KINGSOFT OFFICE

2020
ESG REPORT

2020 ESG REPORT

KINGSOFT OFFICE
A KINGSOFT COMPANY

Beijing Kingsoft Office Software, Inc.

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ABOUT THIS REPORT

- **Introduction**

  This report is the first Environmental, Social and Governance (hereinafter referred to as "ESG") Report (hereinafter referred to as "ESG Report"or "this Report") released by Beijing Kingsoft Office Software, Inc. (hereinafter referred to as "Kingsoft Office", "the Company" or "We"), which illustrates our social responsibility philosophy, practices and major progress during the year.

- **Reporting Period**

  The reporting period of this Report is from January 1, 2020, to December 31, 2020. Certain contents may go beyond the above mentioned reporting period.

- **Reporting Scope**

  Unless otherwise stated, the scope of this Report covers Kingsoft Office and its subsidiaries.

- **Release Cycle**

  The ESG Report of Kingsoft Office is an annual report.

- **Reference Standards**

  This Report is prepared with reference to the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange (Revised in December 2020) by Shanghai Stock Exchange ("SSE").

- **Data Source**

  The information, data and cases used in this Report are all from the Company's official documents, statistical reports, financial reports or public documents, as well as the ESG practice information collected by various functional departments of the Company.

- **Approval of this Report**

  This Report has been reviewed and approved by the Board of Directors.

- **Report Release**

  This report is released in both paper and electronic editions, including Chinese and English versions. For the electronic version of this Report, please visit the Kingsoft Office's official website (www.wps.cn) and SSE's website (www.sse.com.cn).

If you have any questions about the contents of this report, please contact us by phone or by letter.

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Contents

Massage
from the Chairman

"To become a leading office software national enterprise in the world and a leader in the global office service industry" is the mission of Kingsoft Office. It indicates the development direction and embodies the social responsibility of the Company. In 2020, Kingsoft Office continued to maintain steady growth. Despite the impacts of COVID-19, trade friction, market turbulence, etc., we have made great achievements in 2020 thanks to the joint efforts of the Board of Directors, the Management, employees, and partners from industries.

Make steady progress and continuous breakthroughs.
In 2020, the Company had a good overall operating performance, with the business growing steadily and healthily, and products and services upgraded. The Company achieved RMB 2261 million in revenue. The net profit attributable to the parent company owners was RMB 878 million, a year-on-year increase of 119.22%. The revenue of office software authorization business reached RMB 803 million, a year-on-year increase of 61.90% over the previous year. Office service subscription business achieved a revenue of RMB 1109 million, a year-on-year increase of 63.18%, promoting the Company's continuous development.

Be consistent in user first. Users recognition has always been the foundation of Kingsoft Office's business. In 2020, the number of monthly active users of Kingsoft Office's main products reached 474 million, with a year-on-year growth of 15.3%. According to iResearch data report, the WPS office market share in the China's domestic market continued to increase in 2020. Meanwhile, we adhere to independent innovation. As a "one-stop office service platform", "WPS 2021 annual update" has been widely praised by our users. In response to the increasingly collaborative scenarios of users, we officially introduced our five new collaborative products, including WPS Smart Form, WPS Meeting, WPS Calendar, WPS To-do, and WPS Flexpaper at the " CHAO" office conference held in December 2020. Faced with user's demands, Kingsoft Office has established 12 technical service centers nationwide, with more than 400 certified technical service providers. In 2020, we responded to WPS's personal and government enterprise user feedback more than 2 million times, with the highest effective feedback optimization rate of 83.3% and an overall service satisfaction rate of 98.2%.

Fight against the epidemic and serve the society. Serving the national economy and the people's livelihood is an enterprise's core responsibility. We fulfilled our social responsibility during the epidemic through supporting more than 200 million people's telecommuting free of charge, and donating 4 million cloud office accounts to schools, hospitals, and small and medium-sized enterprises. We have also continuously iterated our products to provide users with more in-depth services to adapt to the changes in user needs and scenarios brought about by

the epidemic, For instance, our document-based remote conference helped 60,000 students in Hanjiang District of Wuhan by providing "online teaching" mode. During the National People's Congress (NPC) and the Chinese Political Consultative Conference (CPPCC) this year, we provided customized office software document services for the information platform of NPC deputies, contributing to the smooth and efficient progress of the NPC and the CPPCC. Besides, as a technology company, our participation of global high-end corporation highlight the unique social value of the Company. In 2020, Kingsoft Office became the official collaborative office software supplier for Beijing 2022 Winter Olympic Games and Winter Paralympic Games. WPS Docs became the official exclusive office software supplier for the 31st Summer Universiade. We are very proud to represent the Chinese software at the world stage. In addition, Kingsoft Office has signed a strategic cooperation agreement with the United Nations Educational, Scientific and Cultural Organization (UNESCO) Innovation Center for higher education, which provides us the opportunity to participate in and promote educational progress and technological accessibility in the world.

Stay true to the founding mission and carry it forward.
We are deeply aware that Kingsoft Office today is shouldering higher expectations of a vast user base. Enterprise is a public tool of the society. As a domestic software, our product experience and service directly affects how hundreds of millions of users create and express in their daily work and life. Our vision is to provide users with incredible office experience that exceeds their expectations, and we also believe this is our social responsibility and honor in the continuous development of society. In the era of the digital economy, during the "14th Five-Year Plan" period, Kingsoft Office will accommodate to the industrial development trend of the cloud and data era, deeply analyze the pattern of the development of the digital office industry. We will continue to adhere to the development strategy of the future office suite industry represented by "Multi-screen, Content, Cloud, Artificial Intelligence (AI), and Collaboration". We will also continue to practice the values of "User First, Persist in Innovation, Integrity, Optimism and Resilience", and strive to "become a company loved by users, proud by employees, and respected by the society".

Chairman of the Board of Kingsoft Office **Zou Tao**

↑119.22%
The year-on-year increase of net profit attributable to the parent company owners.

↑61.90%
The year-on-year increase of revenue of office software authorization business

↑63.18%
The year-on-year increase of office service subscription business

ABOUT US

As a technology company originated in China, over the past 32 years, Kingsoft Office has always been committed to bringing the most straightforward and efficient office experience and services to everyone, every family and every organization, so that everyone could enjoy an easier and happier creation and life, and enterprises and organizations operate and develop more efficiently. In the future, Kingsoft Office is committed to helping enterprise customers and ordinary people realize simple creation and a better life through the products of Kingsoft Office, by providing a new way of office represented by "Cloud-based services, Multi-screen and Content assisted, AI-empowered products".

CORPORATE MISSION, VISION AND VALUES

OUR MISSION

Simple creation, easy expression, and the realization of value connection.

OUR VISION

We are committed to becoming a company loved by users, proud by employees, and respected by the society. We will provide users with an incredible office experience that exceeds their expectations and become a leader in global office services.

OUR VALUES

User-First、Persist in Innovation、Integrity、Optimism and Resilience
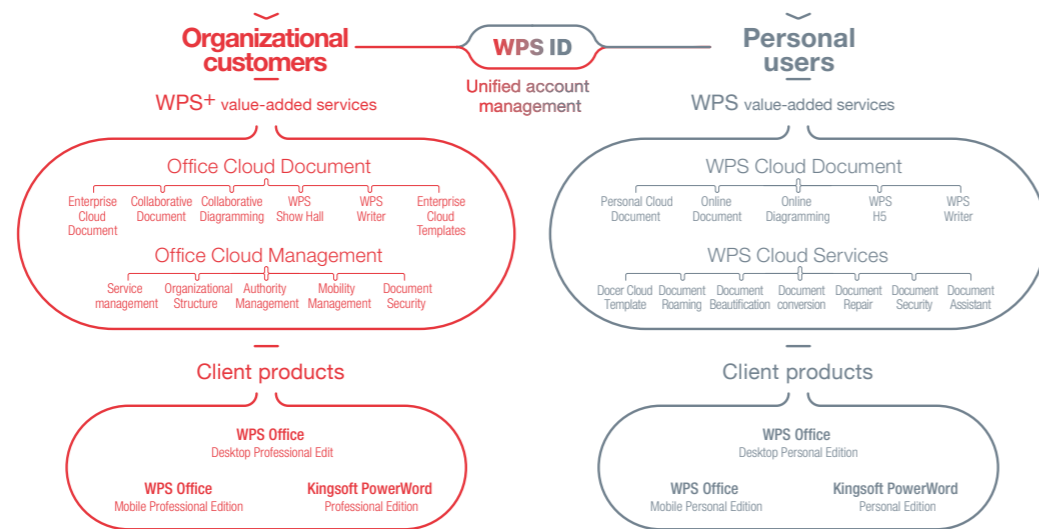
KEY PRODUCTS AND SERVICES

99%

The percentage of the core technology-related software and services revenue accounting for operating revenue

The Company's key products and services matrix are as follows:

Kingsoft Office is a leading office software and service provider in China. We provide software products including WPS office software and Kingsoft PowerWord to customers in various industries, develop various value-added office services based on office application scenarios, provide one-stop, multi-platform office application solutions, and provide Internet advertising promotion services based on products and related documents.

The Company has more than 30 years of office software technology accumulation and office suites industry professional research advantages. Our main software products and services are formed by independent research and development of the Company. During the reporting period, the core technology-related software and services revenue accounts for more than 99% of the operating revenue.

Organizational customers

WPS ID Unified account management

Personal users

WPS+ value-added services

WPS value-added services

Office Cloud Document

Enterprise Cloud Document · Collaborative Document · Collaborative Diagramming · WPS Show Hall · WPS Writer · Enterprise Cloud Templates

WPS Cloud Document

Personal Cloud Document · Online Document · Online Diagramming · WPS H5 · WPS Writer

Office Cloud Management

Service management · Organizational Structure · Authority Management · Mobility Management · Document Security

WPS Cloud Services

Docer Cloud Template · Document Roaming · Document Beautification · Document conversion · Document Repair · Document Security · Document Assistant

Client products

WPS Office Desktop Professional Edit

WPS Office Mobile Professional Edition

Kingsoft PowerWord Professional Edition

Client products

WPS Office Desktop Personal Edition

WPS Office Mobile Personal Edition

Kingsoft PowerWord Personal Edition

220 Countries/Regions

Office software products and services such as WPS office, Kingsoft Docs, Docer, and Kingsoft PowerWord provide office services for users in more than 220 countries and regions around the world.

