department; kitchen waste is collected and disposed of by entities qualified for recycling and disposal; construction waste is required to be cleared and disposed of properly by the contractors in a timely manner ◆ Office and marketing waste paper, etc. are disposed of by means of waste recycling, and confidential documents are destroyed in an eco-friendly manner 	<p>Management methods</p> <ul style="list-style-type: none"> ◆ Storage at designated locations and disposal by waste material recyclers with qualifications issued by the environmental protection department in accordance with the relevant management measures for the scrapping of fixed assets of the Company 	<p>Management methods</p> <ul style="list-style-type: none"> ◆ Sorting and storing the waste in warehouses that meet pollution control standards and clearly marking the waste with warning signs ◆ Selecting entities with appropriate qualifications to carry out the transfer and disposal of hazardous waste, and at the same time completing the filing with the environmental protection department

Enabling the Green Transformation of the Industry

As a digital building platform service provider, Glodon is committed to leveraging its professional resources to empower the green transformation of the building industry, works with industry partners to develop green building-related standards, participates in research and system development on topics such as carbon emission measurement products, provides training on topics such as green building, green building materials and green construction, provides quality solutions for the building industry, and promotes the low-carbon transformation of the building industry.

Participating in the development of standards

- ◆ Participated in the development of the national standard Guidance on Energy Performance of Construction Contracts edited by the Technology and Industrialisation Development Centre of the Ministry of Housing and Urban-Rural Development
- ◆ Participated in the development of the group standard Guidelines for Calculating Energy Consumption and Operational Carbon Emissions of Urban Buildings of the Chinese Society of Urban Planning, edited by Tongji University, cooperated in the development of core algorithms based on the standard, conducted data verification in pilot projects and conducted data comparison and analysis with similar international products, and the R&D results were recognized by industry experts

Deepening the research on projects

- ◆ Participated in the establishment of the National Centre of Technology Innovation Digital Construction, set up a digital building software laboratory and carried out carbon integration software projects for green building materials and low carbon buildings
- ◆ Cooperated with Southeast University to carry out research on carbon emission evaluation index system and accounting method for office buildings, and the main results have been delivered

Advancing system development

- ◆ Set up a research and development team to develop carbon measurement and evaluation software and monitoring system for the Xi'an Tower project, and conducted business research and product development and innovation in carbon management for building materials and supply chain
- ◆ Developed the urban renewal 3D cloud low carbon management module with the technical support from Tongji University, and cooperated in carbon management business research and product development

Case

Being invited to the National Exchange Conference on Building Environment and Energy Application Technology

Glodon has been working in the field of HVAC design for 25 years, forming an integrated HVAC design solution that integrates calculation, modelling and drafting, serving over 1,000 customers and 80,000 designers in design institutes, consulting companies, equipment manufacturers and M&E installation companies, helping complete the change of design concept, refine design and technological innovation of HVAC, significantly improving design efficiency and design quality, also helping create an energy-saving, healthy and comfortable living environment and helping achieve the national carbon peaking and carbon neutrality goals. In September 2022, Glodon was invited to attend the 9th National Exchange Conference on Building Environment and Energy Application Technology and was awarded with the "Special Contribution Enterprise Award" for the Company's contributions to the low-carbon, healthy and high-quality development of the building industry.

Case

Glodon Building Performance Analysis Platform helps create a green, energy-efficient living environment

Glodon Building Performance Analysis Platform is one of the main products of Glodon in the digital design field. The platform can realise the simulation and analysis of light environment, wind environment, annual load and energy consumption of air-conditioning system for buildings and building groups, etc. The main functions include natural room temperature calculation, calculation of hourly cooling and heating load throughout the year of buildings, calculation of whole lifecycle carbon emission, calculation of carbon emission index, etc. It adopts authoritative and professional calculation core and combines domestic standards and codes, to help designers create better design solutions and create a green, energy-saving and comfortable living environment.



Case

Urban 3D Cloud enables urban renewal and leads the green and low carbon development

In 2022, Glodon undertook the reconstruction of an old residential area in Jinghu District, Wuhu, Anhui Province. The project covers a large area, some areas cannot be investigated on the spot, and it is difficult to obtain data. Traditional methods such as visiting and investigating the inside of the community require a lot of manpower and material resources. Glodon applied 3D digital models in the design phase to assist designers in research and design collaboration. With the rapid establishment of digital models by drones, it only took a week to complete the work from data collection to model generation and uploading to the cloud, reducing the efficiency reduction caused by model transmission, not only reducing the risk of modification due to inaccurate grasp of the current conditions, improving the implementation of the scheme, but also facilitating the improvement of research and survey efficiency, improvement of traceability of research results, effective reduction of manpower and time costs, improvement of project renovation efficiency, reduction of carbon emissions in the renovation process of the old residential area, realisation of digital technology-driven urban renewal and promotion of green and low-carbon development.



Building a Demonstration Green Ecosystem

Supported by technological innovation, Glodon is helping to realise scenarios of green planning, green design, green investment, green construction, green production, green circulation, green living and green consumption through digital technology, striving to build a green, low-carbon demonstration sample, and exploring a path towards high-quality development that is "smart+" and "green+" from high carbon to low carbon and from pilot to demonstration through project demonstrations, typical case promotion and other means.



Deepening the green concept

- ◆ As a pioneer and practitioner of "digital building", we are committed to deepening the practice of the "digital building" concept. We aim to use intelligent, interconnected, and collaborative architecture to meet the green development and intelligent operation needs of the entire city
- ◆ We insist on empowering green buildings with technology to meet the current tendency and challenges in the building industry. We accelerate the development of practical technologies and systems and promote the dissemination of research and development results. With new technologies and achievements, we help to promote the transformation and upgrading of the building industry
- ◆ We provide a complete set of solutions from the approval, planning, design to construction and operation of buildings. We promote the overall intelligence of the industry and build the whole lifecycle of green buildings

Strengthening technological research and development

- ◆ We build the EIM digital twin platform, expand EIM through the CIM at multiple levels, and integrate ecological algorithm, ecological IoT, and ecological big data capabilities to provide a digital foundation for intelligent governance of ecosystem
- ◆ We establish a smart ecological index system to guide ecosystem monitoring comprehensively and achieve dynamic evaluation or calculation of ecological environment, ecological management, ecological function, ecological value, etc
- ◆ We establish a smart ecological management system, develop a smart ecological management system, and innovate a new model of intelligent governance of ecosystem with the ecological TCM hospitals at its core. This model achieves closed-loop management of ecological health perception, expert diagnosis and treatment of ecological problems, efficient and intelligent operation and maintenance of ecosystem, and accurate measurement of ecological value
- ◆ We launch a green finance investment and financing docking service to help match green product projects with investors accurately, quickly, and efficiently, and use digital technology to reduce losses in various stages of the projects, thereby assisting in the construction of the zero-carbon building industry

Case

Smart Guangyang Island realises a new model of intelligent governance of ecosystem

Chongqing Smart Guangyang Island is one of the key projects in the construction of ecological civilisation on Guangyang Island. The project will be built on a digital foundation of ecological information models to create a smart ecological community, promoting deep integration of business and data for ecological restoration in various scenarios on the entire island. Guided by the new concepts of integration and co-existence of ecosystem and intelligence and green development, Glodon has innovatively provided a "smart integrated ecological solution", which supports smart methods and establishes new paradigms for conducting scientific ecological planning, efficient ecological governance, and high-quality ecological services. This aims to improve the quality of the ecological environment, maintain a healthy ecosystem, and promote the harmonious coexistence between human and nature in a low-carbon way. In 2022, Smart Guangyang Island was included in the Global Sustainable Development Business Case Library: Green and Low-carbon Model Cases and was released during the 20th United Nations Climate Change Conference at the side event of "China Corner".

