



Excellence

卓越商企服務集團有限公司

EXCELLENCE COMMERCIAL PROPERTY & FACILITIES
MANAGEMENT GROUP LIMITED

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 6989



ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT

2020

About the Report

INTRODUCTION TO THE REPORT

This report is the first environmental, social and governance (“ESG”) report (the “Report”) released by Excellence Commercial Property & Facilities Management Group Limited (the “Company”, “Excellence CM”, “we” or “us”). It adheres to the principles of materiality, quantification, balance and consistency to comprehensively illustrate the Company’s management approach and work performance in environmental, social and governance aspects during the period from 1 January 2020 to 31 December 2020, focusing on the concerns of stakeholders. Unless otherwise stated, the information presented in the Report represents data performance in 2020 the (“Reporting Year”).

SCOPE OF THE REPORT

The Report mainly covers Excellence Commercial Property & Facilities Management Group Limited and its branches and subsidiaries. Environmental data cover the self-developed projects of Excellence Group under the management of the Company.

BASIS OF PREPARATION OF THE REPORT

The Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in the Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

ACCESS AND RESPONSE TO THE REPORT

The Chinese and English versions of the Report can be downloaded from the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company’s website (<http://www.excepm.com>). The Report is published in both Chinese and English. In case of any inconsistency, the Chinese version prevails. For any comments or suggestions on the environmental, social and governance performance of the Company, please email us at IR@exceam.com.

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About Excellence CM

Excellence CM is a leading commercial property management service provider in China that provides full-lifecycle asset maintenance and full-industry chain service solutions. Established in 1999 in Shenzhen with the vision of becoming a leading commercial real estate service operator in China, Excellence CM focuses on the “1+1+X” service for business enterprises. Currently, a complete and full-lifecycle real estate service operation business chain has been formed. The Company provides comprehensive management services, such as consulting services, property services, integrated facility management, asset operation and management and high-end business services for real estate properties, including office buildings, commercial complexes, corporate headquarters, integrated offices, R&D data centres, industrial parks, logistics parks, government buildings, colleges and universities, hospitals and public facilities, and residential apartments.

Through an in-depth study of the main market areas of property services and customer needs, on top of providing customers with professional basic management services, Excellence CM continuously explores intelligent means to provide users with tailored and integrated solutions for full-lifecycle and full-chain comprehensive facility management services for real estates, which incorporate characteristic services and extended services, to meet users’ comprehensive value expectation. With this, the Company successfully establishes its brand image for operation and services of international high-end commercial real estates, receiving wide recognition and approval of the industry.

Proportion of GFA under management of different properties:



Brand proposition: Lofty ideal, concrete actions

Corporate values: Pursue excellence and strive for transcendence

Corporate vision: Becoming a leading commercial real estate service operator in China

Message from the Senior Management

Dear stakeholders,

As a leading commercial real estate service operator in China, Excellence CM provides customers with full-lifecycle asset maintenance and full-industry chain service solutions. Excellence CM has always been concerned about the basic needs and growing value experience of our clients. We continue to strengthen risk management, seize opportunities, implement the business philosophy of pursuing excellence and striving for transcendence, and cooperate with our stakeholders to exert positive impact on service quality improvement and environmental protection.

With listening and quickly responding to the demands of stakeholders as the foundation of our long-term development, we maintain communication with stakeholders to enhance their understanding of the Company's development and operating policies, and provide timely and effective feedback on their demands to ensure the cooperative relations and common development of the two parties.

In terms of service quality management, we attach importance to lean management and system construction and implement the 1234 Quality Control System. Through the quality control of the property service site, we strive to strengthen the quality of property services and establish a long-term mechanism for property quality management.

We care about the rights and interests, development, and health and safety of employees, strive to protect the legitimate rights and interests of employees, and provide them with fair development and promotion channels. We strive to lower occupational safety risks, and provide a safe and comfortable working environment to strengthen our competitive advantage.

We are fully aware of the environmental protection responsibilities we must assume as a corporate citizen. In daily operations and during the course of development, we always place emphasis on the importance of environmental protection. We actively implement the green and low carbon development strategy, maintain the environmental management system and energy management system, strive to reduce environmental impacts on our daily operations, promote energy conservation and emission reduction, identify the impact of climate change on the Company, and make every effort to achieve green development.

The sustainable development of Excellence CM relies on the participation and support of various stakeholders. By maintaining communication with stakeholders and sharing information on major sustainable development issues, we believe that Excellence CM can go steady and far on the path of sustainable development.

Ms. Guo Ying
General manager
2 June 2021

ESG Overview

3.1 STAKEHOLDER ENGAGEMENT

The Company’s ESG stakeholders mainly include internal employees, suppliers, customers, shareholders and investors, the government, and the communities where it operates. The Company believes that listening to and understanding the opinions of stakeholders will provide a solid foundation for the long-term development and success of the Company. The Company actively explores various channels to maintain good communication with stakeholders, to enhance the stakeholders’ understanding of the development and operational policies, and to provide more opportunities for them to put forward suggestions so that the Company can provide them with timely and effective feedback regarding their concerns. In this way, the Group ensures that it is cooperating and working alongside stakeholders to achieve mutual benefits. The table below shows a list of the Company’s stakeholders and our methods to communicate with them.

Stakeholder	Government	Shareholders/Investors	Employees	Customers	Suppliers	Community
Target and Focus	<ul style="list-style-type: none"> Respond to state policies Operate according to laws and regulations Pay taxes in accordance with applicable tax laws Create more posts to boost the employment rate 	<ul style="list-style-type: none"> Business strategy and financial performance Protect shareholders’ legal rights Business sustainability Corporate transparency 	<ul style="list-style-type: none"> Remuneration and benefits Protection of rights and interests Career development Safety and health Corporate culture 	<ul style="list-style-type: none"> Timely service Resident safety Privacy protection Continuously improve service quality 	<ul style="list-style-type: none"> Abide by commercial ethics and state laws and rules Be transparent and fair Accomplish commitments, achieve mutual benefits and enable win-win cooperation 	<ul style="list-style-type: none"> Host community events Participate in community building Invest in community charity Promote community development
Method of Communication	<ul style="list-style-type: none"> Participate in discussion for formulation of relevant policies Contribute corporate experience Guide and influence public policies actively Engage in dialogue with the local government 	<ul style="list-style-type: none"> Enhance information disclosure Board meeting, shareholders’ meeting and investors’ meeting Direct communication among shareholders 	<ul style="list-style-type: none"> Employee representative on the board of supervisors Staff union Employee representative conference Employee survey and feedback Enhance information disclosure 	<ul style="list-style-type: none"> Communicate during the service offering process Owner survey and feedback Complaint hotline Enhance information disclosure 	<ul style="list-style-type: none"> Announce the supplier management rules Contract negotiation Daily business exchange Enhance information disclosure 	<ul style="list-style-type: none"> Exchange ideas with the local government and institutions Community visits and exchanges Enhance information disclosure
Key Actions	<ul style="list-style-type: none"> Implement state policies, abide by state laws and regulations Accept supervision and check-ups Create more posts to boost the employment rate Cooperate with the government to guide garbage classification File tax returns in a timely manner 	<ul style="list-style-type: none"> Convene shareholder meetings regularly Convene meetings of the board of directors regularly Convene meetings with investors Disclose statutory issues in a timely manner 	<ul style="list-style-type: none"> Enhance training for employees in respect of culture and technical skills Improve employees living and working environment Protect employees’ rights and benefits, upgrade their welfare level Health and safety protection for employees Establish a staff union 	<ul style="list-style-type: none"> Regulated and standard services Conduct regular customer satisfaction surveys Respond to customer complaints and provide them with feedback in a timely manner Earnestly protect customer privacy 	<ul style="list-style-type: none"> Set up an open and transparent bid invitation system Set up a communication platform for suppliers Perfect the supplier selection system Offer equal opportunities to suppliers 	<ul style="list-style-type: none"> Regularly host activities to benefit the community Encourage good deeds Be passionate about charity, and contribute to society Conduct volunteer activities for employees