89.8 billion

Since 2020, more than 100 million files are uploaded by by individuals and "WPS+" users through the public cloud to the cloud everyday. As the end of 2020, the number of files uploaded by users reached 89.8 billion.

474 million

Every month, more than 474 million device users worldwide create, edit and share on the WPS Office platform

100+ million

Currently WPS Office has more than 100 million users, becoming a well-known Chinese Office suite brand

8000 10 thousand

More than 80 million office materials are downloaded and used on the Docer platform every month.

90%

In the enterprise market, Kingsoft Office's business covers more than 30 provincial and autonomous regional governments and more than 400 municipal and county-level governments, with a government procurement rate of 90%.

Personal Value-added Services

Kingsoft Office gradually improves WPS user experiences and services, optimizes product interaction, enriches member privilege functions, develops off-site channels for a member business, promotes users' awareness of member business to foster promotes the growth of member business.

Enterprise Cloudification

Kingsoft Office continues to promote the cloudification process of enterprise customers and focuses on promoting the transformation of corporate and organizational customers from desktop and mobile office products to the cloud.

Advertising Business

Based on the long-term strategy, Kingsoft Office has constantly adjusted the direction of the Internet advertising business, Whilst devoting in the e-commerce industry, we have also develop in the programming, online consumption, online education and other industires.

WPS Docs

WPS Docs has continuously improved its document collaboration ability and user experience, provided more intelligent and efficient office solutions for a large number of enterprises, and precipitated application scenarios and user reputation in e-commerce, education, and other fields. In the future, as the core product of Kingsoft Office's "collaboration" strategy, WPS Docs will provide users with a better and more efficient way of working collaboratively.
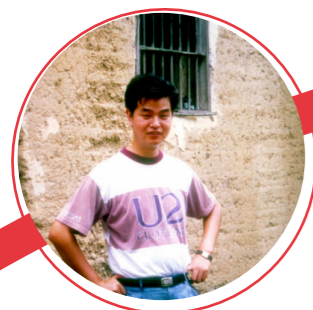
Overseas Business

Kingsoft Office responds to the call of the Belt and Road Initiative to continue to develop markets in Southeast Asian countries, and to carry out in-depth cooperation with department of government and other institutions in Thailand, Indonesia and other countries. We continuously expand cooperation channels in overseas business sectors, and constantly promote the localization of products and services.

AI

Kingsoft Office AI team focuses on computer vision and natural language processing, algorithm research and combines engineering technology to create a series of products and services based on AI. Our independent research and development of OCR and machine translation technology have reached the first echelon in China and are continuously optimized according to online users feedback.

KEY MILESTONES
OF KINGSOFT OFFICE

2019

In April, WPS Office for macOS was officially released.

November 18, Kingsoft Office (stock code: 688111) successfully listed on the Science and Technology Innovation Board, becoming the first carve-out listing company on the Science and Technology Innovation Board in China.

2001

The first government procurement.

2015

One-stop cloud office released.

2011

WPS Mobile Version released.

2018

Held the theme of "Simplicity·Creation·Not Simple" "Cloud·AI Future Office Conference"; Released WPS Office 2019 Kingsoft documents and other new works.

1989

Kingsoft founder Qiu Bojun launched WPS1.0.

2007

WPS entered into the Japanese market and researched internationalization.

2017

WPS Office PC and mobile users both reached 100 million.
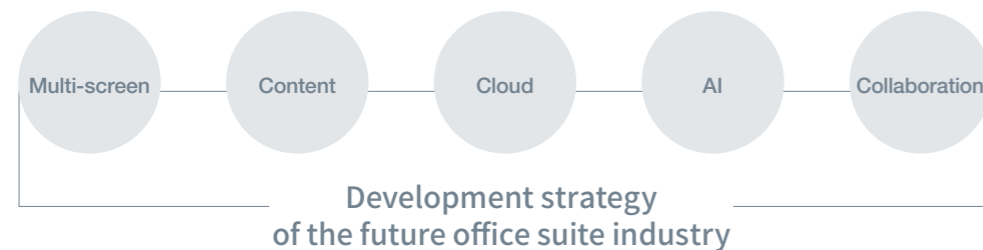In May, the Thai version was released in Bangkok.

2020

November 11, Kingsoft Office officially released "Mission · Vision and Values".

December 1,Kingsoft Office CHAO Conference released "Collaboration" Strategy.

2012

WPS passed Acceptance of Major projects of Core-electronics, High-end-general Chips, and Infrastructural-software.

2005

WPS Office Personal Edition announced for free.

EVENTS OF 2020

Kingsoft Office continues to focus on the field of office document services and has maintained stable and rapid growth. The Company achieved RMB 2261 million in revenue, a year-on-year increase of. The Company's profit attributable to the parent company owners was RMB 878 million, a year-on-year increase of 119.22%. The Company's operating net cash flow was RMB 1.514, billion, a year-on-year increase of 158.57%. Supported by our technical advantages and product quality, our monthly active users and product user retention have grown steadily. Furthermore, our user's willingness to pay has increased, and the number of annual paid individual membership has increased by 63.23%. We have incorporate "Collaboration" into one of our core strategies and we have formed a development strategy of the future office suite industry represented by "Multi-screen, Content, Cloud, Artificial Intelligence (AI), and CollaborationWe are committed to fulfilling our social responsibilities and have invested resources and efforts in combating the epidemic, supporting sports events, and working together with partners from industries.

Multi-screen — Content — Cloud — AI — Collaboration

Development strategy of the future office suite industry

FIGHT AGAINST COVID-19
The Company has fully invested in fighting the epidemic by technology, supported more than 200 million people to telecommute for free, and donated more than 4 million cloud office accounts to schools, hospitals, government agencies and small and medium-sized enterprises to support the resumption of work and production.

PROMOTE INDUSTRY DEVELOPMENT
The Company held the 2020 Kingsoft Office Developer Conference, empowering a total of nearly 200 integrators, OA manufacturers, technology service providers, e-visa, browser ,and other office upstream and downstream ecological partners, in order to further catalyze the industrial ecology of China's information technology application and innovation.

SPORTS EVENTS
On June 30, 2020, WPS officially signed the contract to become the official office software provider for Beijing 2022 Winter Olympic Games, became the first Chinese office software company to serve the top international events. In September 2020, the Company's product WPS Docs became the official exclusive supplier of office software for the 31st Summer Universiade.

THE "COLLABORATION" STRATEGY
The Company held the "CHAO" office conference in Sanlitun, Beijing. At the conference, we officially announced the new product strategy of "collaboration" and introduced five new collaborative office products, including WPS Smart Form, WPS Meeting, WPS Calendar, WPS To-do, and WPS Flexpaper.

The Company has actively explored the form of online activities and made use of the online meeting function of its products, Kingsoft WPS Docs, to hold the "Co-Innovation Era" 2020 Kingsoft Office Partner Conference, the "Collaboration Generates Everything" Kingsoft WPS Docs Online Media Conference, and the "E-commerce Industry Growth Plan" WPS+ Cloud Office Online Press Conference.

Economic Performance

The Company achieved a business revenue of RMB **2261** million

The net profit attributable to the parent company owners was RMB **878** million — a year-on-year increase of ↑ **119.22**%

Office software authorization business recorded RMB **803** million in revenue — a year-on-year increase of ↑ **61.90**%

Office service subscription business achieved a revenue of RMB **1109** million — a year-on-year increase of ↑ **63.18**%

The Company achieved stable growth in Key product monthly active users (MAU)

The MAU of main products (excluding WPS Docs) reached **474 million**, including
185 million MAU of WPS office PC version, a year-on-year growth of **20.13**%;
282 million MAU of WPS office mobile version, a year-on-year growth of **13.71**%;
About **10 million** MAU of other products such as Kingsoft Powerword.

Cloudification of Office Documents

The number of files uploaded by individuals and "WPS+" users through public cloud services reached **89.8 billion**, an increase of about **8.66 times** compared with 9.3 billion in 2018.
The average daily document uploads exceeded **100 million.**

LIST OF AWARDS

2001 Second Prize of National Award for Science and Technology Progress	**2007** Second Prize of National Award for Science and Technology Progress	**2010** National Key New Product
2011 Famous Enterprises in Guangdong Province	**2012** National Key New Product	**2012** Gold Award of the World Intellectual Property Copyright
2013 The most valuable copyrighted products in Guangdong	**2014** National Strategic Innovative Products	**2015** Zhuhai City of Science and Technology Awards
2015 First Prize of Science and Technology Progress Award of China Institute of Electronics	**2017** Gold Award of China International Software Expo	**2020** "Zhuo Yue Software Products" of Guangdong
2018 The top ten of the selection in "two micro one end" in top 100 Apps according to the users experiences	**2019** Chinese Government Information Technology Product Technology Innovation Award	

2020
- JD 2020 Outstanding Contribution Award
- Taobao Alliance the Most Traffic Award
- Pangolin 2020 Most Influential Partner Award

2019
- In 2019, WPS Office was selected by App Annie as the "2018 Global Growth Star".

2018
- In 2018, Kingsoft government office document security and full life cycle management solution products won the "Product Technology Innovation Award".

2017
- In 2017, WPS Office 2016 won the Gold Award of the International Software Expo.

2016
- In 2016, Kingsoft Office won the "Excellent Industrial Internet Innovative Solution" and "Innovative Product" awards.

2015
- In December 2015, WPS Office won Apple's "Best of 2015".
- In December 2015 WPS Office won the Google "Best App Of 2015" award.
- In July 2015, WPS Office was awarded the title of "Top Developer" on Google Play, and was officially "Recommended by Editors" by Google on a global scale.
- In 2015, Jinshan Office won the first prize of Science and Technology Award.

2014
- In September 2014, Kingsoft Office was awarded the "National Copyright Demonstration Entity" by the National Copyright Administration

2012
- In 2012, WPS Office mobile version won the Mobile Internet National Brand Award.
- WPS Office won the World Intellectual Property Copyright Gold Award.
- WPS passed the "Core-electronics, High-end-general-Chips, and Infrastructural-software" major special inspection and acceptance.

2008
- In 2008, Kingsoft WPS won the National High-tech Industrialization Ten-Year Achievement Award.

2007
- In 2007, WPS Office 2005 won the second prize of National Award for Science and Technology Progress.

2005
- In 2005, WPS Office 2005 became the first brand to be selected into the "Bowang Plan" of the Ministry of Information Industry, and WPS Office 2005 was rated as "National Key New Product ".