Innovating intelligent ecosystem theory system

Building a dynamic evaluation system for ecosystem health

Forming an intelligent ecological management system

- ◆ Build an ecological information model (EIM) system, establish a multi-object intelligent ecological indicator system, study ecological algorithm models, build an EIM digital twin platform, support ecological planning, ecological governance and ecological service and other applications, and release the *Research Report on Data Set of Intelligent Ecological Evaluation Indicators at Home and Abroad* and the *White Paper on Intelligent Ecosystem* and other research results
- ◆ With the support of the ecological indicator system, collect the data of ecological operation, building operation and maintenance and ecological facilities operation in real time, dynamically calculate the ecosystem health, ecological management efficiency and ecological function index, realize the dynamic evaluation of ecological health of Guangyang Island, and carry out rapid diagnosis, tracing and intelligent analysis of ecological environment problems
- ◆ Develop a smart ecological management system and innovatively create a new model of ecological governance centered around the ecological TCM hospitals. By introducing more than 20 ecological algorithm models in different fields such as mountains, water, forests, fields and lakes, break through the status quo of closed ecological operation and management of mountains, water, forests, fields and lakes, innovate an integrated, grid-based ecological management and care system for multiple ecological elements, realising an algorithm-based management drive to support efficient management and sustainable operation of regional ecosystem



Note: The image is provided by Chongqing Guangyang Island Green Development Co., Ltd

Case

The BIM+Smart Construction Site Project is awarded with the Green and Civilized Construction Award

The PPP project of comprehensive improvement of Luxi River water environment is a key project in Chengdu, Sichuan Province. The construction content is divided into the "Luxi River Wastewater Treatment Plant II" and "River Comprehensive Management" projects. After completion, the project will significantly improve the water environment in the Luxi River region and enhance the efficiency of sewage treatment in the Longquanyi District. As there were multiple participating entities and personnel, and it was difficult to coordinate the organisations, the "BIM+Smart Construction Site" was applied to empower the project management comprehensively. This horizontally connected labor, quality, safety, production, technology, cost, materials, and other business data to achieve efficient collaboration. Through dynamic monitoring and management of the construction environment, real-time supervision of water, electricity and carbon emission data was achieved, and the project was awarded with the "Green and Civilised Construction Award" by the Chengdu Municipal Housing and Urban-Rural Development Bureau.



BUILDING AND SHARING

Empowering for a Better Life

Glodon always pursues the material and spiritual well-being of all employees, with a mission to create a better living and working environment through technology. We care about employee welfare and strive to create an equal, inclusive, and enterprising career development platform, providing a healthy and safe working environment, and promoting the common growth of the Company and employees. We actively give back to society, cooperate with stakeholders, strengthen community investment and construction in the places we operate, and actively carry out community philanthropy and volunteer services, sending warmth to more groups and striving to realize the people's aspirations for a better life.

The total number of employees is
10,683
 with female employees accounting for
39.26 %
 and minority employees accounting for
5.22 %

The total annual investment in employee health security is RMB
10.189 million

The live streaming of psychological counseling empowered over
600
 individuals

Newly employed
2,971
 persons

The Glodon Family Fund account has received donations from
3,183
 individuals, with a total donation amount of RMB
1,164,000
 helping

The total training rate for employees is
98 %

120
 employees in difficulty with a total of RMB
1,160,000



Gathering the Strength of Employees

Glodon always respects, recognises every employee and treats every employee well, and is committed to developing a broader development space through a sound talent training system. We adhere to ideological guidance, form a powerful joint force with unity and struggle, and release the development vitality of employees, to promote the sustainable development of the enterprise.

Year 2022

Total investment in employee training: RMB **30.64 million**



Investment in employee training per million of revenue: RMB **4,676**



Length of training per person: **21.8 hours**



Investment in training per person: RMB **2,868**



Total length of employee training: **215,000 hours**



Helping employees grow

We have formulated annual cadre and talent cultivation plans, continued to improve our staff growth resource system, created a comprehensive and diversified training program system, smoothed out career development paths, improved training expertise and resource investment, and provided intellectual support and talent assurance for our strategic development.

Improve talent cultivation system

- ◆ Implement development plans with different forms and contents for new, incumbent and high-potential reserve management positions and other positions, preliminarily form a leadership development system that spans from senior to junior to grass-roots cadres, focus on the enhancement of the willingness, mental capacity, intellectual capacity, and action capacity of all cadres to support the Company's sustainable implementation of its strategy

Broaden career development path

- ◆ Clarify the rules and standard guidelines for the construction of professional sequences through external benchmarking studies, more than 30 internal executive interviews and many rounds of decision-making committee discussions, and complete the horizontal optimization, vertical channel expansion, and moderately forward-looking sequence settings based on business strategies
- ◆ In 2022, 10 employees were promoted to senior professional technicians and 9 employees to intermediate professional technicians

Enhance employees' development capabilities

- ◆ Complete the development and iteration of the content of 87 qualification standards in three major channels through framework interpretation and empowerment and workshop guidance
- ◆ Glodon launches its qualification management system, opening up a closed loop of self-driven employee growth from competency benchmarking to gap analysis and development of improvement plans (IDPs), and releasing a video on the interpretation of job standards produced by experts in each sequence

Honoured as one of the 16th Beijing Outstanding Enterprise in Ideological and **Political Work**

Recognized as a new economic organization and new social organization in Beijing, and honoured as one of the "Excellent Enterprises with Double Strengths and Six Excellence" by **the municipal Party committee**



Organisation of the 2022 DDD Cadre Training Camp

2022 DOD Cadre Mid-Year Motivation Program

- ◆ Upgrade from summer camp to training camp, provide "Stride a Thousand Miles, Run into DOD" year-round training, provide training in the form of thematic speeches, benchmarking case sharing, team seminars, outdoor development and other forms to enhance the cadres' sense of cultural values, advocate the practice of "leadership of the 9th three-year plan"
- ◆ A total of 325 people participated offline, and nearly 400 people participated online, with a satisfaction rate of 92.4% for the martial arts training. The rate of people completing follow-up training after the camp was 87%, and more than 3,400 key employees were covered, achieving a significant improvement in the organisation's capability

General Manager Training Camp

- ◆ Offer 5 innovative courses under the "One Mindset" program on chaos theory, provide training for 42 students in the Jinghang Class, achieve an overall satisfaction rating of 9 points, and assist mid-to-high-level executives in systematic thinking on business model innovation and strategic planning
- ◆ Conduct live broadcasts of management courses owned by the Company such as Business Insight and Strategy Decoding to strengthen the application of BLM model and DSTE tools and methods in enterprises, enhance the business strategic thinking ability of the 65 general managers of the Qihang Class, and unify the language of strategic management

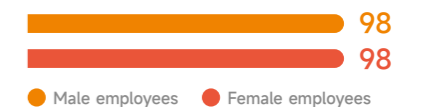
The Two Hundred High-potential Cadres Program of 2022

- ◆ Carry out talent reserve of cadres, pay attention to the growth of young cadres, provide long-term training for middle-level and grass-roots cadres, focus on the Company's core business issues through 4 action learning training and 2 main courses on ability enhancement, with 200 cadres working together to solve the current core business issues and identify key talents