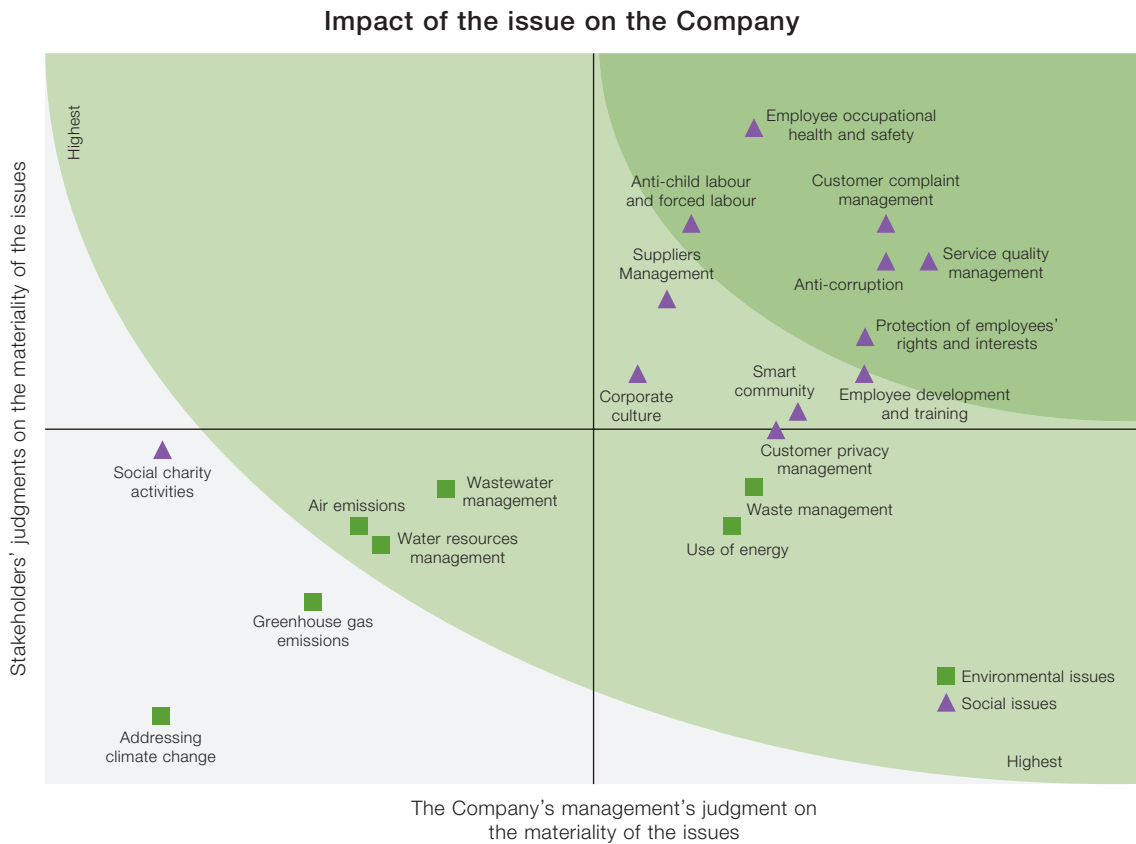
ESG Overview

3.2 IDENTIFICATION OF MATERIAL ISSUES

During the Reporting Year, we obtained the materiality assessment from internal stakeholders including the management through questionnaires. We will also continually pay attention to all stakeholders, constantly review and update the materiality assessment, and include external stakeholders when the conditions are appropriate, so as to achieve a more accurate and thorough understanding of the demands of various parties, and to provide guidance and direction to the enterprise’s business operations and controls over environmental and social governance.

Based on the analysis and summary of the results of the materiality assessment from all stakeholders, we have formed the following materiality assessment matrix. Based on the key concerns of stakeholders over business operations, business environment, society and governance, and according to the Environmental, Social and Governance Reporting Guide, we mainly focus on social aspects such as customer complaints and service quality, as the Company mainly provides property management services.

We have fully considered the importance of each key performance indicator to the operation and the stakeholders. After comprehensive evaluation, we have selected the following indicators as the major influential aspects the Company’s sustainable development. While taking all environmental and social responsibilities into consideration, the Company has paid more attention to the following areas.



Comfortable Services, Harmony and Win-win Results

4.1 CONCEPT OF QUALITY AND COMFORTABLE SERVICES

The Company places great emphasis on lean management and systematic build-up. Since 2001, it has successively obtained four ISO certifications including quality management system (ISO9001), environmental management system (ISO14001), occupational health and safety management system (ISO45001) and energy management system (ISO50001); it has formulated and implemented Service Process Monitoring and Measurement Control Procedures, Measures Governing Performance Appraisal and Objectives and Service Quality Evaluation Standards for Property Projects by Business Type; it has implemented the 1234 Quality Control Policy (1 principal party, 2 platforms, 3 tiers and 4 methods); and it has further stepped up the supervision of property service quality via the 400 customer service centres across the country, internal audit, quality inspection, evaluation of demonstration projects, ISO certification audit, third-party professional evaluation and E+ intelligent service platform, etc.; our advantages in total quality management, institutional model reform, lean manufacturing and regional interconnection have boosted enhancement of our commercial brands; the publication of the new Green Paper on 4Ins Good Life Services for Excellent Housing has boosted an upgrade of our residential brands; and we have strengthened the quality of property services through quality control of the property service sites, thereby establishing a long-term mechanism for property quality management. During the year, there was no breach of liability related to products and services with a significant impact on the Company.

In the future, the Company will combine standards with information technology and integrate service standards into the information system with customer satisfaction as the focus for effective implementation of standards. With big data application as the core, we will enhance our capabilities in customer-oriented demand forecasting and calibrated services. By formulating policies for the management of full-cycle risks and customer service quality for projects, management will be prepositioned, risks will be controlled in advance and service standards will be regulated. We will strengthen multi-level external supervision, establish service benchmarks internally and respond to operations with focus. Moreover, we will introduce more quality control tools and measures to increase the efficiency and effectiveness of quality control, and further assure the stability of our property service quality.

Accolades and awards:

- 2019 Best Facility Management Technology Award for Qianhai Project 1 – E+ Intelligent Platform Application Project
- IFMA China FM Awards

With respect to intellectual property management, the Company follows the principle of central management in intellectual property and aims to make intellectual property a valuable asset and enhance corporate competitiveness. As at the end of 2020, the Company had 1 invention patent and 1 utility model patent. In the future, we will strengthen our intellectual property reserves and competitiveness.

As to customer privacy, the Company has formulated the Guidelines Governing Data Security on the Zhuopin Intelligent Platform to set out a policy governing encryption requirements for server data on and login access to Alibaba Cloud. Customers who log in to the registration platform are required to sign an online user privacy agreement that complies with China's relevant Internet laws and regulations. Users can access the platform only after agreeing to the agreement. The platform system carries out hierarchical management of all users' data permissions. In the future, we will update the user agreement and data management in a timely manner in accordance with the requirements of China's relevant laws and regulations.

During the Reporting Year, to the best of the Company's knowledge, we did not have any irregularities related to product liability, advertising, labelling and privacy issues.

Comfortable Services, Harmony and Win-win Results

Zhuopin Intelligent Community Platform

Zhuopin Intelligent Community Platform is our intelligent property service platform. It mainly provides owners with various services such as access to traffic, parking service, reporting for matters and repairs as well as smart home services. It also provides our employees with various work management services such as property facilities and equipment, comprehensive inspections and customer work orders. With the help of the technical and big data capabilities of the AIoT (Artificial Intelligence Internet of Things) of the mainstream manufacturers of Internet companies, the Zhuopin Intelligent Community Platform further provides collaborative corporate clients with platform capabilities by offering online basic on-site customer services and more value-added services for customers and employees based on customer demands, such as corporate central procurement and corporate shopping malls with accumulated reward points, convenient administrative applets, etc..

The Zhuopin Intelligent Community Platform is deeply tied with our property services. It keeps introducing more intelligent basic property services and various value-added services for our customers with the help of Alibaba, JD, Tencent as well as other AI and IoT technologies, data and scenario-based service capabilities. It also provides menu-style scenario-based service options, so that we not only provide basic property services, but also cover multi-dimensional service demands from corporate administration, corporate employees and individual households (such as purchases on behalf of customers on the platform, corporate shopping malls with accumulated reward points, one-stop administrative platform, etc.). Zhuopin Intelligent Community Platform currently has the main functions as below:

- Access payment: the platform is integrated with IoT, allowing one-click access by scanning the code with a mobile phone to enter and exit gates and parking spaces;
- Online property management: property services such as property announcements, reporting for matters and repairs and exclusive customer services are quickly processed online to save time and stay worry-free;
- Corporate services: one-stop tailored services such as purchase of administrative materials on behalf of customers, tailoring of corporate gifts, corporate benefits, event planning, etc., to solve the pain spots and difficulties of corporate administration;
- LIFE Mall: various business segments such as convenient services, exclusive discounts, fine products for workplaces, etc.; brand discounts and fine products are integrated to provide an in-App purchase platform for C-end customers;
- Featured events: access major events involving buildings, preferential benefits, holiday events, property announcements and other information with one click;
- Recommendations for you: collaborate with adjoining commercial merchants to offer more discounts at physical stores, with food and amusement available in all varieties.

