



**Colour Life Services Group Co., Limited**

Stock code: 1778



**SERVICE TO YOUR FAMILY**

**ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT 2019**

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# ABOUT THIS REPORT

## PURPOSE OF THE REPORT

Colour Life Services Group Co., Limited (“Colour Life” or the “Company”), together with its subsidiaries (collectively referred to as the “Group”, “we” or “us”) are pleased to publish the 2019 Environmental, Social and Governance Report (the “Report”) to the stakeholders, aiming to summarize the policies, strategies and performance in relation to the sustainable development of the Group over the past year.

## REPORTING PERIOD AND SCOPE

The reporting period in this Report is from 1 January 2019 to 31 December 2019 (the “Reporting Period”). Unless otherwise stated, the reporting scope covers our principal business in the People’s Republic of China (“PRC”), including 1) property management services; 2) value-added services; and 3) engineering services.

## REPORTING STANDARDS

This Report is prepared in accordance with the disclosure requirements of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide of the Stock Exchange”) as set out in the Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and was approved by the board of directors of the Group in June 2020.

## REPORTING PRINCIPLES

This Report is prepared in accordance with the following four reporting principles:

Principle	Definitions	Responses from the Group
Materiality	The issues covered in the Report should reflect the significant impacts of the Group on the economy, environment and society, or the scope of assessments and decisions of stakeholders being affected.	Through communication with stakeholders as well as considering the Group’s business nature and development, material sustainability issues are being identified.
Quantitative	The Report should disclose key performance indicators in a measurable manner.	The Group will disclose its key environmental and social performance indicators quantitatively where appropriate.
Balance	The Report should reflect fairly the overall sustainability performance of the Group.	The Group has identified the environmental, social and governance issues that have significant impact on the Group’s business, including the results and challenges faced by the Group.
Consistency	The Group should confirm that the preparation methods of the ESG report is consistent with the those used in the previous year(s), or state the revised reporting methods, or illustrate other relevant factors that will affect meaningful comparison.	The reporting scope and reporting method of the Report are substantially consistent with those in last year.

# ABOUT THIS REPORT

## INFORMATION COLLECTION METHOD

The information in this Report is derived from the official documents and statistics of the Group and has been reviewed by the relevant departments of the Group.

## RELEASE CYCLE AND VERSIONS OF AND ACCESS TO THE REPORT

This Report is an annual report, which is available in both traditional Chinese and English. An electronic version of the Report can be downloaded from the website of the Stock Exchange as well as the official website of the Group ([www.colourlife.hk](http://www.colourlife.hk)). In the event of any conflict or inconsistency between the Chinese and English versions, the Chinese version shall prevail.

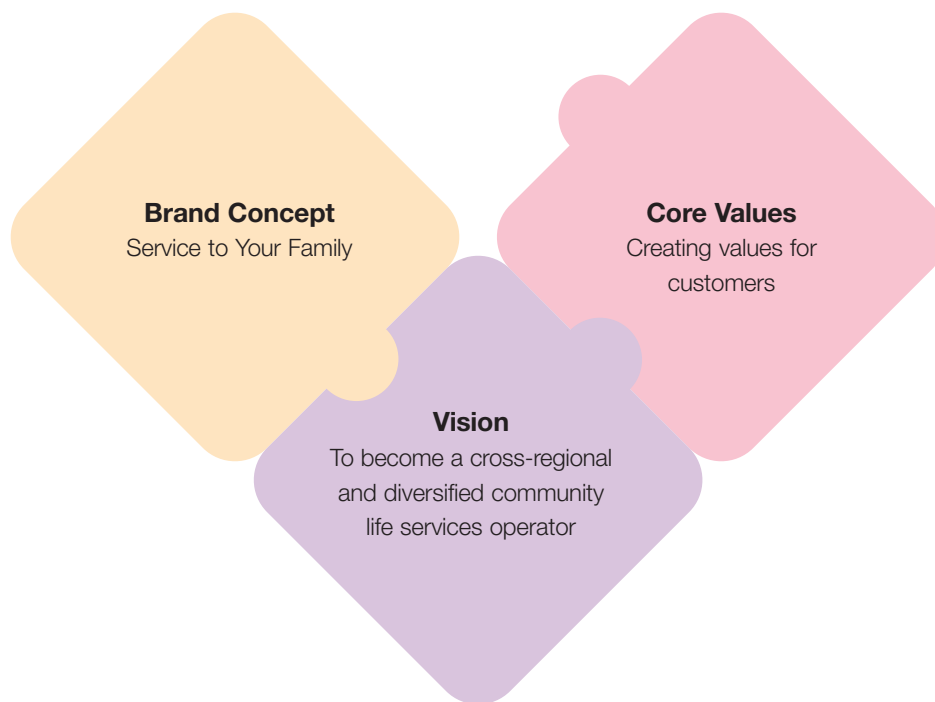
### Feedback

Colour Life highly values the opinions from every stakeholder. We promise to adopt the opinions of stakeholders as appropriate to promote sustainable development. Should you have any opinion regarding this Report or the Group's sustainability performance, please contact us through email at [IR@Colourlife.com](mailto:IR@Colourlife.com).



## ABOUT COLOUR LIFE

Colour Life Services Group Co., Limited is a leading service operator of property management and community service. As the first community service company listed in Hong Kong in 2014, Colour Life has continued to lead the development of the property management industry for five years since its listing. With its outstanding internal expansion capabilities and through mergers and acquisitions, the Group achieved rapid expansion and became the leading community service operator in the PRC in term of service scale. By focusing on its foundation in property management services, Colour Life enhanced the warmth of the community through various community-themed activities. Meanwhile, Colour Life explored more community consumption scenarios by utilizing internet technology to build offline and online service platforms, thereby better satisfying property owners' pursuit of good lives and fulfilling its promise of "Service to Your Family".



## BUSINESS OVERVIEW



### Property Management Services

- To render services to communities on commission basis and lump sum basis and to provide pre-delivery services to property developers and consultancy services to property management companies



### Value-added Services

- To render online promotion services, sales and leasing assistance services and other value-added services



### Engineering Services

- To render facility installation services, repair and maintenance services and energy-saving services

## SERVICE TO YOUR FAMILY

# ABOUT COLOUR LIFE

## AWARDS, RECOGNITIONS, HONORS AND ORGANIZATIONAL MEMBERSHIPS



2019 Marketing Operational Leading Brand of China Property Service Companies (2019中國物業服務市場化運營領先品牌企業)

China Social Responsibility Special Award of the China Real Estate Fashion Award 2019 (中國地產風尚大獎2019中國社會責任特別大獎)

Model Enterprise of the 2019 First Artificial Intelligence and Intelligent Property Summit Forum and 2019 First Intelligent Property Innovation Contest (2019首屆人工智能與智慧物業高峰論壇暨2019首屆智慧物業創新大賽樣本企業)

2019 Leading Brand of China Property Service Platform (2019中國物業服務平台領先品牌)



Council Member Unit of the Community Poverty Alleviation Alliance in the PRC (中國社區扶貧聯盟理事單位)

No. 1 in the 2019 Internet Community Operation Leading Companies in the PRC (2019中國互聯網社區運營領先企業第一名)

Honorary Vice President Unit of the China Property Management Institute (中國物業管理協會名譽副會長單位)



2019 Guangdong Provincial Property Service Enterprise Comprehensive Strength Evaluation TOP100(2019廣東省物業服務企業綜合實力測評TOP100)

2019 Outstanding Brand Image Award of the Eighth China Finance Summit Organization Committee (第八屆中國財經峰會組委會2019傑出品牌形象獎)

2019 Leading Brand in China Property Service Platform (2019中國物業服務平台領先品牌)

2019 Business Innovation Award for Listed Real Estate Enterprises in China (2019中國上市房企業業創新獎)



The Second China Outstanding IR Best Innovation Award (第二屆中國卓越IR最佳創新獎)