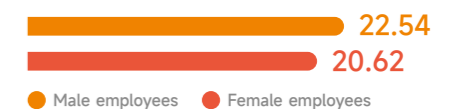
Employee Training of Glodon in 2022

Total percentage of employees trained by gender **98%**

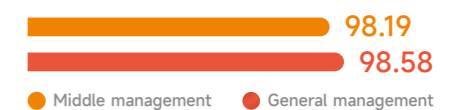
Total percentage of employees trained by gender
Unit: %



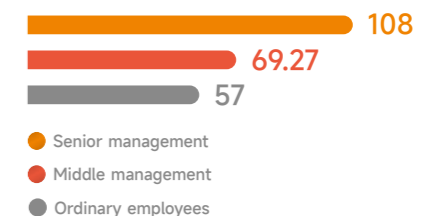
Average length of training for employees by gender
Unit: hours/person



Percentage of employees trained by rank
Unit: %



Average length of training for employees by rank
Unit: hours/person



1,000 Grass-roots Cadres Training Program

- ◆ Help over 200 new grass-roots cadres to quickly adapt to their jobs through the "90 days for new cadres" program with the cadre mentors to answer questions and provide guidance
- ◆ Offer off-line courses such as Problem Analysis and Solution and Agile Coaching, as well as online training camps such as the core five tasks for grassroots managers and efficient meeting management, to enhance the front-line management capabilities of incumbent cadres

2022 On-campus Recruitment and Development (TOT&EOE Development)

- ◆ Upgrade the campus recruitment culture training and 180-day training program in all aspects, inherit the essence of TOT project with the advantage of the production and research sequence, combine the characteristics of the solution to create a brand new marketing sequence EOE training program, and carefully polish 12 strategic/cultural courses and 38 professional courses
- ◆ Provide 4 sessions of cultural training and 5 sessions of professional training for 800 trainees, with a total of 726 mentors and nearly 80 human resources partners helping trainees to integrate, grow and evaluate in 180 days



Organising the 2022 TOT Campus Recruitment Training Program to nurture creative new force

Case

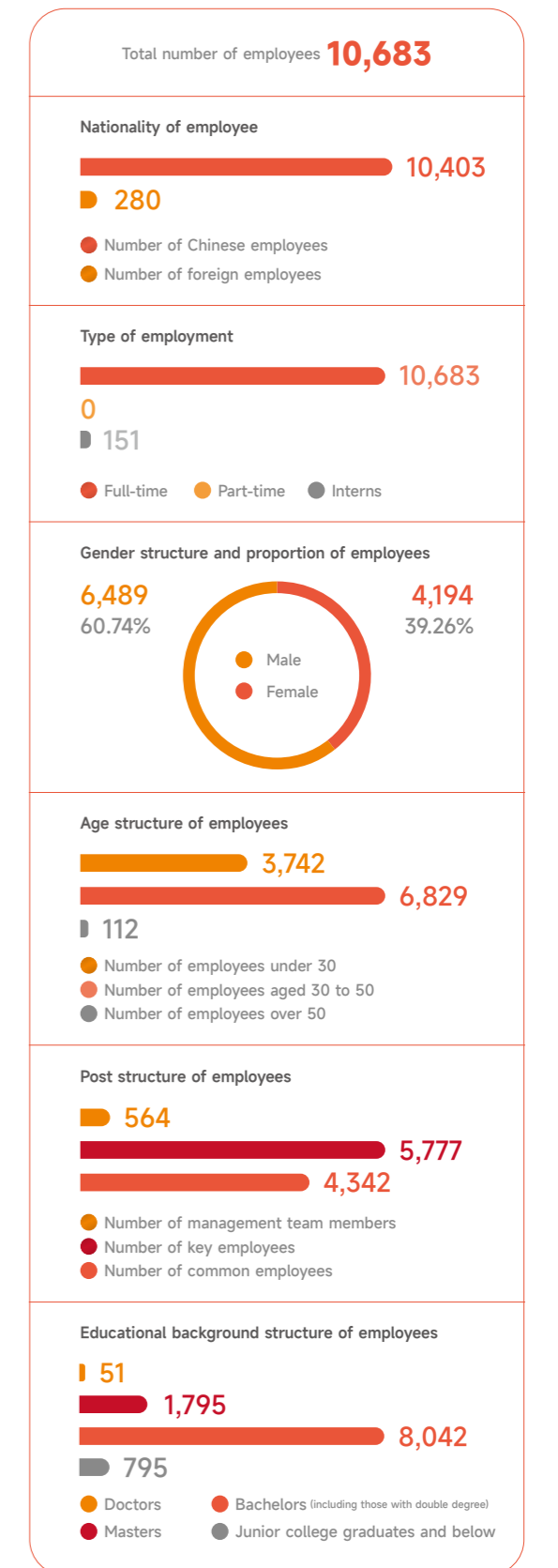
Campus recruitment introduces diversified talents

In 2022, Glodon adhered to the concept of "campus recruitment is the future" and launched the Glodon Campus Recruitment Program worldwide, organizing more than 200 online and offline recruitment events in over 100 colleges and universities at home and abroad, covering a population of over 10,000 people and receiving more than 50,000 resumes. They recruited 800 people with a balanced gender ratio, and over 65% of people recruited holding master's degrees or above. It was awarded with 4 employer brand awards including "Most Socially Responsible Campus Recruitment Employer of NFuture in 2022" by Nowcoder.

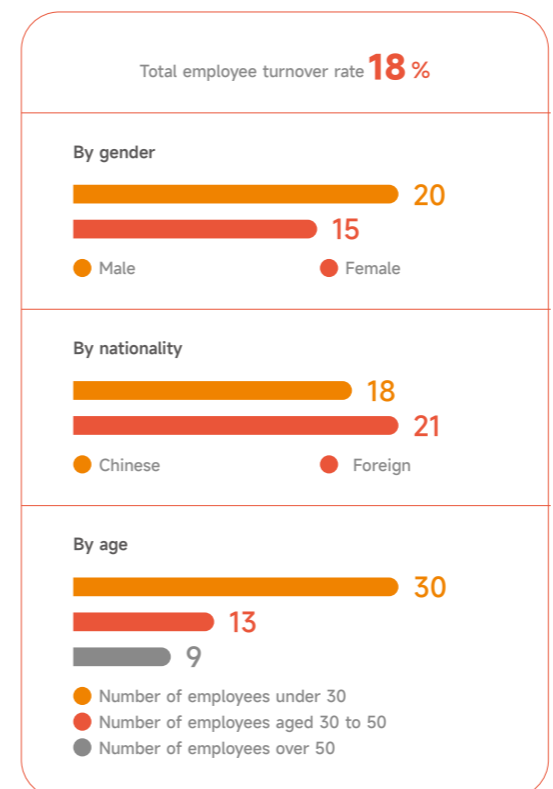
Empowering Employees to Work Happily

Glodon actively advocates the idea of living healthily and working happily, establishes a just and fair employment management system, provides competitive and humanistic income and welfare for employees actively and safeguards their rights and interests. We encourage employees to keep a balance between work and life, care them more to let them feel the warmth of the enterprise and improve their sense of achievements, happiness and safety. In 2022, Employee Career Happiness Index and Sustainable Engagement Index increased stably in comparison to 2021.

Number and Composition of Employees of Glodon in 2022 Unit: Headcount



Employee Turnover at Glodon in 2022 Unit: %





Safeguarding the rights and well-being of employees

We strictly abide by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China* and relevant laws and regulations promulgated of the regions where the Company is listed, comply with relevant international conventions ratified by the Chinese government, as well as relevant laws and regulations of the places where we conduct business, and have established a sound talent recruitment and management system, firmly prohibit the employment and use of child labour, resist all forms of forced and compulsory labour, and effectively safeguard the rights and well-being of employees. At the end of 2022, the total number of employees of Glodon was 10,683, with 39.26% female employees and 558 ethnic minority employees, accounting for 5.22%.