In the future, the Zhuopin Intelligent Community will cover all of Excellence Group's owned projects, further iteratively expand more scenario-based services and provide more comprehensive intelligent services (such as executive housekeepers, movement tracks of elderly people and children in the community, alerts about children leaving the community alone, community group buying, community member shopping, smart home services, etc.) for our corporate customers, residential customers and collaborative corporate customers.

Comfortable Services, Harmony and Win-win Results

4.2 LISTENING CAREFULLY TO SOLVE CUSTOMERS' PROBLEMS

The Company has established a customer service policy and mechanism, mainly consisting of management policies such as those for customer relationship, customer service, decoration management and house delivery. We implement a three-tier management and control mechanism for headquarters, regions and projects. We have established telephone and email communication methods, like Excellence Group Service Supervision Hotline: 400-0086-000; Excellence Commercial's Headquarters: 0755-23989106; and Email: zy400@excegroup.com to receive all kinds of customer calls, mails and letters about customer complaints, enquiries and suggestions. We use the "115 mechanism" in response timeliness. This means to follow up within 1 hour, reply within 1 day and close file in principle within 5 days (processing is completed). Complaints are classified by specialty and daily, monthly, and quarterly data reports are assessed. We have well-defined customer complaint management methods and complaint handling procedures. To give feedback to customer complaints quickly, we have established a nationwide customer complaint feedback Weixin group for immediate follow-up, and publish a daily customer complaint bulletin for notification. If customers are dissatisfied with our services, the project's property service centre will be primarily responsible for taking the lead in contacting the customers and communicating with them about their needs, so as to meet those needs within the legal, compliant and reasonable scope of services.

Satisfaction survey in 2020: 82 scores for self-owned residential property (evaluation by a third party), 99 scores for self-owned commercial property (evaluation by a third party) and 98 scores for annual satisfaction with external projects (evaluation by headquarters).

Face recognition and O+ system customer information management and control were added for security protection; pandemic prevention and control measures were adopted for the specific needs of households in line with the community to meet security control and offer more convenience services, which were well-received by owners. As a highlighted task in 2020, we rolled out a monthly course on Customer Service Exchange and Learning Session for customer services to improve the skills and techniques of front-line customer service staff.

4.3 GREEN PROCUREMENT TO ACHIEVE HARMONY AND WIN-WIN RESULTS

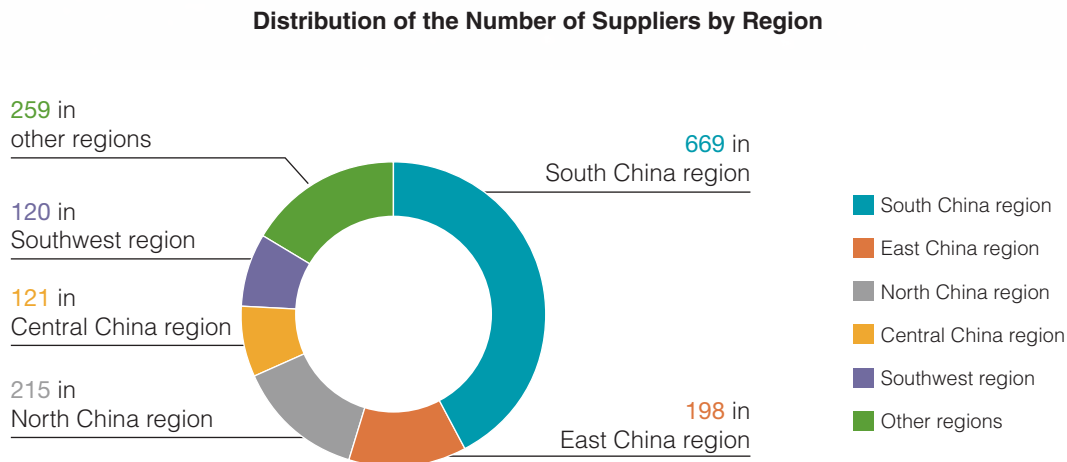
The Company exercises stringent controls over the selection of suppliers for materials procurement and service outsourcing, and sets out clear regulations on the selection of suppliers, procurement process, and certification of purchased products and services by means of procurement control procedures. Moreover, it will continue to consolidate and expand the partnership with its suppliers through good communication to keep supply channels stable and assure the quality of supply.

Our suppliers are mainly suppliers of materials as well as subcontracting, engineering, information, insurance and electromechanical services, etc. Details of these types of supplier are as follows:

- Materials: office stationery and equipment, security supplies, clean and green environment materials, materials for routine engineering maintenance, equipment accessories, gifts, etc.;
- Subcontracting services: cleaning services, security services, greening services, disinfection services, exterior wall services, water treatment services, etc.;
- Engineering services: civil engineering rectification and maintenance, equipment renovation and maintenance, etc.;
- Information services: hardware and software procurement, including procurement on the intelligent platform, etc.;
- Insurance services: various insurance needs;
- Electromechanical services: electromechanical equipment, debugging, installation, etc..

Comfortable Services, Harmony and Win-win Results

The Company has a total of 1,582 suppliers in China. The distribution of suppliers by region is illustrated in the chart below:



In line with our direction of business development and corporate development plan, we reserve the sourcing of supplier resources, and comprehensively evaluate suppliers' price levels, quality management policies (including healthy environment policies), delivery capability, reputation risk and collaboration intention. These suppliers will be preliminarily reviewed and certified by our procurement staff, and our professional and business departments will form an inspection team to conduct on-site inspections. These suppliers will be included in the pool of qualified suppliers after passing a test upon approval and examination by the staff in charge of procurement respectively. According to the procurement requirements of each project, we will select suppliers that meet environmental and safety requirements and have similar project implementation experience from the pool of qualified suppliers, match the suppliers to confirm the selection of suppliers through bidding and price comparison, and execute the contracts after approval. In the process of supplier certification, suppliers are required to sign an Environment – Occupational Health and Safety Protection Agreement.

Annual Review of Suppliers

For suppliers that are performing contracts, we will conduct regular assessment of their contractual performance according to payment schedules, in terms of quality rendering and satisfaction, service timeliness, delivery timeliness and rectification of after-sales conditions, with safety risks and social impact (reputation) as the red line of the assessment. Suppliers that complete a one-year contract period will be evaluated comprehensively after the performance of the contract, and the average value of the performance evaluation results during the contract period will be recorded as the evaluation result. According to the 80-score acceptance line, 20% of qualified suppliers will be rated as excellent suppliers, 20% as good suppliers and 50% as qualified suppliers, the remaining 10% will be used under restricted conditions, and those scoring below 80 will be unqualified suppliers. Those suppliers that touch the red line in terms of safety risks, social impact, breach of contract in anti-corruption and bid rigging and collusion will be blacklisted and will not be able to collaborate with us within 3 years.

Inspection and Evaluation of Suppliers' Environmental and Social Factors

In respect of the inspection of suppliers' social responsibility and environmental protection, we assess the suppliers' quality, health and environmental systems during the suppliers' access process, and conduct on-site inspection of the operation of these systems. During the performance of the contract, we conduct spot checks and assessments on the performance of the contracts, with regard to but not limited to the following: ① quality rendering ② employment legality/salary benefits/insurance; and ③ whether the use of chemical materials conforms to national regulations, whether they have certificates of conformity, and whether inventory management meets EHS requirements. The Company will propose rectification requirements or deal with breach of contract based on the results of the spot checks.

Comfortable Services, Harmony and Win-win Results

We have adopted the following measures to identify the environmental and social risks associated with the supply chain involved in the process of suppliers' access and subsequent performance:

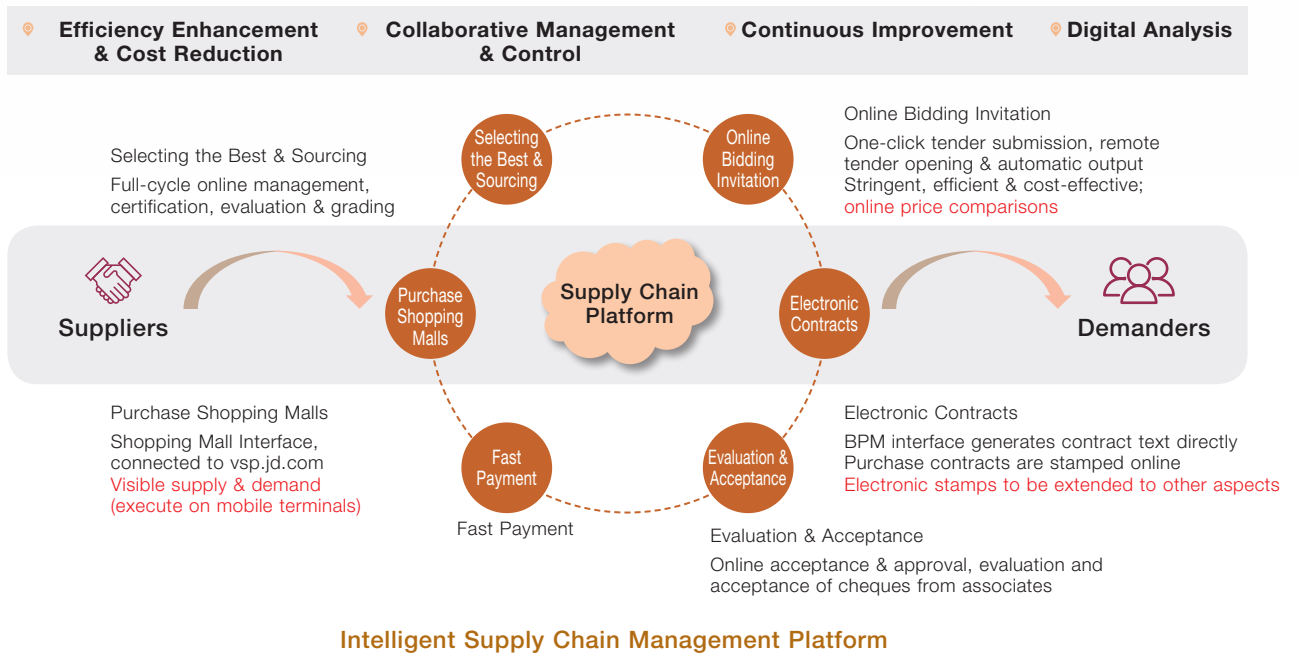
- Whether suppliers pass certification standards, performance evaluation standards, performance inspection standards and post-performance ratings in the entire process meet the judgment of compliance with the performance of the contract; there is a timely reporting mechanism if a supplier touches the red line;
- Suppliers are reserved for planned development, with headquarters' central procurement covering the whole country, region or city territories; 3-5 suppliers of each type in each city are reserved to make sure suppliers are reserved for selection in case of defaults;
- For subcontracting and engineering suppliers, before providing cleaning and greening services, they are required to provide employee health certificates; before providing exterior wall and engineering services, they are required to provide high-rise work certificates; and before carrying out high-risk operations, they are required to provide a certificate of insurance that covers special positions. The procurement centre strictly inspects the equipment for safety construction, inspect the construction materials to see if they pass standards, and supervise and conduct pre-job training for safe construction and safe operation guidance prior to construction or service.

In the process of purchasing materials, the Company chooses environment-friendly products based on the cost budget when selecting specifications and brands for various materials. Environment-friendly products are the preferred choices, such as decoration materials, cleaning materials and security materials. We review the qualifications of materials suppliers in the certification process, and make purchases from those suppliers with agency certificates, business licences and regular brands. Products and materials are inspected after they arrive to see if they have test reports and certificates of conformity. Sub-standard products will be returned and exchanged. Moreover, we will determine the warranty period and free replacement or repair during the warranty period.

The Company's plan for supplier management in the future:

- Strengthen the inspection of the contractual performance process for the suppliers' implementation of projects, conduct a two-way assessment of the supervision of suppliers' position and the suppliers, make rectification promptly if defects are found, report to the superiors promptly if a supplier touches the red line, and check the implementation of the suppliers' evaluation and reward mechanisms.
- Strengthen red line management and results execution in respect of the impact of suppliers' social reputation and of the risks to the safety implementation process, and the suppliers' reputation and blacklist will be shared among counterparts from the same industry, so as to set up a more standard, more honest and more rigorous supplier resources system.
- Effectively plan to develop quality suppliers to make sure suppliers are stable in the long run; and reserve resources without blank resource areas, so that there are competition and alternatives.
- Build an intelligent supply chain management platform which operates efficiently, reduces costs effectively, offers collaborative support for management and control processes, keeps improving and enhancing itself, and is backed by digital analysis, so as to create cost advantages for the Company's competitiveness with its counterparts from the same industry.

Comfortable Services, Harmony and Win-win Results



Recruiting Talents for Common Growth

In terms of human resources management, the Company abides by national laws and regulations such as the Special Provisions on the Protection of Juvenile Workers, the Law of the People’s Republic of China on the Protection of Minors, the Labour Contract Law of the People’s Republic of China, the Special Provisions on Labour Protection for Female Employees, the Regulations on the Employment of Disabled Persons, the Implementation Measures for Paid Annual Leave of Enterprise Employees, the Social Insurance Law of the People’s Republic of China, the Regulation on Public Holidays for National Annual Festivals and Memorial Days, and the Regulations on Work-Related Injury Insurance. This year, we revised and improved certain measures related to human resources, amended the Operational Guidelines on Labour Contracts, and adjusted the probation period for employees. The Recruitment Management Measures and the Management Measures for Induction, Employment and Dismissal were also revised. For the former, we revised the descriptions of key positions and the content of background check; for the latter, we clarified the descriptions of key positions.

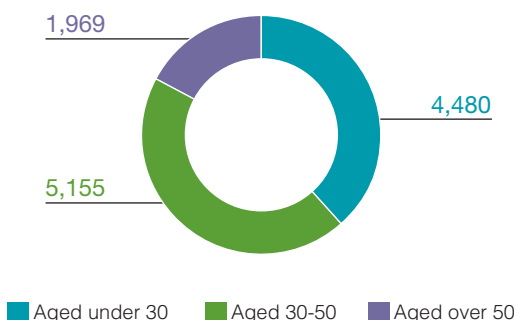
5.1 EQUAL EMPLOYMENT AND PROTECTION OF RIGHTS AND INTERESTS

The Company strictly abides by the Labour Law of the People’s Republic of China, the Labour Contract Law of the People’s Republic of China, *the Contract Labour (Regulation and Abolition) Act, 1970* and other relevant laws and regulations, and has established a series of employment-related measures, such as the Management Measures for Induction, Employment and Dismissal, the Operational Guidelines for Labour Contracts, and the Employment Management Guidelines for Interns and Foreigners, to ensure legal compliance. The Company has a personnel compliance inspection system, which requires self-inspections and mutual inspections by regional and project companies on a quarter basis, and the Company’s headquarters also conducts random inspections from time to time. Each subsidiary will communicate with its departing employees. On the one hand, a departing employee will be asked to fill in the reason for resignation on the notice of resignation. On the other hand, we will interview the employee to understand the reason for resignation.

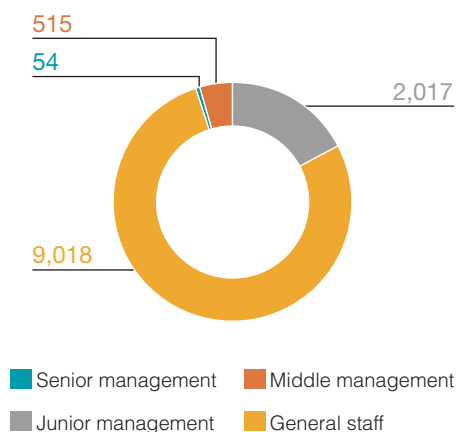
The employment challenge faced by the Company lies in its rapid business development, which requires the recruitment of more professionals and management talents to catch up with the fast-growing business. The Company has upgraded its recruitment plan and developed a market-based pay survey plan to increase recruitment number and quality, and recruit employees with more market-based compensation, so as to meet the needs of business development. In 2020, we recruited 93 student interns, 63 of whom were retained.

This year, the Company had a total of 11,604 employees (all of whom are full-time employees), including 6,851 males, 4,753 females, 447 ethnic minority people and 29 disabled people. The turnover rates of male and female employees were 76.95% and 65.71%, respectively; the turnover rates of employees aged under 30, between 30-50 and above 50 were 16.09%, 13.29% and 354.95%, respectively. The breakdown of employees is as follows:

Breakdown of Employees by Age (persons)

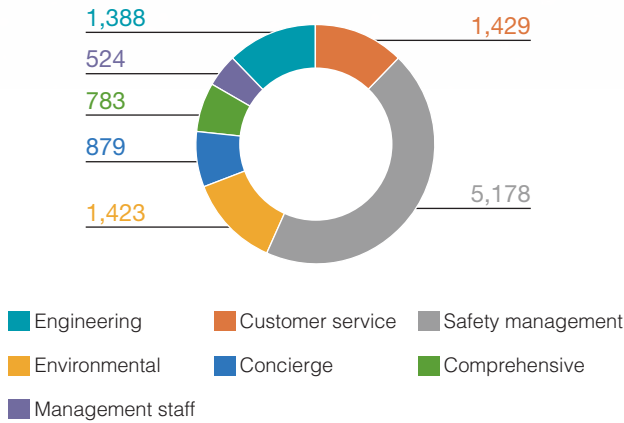


Breakdown of Employees by Level (persons)