Top 10 Influential Property Service Brands in China of the Year of the China Real Estate Fashion Award 2019(中國地產風尚大獎2019中國年度影響力物業服務品牌TOP10)

Innovative Pioneer in Property Service of Guangdong-Hong Kong-Macao Greater Bay Area (粵港澳大灣區物業服務創新先鋒)

2019 China Leading Property Management Companies in terms of Characteristic Service Intelligent Community (2019中國特色物業服務領先企業智慧社區)

## COLOUR LIFE'S SUSTAINABLE DEVELOPMENT



## SUSTAINABLE DEVELOPMENT GOVERNANCE

Adhering to the brand concept of "Service to Your Family", Colour Life endeavors to promote sustainability development to every aspect of its business through the above four dimensions. We have been maintaining high level of corporate governance and integrating it with sustainable development governance and risk management. The Board of Directors bears the ultimate responsibility for overseeing the Group's environmental, social and governance risk management activities and monitor substantial risks within the Group. The Board of Directors identify, assess and determine the environmental, social and governance risks. We collect internal and external statistics and stakeholders' opinions through various channels such as historical figures, future forecasts and cases and information about other related companies at home and abroad, and formulate relevant risk countermeasures. The management of the Group ensures that the environmental, social and governance risk management and internal control systems are effective in the business environment in which we operate. The Board of Directors is responsible for monitoring and ensuring that the risk management measures and monitoring systems adopted by the Group are appropriate in order to effectively manage and control major environmental, social and governance risks.

For more information regarding the corporate governance of the Group, please refer to the "Corporate Governance Report" section in the 2019 Annual Report.



# COLOUR LIFE'S SUSTAINABLE DEVELOPMENT

## STAKEHOLDER ENGAGEMENT

Colour Life believes that we must work together with our stakeholders in order to effectively implement sustainable development. Thus, we pay special attention to opinion of stakeholders. We have kept close contact and two-way communication with them through various formal and informal communication channels in order to collect their opinions on the Group's business development so as to assist the Group in identifying material sustainable development issues and relevant risks and opportunities. We have identified the categories of our stakeholders and the relevant daily communication channels including:



### Staff

- Official WeChat of Human Resources Center
- Intranet
- Staff General Meeting
- New Staff Tea Party
- Annual Meeting
- Colour Life's Housekeeper System



### Owner/Residents/Lessee

- Caizhiyun (彩之雲) Platform
- Customer Manager Interview
- Telephone Hotline
- Official WeChat
- Community Activity



### Shareholders or Investors

- General Meeting
- Annual Report, Financial Reports and Announcements
- Social Media
- Website
- Mass Media
- Roadshow and Investor Research



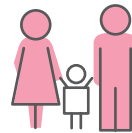
### Suppliers and Business Partners

- Site Visit
- Quarterly and Annual Performance Appraisal
- Website
- Interview
- Annual Supplier Meeting



### Governmental and Non-governmental Organization

- Qualification Assessment
- Environmental Investigation
- Meeting
- Interview



### Community

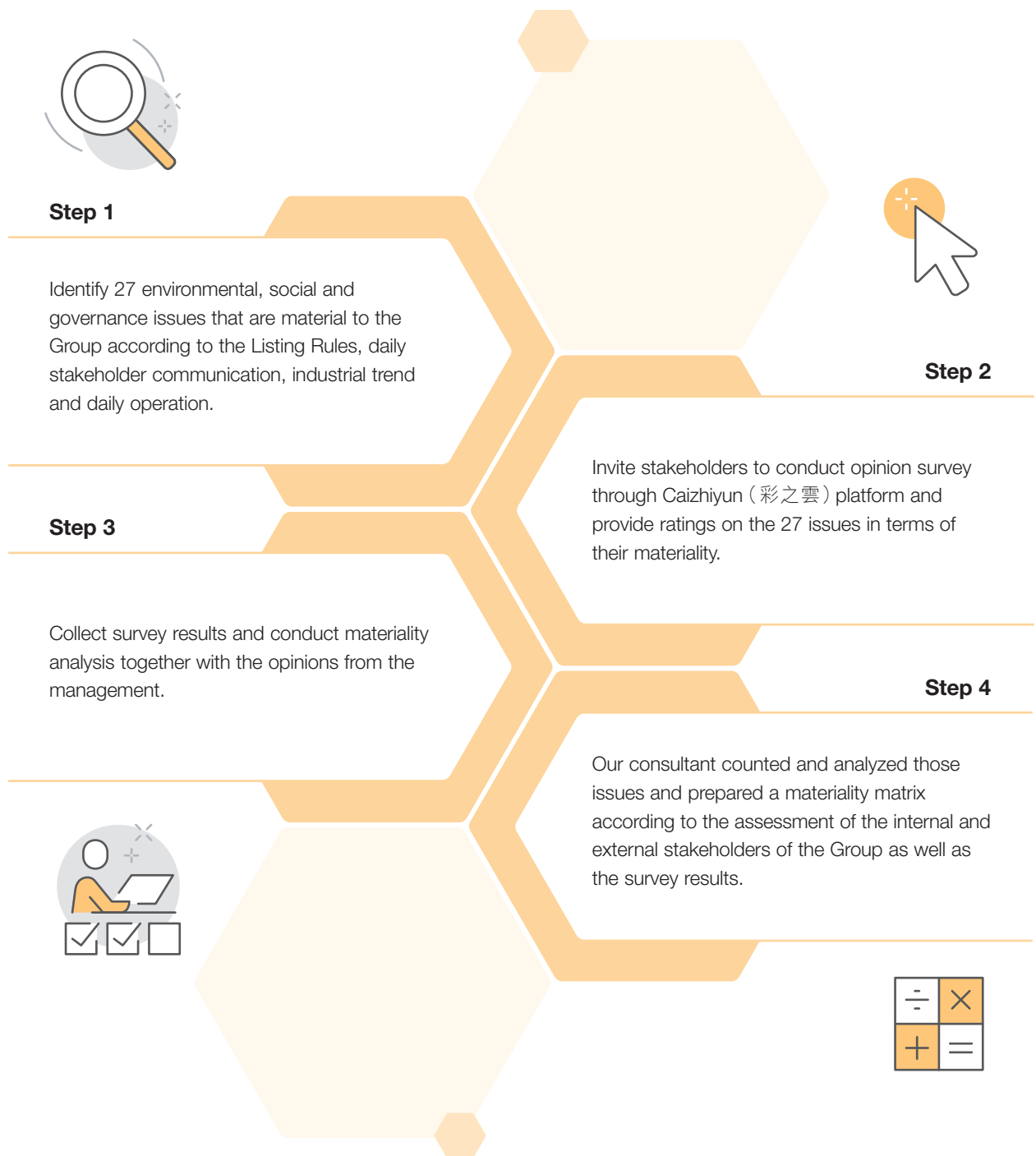
- Website
- Social Media
- Mass Media
- Caizhiyun (彩之雲) Platform
- Community Activity