2001
- In 2001, WPS Office 2000 won the second prize of National Award for Science and Technology Progress.
- In 2001, The first government procurement of WPS office

1998
- In 1998, WPS97 Chinese word processing system was rewarded as the National Key New Product.

1996
- In 1996, WPS NT1.0 word processing system was rewarded in the 1996 National New Product.
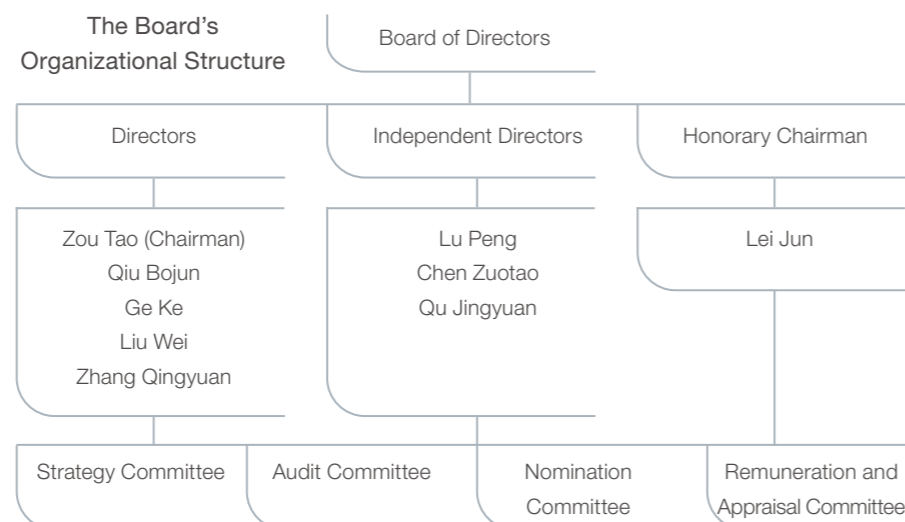
CORPORATE GOVERNANCE

The Company strictly obeys the Company Law, Securities Law, Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange and other relevant laws, regulations, and regulatory documents, and formulate the Articles of Association and internal control regulations. In 2020, the Company further improved the company policy system according to the needs of business development. We revised the Articles of Association of Beijing Kingsoft Office Software, Inc. and Kingsoft Office Badge Management System, and formulated the Beijing Kingsoft Office Software, Inc. Information Disclosure Suspension and Exemption System to improve the Company's internal corporate governance structure and the internal control management system, boost corporate governance, standardize company operations, and then promote the sustainable and stable development of the Company.

The Company's general meeting of shareholders, the Board of Directors, and the Board of Supervisors operate in accordance with laws and regulations. All functional departments have a clear division of responsible and efficient cooperation. Independent directors have played an active role in improving the corporate governance structure and protecting the interests of small and medium shareholders. The Strategy Committee, Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee set up by the Board of Directors ensures standardizing corporate governance, strengthening day-to-day operation and management, and making decisions on major issues. The Company has various internal control management systems in place, and the daily operation is standardized and orderly. Problems identified in the internal control system are checked and timely remediated, and the formation of the long-term mechanism of internal control evaluation is actively promoted.
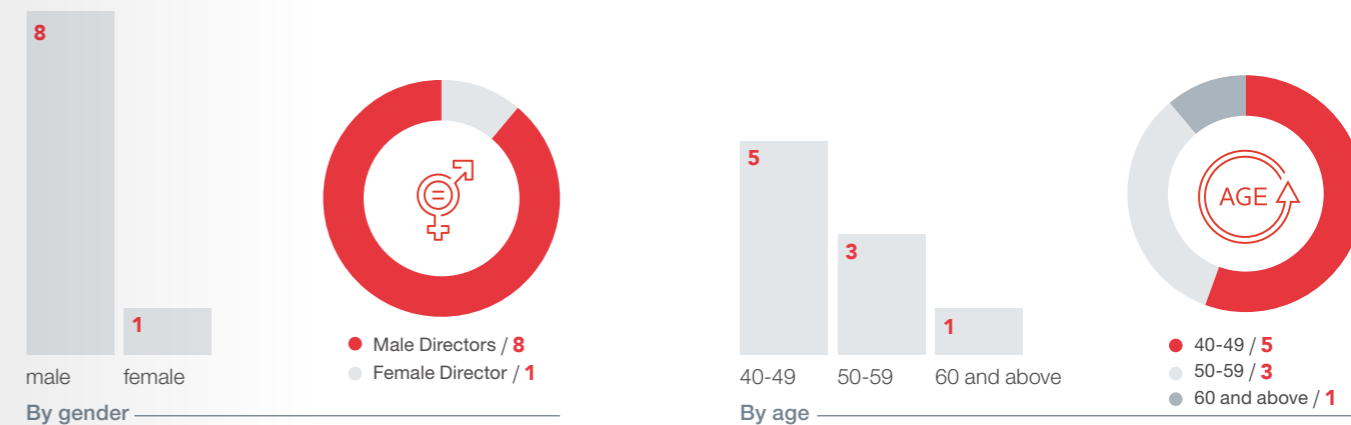
BOARD OF DIRECTORS

As a permanent organization for the Company's business decision-making, the Board of Directors is accountable to the shareholders of the Company. The Board of Directors, in accordance with the provisions of the Company Law and the Articles of Association, makes effective resolutions on the appraisal and appointment of senior management personnel, major production and operation plans, investment plans, central management systems, and connected transactions of the Company.

The Board's Organizational Structure

- Board of Directors
  - Directors
    - Zou Tao (Chairman)
    - Qiu Bojun
    - Ge Ke
    - Liu Wei
    - Zhang Qingyuan
  - Independent Directors
    - Lu Peng
    - Chen Zuotao
    - Qu Jingyuan
  - Honorary Chairman
    - Lei Jun

- Strategy Committee
- Audit Committee
- Nomination Committee
- Remuneration and Appraisal Committee

BOARD MEMBER INFORMATION

Kingsoft Office has a total of 9 Directors, including 3 Independent Directors and 1 Honorary Director. The composition of directors in this year is as follows:

By gender: male 8, female 1
- Male Directors / 8
- Female Director / 1

By age: 40-49: 5, 50-59: 3, 60 and above: 1
- 40-49 / 5
- 50-59 / 3
- 60 and above / 1

The Board of Directors has set up a Strategy Committee, an Audit Committee, a Nomination Committee, and a Remuneration and Appraisal Committee. Positions of board members in the following committees:

Board Member	Positions			
	Strategy Committee	Audit Committee	Nomination Committee	Remuneration and Appraisal Committee
Lei Jun	√			
Zou Tao	√	√	√	√
Liu Wei		√		
Zhang Qingyuan	√		√	√
Lu Peng	√	√	√	√
Chen Zuotao		√	√	√
Qu Jingyuan	√	√	√	√

BUSINESS ETHICS

We are committed to a fair and transparent working environment. We comply with the requirements of the Law of the People's Republic of China Against Unfair Competition and other relevant laws and regulations on combating corruption and bribery, and formulate the Code of Conduct for Kingsoft Employees, the Regulations of Kingsoft on the Management of Whistle Blowing and Complaints, the Punishments Regulations of Kingsoft on Negligence and Pretermission for Leaders, and the Regulations on the Administration of rebates of Kingsoft, to clarify the code of conduct requirements of employees and resolutely put an end to any form of corruption. During the procurement, we bring integrity management into the scope of assessment of suppliers, and suppliers are required to sign integrity clauses in the contract. The terms include establishing a sound integrity system, disclosing the reporting telephone number, conducting investigations and preventing violations of the law. At the same time, we provide various reporting channels to encourage units or individuals to report any violations of the company's rules and regulations to the internal audit department. Informers can report all kinds of illegal acts through E-mail, reporting system, whistleblowers' hot-line, in-person, etc. We have set up relevant regulations in the Regulations of Kingsoft on the Management of Whistleblowing and Complaints to protect whistleblowers, strictly keep confidentiality of information of whistleblowers, and severely punish those who retaliate against whistleblowers to safeguard the rights and interests of whistleblowers.

ESG GOVERNANCE

ESG ORGANIZATIONAL STRUCTURES

We have established a ESG organizational structure composed of the Board of Directors and ESG related departments. The Board is responsible for the Company's overall ESG governance, decision-making, and reviewing ESG strategy and performance. According to ESG strategic actions, ESG-related departments at the executive level are responsible for carrying out ESG-related management.

2
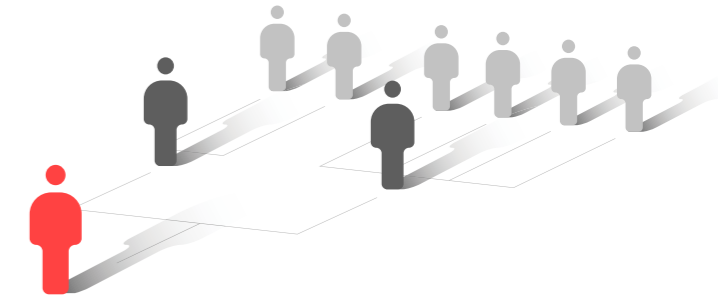
ESG CONCEPT

As a leading domestic office software and service provider, our mission is to provide products that follow the principles of "Simple creation, easy expression, realization of value connection". Bearing the values of " User First, Persist in Innovation, Integrity, Optimism and Resilience ", we have established the concept of ESG with Prioritizing Products, Focusing on Talents, Green Operation and Technology Empowering. as the main body. We utilize the excellent quality of our products and technical advantages, actively fulfill corporate social responsibility, and are committed to becoming a leader in office suite and services field around the globe.

In line with ESG concept, we actively respond to the Sustainable Development Goals proposed by the United Nations, identify the priorities of the Sustainable Development Goals (hereinafter referred to as "SDGs"), and carry out practices of sustainable development.

01

Prioritizing Products
We are a customer demand-oriented enterprise. We incorporate customer opinions into the entire product life cycle and bring the simplest and most efficient office experience and service to everyone.

Focusing on Talents
Employees are always regarded as our most important assets. We focus on the construction of a talent team, cultivate R & D talents in the field of office suite, care for the physical and mental health of employees, and commit to establishing a top team.

02

04

Technology Empowering
We help enterprises and organizations improve their information management capabilities, empower new office methods, and provide efficient office solutions under various scenarios.

Green Operation
We are committed to creating a smart office ecosystem by providing efficient and convenient office services for customers, improving efficiency. We are determined to achieving energy saving, emission reduction, cost reduction and efficiency enhancement.