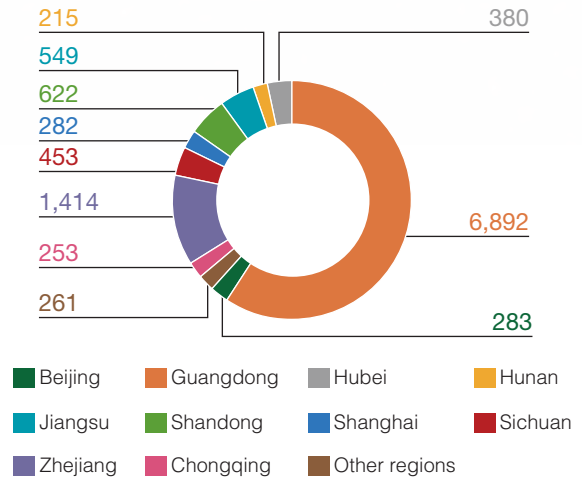


Recruiting Talents for Common Growth

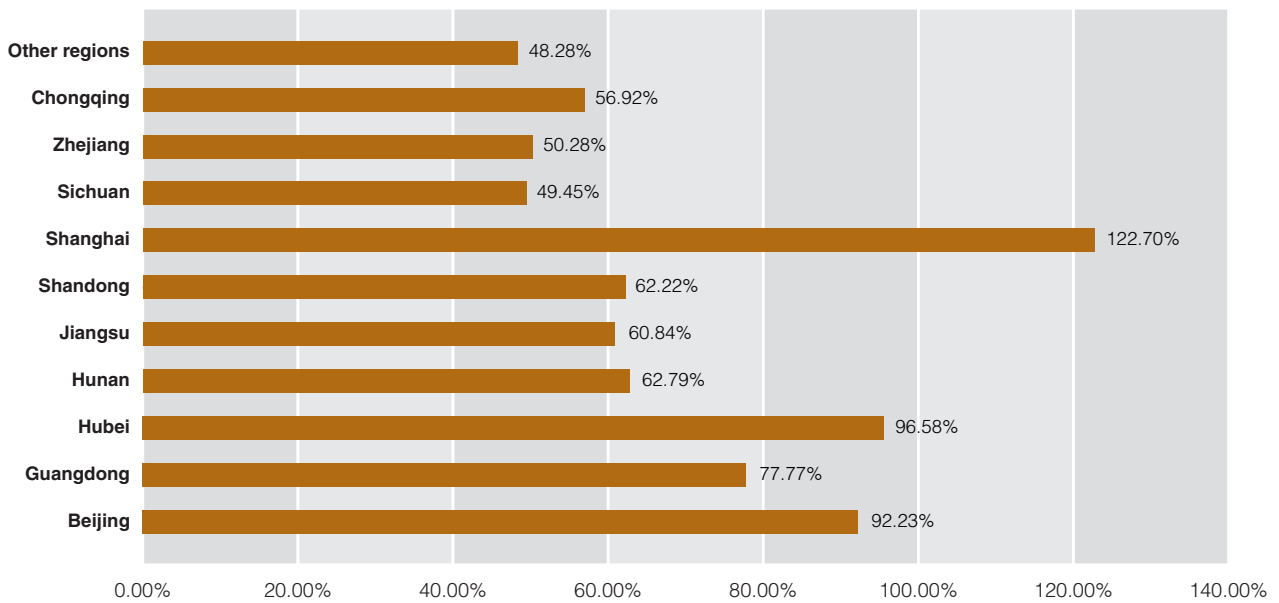
Breakdown of Employees by Function (persons)



Breakdown of Employees by Region (persons)



Employee Turnover by Region



Recruiting Talents for Common Growth

In terms of employee compensation and benefits, the Company pays monthly salaries on time according to law, quarterly/annual performance bonuses according to performance appraisal results, commissions to business personnel according to their sales performance, post allowances for some posts, high temperature allowances in summer, and holiday allowances in holidays. In addition, we have purchased employer liability insurance for 940 retired employees reemployed, and provide 323 staff quarters in the communities we serve.

In terms of employee promotion, the Company implements the Management Measures for Talent Development and the Promotion Management Measures. Based on business developments and the readiness of employees, each department submits a list of personnel for promotion on a monthly basis, which is subject to approval according to the level of promotion. In 2021, we will step up the introduction of quality students from 985 and 211 key universities, and strengthen the practice of new project operations and the cultivation of managers during the training process.

In terms of holidays and working hours, the Company abides by relevant national laws and regulations. For employees working overtime, we will compensate them with overtime pay or compensatory leave.

In terms of preventing child labour and forced labour, the Company strictly prohibits the employment of child labour. We verify the identity and age of each job applicant during the recruitment process, and regularly review the database every month to check whether the age of personnel meets the minimum requirement. The Company has not found any child labour and forced labour. If it is found, we will stop it immediately and punish the responsible person accordingly.

In 2020, the Company had neither labour disputes caused by violations of laws and regulations, nor child labour or forced labour.

5.2 EMPLOYEE TRAINING FOR DEVELOPMENT AND ADVANCEMENT

The Company's management goals in employee training and development are to promote the implementation of corporate strategy, develop and enhance managers' leadership, cultivate key talents, integrate training resources, and spread corporate culture. Our training system is divided into company-level training and regional project training. Company-level training covers new recruits (fresh graduates), potential talents (reserve supervisors), excellent talents (reserve managers) and leaders (directors), all of whom have received one round of training (mainly on-site training, coupled with remote online learning). As to regional project training specific to a project, an annual training plan will be developed and implemented on a monthly basis to ensure smooth business operations.

Case: Leader Training Scheme

The Leader Training Scheme is designed for the Company's management personnel at or above the director level, with training instructors coming from an external consulting company. The training goals are as follows:

1. At the company level, we need to have predictable outstanding performance in the future, and establish a clear and unified methodology for business operations and development that everyone can understand to promote business activities, timely measure business progress and ensure sustainable business growth.
2. At the employee level, we aim to help the leaders of the Company give full play to their strengths and advantages, tap their potential, understand the Company's expectations, promote the business development of our regional/professional companies, accomplish business targets at various stages, and achieve a win-win outcome for the Company and its employees.

Recruiting Talents for Common Growth

Leader Training Scheme of the Year

Course Title	Duration	Date
Lesson 1: Strategic Planning	1 day	2020/5/23
Lesson 2: Apples and Oranges	2 days	2020/5/24~25
Lesson 3: Sell by Listening	2 days	2020/6/19~20
Lesson 4: Business Objectives and Institutions	1 day	2020/6/21
Lesson 5: Business Plan and Strategy Implementation (personnel, capital, and materials)	2 days	2020/7/17~18
Lesson 6: Crack the Sales Management Secret	2 days	2020/8/8~9



2020 Leader Training

We have established an online training platform to provide external training courses through Yunxuetang (雲學堂). This year, we provided external training for the management. Specifically, we provided project managers with training on Xiaohongshu operation manual and the Civil Code. A total of 160 personnel received the training on the Civil Code. In addition, in order to improve the management capabilities of project managers, we conducted a project manager improvement class which was attended by 78 supervisors/managers. In 2020, our training expenses amounted to RMB760,000.

Recruiting Talents for Common Growth

Training Indicator		2020 Data
Percentage of trained employees by gender (%)	Total number of male employees trained	6,789
	Total number of female employees trained	4,815
	Percentage of male employees trained (%)	99%
	Percentage of female employees trained (%)	99%
Percentage of trained employees by function (%)	Total number of senior managers trained	60
	Total number of middle managers trained	1,404
	Total number of general employees trained	10,140
	Percentage of senior managers trained (%)	90%
	Percentage of middle managers trained (%)	99%
	Percentage of general employees trained (%)	100%
Training hours per employee	Average training hours per male employee	30
	Average training hours per female employee	26
	Average training hours per senior manager	30
	Average training hours per middle manager	27
	Average training hours per general employee	28

In the future, we will continue to cultivate talents at the company level and provide key management talents for future development. We will continue to carry out front-line support training, and constantly improve the training effect based on the annual training survey results.

Recruiting Talents for Common Growth

5.3 PROTECTING AND CARING FOR EMPLOYEE HEALTH AND SAFETY

Physical health and personal safety serve as the foundation for people to pursue a better life. The Company upholds the people-oriented principle and attaches great importance to the physical health of employees. We have formulated relevant measures for employee health and safety, covering safe production, safe use of electricity, occupational safety (e.g. high-altitude operations, heat processing, and use of ladders), occupational health management, etc.