Insisting on equal employment

- ◆ Insist on open recruitment, fair competition, unified selection criteria and merit-based recruitment. 2,135 people were recruited in 2022, with 836 freshers recruited
- ◆ Insist on equal treatment and employment of employees of different nationalities, ethnicities, races, genders, religious beliefs and cultural backgrounds

Preventing labour risks

- ◆ Formulate sound regulations such as the *Employee Onboarding and Probation Management Rules*, the *Transfer Management Measures*, the *Management Measures for Renewal of Labour Contract*, the *Management Measures for Staff Leaving*, and the *Employee Manual*, with 100% of employees signing labour contracts in accordance with the law
- ◆ Adopt localized management for overseas operations, strictly follow local labor laws and regulations in employment operations, formulate non-discriminatory policies, and allow employees to anonymously report any inappropriate behavior
- ◆ Focus on promoting the employment of local residents, women and ethnic minorities, and strive to increase employment opportunities in local communities, with 100% of employees being local residents

Improving compensation and incentive

- ◆ Continuously improve the compensation and incentive mechanism, forming a compensation system consisting of a "base compensation package and dynamic bonus package". The base compensation package mainly consists of annual salary and other short-term incentives, which belong to the short-term incentives category. The dynamic bonus package mainly consists of the G-TUP incentive plan (Glodon Time Unit Plan) and stock incentives, which belong to the medium and long-term incentive categories
- ◆ As of the end of 2022, the restricted stock incentive plan has completed registration for a total of 412 incentive recipients, with an actual subscription quantity of 7.6985 million shares, accounting for 0.6462% of the current total share capital

Year 2022

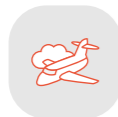
Revenue per capita: RMB

613,300



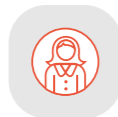
Rate of employees taking annual leave:

38.58 %



Rate of employees taking maternity leave:

100 %



Return rate of employees after parental leave:

100 %




Strengthening democratic governance


- ◆ Strengthen the democratic construction of trade union, convene the Third Staff Congress, elect 132 staff representatives, expand the proportion of grassroots staff representatives and consolidate the collective bargaining mechanism
- ◆ Timely release information on major strategic deployments, major events, issues of common concern to employees and issues involving the vital interests of employees through Glodon's distinctive corporate culture activities "BOSS SAYS".
- ◆ Collect employee voices and demands through the internal forum "N-G Starry Sky" and the annual employee happiness survey

Case


Listen to employees through "BOSS SAYS"

In 2022, centered around the theme of "contributing to the successful implementation of the 8th three-year plan", Glodon's executive team continued to interpret its strategy and culture and completed four sessions of "BOSS SAYS", answering a total of 38 questions from key employees and employee representatives. The number of viewers throughout the year was 10,924, with an average satisfaction rate of 98.9% per session. The cumulative content dissemination reached 15,404 times.





Scan to see
more information
about the 31st session
of BOSS SAYS



Creating a good working environment

We continue to promote the digitalisation of the enterprise, enabling all employees to achieve digital and remote work anytime and anywhere. We value the humane care for the work-life balance of our employees, encourage them to cultivate interests, enhance physical fitness, and actively organize various cultural and sports activities. We provide continuous support for employees in need, timely ensure their well-being, and create an efficient, healthy, comfortable, and happy work environment for them.

Digital office

- ◆ Use the "Enterprise WeChat" platform for all employees to conduct digital office work and streamline external customer communication channels to improve collaboration efficiency both internally and externally
- ◆ Provide equipment and environment suitable for remote work, ensuring a seamless transition between online and offline work environments for our employees

Warm and welcoming working atmosphere

- ◆ Improve the basic supporting facilities of the open leisure area in the workplace and introduce a variety of self-service vending machines to provide office energy supplies
- ◆ Set up the "Employees' Home" and "Employees' Warm Station" in the office area, which are maintained and managed with special funds allocated by the superior labor union

Diverse cultural and sports activities

- ◆ Carry out various forms of cultural and sports activities such as the "Golden Autumn Sports Month", singing red songs during major festivals, and organizing sports competitions to inspire the spirit of the employees
- ◆ Establish multiple societies and carry out recruitment activities for 5 societies including basketball, football, badminton, table tennis, and running clubs

Dedication to humanistic care

- ◆ Provide maternity leave, nursing leave, paternity leave, and child-rearing leave, and set up breastfeeding rooms in the workplace for employees during lactation period
- ◆ Provide optional welfare plans to ensure that intending employees can purchase supplementary medical insurance for children under 18 on designated platforms to reduce the burden of medical expenses

Heartwarming assistance

- ◆ Offer festival condolences during major holidays such as the Spring Festival and Mid-Autumn Festival. On the International Working Women's Day, we provide exclusive flowers, nutrition meals, and parking spaces for female employees.
- ◆ Revise the "Family Fund Management Measures" and increase the labor union's condolences for employees who cannot apply for family funds. In 2022, the family fund account received a total of 3183 donations worth RMB 1.164 million, bringing warmth to 120 employees

Safeguarding the Health and Safety of Employees

Glodon always puts the health and safety of its employees first, strictly adheres to national laws, regulations, and requirements related to occupational health and safety, establishes a sound emergency response system, and strengthens the barrier for safeguarding the life and health of the employees. Diversified fitness activities and psychological courses are offered to safeguard the physical and mental health of the employees.

Year 2022

Number of working days lost due to work-related injuries:

354

number of working days lost due to work-related injuries per million of revenue:

0.054



The live streaming of psychological counseling empowered over

600 individuals



Total amount of supplementary medical insurance for employees: RMB

6.1643 million



Total amount of employee accident insurance: RMB

511,700



Building a strong safety line

We continue to improve the Company's ability to respond to emergencies, continue to improve the emergency response mechanism, strengthen the stockpiling and deployment of living materials for employees, and firmly build a line of defence to safeguard the lives and safety of employees.

Strengthening emergency management

- ◆ Formulate preventive measures and emergency plans for various types of unexpected safety events such as natural disasters, accidental injuries or sudden accidents involving employees in the workplace, and clarify the emergency management system and information reporting mechanism
- ◆ By the end of 2022, 2 response plans for major public crisis and disaster events have been formulated and 2 fire emergency drills have been organised
- ◆ Improve employees' knowledge and skills in first aid. In 2022, a professional physician was invited to conduct first aid training such as cardiopulmonary resuscitation, with a total of 53 participants

Providing a safe working environment

- ◆ Carry out regular safety checks on the infrastructure of the office premises, promptly check the safety hazards of lifts, pantry equipment and office electrical equipment and rectify them in time to prevent safety risks and ensure the safety of the working environment of employees

Organized

58

healthy running activities with a total mileage of

48,162.51 km



Total investment in physical examination of employees: RMB

3.51 million



Case

"Think what you want" to build a protective barrier together

Glodon launched four care activities, providing materials and financial support and giving special prevention and control guidance to employees in serious areas such as Xinjiang, Xi'an, Shanghai and Jilin, and providing the special funding of RMB 3.15 million in total.



Protecting physical and mental health of employees

We always guard the health of our employees with care, provide healthy catering and psychological counselling services, conduct targeted knowledge seminars and health check-ups, and organise diverse health activities to protect the health and safety of our employees.