03

User-First
Optimism and Resilience
Persist in Innovation
Integrity

Simple creation, easy expression, realization of value connection

Prioritizing Products

We devote ourselves to integrating the concept of sustainable development into our products and services to provide quality products and services to consumers. We pay attention to the rights and interests of consumers, information security and privacy protection, intellectual property rights protection, and good brand image establishment.

Focusing on Talents

Employees are always regarded as our most important assets. We have established a sound salary, welfare and training system and provide a good promotion platform for employees. We advocate a healthy work and lifestyle, create a team with full of passion and vitality, equality and diversity, and strive to improve the happiness of employees.

Green Operation

We actively respond to the call for national low-carbon development, and are committed to building low-carbon and energy-saving and environmental protection enterprises. We continue to improve environmental management measures, encourage employees to practice environmental concepts through publicity and education. We are focusing on green supply chain management and willing to develop with our supplier partners.

Technology Empowering

While developing our business, we are always grateful to society and strive to achieve a win-win situation for social benefits and corporate values. We actively communicate with the communities where we operate and practice public welfare undertakings.

STAKEHOLDERS ENGAGEMENT AND MATERIALITY ASSESSMENT

STAKEHOLDERS ENGAGEMENT

Combined with the business model and internal and external communication, we have identified the key stakeholders and their key demands and expectations that interact with the enterprise operation. More details are shown in the table below.

Key Stakeholders	Key Demands and Expectations	Key Communication and Response Channels
Governmental and regulatory authorities	Compliance with laws and regulations The safety and reliability of products Promoting technological progress Serving national interests and people's livelihood	Inspection Annual report Company's website
Investors	Maintaining good operating performance Compliant operation Information disclosure	Shareholders' general meeting Company's announcements Reporting of special projects Visitor reception
Customers	High-quality products and services Protecting information security and privacy Satisfying the diversified demands of customers	Daily communication with customers Survey on customer satisfaction Handling and feedback of customer complaints
The Public	Provide safe and reliable products Improve operational transparency	Annual report Company's website
Employee	Protecting employees' rights and interests Guaranteeing occupational health Training and development Promotion channels Work-life balance	Staff meeting Platforms for staff's suggestions Face-to-face communication Staff training
Suppliers and partners	Open, fair and impartial procurement Fulfilling contractual obligations Mutual benefits and win-win cooperation	Sign a contract in accordance with the law Public tendering Face-to-face communication
Communities	Community development Public welfare undertakings Environmental protection	Participating in community activities Public welfare organizations receive visitors

MATERIALITY ASSESSMENT

Based on communication and participation of stakeholders, we determine the materiality of each major issue and identify the important issues concerned by stakeholders. The details of this assessment are as follows:

Screening Process of Key Issues

Source of issues	Screening criteria
• Benchmarking research of peers • Internationally recognized sustainability reporting guidelines • Views and opinions from employees • Recommendations from the management • Recommendations from internal and external experts • Media focus	• Values and strategies of the Group • Relevant laws and regulations • Demands and expectations from stakeholders • Peer practices • Recommendations from the management

The key issues we identified and result of materiality assessment of key issues are shown in the figure below

OUR PRODUCT: PROVIDING INCREDIBLE EXPERIENCE

We have been working in the office suite field for more than 30 years, following the development trend of the Mobile Internet business and taking advantage of our localization. As a leading domestic office software and service provider, we adhere to the service concept of "user first". We analyze and study customer demands and products and services application scenarios, giving accurate insight into customer demands, and providing products and services that meet their requirements and cater to their habits. We are committed to assisting customers to improve office efficiency and efficiently producing professional and high-quality office documents.

SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Continuous R&D and innovation
- Improving product quality
- Ensuring information security
- Optimizing customer experience

4

INNOVATION-DRIVEN DEVELOPMENT

Kingsoft Office has been making full use of the experience of independent R&D and its long-term professional research advantages in office software, to realize numerous key technologies such as cross-platform, collaboration and mobilization. The Company's R&D mode is featured by catering to the demands of end-users and downstream partners, integrating customer opinions into product life cycle, and synchronous communication between the R&D department and the sales department and support departments to go deep into the whole process of product design, R&D, testing, delivery and service, so as to realize rapid and effective iterative R&D and jointly improve user experience, and to form a virtuous cycle mechanism of "customer-driven R&D, and products for customers".

ENCOURAGING INNOVATIONS

Interactive R&D mode

The interactive R&D mode is mainly applied in developing new products and services in traditional software, including processes such as demand analysis, scheme design, feasibility technical demonstration, coding and testing, product service trial, product delivery to customers, and technical support feedback. Oriented by customer demands, the Company focuses on communication with customers on functional requirements and product interactions, and incorporates customer feedback into the Company's product development process. Throughout the key processes of product life cycle, the Company aims at connection and feedback of personnel, technology and information, to ensure that the Company's products and services meet the technical requirements and customers' office demands.
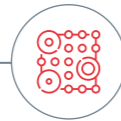
Matrix project R&D management mode

For special projects, the Company adopts a project-oriented matrix project management mode, where the joint R&D team consists of a project leader and inter-departmental experts. In the early stage of product development, each department puts forward opinions on technology, architecture and implementation method of the product, to contribute to the overall plan. As such, this mode effectively avoids possible problems in the follow-up production phase and significantly improves the efficiency of product development and the success rate of project.

Generic modular R&D mode

Thanks to the long-term R&D in the office field and the accumulation of product experience, the Company studied and realized a series of mature key technologies and general technical schemes. On this basis, the Company gradually formed a cross-platform technology supporting system for rapid design, development, adaptation and promotion of software products and services for the new areas, new markets and new demands.

R&D Investment

Kingsoft Office subdivides the user demands and application scenarios with professional experience in technology R&D in the office applications field. It conducts professional research on multi-platform office, office application integration, multi-user collaboration, data cloud storage and intelligent creation. The Company has formed its unique core technology with a long-term and in-depth user demands mining and customer application scenarios analysis, and technical reconstruction of the underlying products.

In 2020, we continued to invest in technology R&D and talent hiring. Compared with 2019, the Company's R&D investment had a growth rate of 18.72%.

Technological innovation mechanism

The Company gradually formed a "customer-driven R&D and user-oriented" virtuous cycle mechanism, from the original "product-driven R&D, and products for customers" mechanism, to actively respond to customer demands and improve user experience. Every year, the Company invites industry experts to conduct professional training on patent mining, knowledge expansion, and other aspects for employees to constantly invent and create in R&D.

Industrialization of R&D technology

The Company continues to hire new technical experts and researchers to join the R&D team fully understands the information system technology and future development technology trends, provides government agencies and industry demands with cloud services and comprehensive security collaboration solutions, develops products that meet the customers' demands in various industries, complies with the development trend of office industry, and ensures the efficient industrialization of R&D results.

1900人
R&D personnel

710 million
Total expenditure on R&D

70%+
The percentage of R&D personnel

31.44%
Ratio of R&D investment to revenue

18.72%
In 2020, we continued to invest in technology R&D and talent recruitment. Compared with 2019, the Company's R&D investment increases 18.72%.

AWARDS

• The Company's core technology has been recognized by the State Council, the Ministry of Science and Technology, the Ministry of Industry and Information Technology, the World Intellectual Property Organization, and other organizations and industry experts. After the technical appraisal by the China Institute of Electronics, the overall technical level of office software products of WPS Office is leading in the office software field in China, and several technologies are advanced in the world. The Company and its products won several national and international awards, such as the Second Prize of National Science And Technology Progress twice, the National Key New Product, the Gold Award of Intellectual Property Rights And Copyright, the Gold Award of China International Software Exposition, evidencing that the Company's technology is at the advanced domestic level in the industry.

• Undertaking national, provincial, and municipal scientific research projects reflects high level of Company's core technology. Since its establishment, the Company has undertaken several national major scientific research projects, including major projects of Core-electronics, High-end-general-Chips, and Infrastructural-software Science and Technology, the National High-Tech R&D Program (863 Program), etc. Through the implementation of major national projects, the Company's products have completed system adaptation and application promotion in several national demonstration projects during the "12th Five-Year Plan" and "13th Five-Year Plan". The ability to implement national scientific research projects confirms that the Company's core technology is in the leading position in China.

WPS Office
One-stop office service platform makes your more efficient.

| the Second Prize of National Science And Technology Progress | the National Key New Product | the Gold Award of Intellectual Property Rights And Copyright | the Gold Award of China International Software Exposition |

As of December 31, 2020, the essential awards and relevant major scientific research projects of the Company's core technologies are as follows:

1 Important technical awards obtained by the Company's core technologies, products and services are as follows:

Award Year	Name of Award	Awarding Department	Award-winning products/projects	Certificate Number
2001	Second Prize of National Award for Science and Technology Progress	State Council	WPS 2000 Intelligent Integrated Office System	J-220-2-04-D01
2007	Second Prize of National Award for Science and Technology Progress	State Council	WPS Office 2005	2007-J-220-09-D01
2010	National Key New Product	Ministry of Science and Technology of the People's Republic of China	WPS Office 2009	2010GRE0003
2011	Famous Enterprises in Guangdong Province	Administration of Quality and Technology Supervision of Guangdong Province	WPS Office of Chinese Office Software	GD2011-503
2012	National Key New Product	Ministry of Science and Technology of the People's Republic of China	Chinese office network services platform	2012GR339008
2012	Gold Award of the World Intellectual Property Copyright	World Intellectual Property Organization	WPS Office Software	-
2013	The most valuable copyrighted products in Guangdong	Guangdong Provincial Copyright Office	WPS Office 2012	ZJJZ022
2014	National Strategic Innovative Products	Second Prize of National Award for Science and Technology Progress	WPS Office 2013	2014GZE00010
2015	Zhuhai City of Science and Technology Awards	Zhuhai Municipal Government	Chinese office network services platform development and industrialization projects	2014-J-1-03-D01
2015	First Prize of Science and Technology Progress Award of China Institute of Electronics	China Institute of Electronics	Chinese office services network platform and application projects	KJ2015-J1-06-D01
2017	Gold Award of China International Software Expo	Ministry of Industry and Information Technology of the People's Republic China	WPS Office Software	-
2018	The top ten of the selection in "two micro one end" in top 100 Apps according to the users experiences	China Academy of Information and Communication Technology	WPS Office	-
2019	Chinese Government Information Technology Product Technology Innovation Award	China Information Industry Association	Cloud Office Service Platform	-
2020	"Zhuo Yue Software Products" of Guangdong	Guangdong Software Industry Association	WPS Office 2019 for Linux Software	-