In terms of employee health and safety management, our quality department is responsible for providing guidance, conducting project training, and paying high temperature allowances in summer. Soon after the COVID-19 outbreak in 2020, the Company set up an epidemic response headquarters to guide regional and project companies to carry out epidemic prevention measures. During the severe COVID-19 epidemic, we strictly conducted temperature measurement of employees, equipped them with epidemic prevention supplies such as masks and disinfectant, carried out regular disinfection, and enhanced ventilation to ensure the protection of employee safety. During the epidemic, employees who performed well were commended and rewarded with special bonuses. In addition, we arrange for employees to take physical examination each year. Employees are entitled to receive physical examination at a designated institution between October and December every year to understand their health status.

We have formulated safety operation measures and guidelines to prevent and manage employees' work-related injuries, and provide relevant training for employees. In case of any work-related injury, we will take measures to report and review the accident concerned, send the injured employee to hospital for treatment, declare the work-related injury, and arrange work-related injury leave and compensation.

	2020	2019	2018
Number of employees who died at work	0	0	0
Percentage of employees who died at work	0	0	0
Work days lost due to work-related injuries	2,082.5	1,959	3,180.5

During the year, the Company had no violations in terms of providing a safe working environment to avoid occupational hazards.

Green and Low Carbon Operation for Environmental Protection

Upholding a responsible attitude towards the society and the environment, the Company is well aware of its environmental responsibility as a corporate citizen. In the course of daily operations and development, we constantly place emphasis on the importance of environmental protection, and actively implement the green and low carbon development strategy to reduce the negative impact of business development on the environment and exert a positive impact.

The Company strictly abides by the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China and other laws and regulations that have a significant impact on the Company's development, and continuously improves the awareness of environmental protection. We have adopted a series of practical measures to achieve the expected results. The main places of business of the Company have passed the ISO14001:2015 environmental management system certification and ISO50001:2018 energy management system certification, which is an affirmation of our work and achievements in environmental management. On this basis, we will further develop and improve our environmental management system.

6.1 EMISSIONS CONTROL TO PROTECT THE ENVIRONMENT

Management of Exhaust Gas and Greenhouse Gas Emissions

In accordance with the requirements of the ISO14001 environmental management system and ISO50001 energy management system, the Company implements national environmental policies and energy conservation and emission reduction requirements, and has established a series of measures including the Resource and Energy Management Rules and the Waste Management Rules. Our projects under management are mainly commercial office buildings, residential building and a few logistics parks. The direct sources of greenhouse gas emissions are diesel emissions from generators and exhaust emissions from employees' private cars; the indirect source of emissions is emissions caused by the use of electricity. The diesel consumption of generators generally only occurs during power outages and monthly tests, so the exhaust emissions therefrom are negligible. The Company advocates green travel. Our projects are mostly located in urban areas with convenient transportation, and our employees mostly commute by subway or bus, thereby reducing the greenhouse gas emissions from cars. Each property management project of the Company is required to set annual energy-saving targets, carry out special tasks for energy-saving transformation in phases, and implement energy-saving measures such as "table clearing and five shutdowns", so as to gradually reduce power waste and control greenhouse gas emissions. In the future, we will continue to apply energy-saving technologies in various projects, such as promoting LED lights and enabling dynamic induction control of major energy-consuming equipment including air-conditioning systems, elevator systems and basement lighting.

The Company's Exhaust Gas and Greenhouse Gas¹ Emissions and Intensity

Category	Emissions	Unit
Sulphur dioxide	13.95	kg
Nitrogen oxides	136.86	kg
Particulate matter	18.41	kg
Direct greenhouse gas emissions	170.24	tonnes of carbon dioxide equivalent
Indirect greenhouse gas emissions	62,604.60	tonnes of carbon dioxide equivalent
Total greenhouse gas emissions	62,774.84	tonnes of carbon dioxide equivalent
Greenhouse gas emission intensity	64.08	tonnes of carbon dioxide equivalent per 10,000 m ²

1 Calculation method of greenhouse gas emissions:

Direct greenhouse gas emissions: The Group's gasoline and natural gas consumption is multiplied by the corresponding emission factor. For the emission factor, please refer to ① China Energy Statistical Yearbook and ② IPCC 2006;

Indirect greenhouse gas emissions: The amount of electricity purchased by the Group is multiplied by the corresponding emission factor. For the emission factor, please refer to the Notice of the General Office of the National Development and Reform Commission on Carbon Emission Reporting and Verification and Emission Monitoring Plan Development for 2016 and 2017;

Total greenhouse gas emissions: Sum of direct and indirect greenhouse gas emissions.

Green and Low Carbon Operation for Environmental Protection

Waste Discharge Management

The Company complies with environmental requirements, closely cooperates with the implementation of relevant waste reduction initiatives, and requires relevant parties to participate in such initiatives. In the course of business, we classify waste into recyclable, non-recyclable, and hazardous waste. In each project under management, we set up garbage bins for these three types of waste and continuously publicise garbage classification knowledge to property owners and residents on bulletin boards and through online and other channels, in order to remind them classify waste before dumping. We advocate paperless office and reuse of single-sided paper and reduce the use of disposable tableware/plastic bags to reduce waste generation.

For office and domestic garbage generated daily in a project, we first separate the recyclable garbage and adopt measures such as reusing office paper to reduce the generation of office garbage as far as possible, and for waste that cannot be recycled for use, we contract with a qualified supplier for handling, and the income therefrom will be attributed to the profit of the project. Domestic garbage will be collected in a garbage room, transported and disposed of by the sanitation department, and registered in terms of quantity. During the process, no secondary pollution such as splashing and scattering is allowed. All decoration waste is cleared and transported by the construction entity.

The quality management department of the Company reviews the list of hazardous wastes each year and updates it according to the National Catalogue of Hazardous Wastes. For each project, a special hazardous waste warehouse has been set up to collect and store hazardous wastes generated from project operations, including waste fluorescent tubes, waste paint, waste chemical solvents and their containers. In accordance with the national requirements for environmental technology upgrading, we are gradually replacing old-fashioned equipment with LED lamps, water-based paint, lead – and mercury-free batteries and eco-friendly pens to reduce the generation of hazardous waste at source. Our copiers are leased, and the hazardous wastes generated by them such as ink and toner cartridges are replaced and disposed of by the supplier on a regular basis. Other hazardous wastes are temporarily stored in a separate place on the premise of taking measures for isolation and leakage prevention, and a hazardous waste recycler certified by the environmental authority is contracted to transfer and dispose of such wastes from time to time.

With the above measures, in 2020, the total amount of hazardous waste discharged by the Company was approximately 3.63 tonnes, and the total amount of non-hazardous waste discharged was 70,052.85 tonnes.

Category	Unit	Emissions	Discharge per 10,000 m ² (kg)
Hazardous waste	tonnes	3.63	3.69
Waste lamps	tonnes	2.17	2.20
Waste paint solvent	tonnes	1.46	8.2
Non-hazardous waste	tonnes	70,052.85	71,251.52
Domestic waste	tonnes	70,052.85	71,251.52

Wastewater Management

The Company's business operations generate domestic sewage (but no industrial wastewater), mainly including domestic sewage from toilets and tea rooms, cleaning and tool cleaning water, air conditioning condensate, etc. Sewage from toilets and tea rooms and cleaning wastewater are treated in septic tanks and then discharged into municipal sewage pipes for treatment in sewage plants, and the Company pays wastewater treatment fees as required. Air conditioning condensate is recycled instead of being discharged. The Company implements water-saving measures and sets annual water conservation targets. During the year, we renovated the toilets to use water-saving toilets. In daily operations, continuous inspections are carried out to prevent long-running water and ensure that water consumption remains at a reasonable level.

During the year, the Company did not have any emissions-related violations that had a significant impact on the Company.

Green and Low Carbon Operation for Environmental Protection

6.2 ENERGY CONSERVATION AND CONSUMPTION REDUCTION BY GREEN AND LOW CARBON OPERATION

In terms of energy use, the Company has established a complete and sound management system. The relevant management measures in effect include: the Resource and Energy Management Rules, the Energy Evaluation Management Rules, the Regulations on Control of Energy Benchmarks and Performance Parameters, the Regulations on Operation of Diesel Generator Equipment, the Regulations on Repair and Maintenance of Diesel Generator, and the Procedures for Identification, Evaluation and Control of Environmental Factors. As to environmental management system, we vigorously promote the implementation of environmental management system by establishing a rigorous structure with a clear division of labour. The relevant job levels include: general manager, management representative, systems manager, EHS officer, business operation manager (environmental), quality operation officer of regional project, supplier management officer, and project-based environmental management officer. The functions and duties of these positions are reasonably set in respect of the planning, implementation, inspection and improvement of environmental management system, and being measured, examined and improved in real time. Currently, the environmental management system is running well.