# COLOUR LIFE'S SUSTAINABLE DEVELOPMENT

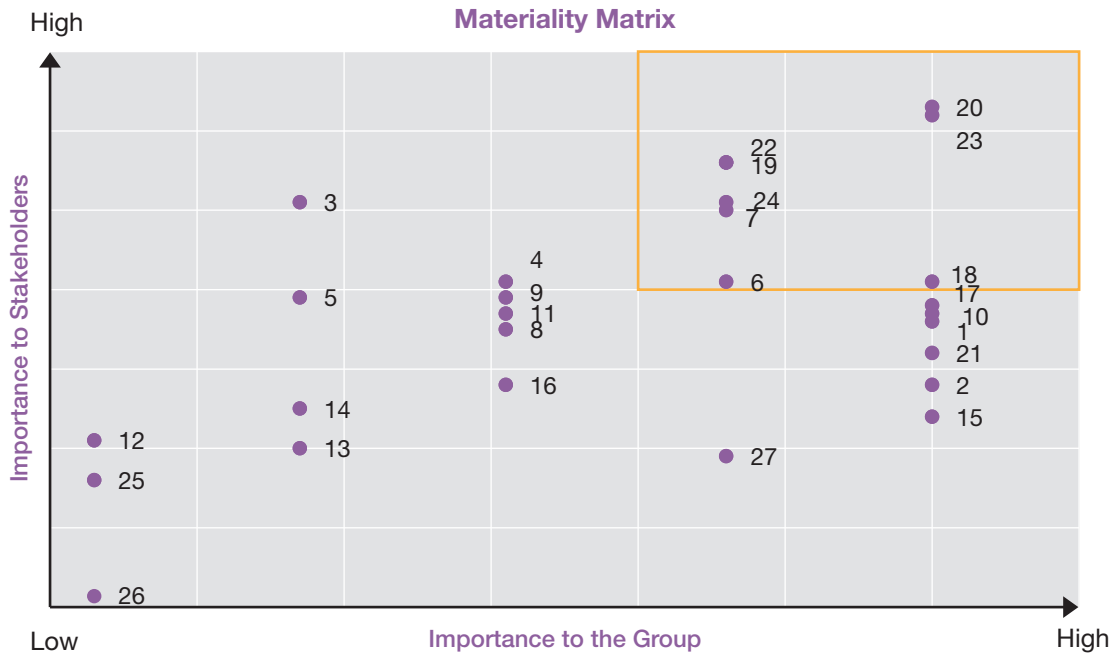
## MATERIALITY ASSESSMENT

We believe that stakeholder's engagement will help the Group identify and prioritize material environmental, social and governance issues. Besides daily communication channels, we engaged an independent sustainability consultant to assist the Group in conducting a materiality assessment. We invited stakeholders from different sectors to conduct an online survey to assign scores to the materiality of various environmental, social and governance issues. We will collect all the feedbacks for analysis in order to understand what issues our stakeholders are most concerned with.



# COLOUR LIFE'S SUSTAINABLE DEVELOPMENT

The results from this year's materiality assessment are presented in the materiality matrix below. Those issues located on the top right-hand corner are the most important issues identified in the analysis and will be disclosed in this Report. We concluded 8 issues are material for the year.



### List of material categories

Issues	Sections	Pages
Employment relationships and employee communication	Employment Rights	p.12-13
Staff benefits		
Product quality	Service Quality	p.20-21
Customers' personal and health safety and security of their properties	Community Safety	p.21
Service quality	Service Quality	p.20-21
Customer/Consumer privacy protection	Privacy and Intellectual Property Rights	p.24
Customers' satisfaction	Customers' Satisfaction	p.22
Legal compliance of operation	Colour Life's Services	p.18

# COLOUR LIFE'S SUSTAINABLE DEVELOPMENT

**All Categories:**

Quality of Working Environment	Environmental Protection and Green Operation	Operation Practices	Product and Service Responsibility	Community Contribution
1. Diversity and equal opportunities, as well as prevention of discrimination and harassment	8. Management of exhaust gas and greenhouse gas emissions	15. Supply chain management	18. Product quality	25. Participation in volunteer activities
2. Employment arrangements	9. Wastewater discharge management	16. Suppliers' environment and social risk management	19. Customers' personal and health safety and security of their properties	
3. Occupational safety and health	10. Waste management		20. Service quality	
4. Training and development	11. Energy and water resources management	17. Anti-corruption system	21. Intellectual Property Rights	26. Charitable donations
	12. Other resources management (including papers)		22. Customer/ Consumer privacy protection	
5. Child labour and forced labour prevention	13. Environmental impact of other business activities		23. Customers' satisfaction	
6. Employment relationships and employee communication	14. Green procurement		24. Legal compliance of operation	27. Community inclusive activities
7. Staff benefits				

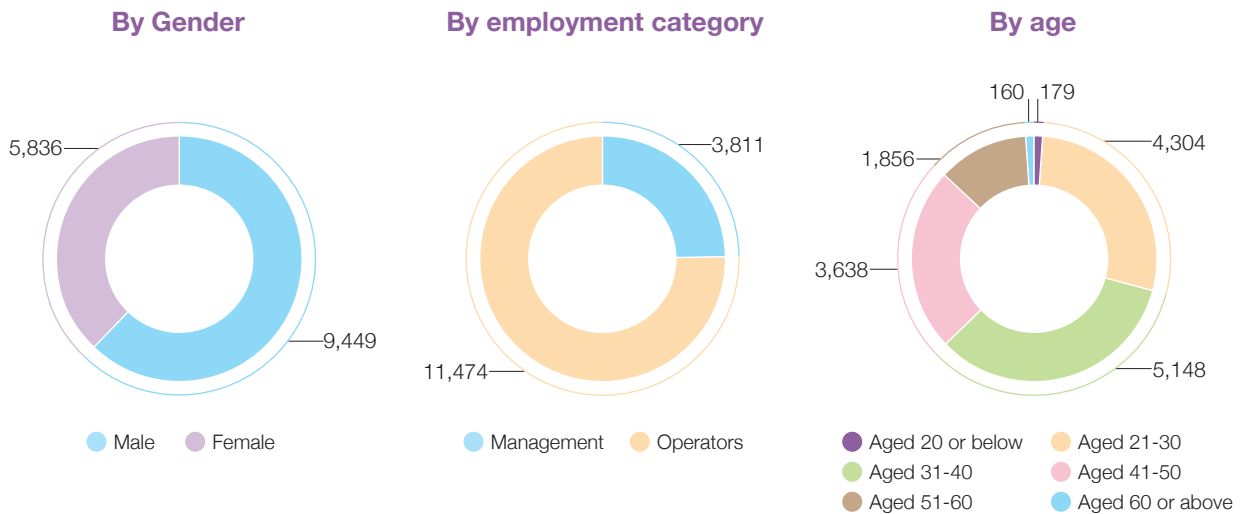
# COLOUR LIFE'S TALENTS

“Transforming from management of Things to services for People” is the management philosophy of Colour Life, we not only regard it as the core of our business operations, but also integrate it into the principle of talent management by adhering to the concept of “people-oriented”, thereby building a peaceful and harmonious family for the employees of Colour Life. In order to attract and retain talent, our first priority is to strictly comply with all applicable laws and regulations relating to employment, which include the “Labour Law of the PRC”(《中華人民共和國勞動法》), the “Social Insurance Law of the PRC”(《中華人民共和國社會保險法》), “Law of the PRC on the Prevention and Control of Occupational Diseases”(《中華人民共和國職業病防治法》), “Provisions on the Prohibition of Using Child Labour”(《禁止童工規定》), to provide adequate protection for our employees. Secondly, we have formulated clear and sound policies and measures in respect of all aspects of human resources management, including remuneration, recruitment, dismissal, promotion, training, occupational health and safety, employment standards, etc, in order to protect the interests of both the Group and its employees comprehensively. During the Reporting Period, we were not aware that the Group has any material breach of laws and regulations relating to employment and labour standards.

In order to strengthen human resources management and optimize the operation of the Group, Colour Life will formulate an annual human resources plan in the future and review the implementation of the plan for the year. According to the plan formulated in 2018, we implemented automated procedural management of the staff profile process during the Reporting Period, posted the recruitment system online to allow applicants to fill in interview data online, record interview notices, resumes, evaluations, salary determination, enrollment, passing of probation period, contract renewal to improving talent management. In addition, we plan to build a personnel sharing service platform in 2020 to achieve labour cost management and full life cycle personnel file management, and set a target of at least 90% recruitment rate. At the same time, we will formulate corresponding rewards and punishments system in conjunction with the quantitative indicators of the Group’s performance assessment to encourage employees to strive for excellence.