2 Major scientific research projects participated by the Company's R&D team are as follows:

Project Name	Organizer	Project Type	Form of project cooperation	Project technical and economic goals	Starting and ending times
Research and development and industrialization of networked Chinese office service platform	Ministry of Industry and Information Technology of the People's Republic China	Major projects of Core-electronics, High-end-general-Chips, and Infrastructural-software	Independent commitment	According to the national information security requirements and basic software development strategy of service industry, this project aims at Internet application environment and Chinese information processing needs, researches and develops office software of network characteristics, extends office software application environment, breaks through the custom office data collaboration and office application integration technology, and eventually realizes the network office service platform in Chinese.	From January 2010 to June 2012
Industrialization of secure cloud storage and application service platform	Economic and Information Committee of Guangdong Province	Modern Information Service Industry Project	Independent commitment	Based on mass data storage and synchronization technology of research and development a secure cloud storage platform, this project offers open interface, supports third party applications integration for government agencies, IT, telecommunications, electrical home appliances and other industries safe, open, efficient, low-cost cloud storage application solutions.	From January 2012 to June 2015
Intelligent cloud services management platform and core software and systems	Ministry of Science and Technology of the People's Republic of China	National High-tech R&D Program (863 Program)	Joint commitment	This project aims at huge amounts of unstructured document storage technology and office documents research and implementation, and uses data management and processing technology in networked WPS series products, and eventually integrates WPS Light Office products and services, with applied in online office to demonstrate cloud services.	From January 2013 to December 2015
Construction and operation of Kingsoft WPS cloud office service platform	Beijing Zhongguancun Management Committee	Modern Information Service Industry Project Of Zhongguancun	Independent commitment	This project breaks through the research and development of multiple core technologies such as networked office, massive data storage, sharing and collaboration, and cross-platform applications, to build a one-stop, multi-platform, and networked open office service platform based on cloud computing	From April 2013 to September 2015
Kingsoft Smart Internet + Enterprise Integrated Service Platform	Beijing Zhongguancun Management Committee	Zhongguancun Pilot Demonstration Project	Independent commitment	In line with the current development direction of Internet + and using the latest Internet communication technology and mobile Internet technology, a comprehensive service platform with full SaaS service mode is built for the use of small and medium-sized enterprises in the park, so that the comprehensive service platform in the park can be deeply integrated with the informatization of enterprises in the park. With the mobile new technology as the highlight features to build an innovative comprehensive information service platform for these park enterprises.	From January 2015 to December 2015
Intelligent writing innovation and industrialized public service platform	Economic and Information Committee of Anhui Province	Artificial Intelligence Industry Development Project	Independent commitment	Intelligent writing innovation and industrialization of public service platform aim at becoming a major platform of intelligent writing industry chain. For which mainly researches the knowledge mapping technology, it is based on the text generation technology such as intelligent writing key technology and common technology, building intelligent data acquisition platform. Besides, based on the corpus of big data platforms and intelligent writing public service platforms, the project integrates data resources, standardizes data formats, opens third-party application interfaces, promotes the development of relevant standards for the intelligent writing industry, creates an innovation system combining production, education and research, gives full play to the advantages of the Intelligent Writing Robot Technology Alliance, and promotes the construction of an ecological system for the intelligent writing industry, and develops the national intelligent writing industry.	From July 2018 to December 2020
Office software enhancement and optimization for the Party and government office system	Ministry of Industry and Information Technology of the People's Republic China	Major projects of Core-electronics, High-end-general-Chips, and Infrastructural-software	Joint commitment	Combined with the needs of the Party and government's office applications, the project breaks through application development and system adaptation technology based on encore-based software and hardware platform, customizes and enhances office applications and security functions, completes the development of tasks such as online creation, improves the performance and efficiency of office software, promotes the application of national independent document format standards, and supports application integration on domestic software and hardware platforms, to provide customizable and reproducible office application solutions.	From January 2018 to December 2020
Office software enhancement and optimization for safe and reliable office platforms	Ministry of Industry and Information Technology of the People's Republic China	Major projects of Core-electronics, High-end-general-Chips, and Infrastructural-software	Joint commitment	Combined with the needs of the Party and the government's office applications, the project breaks through the application development and system adaptation technology based on domestic basic software and hardware, customizes and enhances office applications and security functions, completes the development of WPS office components and other tasks, improves the performance and efficiency of office software, and supports the application integration on domestic software and hardware platforms.	From January 2018 to December 2020
Development and industrialization of WPS domestic office suite for the Party and the government's applications	Department of Industry and Information Technology of Guangdong Province	Development projects of information technology application and innovative industry	Independent commitment	This project studies the office service, data integration, document compatibility, value-added service, and other technical problems related to the office software integration and application under the domestic basic software and hardware environment. This project adopts the way of industrial linkage, system integration, the formation of a new generation of homebred base software product matrix. Through the pilot application of industrialization, the project improves the overall level of homebred base software and market competitiveness, promotes the sustainable development of the information technology application innovation, strengthens basic software localization in Guangdong to the national economic and social development impetus ability and service ability.	From July 2019 to June 2021

QUALITY BUILDS THE BRAND

INTELLECTUAL PROPERTY

Kingsoft Office has accumulated rich experience in independent innovation and development by virtue of its solid technical foundation in office software. The Company's core products and key technologies are independently researched and developed, and several domestic and foreign invention patents have been authorized. The latest WPS Office products and services developed by Kingsoft Office adopts key technologies of network office application such as cloud real-time sharing, intelligent office knowledge graph, big data user portrait, multi-platform online collaboration and cross-platform mobile office.

Kingsoft Office continues to carry out technological innovation from many aspects, such as WPS Client, Cloud office products, WPS Docs and collaborative office services. In 2020, the Company applied for a total of 102 invention patents, among which 88 were accepted domestically and 14 overseas. It obtained 17 authorized patents, including 6 domestic authorized invention patents and 11 overseas authorized invention patents. The Company applied for 2 design patents, both of which are domestic patents. By the end of 2020, Kingsoft Office had a total of 599 patents and copyrights, including 197 patents registered in China, 44 patents registered overseas, 351 software copyrights registered in China and 7 software copyrights registered overseas.

Total Invention Patents Applied

102
Invention Patents

Accumulated Patents and Copyrights

599
patents and Copyrights

QUALITY MANAGEMENT SYSTEM

We have obtained ISO9001:2015 Quality Management System certification. We have formulated Security and Privacy Protection Design, Measures for the Management of Digital Assets, Basic Guidelines for Research and Development Safety and other management measures and standards as the basis for product quality control, to strictly control the quality of software products to meet the quality standards of the Company.

QUALITY MANAGEMENT PROCESS

In terms of product project initiation, we have established a model from the analysis of customer demands to the implementation of specific product technical solutions. Based on the collection, analysis and understanding of customer demands, we conduct compliance reviews on product solutions. We also carry out product evaluation utilizing product design, and review, inspection and review of technical solutions to ensure that the products can meet customer needs and solve customer problems effectively.

In terms of product R&D, we are driven by demands of end-users and downstream partners, and integrate customer opinions into the product's life cycle. The R&D Department communicates with the Sales Department and Support Department synchronously, and goes deep into the whole process of Product Design, R&D, Testing, Delivery and Service, so as to realize rapid and effective iterative R&D and jointly improve user experience, to form a virtuous cycle mechanism of "Customer-driven R&D and products for customers". After the completion of product development, we conduct multiple rounds of comprehensive inspections on stability and safety.

Product Project Initiation
Collection → Analysis → Comprehension → Review → Assessment

Product R&D
Design → R&D → Test → Delivery → Service

SAFETY BUILDS TRUST

SERVICE BUILDS CARE

We have established an information security and data privacy management system, with a complete organizational structure and system policies in place. The Company has set up a Security Committee mainly responsible for data security-related decisions, and the Chief Security Officer and Security Management Office coordinate the Company's information security management work. The Product Security Department, Network Security Department, Information Security Department and Security Support Team are responsible for implementing and executing information security management measures.

We have formulated a series of regulations to ensure information security, such as the General Outline of Information Security Management, Information Classification Management Measures, Cyber Security Management System, System Security Management System, and Emergency Plan Management System. Kingsoft Office has also developed the Basic Guidelines for Research and Development Safety and other internal standards and norms and carries out annual security internal audit work to more objectively and comprehensively supervising the implementation of product data security and privacy protection.

According to the national network security level protection standards and relevant provisions, the WPS Cloud Docs, WPS account system, Kingsoft PowerWord Search System PC, and Mobile system have has completed the registration and assessment on Classified Protection at Level 3 of the Information Security of the Ministry of Public Security.

Certification of Registration and Assessment on Classified Protection at Level 3 of the Information Security

In 2020, we carried out information security training for all R&D staff and organized assessments to enhance data privacy protection awareness.

Decision-making

Coordination of information security management

- Security Committee
- Chief Security Officer
- Security Management Office

Implementation and execution

- Network Security Department
- Information Security Department
- Security Support Team
- Product Security Department

More than **120** People
Professional customer service team

98.32%
Customer satisfaction

94.57%
Customer Returning Visit Satisfaction

We are customer-oriented and committed to providing high-quality products and services to society and customers with a good reputation. We strictly abide by the Law of the People's Republic of China on Protection of Consumer Rights and Interests and other laws and regulations, and continuously improve the management processes of product quality monitoring, customer complaint handling, and customer satisfaction surveys to maximize the protection of the legitimate rights and interests of customers.

In terms of government and enterprise business, the Company strives to further improve business development and service ability of the government, large and medium-sized enterprises, and other top customers, further promote customer cloudification, improve the customer satisfaction and actual penetration rate of the Company's products, and win the reputation of the products and the continuous use of customers. At the same time, the Company will strengthen establishing a professional office field information technology consulting team, constructing a complete customer service system to respond and support the customers' demands at any time.

In terms of personal value-added services, Kingsoft Office continues to promote the transformation of product positioning from "tool" to "service" to increase the loyalty of users. Kingsoft Office carries out a delicate operation on various member functions and template resources, and improves the experience of functions through a technical transformation so that products can better solve users' pain points and meet users' needs. We apply new technologies, explore new scenarios, mine new user demands, adhere to explosive thinking and create popular products, to improve user perception and product reputation.