Focus on healthy diet

- ◆ Provide employees with healthy catering services and participate in the "Demonstration Construction of Malianwa Street Nutritious and Healthy Canteen" project of the Food Department of the National Health Commission. According to the evaluation by an expert group, the project meets the acceptance criteria for nutritious and healthy canteens



"Dunking Leap" friendly basketball match

Build a healthy body

- ◆ Provide free health checkups every year with the rate of employees taking medical examination throughout the year being 100%
- ◆ Provide a gym in the office building, the equipment of which is regularly maintained and replaced
- ◆ Organise healthy running activities according to the BMI values of employees. In 2022, a total of 768 people participated in 58 running events, with a total mileage of 48,162.51 kilometers

Provide mental support

- ◆ Organise a series of positive psychology courses to provide one-to-one counselling to employees in need
- ◆ Complete the development and iteration of the "Mind Power" series of thematic courses and cover over 600 individuals with live psychological counselling to enhance employees' sense of well-being



Organising first aid training

Building Harmonious Community Relations

Glodon has always devoted itself to charity with practical actions, continuously improving community management mechanisms, and contributing to the construction of harmonious community relations through sincere and warm philanthropy activities in the areas where it operates, constantly enhancing the well-being of the people.

Year 2022

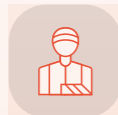
Total amount of external donations: RMB
18.3361 million



Investment in community benefit per million of revenue: RMB
2,799



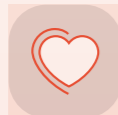
Number of employees with disabilities:
104



Rate of local employees of foreign subsidiaries:
96 %



Participated in over
1,000
philanthropy live broadcasts to assist in the resumption of work and production of construction companies



399
people participated in volunteer service activities, with an average of
2.08
hours of volunteer service per person



Statistical scope: number of employee volunteers of the Beijing headquarters

Contributing to the construction of the community

We fully combine social needs with our own digital advantages, actively integrate into the construction of smart cities, and serve the digital transformation of cities. At the same time, we have responded quickly to the needs of our customers while complying with epidemic prevention requirements, and have helped to build "mobile cabin hospitals" in various regions through digital technology to promote community development.

Case

Chongqing Nan'an District Intelligent Hub Project - Space-time Information Platform

The Chongqing Nan'an District space-time information platform constructed by Glodon, is an important part of the Nan'an District Intelligent Hub Project. The platform integrates the information model of the whole space, the whole process and multiple scales of the city both above and below ground, indoor and outdoor, in the past, at present and in the future, builds the integration governance and spatial service capability of massive data, provides spatial analysis capability, supports the spatial data service calls of applications such as Smart Nan'an, Economic Nan'an, Beautiful Nan'an, Comfortable Nan'an, Safe Nan'an and emergency management in Nan'an District, and provides unified space-time information digital platform for 33 commissions and bureaus, laying a solid foundation for the precipitation and accumulation of urban digital assets in Nan'an District.

Case

Integrating superior resources to support community elderly care services with technology

As the aging is getting worse, elderly people living alone become a key group requiring protection in the community. Traditional elderly care services and community service forces alone are unable to fully guarantee their well-being, and social support is urgently needed. The volunteer team of Glodon, together with its partners in the elderly care technology ecosystem, donated safety devices for elderly protection and provided voluntary services such as installation, explanation, patrol, and emergency rescue assistance to more than 50 elderly people in 10 communities in Haidian District and Xicheng District. The voluntary services covered over 100 incidents of abnormal alarms, receiving unanimous recognition from the community and elderly people.

Dedicated to social welfare

We adhere to the traditional Chinese virtue of promoting philanthropy and charity, fulfill our corporate social responsibility, respond to the demands of various sectors of society, actively help those in need, encourage employees to participate in various forms of volunteer service activities, and promote the sustainable development of philanthropy.

Educational support

- ◆ Actively support students to enjoy high-quality educational resources by donating to multiple educational foundations and kindergartens, including Huazhong University of Science and Technology, Southeast University, Tongji University in Shanghai, and Beihang University, with a total donation of RMB 9.4557 million
- ◆ Launch philanthropy live broadcast activities to care for children of workers in the building industry, allowing more than 200 workers and their children to feel the care of the society

Warmly helping farmers

- ◆ Collaborate with multiple regional branches to launch programs to help farmers, join hands with various construction companies to launch the "A Tour to Guizhou with Full Gratitude" philanthropy activity, in which each participating enterprise donated RMB 99 through purchase, helping to promote the employment and income of local residents by purchasing local agricultural products such as Bijie Hezhang walnuts and Tongren Fanjingshan mushrooms
- ◆ In the 2022 targeted assistance activity for rural revitalization carried out by China University of Political Science and Law, we purchased relevant agricultural products worth RMB 127,387 from the designated place-Horqin Left Wing Middle Banner in Tongliao City, Inner Mongolia, to support the national rural revitalization plan with practical actions

Resumption of work and production

- ◆ Release a free version of the overall digital solution, providing over 1,000 philanthropy live broadcasts for Developers, Contractors, consulting enterprises, and Designers, assisting them in resuming work and production

Volunteer service

- ◆ Join the China Volunteer Association and set up the Glodon Volunteer Brigade, responding to the call of the local government and volunteering at many community sites in Beijing for a total of 399 times, contributing to the building of a harmonious community



Organising the philanthropy event "Care to the Elderly at the Warm Sunset of their Life" for providing smart elderly care and safeguarding the safety of the elderly

Case

Caring for the children of workers in the building industry

In May 2022, Glodon joined hands with the Beijing Xingyuan Foundation to launch the philanthropy live broadcast campaign of Glodon 521 care for children of workers in the building industry "In the Name of Love, Help Students with Learning", which provided children from disadvantaged families among construction workers, families with children left behind and other disadvantaged groups with material support such as daily necessities, healthy nutrition products, school stationery and healthy life care. The two live broadcasts were watched by a total of 25,403 people, with more than 62,519 likes from caring users, raising the philanthropy fund of RMB 45,328.99 in total.



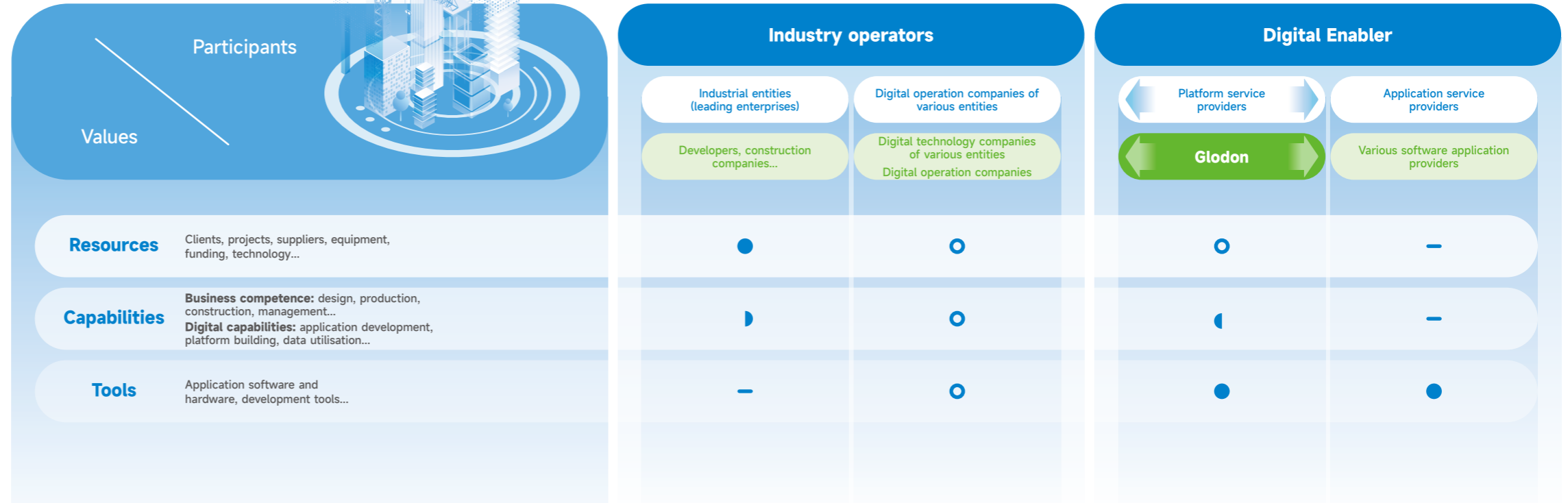
Scan to read
more information about the
charity projects for caring
construction workers