## STAFF OVERVIEW

As of 31 December 2019, the Group employed a total of 15,285 employees. As an equal opportunity employer, we uphold the principles of equality and anti-discrimination during recruitment, promotion, salary setting, training, etc., focusing on employees’ personal abilities and qualities rather than their gender, race, skin colour, religion, physical status, marital status in order to establish a diversified workplace culture and attract talents to join us. The distribution of employees by gender, employment category and age are as follows:



# COLOUR LIFE'S TALENTS

## EMPLOYMENT RIGHTS

It is our responsibility to protect the rights and interests of every employee. Colour Life is committed to providing employees with competitive remuneration and benefits. In accordance with the requirements of local laws and regulations, we specify working hours and arrangements for termination of labour contracts or dismissal in the human resources system, and provide employees with sufficient compensation. We established various channels and organized various employee activities at the same time to maintain vertical and horizontal communication with employees, collect and listen to employees' opinions, and help the Group continuously improve its human resources guidelines and policies, and make continuous progress.

As for compensation and benefits, staff remuneration mainly includes basic salary, position subsidy and bonus. We contribute social insurance and housing provident fund for our staff in the PRC, and also offer public holidays and statutory holidays in accordance with the requirements of the law. We provide sufficient compensation to staff for termination of labour contracts or dismissal in accordance with the requirements of the law. In addition, in order to effectively attract and retain employees, we have also formulated a diversified welfare system, which provides abundant benefits and allowances to meet the daily needs of staff.

Category	Staff benefits	
Holiday	<ul style="list-style-type: none"> <li>• Marriage leave</li> <li>• Spring Festival extension holiday</li> <li>• Compassionate leave</li> <li>• Annual leave</li> </ul>	<ul style="list-style-type: none"> <li>• Paid compensation leave</li> <li>• Maternity leave</li> <li>• Paternity leave</li> <li>• Work injury leave</li> </ul>
Medical and health	<ul style="list-style-type: none"> <li>• Critical illness insurance in Shenzhen</li> <li>• Subsidies from Colour Life Charity Foundation</li> </ul>	<ul style="list-style-type: none"> <li>• Gears for labour protection</li> <li>• Cooling items</li> </ul>
Recreation	<ul style="list-style-type: none"> <li>• Trips</li> <li>• Sports activities</li> <li>• WeChat festival gift</li> </ul>	<ul style="list-style-type: none"> <li>• Clubs</li> <li>• New Year 's lucky draw</li> <li>• Team building</li> </ul>
Incentives and subsidies	<ul style="list-style-type: none"> <li>• Monthly Colour Life Meal Coupons red packets</li> <li>• Year-end bonus red packets</li> <li>• Mid-Autumn/Dragon Boat Festival Red packets</li> <li>• Meal allowance</li> </ul>	<ul style="list-style-type: none"> <li>• Red packet from the CEO</li> <li>• Computer allowance</li> <li>• Colour Life residential products</li> <li>• Group ticket reservation during the Spring Festival travel season</li> </ul>

## COLOUR LIFE'S TALENTS

To clearly understand the expectations and needs of our staff, we established various communication channels such as WeChat public account, mid-to-high-level staff meeting, tea party for new employee to disseminate the latest information and development of the Group to employees, while providing the staff opportunities to raise their comments and requests such that we can respond accordingly. In order to handle employees' opinions in a timely and appropriate manner, we have formulated a comprehensive complaint mechanism, which allows employees to file complaints to us through telephone, WeChat account of "Colour Life Human Resources Center", emails, letters, interviews, etc. We have dedicated personnel to investigate and follow up to ensure that complaints from employees will be responded.

Colour Life attaches great importance to the working and resting environment of employees and strives to meet their needs. During the Reporting Period, we implemented environmental improvement works in offices and dormitories in different regions by adding facilities such as wardrobes, tables, mosquito net, shoe racks to improve the living environment of employees.



## SAFEGUARDING HEALTH

Employees are undoubtedly the most valuable and important assets of Colour Life. As such, we are committed to use our best endeavor to safeguard the health and safety of our staff. During the Reporting Period, we were not aware of any material breach of laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards. Our efforts toward occupational health and safety are listed as follows:

### Highlights of Occupational Health and Safety

- ✓ Provide gears for labour protection
- ✓ Offer cooling items such as herbal tea and drugs to staff who work outdoor in summer
- ✓ Arrange regular fire drills and training to enhance staff's awareness of fire safety
- ✓ Provide sufficient compensation and work injury leaves to staff suffered from work-related injuries in accordance with the requirements of laws
- ✓ Publish safety information on the WeChat public account during festivals and holidays to enhance employee safety matters



# COLOUR LIFE'S TALENTS



# COLOUR LIFE'S TALENTS

## TRAINING AND DEVELOPMENT

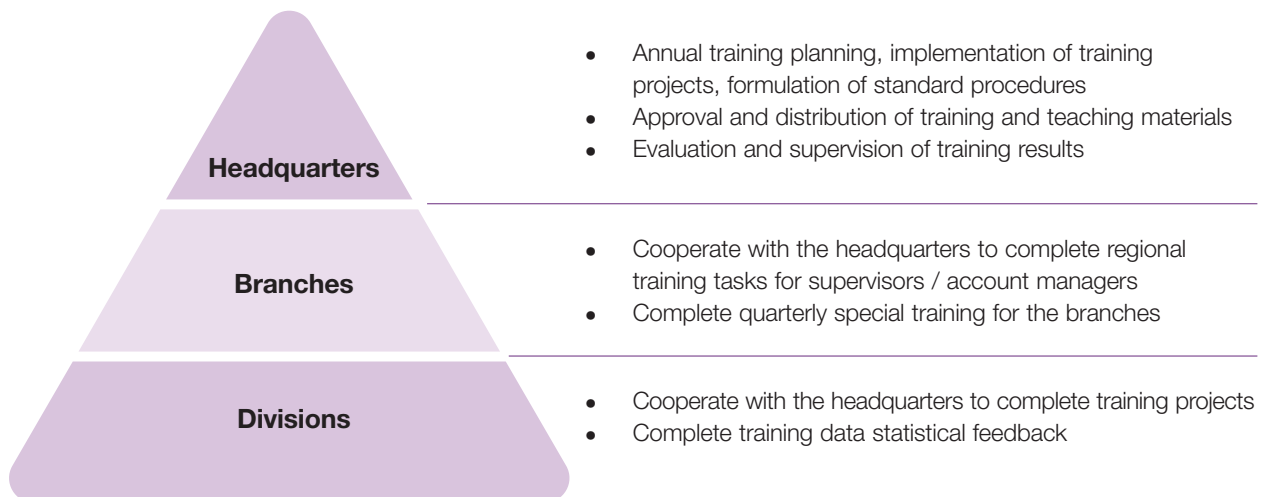
Staff development and training are closely related to the quality of the products and services of the Group. As such, we actively provide employees with abundant training opportunities to broaden their horizons, and optimize our promotion policy at the same time, thus offering sufficient room for our staff to develop their careers. We will regularly review the policies and mechanisms in respect of training and promotion such that employees and the Group will advance together.

For staff promotion, we will promote employees by adhering to the principles of equal emphasis on morality and performance. Employees can be promoted through vertical channels or horizontally according to the change of personal development direction. We have formulated a comprehensive "Promotion Mechanism" to systematically manage the conditions and processes for staff promotion. The Group conducts performance evaluations annually to assess the past performance and personal qualities of staff, the results of which will be the basis for promotion, deployment and salary adjustment.

To facilitate professional development of employees, we formulate a training plan every year and arrange various internal and external training courses, seminars, workshops for our staff, which include general manager excellent + class (總經理優+班), general manager training class, head training camp, special training, training for recruited college graduates, job induction training, monthly training through online learning platform, education to enhance qualification, allowing staff to learn continuously to enhance their knowledge and skill.