The Company's Resource and Energy Consumption and Intensity

Category	Consumption	Unit
Electricity (public electricity)	102,613,662.5	kWh
Electricity consumption intensity	10.47	kWh/m ²
Natural gas	77,772.16	Sm ³
Liquefied petroleum gas	4,856.70	kg
Total water consumption	5,831,844.3	m ³
Total water consumption intensity	0.60	m ³ /m ²
Paper	1,804.4	tonnes

Since the establishment of our energy management system in 2019, we have set annual responsibility targets for certified areas/projects (headquarters office area, Tower 1 of Excellence Century Centre) every year, and such targets have been successfully completed. In 2020, the Company formulated the Energy Data Collection Plan and the Energy Monitoring and Measurement Scheme. The Excellence Century Centre project engaged Dachong Luyuan Energy Technology Co., Ltd. to carry out energy-saving transformation of its central air conditioning system, which led to a daily saving of 12,716 kWh of electricity. Overall, this move can save 22.76% electricity cost.

The Company has set up 340 waste battery recycling bins in 51 office and residential buildings. In 2020, 2.086 tonnes of waste batteries were collected, all of which were handed over to qualified recycling agencies for disposal. In addition, 65 bins for recycling of old books and periodicals and paper have been set up in 16 projects under management, with 40.85 tonnes of old books and periodicals and paper being collected; 56 used clothing recycling bins have been set up in 32 projects under management, with 23.93 tonnes of used clothes being collected.

Green and Low Carbon Operation for Environmental Protection

We take the following measures for energy conservation:

- Carrying out energy-saving technical transformation to achieve the goal of energy conservation;
- Publicity and education: Make use of energy-saving posters, logos and other publicity methods to make the concept of energy conservation deeply rooted in the hearts of all personnel;
- Staff training: Train and educate employees on daily habits, work scenarios and job skills, and correct their bad waste habits;
- Setting responsibility targets: Issue letters of responsibility for energy-saving targets at the beginning of the year from the Company to various regions and projects and to all departments, regularly review the progress of the targets, and make improvements based on routine inspection results to ultimately achieve the goal of energy conservation;
- Routine inspection: Responsible departments such as the engineering department and administrative department inspect the office area and operational area to avoid waste of energy resources.

In the future, the Company will continue to promote energy conservation by enabling sound operation of the energy management system and environmental management system, breaking down and implementing annual responsibility targets, carrying out training on and publicity of energy conservation for entities at all levels, and applying new energy-saving technologies.

In terms of water resources, the Company mainly uses urban tap water, and a few projects under management use other sources of water due to geographical reasons or construction plans. This year, we explored new ways to save water from the following aspects:

1. Explore a robot inspection system to timely detect and deal with any water pipe leakage;
2. Compare with the water consumption data of the same period of previous years through the E+FM facility management system to find out any anomaly in water consumption, identify the issues behind and make improvements;
3. Adjust the flow of toilet water and reasonably control the water consumption of toilets;
4. Explore a landscape water recycling and treatment system to fully use stored water and rainwater.

Green and Low Carbon Operation for Environmental Protection

In response to the government's call for water conservation, we cooperated with the construction of sewage treatment system, explored rainwater collection and reuse technology, and expanded water sources suitable for the property management projects in various ways, in an effort to achieve energy conservation and environmental protection. During the Reporting Year, the Company had no problem in sourcing water that is fit for purpose.

6.3 EVALUATING AND ADDRESSING CLIMATE CHANGE

In response to climate change, we have identified its potential impact on the Company's business operations, including physical risks and transition risks. For different types of physical risks (such as extreme weather), the Company has established emergency plans for typhoon and rainstorm, torrential rain and cold wave, blizzard, snow removal, and high temperature weather, and urge project companies to carry out drills regularly, in order to cope with the impact of physical risks such as extreme weather on the Company. In addition to physical risks, we actively identify transition risks, keep abreast of changes in relevant policies, and identify risks and opportunities for our business operations to better cope with challenges.

Operational Compliance, Integrity and Honesty

The Company strictly abides by the Audit Law of the People's Republic of China, and has developed a set of measures, including the Audit Management Measures, the Whistleblowing Management Measures, and the Reward and Punishment Management Measures and established an effective risk management mechanism. Each year, we review and revise such measures based on business development needs. The Company has also formulated an employee handbook and ten red lines on employee code of conduct to regulate employee acts. Each supplier is required to sign the Sunshine Cooperation Agreement when contracting with the Company. The Company's headquarters has an audit department to audit the supplier-related departments from time to time. Suppliers that violate the Sunshine Cooperation Agreement or are subject to verified complaints will be held accountable and blacklisted for three years.

Any employee of the Company or anyone who finds corruption, bribery and other illegal activities within the Company may report such activities by letter, telephone, fax or email, through our website, or by paying a visit to us. The whistleblowing hotline is 18128857565 and the email address is wyjubao@exceam.com. We have dedicated personnel to handle whistleblowing matters. We encourage real-name whistleblowing, keep the information of whistle-blowers strictly confidential, and have provisions in the Whistleblowing Management Measures to protect the rights and interests of whistle-blowers. After receiving a whistle-blower's report, we will investigate and verify the reported clues according to the report investigation process. If it is confirmed that there is any suspected violation of laws and regulations, we will report it to the management or the Board for approval before deciding how to deal with it. We promote the culture of integrity through new employee training, special training, holiday anti-corruption tips, etc. During the Reporting Year, we found no cases of corruption, bribery, extortion, fraud or money laundering against the Company or its employees.

Caring for the Community and Giving Back to Society

Since its inception in 1996, Excellence Group has been committed to becoming a socially responsible company, and has been accomplishing this commitment in its business decisions for a long time. Its charity donations cover the fields of education, poverty alleviation, ecological protection, cultural undertakings, healthcare, public facilities, etc. Excellence CM follows the example of Excellence Group and has been participating in charity undertakings since 1999 to live up to its corporate social responsibility.

➤ Hope Primary Schools

Since 1997 when it donated money for running a school in Shazui Town, Xinhui District, Jiangmen, Guangdong Province, Excellence Group has started a journey of charity in the field of education. Excellence CM encourages its community customers to participate in the Hope Primary School education undertakings, and regularly motivates community residents and children to carry out joint activities, with many property owner customers taking part.

➤ Voluntary Blood Donation

In addition to education, since 2009, Excellence CM has worked with Excellence Group and Shenzhen Lions Club to host the Red Action voluntary blood donation month for more than ten years. At present, Red Action has become a key contributor to the security of winter blood supply in Shenzhen as the total amount of blood donated under this campaign accounts for 40% of all blood donated to the blood bank of the blood centre in winter, alleviating the pressure on clinical blood use in Shenzhen in winter. In order to advocate the civic awareness of donating blood to help others and benefit oneself, Excellence CM collaborated with Shenzhen Blood Centre and Shenzhen Lions Club to host the Red Action Voluntary Blood Donation event and called on its customers and employees to offer their care in December when Shenzhen was in the most urgent need of blood. On average, Excellence CM motivates more than 200 people to donate over 100,000 ml of blood every year. Moreover, the Company is always advocating the significance and benefits of donating blood to help others, and many employees insist on donating blood for free regularly. By hosting such charity activities, the Company has stimulated the benevolence of the masses and effectively promoted the idea of donating blood to save others and benefit oneself. Excellence CM has received the accolades of Charity Enterprise Award and Most Awesome Support Award for several consecutive years.



Voluntary Blood Donation

Caring for the Community and Giving Back to Society

➤ Excellence Assistance to Xinjiang

Since 2017, Excellence Group has been adopting the idea of helping a county is helping an ethnic group and providing assistance to Tashkurgan Tajik Autonomous County in response to the call of Shenzhen Futian District. We teamed up with Shenzhen Charity Association to set up a RMB10 million foundation for helping the disabled and the poor in Tashkurgan County, and launched the Excellence Assistance to Xinjiang series of charity activities. For this end, we dispatched a working group focusing on helping the disabled and poverty alleviation to help the disabled children and adults in Tashkurgan County. The assistance provided included funding the rehabilitation treatment of disabled children, solving educational problems for school-age disabled children, improving the learning and rehabilitation environment for special education, helping disabled people to explore entrepreneurship, cooperating with local travel agencies to develop walk for charity routes, and developed local agricultural products and by-products to provide local disabled people with employment opportunities and increase their income. Excellence CM, as the implementer of the Excellence Assistance to Xinjiang initiative, is deeply involved in the calibrated poverty alleviation projects undertaken by Excellence Group in Xinjiang, including developing and implementing industrial poverty alleviation projects, helping the disabled to explore entrepreneurship, and supporting the employment of local college graduates.