BEING A DIGITAL ENABLER FOR THE CONSTRUCTION INDUSTRY

Digitalisation, a disruptive growth force in the internet industry, is changing the traditional industry's ecosystem. As a digital construction platform service provider, Glodon has always been positioned as a digital enabler, providing digital services for industry operators on a continuous basis, and building a new ecosystem of the construction industry Internet through synergy and integration. Glodon is not only a platform service provider but also an application service provider, working with industry chain partners to help transforming and upgrading the construction industry.



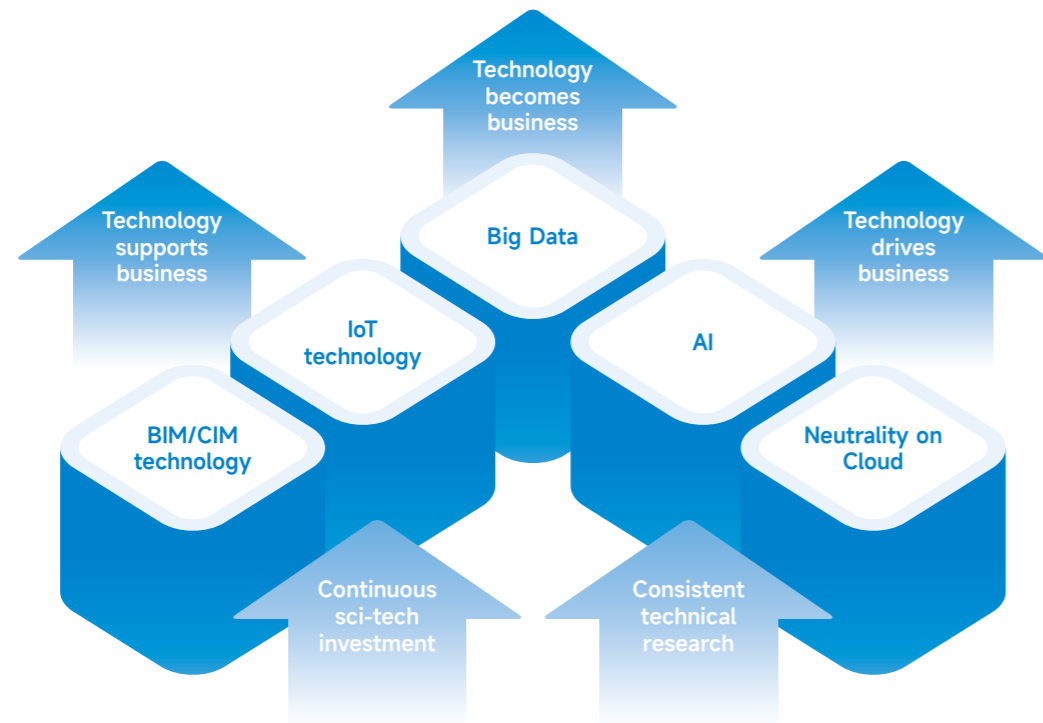
Valuable from lower to higher



<p>Developer</p>	<p>Designers</p>	<p>Contractor</p>	<p>Industry Authorities</p>	<p>Universities</p>	<p>Financial institutions</p>
<p>Management based planning and, data-enabled decision-making</p> <p>Intelligent management on project site, supply intelligent decisions for enterprise</p> <p>With planning as the main line, quality as the target and safety as the bottom line, developers' construction management system uses AIOT and other intelligent ways to provide management empowerment for developers' engineering business departments in the process of planning, quality and safety, thus helping achieve the lean engineering management goals of "high efficiency, high quality and production safety".</p>	<p>Improving design quality and providing extendable ability</p> <p>Accurate modelling throughout the whole project life-cycle, and extending the value of design outcomes</p> <p>The integrated design and measurement technology creates an accurate model that connects all aspects of planning, programming, preliminary design, construction drawing design, project management, and operation and maintenance management, realises accurate control of project costs through real-time measurement and integration of prices and materials, and links the whole life-cycle of "design - manufacturing - construction - operation and maintenance".</p>	<p>Improving construction quality, and achieving lean project management</p> <p>BIM+Smart Site responsible for manufacturing</p> <p>Smart Site achieves real-time, comprehensive supervision and management of key elements of construction sites, effectively enhancing the operational efficiency of project positions, driving fine management and efficient decision-making at the project level, and achieving the information connection among all responsible parties.</p>	<p>Improving the digitalisation of governance and leading the industry to high quality development</p> <p>Shaping a "Digital Department of Housing and Urban-Rural Development" and achieving "healthy construction market and quality projects"</p> <p>"Digital Department of Housing and Urban-Rural Development", a systematic digital solution for housing and urban-rural construction authorities, focusing on innovation of big data platform, graphics platform, BIM/CIM and other core technologies, builds localized and controllable capabilities, fully empowers construction industry authorities to build integrated government services and big data system, enhances collaborative regulation and scientific decision-making in the construction industry and leads the industry's high-quality growth.</p>	<p>Deepening the new system of industry-academia-research to develop talents in digital building</p> <p>A diverse and structured competition platform for innovation talent growth</p> <p>Guided by the concept of "developing talents in digital construction", the Glodon Digital Construction Talent Development Event System connects industry applications with teaching through competitions, linking campus and enterprises for students, teaching and industry for schools, and jobs and talents for enterprises, helping parties to interact and jointly build an ecosystem of government, industry, academia and research integration.</p>	<p>Deepening digital risk control to crack the financing problems in construction industry</p> <p>Digital innovation in construction industry chain financial risk control</p> <p>Glodon's verification model for material procurement transactions in the construction industry provides financial institutions with one-stop digital risk control service with strong adaptation, low cost, visualization and excellent experience, which enables more efficient assessment and control of financial risks and helps core enterprises' credit to be transmitted more accurately to SMEs.</p>

BEING AN INNOVATOR IN KEY TECHNOLOGIES

As a high-tech enterprise, Glodon always adheres to research and development and technological innovation, and continues to increase its investment in science and technology in key technology areas so as to maintain its leading edge in the industry through continuous major technology breakthroughs. The Company has established an innovative software architecture with intellectual property rights, and has taken the advantage of its rich theoretical and practical experience to lead the digital transformation and upgrading of the industry, gradually realizing that "technology supports business, technology drives business and technology becomes business".