In order to deepen the training mechanism, we set up Colour Life Training School since 2013, which has a headquarters and branches in various regions with principals, deans, training directors, to more comprehensively and effectively monitor the implementation of training courses and training effectiveness.

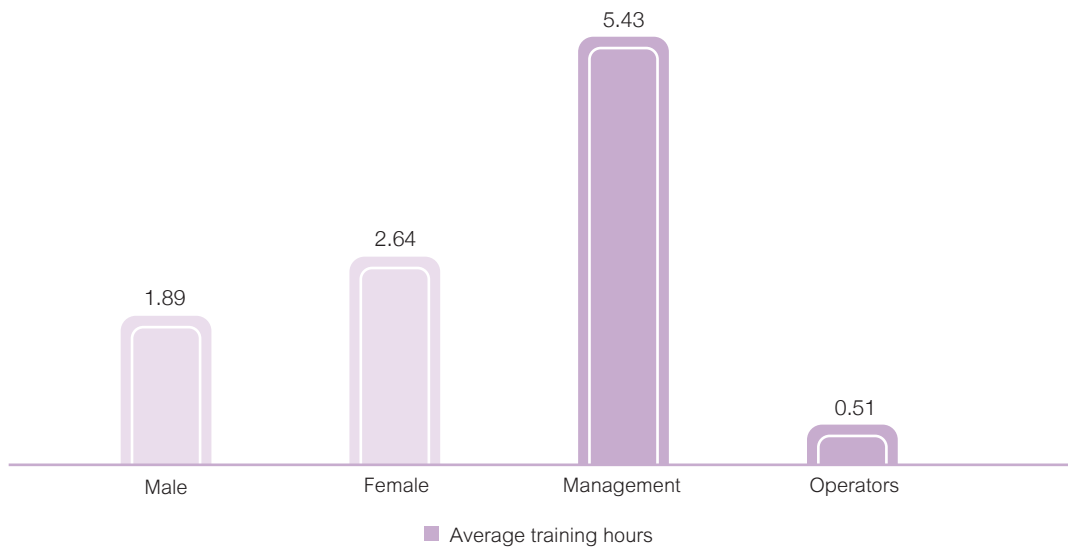
### Three-tier Training System of the Colour Life Training School





## COLOUR LIFE'S TALENTS

We will engage external lecturers, and also recruit employees to become internal lecturers to teach others. By integrating the resources of the training school, we gradually build an E-learning (E起學) online learning platform to cover all online and offline learning. During the Reporting Period, the total training hours of the Group exceeded 80,000 hours, and the average training hours by gender and employment category<sup>1</sup> were as follows:



To encourage employees to strive for excellence, the Group selected outstanding employees of the year and granted various awards based on the results of comprehensive evaluation, employee recommendation and CEO's comments during the Reporting Period, such awards included performance stars, annual star team, best quality service award, long-term service award, and provided honorary certificates, shopping cards, trophy, travel funds, paid holidays and other rewards to the winners in recognition of their performance.



## LABOUR STANDARDS

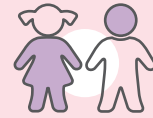
Colour Life ensures that all aspects of its business comply with applicable laws and regulations, including the "Law of the PRC on the Protection of Minors" (《中華人民共和國未成年人保護法》) and "Provisions on the Prohibition of Using Child Labour" (《禁止使用童工法》) to avoid problems with child labour and forced labour. We have taken the following measures to avoid the employment of child labour and forced labour, and corresponding measures will be taken if such situation is discovered:

<sup>1</sup> The average training hours by gender and employment category only included training data of employees in the headquarters of Colour Life Services Group and Colour Life Communities. We will optimize our data collection system in the coming year to cover training data of all employees.

## COLOUR LIFE'S TALENTS

### Child Labour

- Identification documents of new staff will be checked during recruitment process to ensure they meet the legal working age
- If there is a child labour, according to legal requirements, the child labour will be immediately taken away from the workplace, the Human Resources Department will be notified to verify their identity and terminate the labour contract, and local social welfare agencies will be notified to follow up on the child labour
- Arrange specialized agencies to conduct health check for the child labour
- Investigate loopholes in the human resources process with timely rectification



### Forced Labour

- List the relevant arrangements for working hours, holidays, compensation, termination of employment contracts and termination of employment in the human resources system to avoid forced labour
- If there is a force labour, the force labour concerned will be taken away from the workplace in a timely manner, and the Human Resources Department will be notified to verify their identity and arrange for health check
- Investigate loopholes in the human resources process with timely rectification



## INTEGRITY PROTECTION

Colour Life will uphold the principles of business ethics and integrity in its operations, and takes “zero” tolerance attitude towards all internal violations of the law and regulations, including but not limited to corruption, bribery, extortion, fraud and money laundering in order to establish a good workplace culture. We set out the regulations on business ethics in the “Employee Handbook”, prohibiting employees from receiving benefits from third parties through taking advantage of their positions and business. We also require suppliers and partners to conduct business transactions in accordance with the principle of integrity and avoid all violations to safeguard the interests of the Group and its stakeholders.

During the Reporting Period, the Group was not involved in any litigation and complaint in respect of breach of regulations and rules relating corruption, bribery, extortion, fraud and money laundering, including but not limited to “Anti-Unfair Competition Law of the PRC”(《中華人民共和國反不正當競爭法》) and “Criminal Law of the PRC”(《中華人民共和國刑法》).

## COLOUR LIFE'S SERVICES

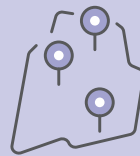
As the world's leading operator of community service platforms, to maintain our leadership position in the market, Colour Life must first provide the residents in the community with products of the highest quality and the sincerest services, while safeguarding their lives and properties. Furthermore, we have to act from the perspective of the residents to allow the products and services of Colour Life to penetrate into every category including clothing, food, housing, transportation, entertainment, shopping, travel, and learning, thereby providing more convenient, faster and better life. Driven by the brand concept of "Service to Your Family", we will convert community services such as payment, door opening, parking, cleaning, elevator management, and maintenance into internet-enabled services based on traditional property services, transforming traditional communities into smart communities, and introduce diversified products and services to the communities through enhancing our Caizhiyun (彩之雲) Community Service Platform. Currently, Colour Life has become the world's leading operator of community service platforms, serving more than 30 million people.

During the Reporting Period, we were not aware that the Group was involved in any material breach of laws and regulations relating to health and safety of products and services, advertising and privacy, including but not limited to "Advertising Law of the PRC" (《中華人民共和國廣告法》), "Network Security Law of the PRC" (《中華人民共和國網絡安全法》), "Law of the PRC on the Protection of Consumer Rights and Interest" (《中華人民共和國消費者權益保護法》) and "Decision of the Standing Committee of the National People's Congress on Strengthening the Protection of Internet Information" (《全國人民代表大會常務委員會關於加強網路資訊保護的決定》), etc.



Registered ecosystem users of Colour Life over

**36 million**



Platform service area over

**1.21 billion**

sq.m.



Accumulated gross merchandise volume (GMV) of online platform amounted to RMB

**12.13 billion**

# COLOUR LIFE'S SERVICES

## SERVICE INNOVATION

In order to achieve “Service to Your Family”, Colour Life actively invests resources in the development of smart communities, and strives to develop and improve its Caizhiyun (彩之雲) community service platform, as an important link connecting online and offline communities, which not only provides property owners with basic property management services, but also makes their lives more convenient and easier from their perspectives:

### Community E-Commerce

- Covering Colour Life Meal Coupons, WeChat Commercial Circle and Colour Benefit Life platform, which introduces major merchants and enterprises as partners, allowing users of Caizhiyun (彩之雲) to spend their money online and offline at any time and place, and stimulating consumption by way of “discounting property management fees for any consumption” to achieve a win-win situation for users, merchants and enterprises

### Living Service

- Launch various living service types to enable users to enjoy quality products and services without leaving home

In order to provide the property owners with better services, the Group proactively explores and develops more property and community services, and at the same time continuously expands its business scope and coverage by bringing the smart community model to more communities. During the Reporting Period, Colour Life entered into comprehensive strategic cooperation agreements with JD Group (京東集團) and its JD Logistics Group (京東物流集團) and JD Digital Technology Group (京東數字科技集團) (collectively referred to as “JD”) and 360 Security Technology Inc. (三六零安全科技股份有限公司) (referred to as “360”) to integrate Colour Life’s extensive community resources and JD’s vast e-commerce resources and operational capabilities to enhance online and offline retail experience, while leveraging on the advantage of 360’s in core security capabilities to strengthen the security of smart communities. With this cooperation, we will further explore in depth the innovation potential from integration of businesses by combining “Community + Commerce”, “Community + Logistics”, “Community + Safety” and “Community + Technology” in the future, so as to focus on the community environment, optimize owners’ experience, and establish a warm “smart community”.