In addition, Excellence CM has developed an innovative model for calibrated and long-term poverty alleviation. Under this model, we tapped the market value of local agricultural products apricot and snow chrysanthemum and helped solve the historical difficulties in procurement, logistics, commercial negotiation and sales, benefiting more than 600 local households. In the past three years, a total of 65.6 tonnes of fresh apricots were sold. Excellence CM has developed the charity product Sun Gift Box to support the snow chrysanthemum industry in Tashkurgan Tajik Autonomous County, thus boosting the development of snow chrysanthemum production bases from scratch. In 2018, Excellence CM worked with Tiznap and Baldir of Tashkurgan County to build a 100-mu snow chrysanthemum base, attracting more than 400 households in the two townships plant the crop. We also assisted in registering local snow chrysanthemum products with Agro-product Geographical Indications, with a view to building reputation and influence for snow chrysanthemum in the Pamirs. In 2020, the annual output of local snow chrysanthemum was 2 tonnes. Excellence CM leveraged its own platform to help sell a total of 763 kg of snow chrysanthemum from 2017 to 2020, thus contributing to local industrial poverty alleviation.



Excellence Assistance to Xinjiang Charity Campaign

Caring for the Community and Giving Back to Society

➤ Sing for Love

Since 2014, Excellence CM has held the Sing for Love charity event for six consecutive years. The event targets customers in the office buildings of Shenzhen CBD. Potential contestants may sign up to participate in the audition through the Excellence Neighbour Club (卓越生活圈) online platform, and motivate their fans to take part in the Love Ambassador series of activities. The event is not just a singing competition, but also accompanied by various charity activities in the name of love every year. For example, in 2014, Excellence CM, in collaboration with the Shenzhen Disabled Persons Federation, Shenzhen Volunteer Association and Shenzhen Embracing Sunshine Art Troupe, called on people to directly donate money and supplies to designated hearing-impaired children through third-party charities, so as to help hearing-impaired children receive cochlear implants and regain hearing ability; in 2015, we held children's art exhibitions and a charity crowdfunding event to help children with brain injury and autism; in 2016, we teamed up with the Tencent Charity Foundation and the Tencent Wecounty platform to attract attention to the protection and promotion of intangible cultural heritages; in 2017, we held a charity photography exhibition under the Excellence Assistance to Xinjiang initiative to bridge the gap between charity and culture.



Meanwhile, by holding the Sing for Love charity event, Excellence CM has built a bridge for white-collar customers in office buildings to participate in charity activities. The event not only sets up a music stage for our white-collar customers to show their personal style, but also contributes to the development of charity undertakings. After being held for six consecutive years, it has gained wide recognition from society and the public, and has spread the spirit of charity. In 2020, the online voting platform set up by the Excellence CM attracted 34,903 participants and reaped 786,186 views. The popularity of the event not only greatly stimulated the enthusiasm of white-collar workers in CBD to get involved in charity, but also fully demonstrated the innovation capacity of Excellence CM in promoting the development of charity undertakings in Shenzhen.

Caring for the Community and Giving Back to Society

➤ Fight Against COVID-19:

During the COVID-19 outbreak in 2020, Excellence Group proactively assumed its social responsibility to contribute to the national fight against COVID-19. To this end, it promptly donated RMB10 million in cash and protective supplies through Shenzhen Charity Association to key epidemic areas. Among those, RMB1 million was donated to fund the construction of Wuhan Leishenshan Hospital; and 20,000 pieces of protective clothing were donated in collaboration with Federation of Hong Kong Shenzhen Associations. In addition, we purchased medical supplies such as masks, ventilators, goggles, and infrared thermometers and donated them to front-line institutions in need. In addition to donating money and supplies, Excellence CM also sent volunteers to participate in the construction of Shenzhen's version of Leishenshan Hospital.



➤ "Internet + Education" Assistance Scheme

In 2020, in order to promote the development of urban and rural education in Xunwu County, Excellence Group teamed up with Shenzhen Newspaper Education Media Group to launch an "Internet + Education" assistance scheme called Excellence Magic Live Class. We have built 10 Internet live broadcast classrooms in Xunwu and established a team of online famous teachers to develop courses with local characteristics. By building a platform for online education observation, open class live broadcast and interdisciplinary sharing, we strive to share quality educational resources in first-tier cities with more mountainous villages and create more possibilities for the development of rural education, so as to achieve the effect of teaching people to fish and make our charity undertakings have a lasting impact in Xunwu.

Caring for the Community and Giving Back to Society



Educational Assistance for Xunwu

With 21 years of ups and downs, Excellence CM has never forgotten to be grateful and to give back to society with concrete actions. Looking forward, we will, as always, uphold the philosophy of rooted in and serving society through charity, join the charity efforts of Excellent Group, and pay continuous attention to key issues in the fields of healthcare, education and public undertakings according to our planning on charity initiatives, so as to undertake our corporate social responsibility, create a role model of entrepreneurs helping the disabled and the poor and engaging in charity undertakings, and showcase how we move forward firmly on the journey of charity in a progressive way.

Appendix

9.1 INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

Environmental, Social and Governance Reporting Guide		Report contents
Subject Area A. Environment		
Aspect A1: Emissions		
A1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6. Green and Low Carbon Operation for Environmental Protection
A1.1	Types of emissions and the respective emissions data.	6.1 Emissions control to protect the environment
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility)	6.1 Emissions control to protect the environment
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1 Emissions control to protect the environment
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1 Emissions control to protect the environment
A1.5	Description of the emission targets set and the steps taken to achieve them.	We will gradually improve the setting of emission reduction targets in the future
A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of the waste reduction targets set and the steps taken to achieve them.	6.1 Emissions control to protect the environment
Aspect A2: Use of Resources		
A2	General Disclosure Policies on efficient use of resources including energy, water and other raw materials.	6.2 Energy conservation and consumption reduction by green and low carbon operation
A2.1	Direct calculated or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	6.2 Energy conservation and consumption reduction by green and low carbon operation
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.2 Energy conservation and consumption reduction by green and low carbon operation
A2.3	Description of the energy use efficiency targets set and the steps taken to achieve them.	6.2 Energy conservation and consumption reduction by green and low carbon operation
A2.4	Description of whether there is any issue in sourcing water that is fit for the purpose, and water efficiency targets set and the steps taken to achieve them.	6.2 Energy conservation and consumption reduction by green and low carbon operation
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A

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Aspect A3: The Environment and Natural Resources		
A3	General Disclosure Policies on minimising the issuer’s significant impact on the environment and natural resources.	6. Green and Low Carbon Operation for Environmental Protection
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6. Green and Low Carbon Operation for Environmental Protection
Aspect A4: Climate Change		
A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	6.3 Evaluating and addressing climate change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	6.3 Evaluating and addressing climate change
Subject Areas B. Social		
Aspect B1: Employment		
B1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1 Equal employment and protection of rights and interests
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	5.1 Equal employment and protection of rights and interests
B1.2	Employee turnover rate by gender, age group and geographical region.	5.1 Equal employment and protection of rights and interests
Aspect B2: Health and Safety		
B2	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.3 Protecting and caring for employee health and safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.3 Protecting and caring for employee health and safety
B2.2	Lost days due to work injury.	5.3 Protecting and caring for employee health and safety
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.3 Protecting and caring for employee health and safety

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Aspect B3: Development and Training		
B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.2 Employee training for development and advancement
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.2 Employee training for development and advancement
B3.2	The average training hours completed per employee by gender and employee category.	5.2 Employee training for development and advancement
Aspect B4: Labour Standards		
B4	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Equal employment and protection of rights and interests
B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Equal employment and protection of rights and interests
B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Equal employment and protection of rights and interests
Aspect B5: Supply Chain Management		
B5	General Disclosure Information on policies on managing environmental and social risks of the supply chain.	4.3 Green procurement to achieve harmony and win-win results
B5.1	Number of suppliers by geographical region.	4.3 Green procurement to achieve harmony and win-win results
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.3 Green procurement to achieve harmony and win-win results
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.3 Green procurement to achieve harmony and win-win results
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.3 Green procurement to achieve harmony and win-win results

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Aspect B6: Product Responsibility		
B6	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	4. Comfortable Services, Harmony and Win-win Results
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
B6.2	Number of products and service related complaints received and how they are dealt with.	4.2 Listening carefully to solve customers' problems
B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.1 Concept of quality and comfortable services
B6.4	Description of quality assurance process and recall procedures.	4.1 Concept of quality and comfortable services
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.1 Concept of quality and comfortable services
Aspect B7: Anti-corruption		
B7	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p>	7. Operational Compliance, Integrity and Honesty
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	7. Operational Compliance, Integrity and Honesty
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	7. Operational Compliance, Integrity and Honesty
B7.3	Description of anti-corruption training provided to directors and staff.	7. Operational Compliance, Integrity and Honesty
Aspect B8: Community Investment		
B8	<p>General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p>	8. Caring for the Community and Giving Back to Society
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8. Caring for the Community and Giving Back to Society
B8.2	Resources contributed (e.g. money or time) to the focus area.	8. Caring for the Community and Giving Back to Society