Glodon BIM equipment & material management software and other products were selected as new technologies and new products of Beijing Municipality

Glodon's Digital Building Design Software won the finalist status for the 2022 China Outstanding Industrial Design Award

"Key Technology of BIM 3D Graphics System for Construction Industry Internet" project passed the evaluation of scientific and technological achievements, in which the rendering engine technology reached the international leading level of similar technologies

Glodon's Digital Road Design Software won the Innovation Achievement Award at 2022 China International Digital Economy Expo

Technology supports business

Case

BIMFACE breaks through BIM streaming loading technology to reach international advanced level of performance

In 2022, BIMFACE launched the streaming loading engine, which overcame the industry problem of large volume BIM model running performance and effectively solved the bottleneck of loading and rendering large scenes for users. BIMFACE is used in depth by most business products and serves hundreds of clients in the construction industry, including leading State-owned enterprises. The more efficient and stable BIMFACE provides users with more reliable technical support to enhance their core competitiveness.

Terminals-Edge-Cloud Computing integration AI technology system meets construction safety demands

As a proprietary "Terminals-Edge-Cloud Computing" integration product, Glodon AI Hummingbird system integrates AI+IOT technology, and optimizes the AI algorithm fully considering the existing characteristics of construction sites, expanding the safety hazard algorithms to 35 categories. Hummingbird System was successfully selected as one of the practical cases in the Ministry of Industry and Information Technology's National AI Innovation and Application Pioneer Zone - "One Hundred Smart Scenes" by virtue of its AI intelligent safety inspection application scenarios at construction sites.

Technology drives business

Case

Glodon's powerful strength in big data empowers public resources trading

The Glodon data-driven public resources trading platform was successfully selected as a pilot project for the development of big data industry by the Ministry of Industry and Information Technology in 2022. The platform achieves cross-regional mutual recognition, thus linking up city and county-level trading platforms and promoting the upgrading of governance systems and capabilities. This platform has landed in more than 30 provinces, empowering the public resources trading data service with an average annual trading of more than RMB 20 trillion, billions of data processed daily in average, and 100 billion-level indicators processed daily in average by the indicator center of the business middleground.

Proprietary panoramic mobile video AI inspection system satisfies remote project management needs

Glodon's proprietary vSLAM visual real-time location and map building technology and panoramic BIM comparison technology collect the data during staff's walking, establish its trajectory and match the same with the actual map of the site, so as to create a panoramic mobile inspection AI + BIM tool-level product, thus achieving remote inspection, panoramic synthesis, problem synchronization, progress review and data retention, and providing a set of light-weight tools for Contractors, General Contractors and Owners to reconstruct the panorama combining the virtual and real construction process.

Technology becomes business

Case

Glodon's digital design product set builds design Internet platform and ecosystem

The digital road design software launched by Glodon in 2022 is the industry's first integrated road, bridge and tunnel design software supporting highways and urban roads. It is a proprietary software from the graphics engine to professional design features, landing the application of Glodon graphics engine in the design business. The software is built with professional logic and design specifications in line with domestic design habits and standards, achieving professional BIM digital design. Through intelligent means of improving efficiency, it has improved design efficiency by more than 20%, making it a faster and more professional BIM design software in comparison with traditional design.

Glodon's City Information Modeling (CIM) platform won the world's "first launch and innovation" honor

The CIMCube platform developed by Glodon breaks through the core technology of digitising the full-element city information model, solving the bottleneck problem of spatial engine, realising data sharing and circulation among various levels and departments, promoting resource sharing and integration and business collaboration, and enhancing the government's scientific management, intelligent decision-making and public services. It helps to ensure high-quality urban construction, refined management and high-quality development. This platform was awarded the honor of "Leading Innovation in the Digital Economy" at the 2022 Global Digital Economy Conference.

APPENDIX ESG Key Performance

Environmental Performance

Performance indicator	Sub-indicator	Unit	Year 2020	Year 2021	Year 2022
Emissions	Total greenhouse gas emissions	ton CO ₂ e	5,519.39	3,515.68	3,187.27
	Domestic waste	ton	134.96	124.5	140.5
	Kitchen waste	ton	63	49.2	34
	Office waste	ton	4.01	3.5	1.5
	Used lamp tube	ton	0.295	0.3	0
	Used toner cartridge	ton	0.185	0.25	0.03
	Used ink cartridge	ton	0.0115	0.009	0.01
Water resource	Total water consumption	ton	64,861.96	28,660	28,904
	Total fresh water consumption	ton	64,441.96	28,250	28,474
	Recycled water consumption	ton	420	410	430
Resource utilization	Total office paper consumption	ton	29.5	14.3	6
	Total purchased electricity	10,000 kWh	595.98	525.46	533.86
	Total natural gas consumption	10,000 m ³	7.0	4.9	5.3
	Gasoline consumption	ton	16	8.45	9.6

Economic Performance

Performance indicator	Sub-indicator	Unit	Year 2020	Year 2021	Year 2022
Operating performance	Total assets	RMB 100 million	95.47	100.68	115.45
	Total operating income	RMB 100 million	40.05	56.19	65.91
	Total profit	RMB 100 million	4.10	7.49	10.78
	Asset-liability ratio	%	31.31	37.69	41.09
R&D and innovation	Number of patents applied for	Nr.	127	210	155
	Number of patents granted	Nr.	94	18	29
	Number of registered software copyrights	Nr.	87	80	281
	Number of registered trademarks	Nr.	65	168	78
	Total R&D investment	RMB 100 million	13.39	16.26	18.58
	Percentage of R&D investment in operating income	%	33.93	29.23	28.36
Product liability	Ratio of R&D personnel to company staff	%	40.05	41.46	40.61
	Number of products to be withdrawn and recalled for health and safety reasons	Piece	0	0	0
	Average quality pass rate of sold products	%	100	100	100
	Product satisfaction survey result	Point	88	87.6	87.5
	Complaint response rate (user evaluation resolution rate)	%	100	100	100

Social Performance

Performance indicator	Sub-indicator	Unit	Year 2020	Year 2021	Year 2022
Employment	Total number of employees	Headcount	8213	9486	10683
	Number of male employees	Headcount	4910	5873	6489
	Number of female employees	Headcount	3303	3613	4194
	Number of ethnic minority employees	Headcount	457	511	558
	Number of Chinese employees	Headcount	8005	9254	10403
	Number of foreign employees	Headcount	208	232	280
	Number of people employed during reporting period	Headcount	2316	2784	2971
	Percentage of employees paying five insurances and one fund	%	100	100	100
	Employment contract coverage	%	100	100	100
	Total employee turnover rate	%	19	24	18
Male employee turnover rate	%	20	25	20	
Female employee turnover rate	%	18	21	15	
Turnover rate of employees under 30	%	27	32	30	
Turnover rate of employees aged 30 to 50	%	12	18	13	
Turnover rate of employees over 50	%	14	11	9	
Chinese employee turnover rate	%	19	24	18	
Foreign employee turnover rate	%	37	29	21	
Employee development	Total ratio of trained employees	%	62.8	93	98
	Ratio of male employees trained	%	63.2	93	98
	Ratio of female employees trained	%	62.1	93	98
	Ratio of middle management trained	%	78	80	98.19
	Ratio of general managers trained	%	80	82	98.58
	Average length of training for male employees	Hour/person	36.92	26.7	22.54
	Average length of training for female employees	Hour/person	38.99	25.5	20.62
	Average length of training for senior management	Hour/person	106	112	108
	Average length of training for middle management	Hour/person	81	83	69.72
	Number of fire drills	Times	2	2	2
Number of participants in fire drill	Person-time	1300	1200	1500	
Occupational physical examination rate	%	100	100	100	
Annual leave rate of employees	%	37.35	38.28	38.58	
Number of days of maternity leave	Day	31003	36474	46974	
Rate of maternity leave	%	100	100	100	
Number of deaths due to work-related injuries	Headcount	0	1	1	
Rate of deaths due to work-related injuries	%	0	0.01	0.009	
Number of work-related deaths for three consecutive years	Headcount	0	1	1	
Number of working days lost due to work-related injuries	Day	0	64	354	
Employee care	Number of people receiving donations to family fund account	Person-time	3648	3942	3183
	Total amount of donations to family fund	RMB 10,000	110.59	138.50	116.40
	Number of employees in need of support	Person-time	94	108	120
Community contribution	Person-time of employee volunteering	Person-time	213	357	399
	Total social charitable donations	RMB 10,000	577.39	817.31	1833.61

ESG Experts' Comments

The 2022 Environmental, Social and Governance (ESG) Report of Glodon Company Limited is the 4th report on corporate ESG information disclosure. It presents a comprehensive picture of the Company's actions and performance in promoting sustainable development in 2022 and good communication with stakeholders.