During the Reporting Period, we launched a new “Caizhiyun + Access Control application (彩之雲+門禁小程序)” on the Caizhiyun (彩之雲) platform. Users can use their mobile phone application with the Bluetooth access control device to open their doors, which realizes a convenient and easy-to-use door opening experience.



# COLOUR LIFE'S SERVICES

## SERVICE QUALITY

While constantly improving and developing more and more innovative services, we will adhere to our original intentions and focus on the quality of property services and the safety of the community.

In order to improve the quality of property services such as cleaning, security, greening, and maintenance, Colour Life makes use of the advantages of the smart community by breaking down various property services of the Big Dipper service system (北斗七星服務體系) into orders, so that supply and demand will be matched, workers of the contractors can take orders on the platform immediately and work according to the orders, and upload photos as proof after completion of work for the supervision and evaluation by responsible persons of the projects. The entire service process including order taking, service provision, evaluation, and service cost settlement is available on the platform, which greatly enhances the transparency of services and encourages staff to continuously improve their service quality. Our "Supply Service Agreement" is available on the platform at any time for those workers to understand their work requirements and standards in order to provide more accurate and better quality services. In addition, we have formulated quality standards, requiring workers to follow the steps, and strictly supervise each service in the following manner to strive for excellence:

### Big Dipper Service System (北斗七星服務體系)

#### E-Parking

Provide quality, efficient and of car parking service, improve the management efficiency of car parking lots, meet the owners' needs for security and convenience in parking their cars

#### E-Elevator

Cover the full-life cycle of the lifts through the establishment of the SaaS platform, connect the owners, property maintenance companies and raw material suppliers

#### E-Energy

Digitalize collection and payment of energy fees, diversify surcharge of energy fees, refine management of energy consumption of public areas, and manage energy efficiency through Internet platform

#### E-Decoration

Provide whole-cycle interior decoration service and professionalize in-depth community operation

#### E-Cleaning

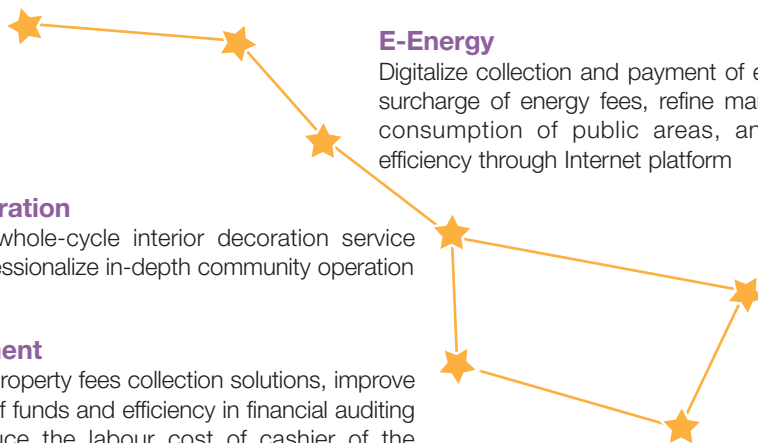
Order-oriented follow up of the Four Guarantees service, real-time settlement and workload-based rewarding system

#### E-Payment

Provide property fees collection solutions, improve the use of funds and efficiency in financial auditing and reduce the labour cost of cashier of the property management company by 58%

#### E-Complaint

Break the traditional labour-intensive processing model by improving the system automation level of the systems and enhancing transparency through interaction with the users and allow real-time conversations with the handlers and star rating from different dimensions



## COLOUR LIFE'S SERVICES

Pre-service assessment	Workers have to undergo our training and pass our assessment before they can provide services
On-the-job training	Sub-contractors shall formulate annual and monthly training plans, and arrange on-the-job training on workers' skills regularly
Supervision and evaluation	We will examine and give ratings to various cleaning, security, greening and other services through daily inspection, weekly inspection, monthly inspection and irregular sampling. A "Rectification and Penalties Notice" (《整改處罰通知單》) will be issued for any sub-standard performances, demanding the responsible sub-contractors to rectify within a time limit. We will link the service fee to the monthly quality service ratings. If a sub-contractor failed in our evaluation for three months, we are entitled to terminate the contract with such sub-contractor.

### COMMUNITY SAFETY

Colour Life has penetrated its internet technology into the community, and built a safe, convenient and warm living environment for the residents in the community through the Big Dipper Service System, such that they can live and work in peace and contentment. The following outlines how the management and service for the community can be strengthened by E-Safety and E-Elevator:

#### E-Safety

- Install comprehensive Sky-eye System in every community to monitor the real time situation in various areas of the community round-the-clock, and at the same time be able to monitor the working conditions of security guards
- Set up electronic access control systems in multiple communities, such that residents can use mobile applications to open doors, and access their communities through interfaces such as QR code, Cloud Talking, IC card, thus reducing the risk of strangers breaking into the community

#### E-Elevator

- Monitoring every elevator in the community under our management through E-elevator platform round-the-clock. The platform will report to the police automatically if breakdowns or trapped events occurred. In addition, the platform also stored the maintenance data of each elevator, and it will remind the responsible persons the annual checking date of individual elevator
- Suppliers of elevator maintenance services will be evaluated monthly in accordance with the "Law of the PRC on Special Equipment Safety" (《中華人民共和國特種設備安全法》), "Special Equipment Safety Technical Specification TSG T5002-2017" (《特種設備安全技術規範TSG T5002-2017》) and contract provisions, and service quality assessment will be conducted quarterly. If any non-compliance are identified, such as causing economic loss, expiry of elevator usage signs, failure to meet the standard of satisfaction for 3 consecutive months, or quality being unusually lower than the required standard including the number of complaints, the number of breakdowns and the number of trapped events, the supplier will be black-listed. There will be a penalty for the first time, no new business will be granted, and its business volume will be cut by 20% when the contract expires. There will be a penalty and a 50% reduction in the business volume for being black-listed twice, and the contract will be terminated if it is black-listed for three times
- Suppliers of elevator maintenance services will be strictly managed and their qualification requirements will be specified in the contract. Evaluation will be conducted on projects when contract expires, and the contract will only be renewed after passing such evaluation. Suppliers will be required to participate in the safety and quality meeting held by the Group regularly

## COLOUR LIFE'S SERVICES

### CUSTOMERS' SATISFACTION

Apart from focusing on the quality of property services and community safety, we also put great emphasis on customer management, and strive to improve customer service procedures, strengthen communication with residents and owners, and create warm communities. Colour Life has 400 customer service hotlines for customers to provide their feedback and we created a complaint platform on the Caizhiyun (彩之雲) platform, on which Caizhiyun (彩之雲) users can file complaints and check the processing progress and details of complaint and give their comments at any time and place, so that we can improve our service quality continuously. Users who commented on the handling of complaints may receive coupons as a token of our appreciation. We will respond to customers through Caizhiyun (彩之雲) platform and calling back.