PROFESSIONAL CUSTOMER SERVICE TEAM

The Company has a service team distributed in 12 key cities in China, hundreds of authorized and certified service providers in key provinces and cities in China, and a professional customer service team of more than 120 people. It is committed to providing professional and considerate services for customers. Our services cover the whole process of product application, including providing scheme consulting services for customers in the early stage, providing implementation deployment and integration docking services for customers in the middle stage, and providing training, promotion and application services for customers in the later stage. We provide induction training for the customer service team, including product knowledge training, service etiquette and complaint handling skills, data record specification and data analysis, etc. Regarding professional skills improvement, we also set up training on service ability improvement and product technology.

CUSTOMER COMPLAINTS AND SATISFACTION

We value customer complaints, adhere to integrity management, protect the legitimate rights and interests of consumers, and actively and efficiently give feedbacks to all kinds of customer complaints. This year, we updated and revised the customer service-related management specifications, formulated the WPS Customer Service Department Complaint Handling Procedure Specification optimized the user experience and accelerated customer service response. For each customer complaint, the customer service team will analyze and evaluate and feedback to the product team to support the product optimization plan design. We set up various feedback channels to provide users with more timely feedback and suggestions, including the official WeChat official account, email, and Weibo, etc., and return visits to users' complaints. During the reporting period, the Company's customer satisfaction reached 98.32%, and customer return visit satisfaction reached 94.57%.
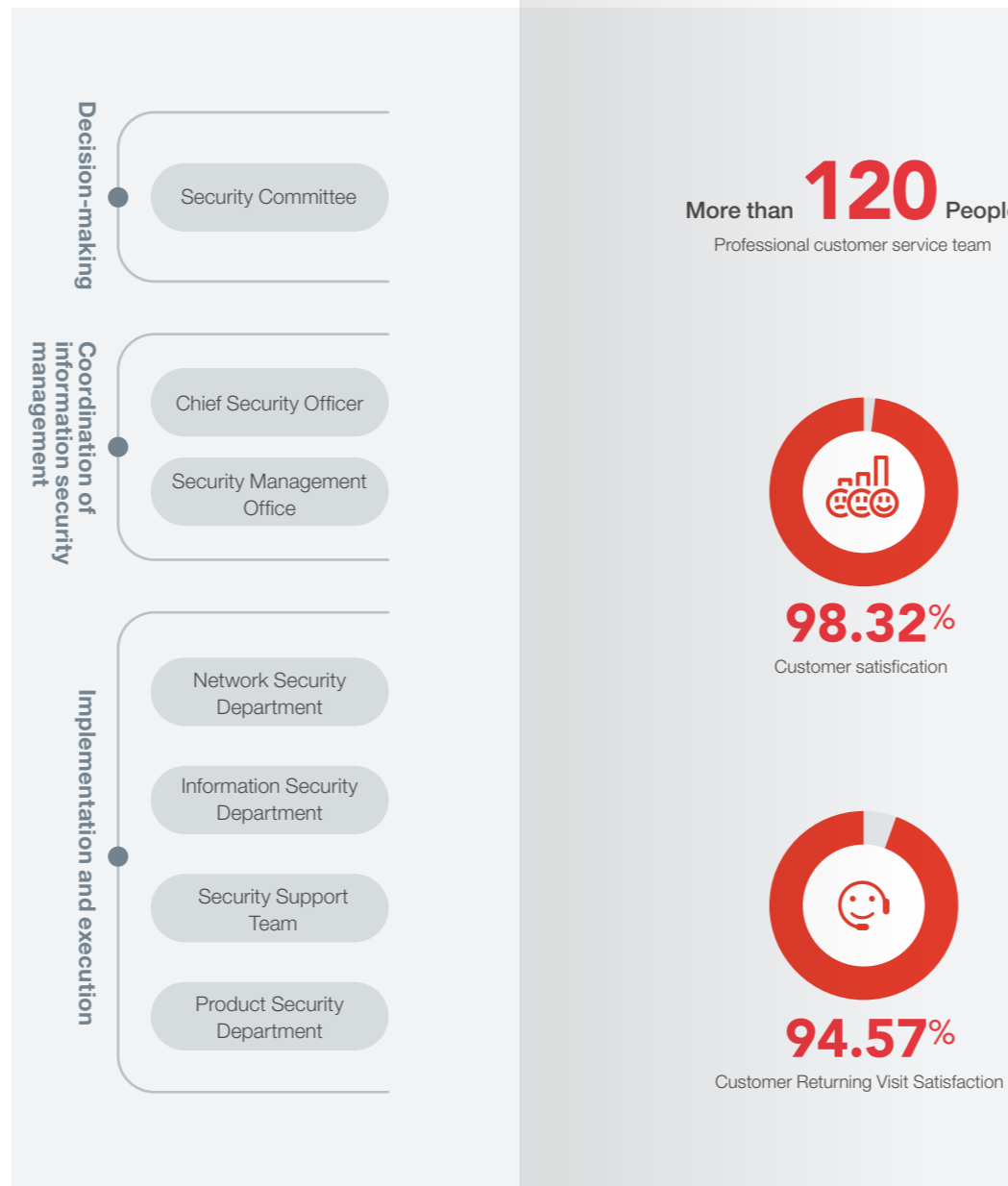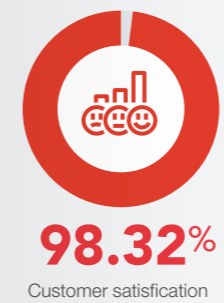
OUR TEAM: GATHERING OUTSTANDING TALENTS

Kingsoft Office actively promotes talent recruiting and welcomes talents from all over the world. Kingsoft Office is committed to implementing an open and fair talent policy. We attach great importance to the construction of a talent team, establish a perfect talent training system, and cultivate many R&D talents in the field of office software. We also care about the physical and mental health of our employees, actively implement occupational health management, carry out a variety of staff activities, and strive to build a harmonious working environment.

SDGs

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

- Employee Rights and Interests
- Employee Attraction and Retention
- Employees Growth
- Occupational Health and Safety
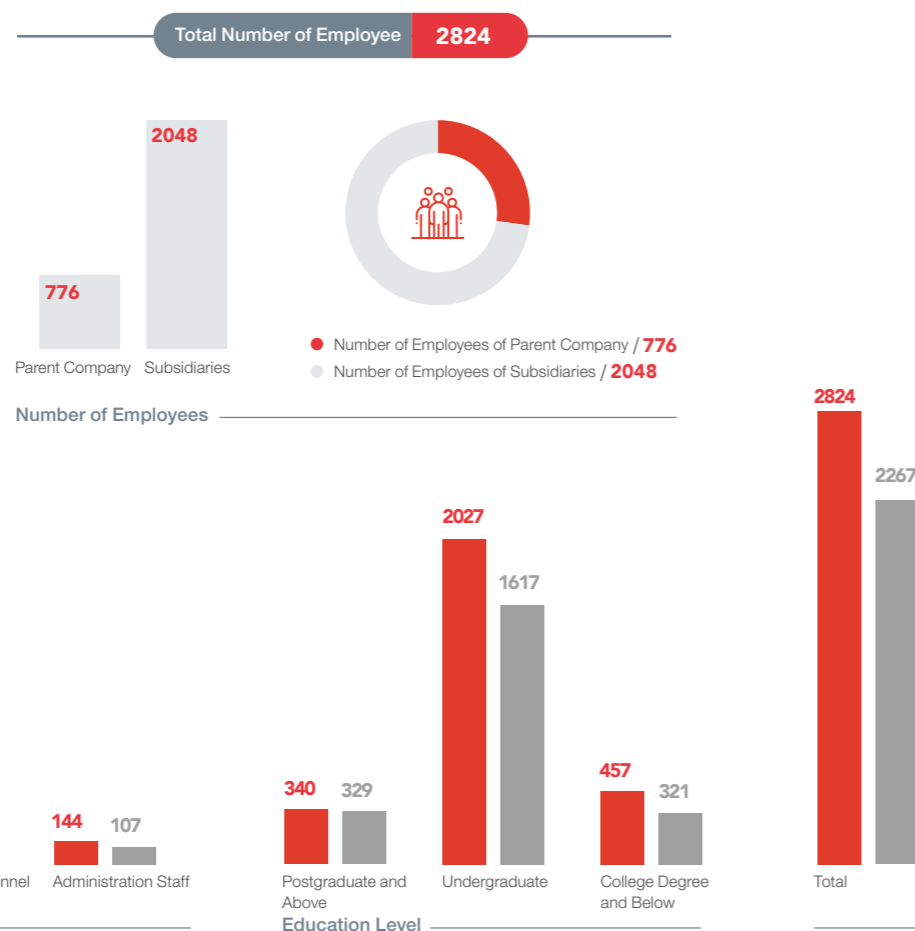- Employee Activities

5

PEOPLE-ORIENTED, PROTECT THE RIGHTS AND INTERESTS OF EMPLOYEES

We protect the legitimate rights and interests of employees and strictly comply with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Women's Rights and Interests and other laws and regulations. We establish an employee attendance system, manage the working hours of employees, and provide employees with holidays following laws and regulations. We recruit employees based on fair competition, merit-based recruiting and equal opportunity. Applicants for posts and employees are treated equally in terms of recruitment and remuneration, regardless of their ethnicity, race, age, gender, marital status, and religious beliefs. We sign labor contracts with employees under the principle of equality, consensus, honesty, and trustworthiness.

We conscientiously implement the Law of the People's Republic of China on the Protection of Women's Rights and Interests to protect the rights and benefits of female employees during pregnancy, childbirth, and breastfeeding, and prohibit the reduction of wages and unreasonable dismissal of female employees due to pregnancy, childbirth, and breastfeeding. We fully respect every employee, advocate equality of employee, eradicate any form of insulting and discriminatory behavior, and prohibit compulsive, threatening, abusive or exploitative labor practices. We eliminate child labor and strictly manage the risks of child labor.

EMPLOYEE ATTRACTION AND RETENTION

We adhere to the "people-oriented" concept, implement equal employee policies. In accordance with the national laws and regulations, we conduct labor relations management, and signed labor contracts with employees. We have established a scientific, reasonable, standardized, and systematic employee compensation and welfare system, providing employees with competitive salaries, and paying workers' compensation, pension, medical care. We provide unemployment, maternity, and other social insurance and housing provident fund on time according to law.