1. The report fully displays the features and highlights of the year's work. With the theme of "Empowering Digital China", the report reflects that in the new era of digital transformation, Glodon is leveraging its resources of professional advantages, and helping sustainable development with digital and intelligent technologies. The body of the report focuses on specific practices and performance in clients, industry, environment, society and other stakeholders, fully reflecting the continuity of the main framework of the Company's reporting and management stability.

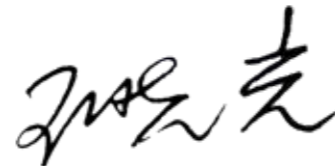
2. The report covers a comprehensive range of ESG topics and contains substantive content. Glodon has accurately identified and responded to the key ESG topics of the year. The report fully discloses the research subjects, number of questionnaires, assessment and analysis results of substantive ESG topics, and thereby systematically disclosing ESG information. Product responsibility, information security and privacy protection, intellectual property protection, supply chain management and other important ESG topics in the industry at the social level are actively disclosed. Identification of environmental risk factors, environmental management and response, and enabling low-carbon transformation in the industry at the environmental level are mainly disclosed in the form of featured practices, such as building a green building material service platform, developing carbon accounting products, building a smart Guangyang Island, and typical demonstration projects of green buildings including the self-built and self-operated Xi'an Building, which reflects the Company's active response to the national "dual carbon" target strategy and participation in the response to global climate change.

3. The report is presented in an easy-to-read manner and provides an information window for stakeholders to understand the Company's practices. The report uses vector illustrations for layout design, vividly reflecting the characteristic elements of the Company and giving readers a pleasing visual sense. Focusing on both qualitative and quantitative expressions and quantitative ESG performance, the text displays the sustainable development practices of the Company in a rich and clear way with the support of typical cases, photos and extended interpretation via QR codes under each topic. In addition, the report as a whole is plain and easy to understand in expression, and converts professional industrial terms into social expressions through "Terms and Definitions", so as to improve its readability and diversify its content of communication.

Glodon has attached importance to ESG management and has conducted rich practices to share the value of development with stakeholders. Glodon is expected to continue to leverage its professional strengths and uphold its position as a digital enabler to empower the sustainable development of the economic and social environment.

Secretary General of China Industrial Enterprise
Social Responsibility Research Think Tank
Director of Corporate Social Responsibility Promotion
Center of China Federation of Industrial Economics
Vice President of Chinese Institute of
Business Administration
Expert of Drafting Group for National
Corporate Social Responsibility Standards

Wang Xiaoguang



Terms and Definitions

"8th three-year" strategic plan

It refers to the eighth three-year strategic plan, covering the planning period from 2020 to 2022

"9th three-year" strategic plan

It refers to the ninth three-year strategic plan, covering the planning period from 2023 to 2025

Digital architecture

It refers to an industry strategy of leading industrial transformation and upgrading by using BIM and information technologies such as cloud computing, big data, internet of things, mobile internet and artificial intelligence. It combines advanced lean construction theories and methods, integrates people, process, data, technology and business systems, realizes the digitization, online and intelligence of the whole process, whole elements and all parties involved in construction, builds a new platform ecosystem for projects, enterprises and industries, thus promoting industrial upgrading represented by new design, new construction and new operation and maintenance, and realizing the industrial goal of making every project a success

Digital Design

Drive the integration of design and engineering data digitally, establish an integrated collaborative design work mode for the whole design elements, whole process and all parties involved, support the pre-simulation of construction and operation and maintenance scenarios in the design stage, create a fully digital sample and carry out integrated delivery, so as to improve design efficiency, enhance project collaboration, expand enterprise business and improve industry supervision, and ultimately empower the digital transformation and upgrading of the design industry and make every project a success

BIM

Building information modeling (BIM) refers to the establishment of a building model based on the information data of a building project, and simulation of the real information of the building through digital information

SaaS

Software-as-a-service (SaaS) refers to an innovative software application model. The manufacturer deploys the application software on the server uniformly, and the customer can order the required application software service according to the actual demand, pay the manufacturer according to the ordered service and time, and receive the related service. The price of SaaS application software is typically "all-inclusive" price, which includes the usual application license fee, software maintenance fee and technical support fee, and the price is consolidated into an annual/monthly rental fee per user

PaaS

Platform-as-a-service (PaaS) refers to a cloud computing model. The PaaS company provides the environment for application development or provides some applications, and the user develops some or all applications on his/her own, without the need of considering the cost, complexity and inflexibility caused by building and maintaining the platform locally. The customer may pay a fixed fee to provide the specified number of resources to the specified number of users, or pay only for the resources used as per the "pay-per-use" pricing model

AI

Artificial intelligence (AI) refers to a new technical science that studies and develops theories, methods, technologies and application systems for simulating, extending and expanding human intelligence

Whole life cycle of the Project

It refers to the whole life-cycle of construction project, from project approval to completion, operation and obsolescence. It usually includes the feasibility decision stage, design stage, bidding (trading or procurement) stage, construction stage, operation and maintenance stage and dismantling stage

DCMM

The Data Management Capability Maturity Assessment Model (DCMM) refers to a comprehensive framework that integrates standards, management methodologies and assessment models. DCMM classifies the data management capability maturity into five levels as follows from low to high: Initial (Level 1), Managed (Level 2), Robust (Level 3), Quantitative (Level 4) and Optimised (Level 5). Different levels represent different levels of enterprise data management and application maturity

ITSS

Information Technology Service Standards (ITSS) refers to a library of systematic and comprehensive IT service standards, it comprehensively regulates IT service products and their compositions and guides the implementation of standardised and trusted IT services

Readers' Feedback

Dear readers,

Hello!

Thank you very much for reading the Environment, Social and Governance (ESG) Report 2022 of Glodon Company Limited. We value your feedback on ESG management, practice and information disclosure of Glodon. Your comments and advices are valuable to us as we continue to promote ESG management and practice. Looking forward to your kindly reply!

Choice questions (please tick the box)

1. Which of the following categories of stakeholders do you belong to?

- Government regulator Customer/Client Employee Academic/research institution
 Supplier and partner Social organization/NGO Public and media Others

2. How do you rate the report's response and disclosure on concerns of stakeholders?

- Good Relatively good General Relatively poor Poor

3. Do you believe that this Report can reflect the significant economic, social and environmental impacts of Glodon?

- Good Relatively good General Relatively poor Poor

4. How do you rate the readability of this Report, i.e. the logic, content design, language and layout?

- Good Relatively good General Relatively poor Poor
-

Open questions

1. In your opinion, which aspect of this Report is the most satisfying?

2. Do you have any comments or advices on this Report and/or our practice in fulfilling our missions?

Please kindly answer the questions above and send us your feedback

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