In order to improve user experience, we launched a “Caizhiyun Community + Complaint Mini Application (彩之雲社區+投訴小程序)” during the Reporting Period, focusing on the handling of residents' complaints on supervision and management of property service by providing timely, clear and transparent feedback and solutions to complaints from residents.



### SUPPLY CHAIN MANAGEMENT

Strict supply chain management is essential for maintaining high quality products and services. We are committed to maintaining long-term business partnerships with suppliers, while advocating responsible business practices to bring positive value to the entire supply chain. During the Reporting Period, the Group mainly engaged suppliers located in Mainland China, to minimize greenhouse gas emissions from product transportation.

As a responsible enterprise, we are responsible for the environment and society. As such, we strictly manage the operations of our suppliers, and, through contracts between the parties, require them to perform their corporate social responsibilities and comply with laws and regulations relating to their businesses. Regarding the environment, products from suppliers shall comply with environmental protection requirements. Regarding our society, we also demand our suppliers to operate in accordance with the principles of probity and integrity to avoid any transfer of benefits.

In order to effectively manage the quality of products and services from suppliers, we have formulated a strict supplier management mechanism, which includes the “Regulations on the Implementation of Procurement Methods”(《關於採購方式執行管理規定》) and “Supplier Evaluation Mechanism”(《供應商考核機制》) to improve the process of supplier selection, evaluation and rectification, which include the followings:

### SERVICE TO YOUR FAMILY

## COLOUR LIFE'S SERVICES

### Selection

- For procurement projects of over RMB200,000, tenders will be conducted in accordance with the principle of comparison to select the most suitable proposed suppliers. Qualified suppliers will be recorded in the supplier information database.

### Evaluation

- The suppliers are divided into three categories, namely construction, administrative & office and software. Assessment will be conducted quarterly and annually, and the assessment criteria include product quality, timeliness and accuracy of delivery, after-sales service, price level, etc. Suppliers will be classified into levels A to D, with priority given to level A suppliers and order volume from level C suppliers will be reduced.

### Rectification

- For suppliers who are classified as level D in the assessment, we will suspend cooperation with them and request for rectification. Furthermore, for suppliers with less than 80 points for 2 consecutive quarters, we will issue a yellow card to them and request for rectification within 3 months; for suppliers with less than 70 points for 2 consecutive quarters and less than 80 points for 4 consecutive quarters, we will issue a red card to them and suspend cooperation with them for half year.

To encourage continuous improvement of suppliers, we will organize an annual excellent supplier selection every year. Among those level A suppliers that we cooperated for 1 year or more without any yellow card, we will select outstanding suppliers and praise them at the annual supplier meeting.





## COLOUR LIFE'S SERVICES

### PRIVACY AND INTELLECTUAL PROPERTY RIGHTS

We collect and process a large volume of privacy information in our daily operations, such as company information, financial data, personal information of customers, patented technology and software. We are committed to keeping the confidentiality of such information and staff are requested to sign letter of professional undertaking and confidentiality agreement, which stipulated that they shall not disclose information without permission. We will also collect and use information of customers according to the “Law of the PRC on the Protection of Consumer Rights and Interest”(《中華人民共和國消費者權益保護法》) and “Decision of the Standing Committee of the National People’s Congress on Strengthening the Protection of Internet Information”(《全國人大常委會關於加強網路資訊保護的決定》). We will also arrange training on protection of privacy and intellectual property rights to raise employees’ awareness of confidentiality and protection of intellectual property rights.

### ADVERTISING AND PROMOTION

When advertising and promoting our business, we strictly comply with all applicable laws and regulations, including but not limited to the “Advertising Law of the PRC”(《中華人民共和國廣告法》) and “Law of the PRC on the Protection of Consumer Rights and Interest”(《中華人民共和國消費者權益保護法》), so as to ensure the authenticity of advertising content, protect the interests of consumers. As our business is not related to product manufacturing, product labelling is not a major issue of concern for the Group.

## COLOUR LIFE'S ENVIRONMENT

As the world's leading operator of community service platforms, Colour Life fully understands the impact of its business on the environment, and is committed to reducing carbon emissions and protecting the environment and ecology through our influence, with an aim of becoming a pioneer in the industry in environmental protection. The Group's daily operation strictly follows all regulations and rules related to environment, including but not limited to the "Environmental Protection Law of the PRC" (《中華人民共和國環境保護法》), the "Law of the PRC on Prevention and Control of Environmental Pollution by Solid Wastes" (《中華人民共和國固體廢物污染環境防治法》), the "Law of the PRC on Prevention and Control of Atmospheric Pollution" (《中華人民共和國大氣污染防治法》) and the "Law of the PRC on Prevention and Control of Water Pollution" (《中華人民共和國水污染防治法》). During the Reporting Period, we were not aware that the Group has any breach of regulations and rules relating to environment which will have a material impact to the Group.

### ENERGY, AIR AND GREENHOUSE GAS EMISSIONS

The major energy consumption of the Group mainly includes purchased electricity for daily operation of buildings and offices, such energy consumption is also the direct and indirect source of air and greenhouse gas ("GHG") emissions. As the Group does not involve the use of other fuels, it does not involve any direct air and GHG emissions. The following table details the energy consumption and GHG emissions data of the Group during the Reporting Period and 2018<sup>2</sup>:

	Unit	2019	2018
<b>GHG</b>			
Total GHG emissions <sup>3</sup>	tonnes of CO <sub>2</sub> e	<b>269.70</b>	239.67
Indirect emissions (Scope 2)	tonnes of CO <sub>2</sub> e	<b>269.70</b>	239.67
Total GHG emissions per square meter (Scope 1 and 2)	tonnes of CO <sub>2</sub> e/ sq. m.	<b>0.02</b>	0.02
<b>Energy</b>			
Total energy consumption	MWh	<b>484.17<sup>4</sup></b>	456.44
Purchased electricity	MWh	<b>475.26</b>	425.07
Solar energy	MWh	<b>8.91<sup>4</sup></b>	31.37
Total energy consumption per square meter	kWh/sq. m.	<b>40.90</b>	38.56

Note: The environmental data during the Reporting Period only covered the headquarters, the Southern Colour Life ecosystem in Shenzhen and Eastern Colour Life ecosystem in Shanghai.

<sup>2</sup> As the property users were unable to provide natural gas consumption data for the offices and shopping malls operated by Group, the energy data did not include natural gas consumption.

<sup>3</sup> According to the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) issued by World Business Council For Sustainable Development and World Resources Institute, Scope 1 direct emissions cover GHG emissions directly produced by businesses owned or controlled by the Group, while Scope 2 indirect emissions cover GHG emissions of "indirect energy" resulted from electricity (purchased or acquired), thermal energy, refrigeration and steam internally consumed by the Group.

<sup>4</sup> As Colour Life Time Plaza in Shanghai and Qi Xing Plaza in Shenzhen were unable to provide solar energy consumption data of individual users, the total energy consumption and solar energy excluded solar energy data of Colour Life Time Plaza in Shanghai and Qi Xing Plaza in Shenzhen.

## COLOUR LIFE'S ENVIRONMENT

As the global warming problem is getting worse, Colour Life is committed to improving the energy consumption performance of the Group. It regularly monitors the energy consumption of various offices and property management projects to analyze and implement targeted measures to reduce energy consumption. We also encourage our employees to travel by public transport as far as possible to reduce the use of private cars, thus lowering air and GHG emissions.

### WASTES

The non-hazardous waste emissions of the Group mainly include papers and general office wastes. Based on our business nature, we do not have any hazardous wastes emission and we do not involve consumption of packaging materials for finished product. The followings are the non-hazardous waste emission data of the Group during the Reporting Period and 2018:

	Unit	2019	2018
Total non-hazardous waste	Tonnes	<b>66.83</b>	64.83
Total non-hazardous waste disposed	Tonnes	<b>66.83</b>	64.83
Total non-hazardous waste per square meter	Kg/sq. m.	<b>5.65</b>	5.48

We are committed to the proper collection, recycling and disposal of waste to effectively reduce the negative impact of our business on the environment. General office waste will be collected separately from recyclables and we advocate the concept of making the best use of materials and reducing waste at the source through recycling batteries and plastic bottles, reusing paper and printing on both sides, and requiring employees to use our online systems, micro-service of Colour Life housekeeper (彩管家微服務), for daily work such as receiving and sending emails, clock-in, application for leave, approving documents and disseminating information. These measures can greatly reduce paper consumption and protect precious ecological resources from the source.