Total Number of Employee **2824**

- Number of Employees of Parent Company / **776**
- Number of Employees of Subsidiaries / **2048**

Number of Employees

- Number of Current Period
- Number of Previous Period

Professional Composition

Education Level

SUPPORTING EMPLOYEES' GROWTH

EMPLOYEE TRAINING

Kingsoft Office focuses on cultural inheritance and inclusiveness of newcomers. We concentrate on improving professionalism of our talents, and focus on key ability improvement of core people. We organize all kinds of training and activities by combining online and offline methods. We devote to building a learning organization that pursues the technology atmosphere, encourages knowledge precipitation and promotes knowledge sharing.

Kingsoft Office continues to conduct pyramid-style training for employees at different levels. We take online training as a platform and conduct examination for each training to deepen employees' understanding of the training program and better apply it to their work.

In 2020, Kingsoft Office organized 568 training sessions and activities of various types to all employees.

568

Number of Training Sessions and Activities Organised

Training Module	Training Content
Middle management training	Capability building for middle management through training on supervisor empowering, coaching leadership, financial management, communication, operation simulation, and other types of training.
	Cooperating with external training institutions to develop training courses for young cadres, empower young talents to improve their work and management capabilities.
	Providing more targeted training allowances for middle and senior management and encourage management to attend external training to further promote their work and management capabilities.
On-the-job training	Improving employees' soft skills and technical skills through general soft skills training and technology sharing.
Special sales training	Empower sales staff to understand the company policies and sales skills by conducting special sales training covering over 300 sales staff.
Orientation for recruits	In 2020, through the training of new recruits and new school recruits, new employees could understand the Company's culture and become part of the team.
Cultural training	Review the Company's mission, vision and values. All staff participated in the questionnaire survey, and the management team participated in corporate cultural co-creation. The Company's new culture was promoted for all levels of employees.

Training new employees - Face to face with executives

In order to give new employees a deeper understanding of the Company's culture, history and development, the Zhuhai training team held the first offline executive face-to-face event on the afternoon of September 14 2020, allowing all new employees to communicate with the executives face-to-face, ask the questions they want to know the most, and the executives addressed their concerns.

Operational simulation training by sand table

The "Operational simulation training by sand table" focusing on practices rather than lecture teaching. During the 2 days learning lessons,each team will learn about the operation and decision-making, organization, control and leadership of the enterprise system through the simulation sand table. Employees discussed the Company's strategy, operation management, human management, team awareness and other aspects of the enterprise system.

The trainees feel the charm of business management from the actual experience, and these lectures could bring more inspiration and reference to the team management work in the future

The new sales training camp

To help new sales staff to grow and gain in-depth understanding of the Company's culture, product, marketing solutions and business-related knowledge. The Human Resources Department held a ten-day new sales training camp. Through the combination of examination and study, it helps everyone to master sales knowledge and skills and improve professional skills.

EMPLOYEE ——— DEVELOPMENT

Talents are most essential core competitiveness of software enterprises. Since our establishment, the Company has been focusing on building talent teams and has trained a large number of R&D talents in the field of office suite. With the continuous development of business, the Company has established a series of talent incentive mechanism, mainly including "Key Talents Project", "Talent Scout Award", and "Talent Promotion Plan". The Company has created a high-quality inter-disciplinary talent team with professional knowledge, rich management experience and reasonable age structure. The Company has established a special technical research team for key technical fields such as "data cloud storage, mobile Internet application, intelligent data processing, domestic system adaptation and secure cloud document". We continuously cultivate professional technical talents for each stage of our product and they make outstanding contributions in each business line.

We have established several awards to motivate our employees. For example, the Company selects Mentors of the Year by awarding 50 outstanding mentors, and issues the Mentor Achievement Award and rewards on September 10th every year.

50

Number of Mentors of the Year

CARING FOR EMPLOYEES, GUARDING PHYSICAL AND MENTAL HEALTH

We focus on the health and safety of our employees and strict compliance with the Labor Law of the People's Republic of China, the Production Safety Law of the People's Republic of China, the Prevention and Control Law of Occupational Diseases of the People's Republic of China, the Fire Protection Law of the People's Republic of China and other laws and regulations on occupational health and safety and in workplace. We are committed to providing a healthy, safety and comfortable workplace for our employees and ensuring the standard management of the office area. During the reporting period, we continued to organize and strengthen safety inspections of office areas, regularly publicize safety and fire knowledge to employees, and organize employees to participate in fire emergency drills of office buildings. We carry out weekly "safety management and emergency management training" for cleaning and security personnel. During peak hours, two persons are on duty in office areas to verify identities and strictly manage the entry and exit of the office building.

We value the physical and mental health of every employee and provide them supplementary medical insurance. We also arrange health checkups for all employees every year and hold health knowledge sharing, first-aid lectures and health Q&A activities from time to time.

At the early stage of the COVID-19 outbreak, the Company actively responded to the government's requirements and formulated response strategies to prevent the epidemic and protect the health and safety of our employees. These practices included extending holidays, encouraging flexible office practices, advocating flexible work policies such as staggered work hours, and paying timely attention to the physical and mental health of employees timely, etc. The Company procured epidemic prevention materials, including masks, disinfectants, thermometers, etc., to ensure adequate supply of medical protection materials for employees after they resume to work.
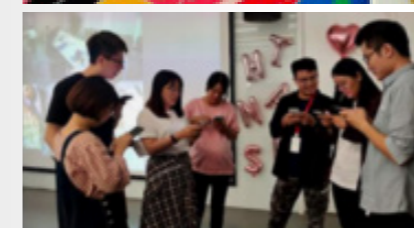
The Company regularly carries out measures for epidemic prevention and control. Employees are required to accept body temperature monitoring and check the status of health QR code when entering the Company. Employees are allowed to enter the office area only when their temperature is normal. We take measures for epidemic prevention include controlling the number of participants in office meetings, shortening the meeting time, widening the seat spacing, and ventilation and disinfection will be conducted immediately after the meeting. We have regular disinfection in public areas such as elevator and toilets and ensure the intervals of ventilation to guarantee the health and safety of employees' office environment. Besides, the Company has strengthened the publicity and education of epidemic prevention and control to enhance employees' awareness of epidemic prevention, shared the situation of epidemic trends, popularized epidemic prevention and control knowledge, and guided employees to take proactive and scientific prevention and control.

ENRICH ACTIVITIES FOR WORK-LIFE BALANCE

We carry out various recreational activities to enrich staff's spare time. We support clubs for basketball, skiing, running, etc., and organize a variety of staff activities such as team building, communications and competitions.

| Charity Auction	KSO Teacher's Day	"1024 Programmer Festival" event
In 2020, the Company held a special Thanksgiving Day event, and received nearly 100 items donated by employees. We share our love through the auction, and all the funds raised were used for the Employee Aid Fund.	In September, we held Teachers' Day activities for our in-house trainers and prepared unique gifts to thank them for knowledge sharing.	At the annual "1024 Programmer Festival", we had a unique festival for all technical staff in the Company. The Programmer Festival was full of surprises. The senior technical experts of the Company shared their successful experience, and there were wonderful activities and rich prizes for participants. Employees participated in this activity with high enthusiasm.
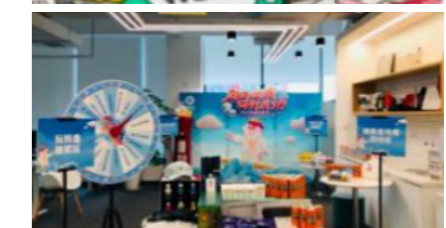
The Company will continue to actively recruit outstanding talents, conduct training and incentive work at all levels of employees to support the rapid development of various businesses. The Company will continue to improve the hierarchy system and salary system and promote the healthy development of the Company through various means such as talent identification, talent promotion, and talent cultivation. The Company will continue to optimize the organizational structure according to business development. Under the guidance of the management, the Company will build an organizational structure with clear roles and responsibilities and set up smooth communication channels to promote business development. The Company will also continue to improve employee occupational health and safety management system to provide a safe working environment for employees.

The Company will also continue to diversify training and activities for talents at all levels, make full use of internal and external resources of the Company, improve the quantity and quality of courses, enrich the knowledge structure and management experience of employees and promote their development and growth. The Company will build a communication bridge between the Company and employees to improve the communication mechanism.

OUR HOME: PROTECTING LUCID WATERS AND LUSH MOUNTAINS

As a listed company that is socially responsible, Kingsoft Office is committed to sustainability by coordinating the harmonious development of man and nature, and actively fulfilling its responsibility in energy conservation and emission reduction. The Company focuses on product optimization, creating a smart office ecology, providing customers with efficient and convenient office services. The Company uses technology to help enterprises transform digitally, improve efficiency, and achieve energy conservation and emission reduction.

SDGs

6 CLEAN WATER AND SANITATION
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

- Green Office
- Promoting Cloud Office Products
- Green Supply Chain

ADVOCATE GREEN OFFICE

Kingsoft Office advocates green environmental protection, actively promotes energy conservation and emission reduction, and rational use of resources. We strictly abide by the Environmental Protection Law of the People's Republic of China, Standardization Law of The People's Republic of China and other laws and regulations. We recognize the importance of environmental protection in promoting sustainable economic and social development.

We have implemented several energy-saving and energy efficiency optimization measures in our office buildings. Frequency conversion technology has been used in the air conditioning system of our office building in Beijing to reduce energy consumption and improve energy efficiency. Besides, we have optimized the air-conditioning system and integrated building management system to achieve energy saving and automation of the monitoring process. In autumn and winter, we use natural ventilation to reduce the use of air conditioning. In summer, we use heat recovery, water cooling, and other refrigeration methods to reduce energy consumption. The building adopts an intelligent lighting control system, supplemented by manual management and control, to reasonably control the lighting in the office area to achieve the energy-saving effect.

The Company promotes the concept and mode of paperless office by encouraging the use of online office system to transmit material and reduce the use of paper. In the printing area, the Company posts signs of saving paper, and encourages double-sided printing and paper reuse. We adhere to the principle of allocating office supplies according to demands, maximizing the use of supplies, and reducing the generation of waste from the source. For office waste generated in office, we carry out garbage classification, publicize garbage classification knowledge to employees, and hand over office waste to property management and waste disposal providers for collection and treatment. In terms of hazardous waste management, we have established a management policy that stipulates procedures and measures for the disposal of hazardous wastes, including toner cartridges and ink cartridges. We hand them over to qualified original suppliers or hazardous waste processors for disposal.

In 2020, in our main workplace in Beijing and Zhuhai, the total electricity consumption was 6,233 MWh, and the electricity consumption per capita was 3.3 MWh/person; the indirect GHG emissions due to purchased electricity was 3,528 tons; and the total water consumption was 46,182 tons, with water consumption per capita 24.2 ton/person.