### WATER CONSUMPTION

Since our domestic water is provided by local water supply companies, we do not have any problems in sourcing for appropriate water sources. The following table shows the water consumption of the Group during the Reporting Period and 2018:

	Unit	2019	2018
Total water consumption	m <sup>3</sup>	<b>4,980.20</b>	3,987.29
Total water consumption per square meter	m <sup>3</sup> /sq. m.	<b>0.47</b>	0.34

Despite the fact that the Group does not involve in large amount of water consumption, we are still highly concerned about the growing shortage of water resources, and strive to optimize the Group's performance in term of water consumption. We will use residual mineral water in meeting rooms and water used for cleaning purposes to water plants in the offices, and will also post water saving labels in washrooms and control water flow of some faucets to avoid wasting precious drinking water.

# COLOUR LIFE'S ENVIRONMENT

## GREEN PROPERTY

Due to the nature of the business of the Group, we do not have significant impact on the environment and natural resources. Having said that, we are still highly concerned about the impact of our business on the environment, and will closely monitor our own emissions and resource consumption performance. We will conduct energy audits on various offices and certain property management projects to monitor and analyze our energy consumption pattern through the energy efficiency management data platform of the E-energy segment of the Group. We will also utilize internet technology to make energy saving and environmental protection measures more intelligent, including:

- Install energy-saving switches in public office areas, management offices and meeting rooms, and staff can turn off the light with mobile phone applications when leaving office
- Facial recognition is used in management office, which lights will be off automatically when the management leaves their offices

Solar photovoltaics networks are installed on the rooftop of Colour Life Time Plaza in Shanghai and the offices of Qi Xing Plaza in Shenzhen to supplement power for daily operation with solar energy, greatly reducing the reliance on traditional non-renewable energy.



## COLOUR LIFE'S COMMUNITY

Bearing in mind the brand concept of “Service to Your Family”, we eagerly participate in community activities, go deep into various communities, and spread love and care to those in need and give them a ray of hope. Colour Life Charity Foundation was founded in 2015 to combine resources and manpower from various regions and businesses to form “Colour Life Volunteers” with our staff to provide appropriate support to staff, property owners, residents and even the public. During the Reporting Period, donations raised by the foundation was approximately RMB1,548,800.

In the past year, the major scope of work of the Foundation included:

### Environment Protection Education

In response to the government’s call for garbage classification and renewable resources recycling, the Foundation actively helps and promotes the implementation of community environmental protection, allowing the residents to understand the importance of resource recycling and classification, and guide residents to implement environmental protection in their daily life.

### Colour Life’s Charity Classes

Conducting activities and courses in various communities served by us through centering on the traditional Chinese culture, thereby improving the overall quality of education of children in the area while enhancing the joy of families.

### Community Support

Send care and greetings to solitary elderly and families in need in the community, and help poverty groups in the community through home care and targeted poverty alleviation.

## ENVIRONMENT PROTECTION EDUCATION

We believe that environmental protection must start from our own, hence we focus on bringing environment protection education to every community served by Colour Life, and strive to raise the environmental awareness of residents. During the Reporting Period, the major divisions of Colour Life launched community-based environmental protection activities with the theme of “Let the beauty of life be everywhere – Colour Benefits Life to Purify Oneself, Purify Homeland, Purify Earth”. Moreover, in line with the propaganda of the Arbor Day, we carried out tree planting activities in each division and invited the residents to participate in tree planting and garbage collection so as to beautify the community environment and promote green lifestyles.





## COLOUR LIFE'S COMMUNITY

In addition, we also integrated environment protection education into daily Colour Life's charity classes. Through games and explanations, we instilled environmental protection concepts into children in the community to enhance their awareness of waste classification and reduce environmental impact.



Based on our well-established presence in the community, Colour Life also promoted environment protection education beyond the community. During the Reporting Period, a group of more than 40 attendees comprising the volunteers of Colour Life Charity Foundation and property owners living in the residential communities went to Shenzhen Bay Ecological Park and Dameisha Beach to carry out "Let the beauty of life be everywhere – Colour Benefits Life to Purify Park with Treasure Hunt at Mangrove Bay" and "Purify Beach Eco Charity Activity", spreading the message of coastal conservation to tourists and calling on them to put garbage in trash cans and perform garbage sorting.



## COLOUR LIFE'S COMMUNITY

Furthermore, in response to the National Land Day on 25 June 2019, Colour Life launched a mobile phone recycling operation that day to encourage the public to recycle discarded handsets. Apart from receiving recovery sums correlated to mobile phone models, each participant can also receive a coupon of Colour Benefit Life. We will donate 2% of each recovery sum to Colour Life Charity Foundation in the name of the phone owner, then the Foundation will make a unified donation to the China Land Conservation Improvement Group in order to increase public awareness of recycling and reduce pollution of soil and water caused by harmful substances in mobile phones.



## COLOUR LIFE'S CHARITY CLASSES

Since 2016, Colour Life has been vigorously developing the "Colour Life's Charity Classes" project by reaching out to both large and small communities managed by the Group, mainly providing children with after-school education opportunities and organizing a number of cultural activities to improve connections among residents.





## COLOUR LIFE'S COMMUNITY



### COMMUNITY SUPPORT

Upholding the original mission of forming Colour Life Charity Foundation, we never forget to give full play to the spirit of mutual assistance and love, and input resources to help communities in need. During the Reporting Period, we visited Dushan Elementary School in Ezhou City to carry out poverty alleviation and education activities, and sent learning tools to students in order to show kindness and caring for children in deprived areas. Meanwhile, Changsha Business Division also launched an event named “Books Warming Hearts” by calling on children in the community to donate old books to poor children in mountainous areas so as to enrich their after-school lives and broaden their horizons. More than 200 books were collected for this event.



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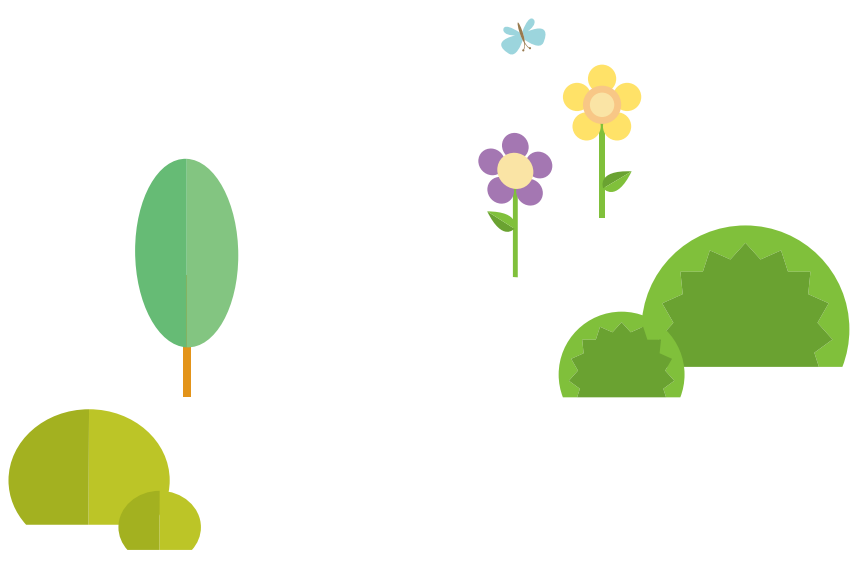
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