PROMOTING CLOUD OFFICE PRODUCTS

Kingsoft Office actively responds to the critical national strategy of promoting the digital transformation of the ecological environment, and makes great efforts to create a smart office ecology. We are committed to improving efficiency, energy-saving and emission reduction. We launched the WPS+ Cloud Office Platform to help enterprises carry out office services from three dimensions including efficiency improvement, organization management and security control. The Platform has the function of remote meetings, document encryption, forms, tools, etc.We make full use of our products and services, to help enterprises improve work efficiency and to empower the information technology application innovation in China. Up to now, WPS+ Cloud Office has continuously provided efficient office services for more than 1 million enterprises in 20 industries.

WPS+ Cloud Office has continuously provided efficient office services for

20 Industries

more than **1** Million Enterprises

Case:

Since 2011, Kingsoft Office has partnered with China National Petroleum Corporation ("CNPC") to facilitate its digital transformation. Relying on the strong R&D capability and development support from Kingsoft Office, CNPC has solved several problems in its business operation. WPS developed the "OA Assistant" to effectively solve the complex problem of CNPC client installation. The product functions of "online preview" and "Cloud Docs" solve data security problems of CNPC document management, commercial document transmission and document preservation. This allows CNPC to save time and cost and achieve business benefits.

Basde on the CNPC's working scenario Kingsoft Office focuses on the "cloud office" and "paperless meeting" field to achieve office digitization. The WPS+ cloud office service and WPS Mobile features provide collaborative work and retrieval of meeting information and leadership notes to improve work efficiency and reduce carbon footprint.

BUILDING GREEN SUPPLY CHAIN

Kingsoft Office strictly abides by national laws and regulations, and requires compliance operation of ourselves and supply chain partners. We value suppliers' sustainability performance. In the procurement process, we prioritize energy-saving, efficient, and environmentally-friendly equipment and services. We take Power Usage Effectiveness ("PUE") into consideration for Internet Data Center ("IDC") leasing. We pass on the concept of green procurement and management requirements to suppliers, and promote the suppliers to consciously fulfill their environmental responsibilities.

KINGSOFT OFFICE

OUR RESPONSIBILITY: TOWARDS A BETTER LIFE

We are deeply aware of our social responsibility while developing ourselves. We make full use of the excellent quality of our products and technical advantages to empower new ways of working, provide efficient office solutions in various scenarios, and act actively to repay society in helping small and medium-sized enterprises, serving international sports events, supporting education and helping epidemic prevention and control. At the same time, we uphold the values of honesty and integrity, strictly abide by scientific ethics, develop green and safe products, and build a safe and stable office environment for our customers.

SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Helping SMEs
- Serving International Sports Events
- Supporting Education
- Epidemic Donation
- Volunteering activities

"CLOUD OFFICE" HELPS SMES

As the Cloud Office scenarios continued to deepen, Kingsoft Office provides scenario-specific services for micro, small and medium enterprises users catering to their demands in remote office collaboration and enterprise document assets management. More than 200,000 micro, small and medium enterprises are WPS+ active users, covering e-commerce industry, manufacturing industry and education industry. A total of 107 government units and industry associations in 79 cities 27 provinces have adopted WPS+ as a recommended remote office product.

Kingsoft Office timely launched free upgraded WPS+ Cloud Office Collaborative Version for enterprises during the epidemic period to support the business operation of micro, small and medium-sized enterprises. Besides, Kingsoft Office provides more than 4 million "Cloud Office" accounts free of charge to enterprises, governments, medical institutions, universities, primary and secondary schools, etc., in order to support all sectors of society to "resume work and production in the cloud". The "Cloud Office" contributed to the "double victory" of anti-epidemic and production. Kingsoft Office leveraged its cloud office platform to help more enterprises resume work online and improve efficiency, manifesting the significant social value of new infrastructure construction.

Over **200000**

Over 200,000 micro, small and medium enterprises are WPS+ active users

107

A total of 107 government units and industry associations in 79 cities in 27 provinces have adopted WPS+ as a recommended remote office product.

Over **4** Million

Kingsoft Office provides more than 4 million "Cloud Office" accounts free of charge to enterprises, governments, medical institutions, universities, primary and secondary schools, etc..

SERVING INTERNATIONAL SPORTING EVENTS

Kingsoft Office has recently been committed to promoting the high-quality development of the sports industry and presenting China's office innovation to the world through cooperation with major international sports events.

Official Collaboration Office Software Supplier of the Winter Olympic Games

On June 30, 2020, Kingsoft Office was officially selected as the official collaborative office software provider for Beijing 2022 Winter Olympics. Kingsoft Office, together with the Beijing Organizing Committee for Winter Olympic Games, will contribute to the Beijing 2022 Winter Olympics Games and Winter Paralympics Games in the field of collaborative office software. Kingsoft Office will customize exclusive collaborative office services based on the actual situation of the Games to help improve the organizing ability of the Beijing Winter Olympic Games and prepare with a strong sense of mission, responsibility, and honor. On September 3, 2020, Kingsoft Office held "Special Talk: 500 Days Countdown to the Winter Olympics" in Beijing, inviting the Winter Olympics Publicity Group, to popularize Winter Olympics knowledge, winter sports culture and the Olympic spirit through public speeches and offline activities.

PROMOTING SMART EDUCATION

Kingsoft Office is committed to education. It collects the needs of users in the field of education to create quality office services for the development of education.

Official exclusive supplier of office software to Universiade

On September 27, 2020, Kingsoft Office officially signed a contract with the Executive Committee of Chengdu Universiade to become the official exclusive supplier of office software for the 31st Summer Universiade in Chengdu 2021 to provide complete office services for the event. At the promotion, Kingsoft Office released a new paperless and collaborative Internet office products to support the Universiade, to further promote the concept of "Green Universiade and Sharing Universiade", and accelerate the intelligent and sharing reform of the Universiade office.

Partnering with UNESCO

In June 2020, Kingsoft Office entered into strategic cooperation agreement with the United Nations Educational, Scientific and Cultural Organization (UNESCO) to help the enhance the level of educational informatization with higher education opportunities and quality in Asian and African developing countries. The Company officially launched WPS Office-related online courses in the platform of the International Center for Higher Education Innovation (ICHEI) under the auspices of UNESCO. In addition, we will provide free WPS office software for the "Smart Classrooms" built by the UNESCO-ICHEI in Asia and Africa. The offline Smart Classroom and the online international education institute work together to support higher education in developing countries.

Tsinghua University Smart Campus

In September 2020, Kingsoft Office and Tsinghua University officially signed the Smart Campus Office Cooperation Framework Agreement. In the next three years, Tsinghua University will deploy a whole set of smart office products and services by Kingsoft Office, including WPS, WPS Docs, etc., to create a new ecosystem of smart campus office and help teachers and students for their daily work, study and research.

POVERTY ALLEVIATION THROUGH SCIENCE AND TECHNOLOGY

Kingsoft Office leverages its advantages in science and technology, talents, information, and other resources. The Company is committed to helping impoverished areas to improve the level of information development, improve the level of public services in education, and eliminate the bottlenecks that hinder the development of impoverished areas.

On October 15, the "Poverty Alleviation Day", Kingsoft Office participated in the poverty alleviation work in Xuanhua District, Zhangjiakou City, Hebei Province. It integrated information technology products with poverty alleviation work, helped promote "Internet + Education", strengthened the application and promotion of distance education, and promoted the sharing and application of quality education resources in impoverished areas.

Kingsoft Office distributed 78,230 sets of WPS Docs Education Edition products free of charge to 5,230 teachers and 73,000 students in 127 schools, in Xuanhua District, Zhangjiakou City, and continued to provide follow-up services for educational products.

78230 sets

Kingsoft Office provided 78230 sets of WPS Docs Education Edition products free of charge to the education system of Xuanhua District, Zhangjiakou City

127 Schools
5,230 Teaching Staff
73,000 Students

INDUSTRY SYNERGY

It has been an essential development for Kingsoft Office to be "a Leading Enterprise of National Software", to cooperate with upstream and downstream supply chain partners for development. Kingsoft Office has held developer conferences themed with " Assembly of the Industrial Ecology and Information Technology Application Innovation", to promote the upstream and downstream cooperation and exchange of information technology application and innovation industry chain, to enhance the modernization of the upstream and downstream enterprises and supply chain, and to accelerate the development of core technology system and independent innovation of key products.

In 2020, the Company hosted the "Kingsoft Office Developer Conference" with the theme of "Together, Create the Future", aimed to continuously promote the ecological maturity of the office industry and promote the information technology application and innovation industry to become a more open and innovative ecological circle. Against the background of the "Policies of Promoting High-Quality Development of Integrated Circuit Industry and Software Industry in the New Era" issued by China, Kingsoft Office expects to build an open and sharing communication platform and activate the upstream and downstream connection of the information technology application through this conference.

ACTIVELY FIGHTING AGAINST COVID-19

Facing the outbreak of COVID-19, Kingsoft Office spared no efforts in fighting against the epidemic. During the epidemic, WPS leveraged resources to help countries fight against COVID-19. It provided office software products to government departments and educational institutions in Thailand, Indonesia and Malaysia during the epidemic.

Case: Helping 60,000 students in Wuhan to "Keep studying while school in suspension"

In February 2020, the resumption of classes in school during the outbreak was severely affected, especially in Hubei Province, which was the hardest hit by the outbreak. Kingsoft Office WPS donated free remote online classroom products to 54 primary and secondary schools in Hanjiang District, Wuhan, to achieve "Keep studying while school in suspension" during the epidemic.

The remote conferencing function of Kingsoft Office WPS office software helped 4,200 teachers and 60,000 students in 54 primary and secondary schools of Hanjiang through "online teaching"mode. Through communication with Wuhan education authorities and teachers in the early stage and considering the demands of teachers and students, we upgraded the product functions to achieve efficient and high-quality online teaching. WPS can provide teachers with online sharing of teaching material and supporting multi-person voice access mode, and teachers can also assign homework through the WPS form function.

"WPS is the national office software, and we are duty-bound to do anything we can for the affected areas." Kingsoft Office hopes to help the school overcome the difficulties during the epidemic in the most stable, efficient and convenient way with the lowest cost.

54 Primary and Secondary schools
4,200 Teachers
60000 Students

The remote conferencing function of Kingsoft Office WPS office software helped students and teachers in Hanjiang District through "online teaching" mode