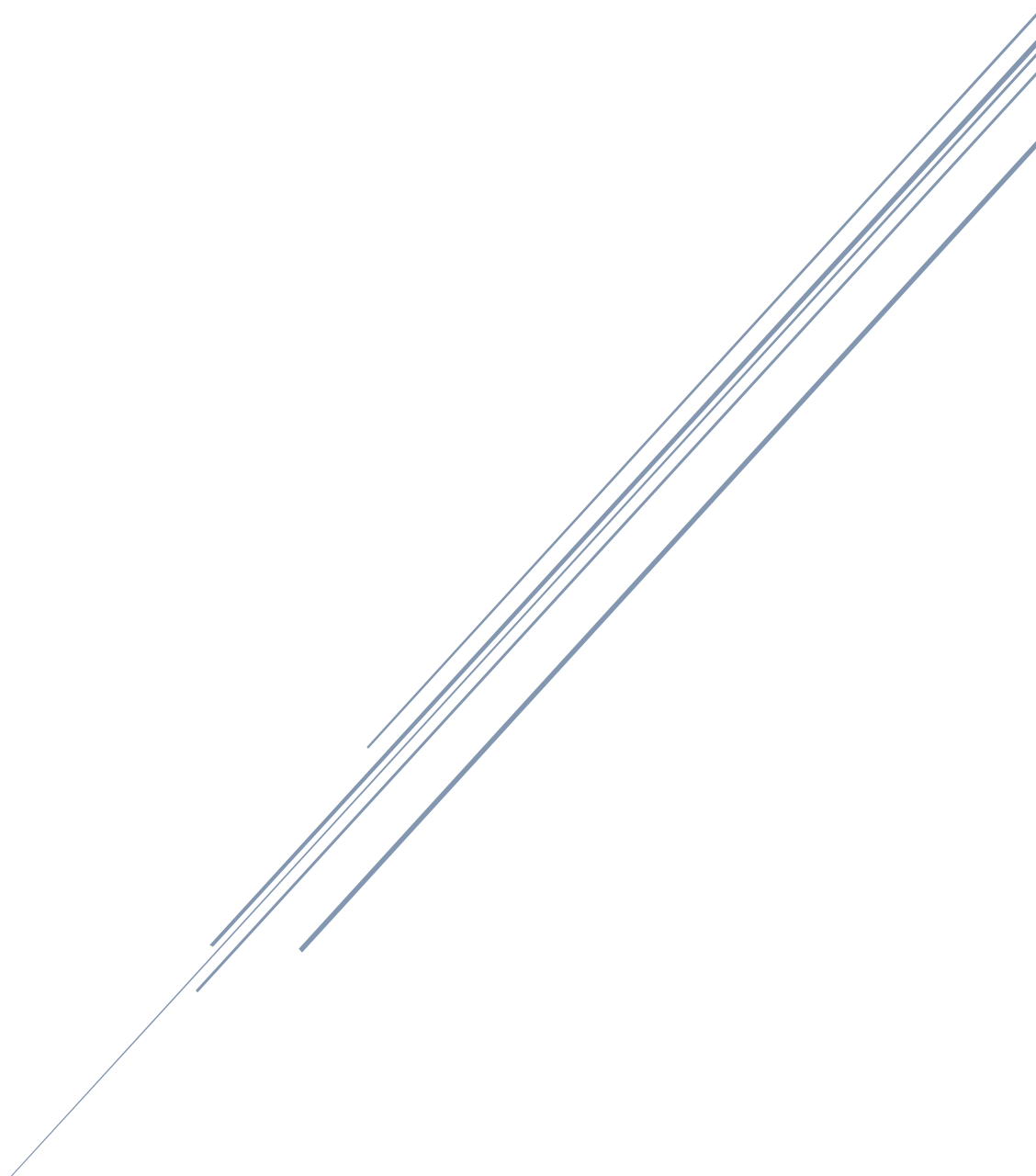


ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017



China Overseas Grand Oceans Group Limited

Stock Code : 0081.HK

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About the Group

China Overseas Grand Oceans Group Limited (referred to as “COGOGL” or the “Company”) and its subsidiaries (collectively as the “Group”) are principally engaged in property investment and development, property leasing and investment holdings. With a nationwide brand that prioritises quality, the Group focuses on the development of cities with investment value, and has formed a value chain system covering the entire process of real estate development such as real estate investment, planning and design, building and construction, marketing planning and after-sales services. The Group fully cooperates with the Chinese central government's urbanisation policy and strives to become the most promising high-growth star enterprise in the residential property market in Mainland China.



Scale of Business

The Group's business activities are concentrated in certain areas in China, including Beijing, Shanghai (leasing), and Shenzhen, along with 21 prefecture-level cities. In 2017, the Group acquired 10 new land plots, adding to a total of 2,508,047 square meters of development area, and entered the city of Xining in Qinghai Province for the first time. By the end of 2017, the land bank held by the Group and the Group's associates and joint ventures could provide a total gross floor area (GFA) of approximately 19,025,800 square meters. During this year, the contracted property sales of the participating projects amounted to HK\$37.07 billion, an increase of 54.4% over the previous year, involving a total saleable area of 3,411,900 square meters, an increase of 27.6% compared to the previous year.

Shenzhen	Beijing	Shanghai
Ganzhou	Hefei	Huizhou
Lanzhou	Nanning	Nantong
Shantou	Yangzhou	Yancheng
Changzhou	Yin-chuan	Hohhot
Jilin	Xuzhou	Xining
Guilin	Shaoxing	Weifang
Zibo	Huang-shan	Jiujiang

Development Strategy

The Group has always been committed to professional and scalable development. At present, the Group's property development business caters to the medium- and high-end boutique markets. The Group closely monitors market conditions to identify suitable land plots for development and continuously increases marginal cost-effectiveness and inventory turnover. The Group continues to explore the cities it has entered and discover new cities in Mainland China with potentials and the best investment value.

About This Report

This is the second Environmental, Social and Governance Report published by COGOGL. By reporting the policies, measures and performances of the Group in environmental, social and governance aspects, it allows all stakeholders to better understand the progress and development of the Group towards sustainability. The report, in Chinese and English, is available on the websites of the Company www.cogogl.com.hk and The Stock Exchange of Hong Kong Limited (“SEHK”).

Reporting Boundary

This Environmental, Social and Governance Report covers the period between January 2017 and December 2017 (hereinafter “this year”). It covers the property sales and development of COGOGL, excluding other businesses like property leasing and investment holdings. The scope of the report includes the Company’s headquarters and its 16 regional company offices (hereinafter “offices”), which is wider than that of the first Environmental, Social and Governance Report published last year. While the report does not cover all of the Group’s operation, the Group is continuously improving its internal data collection system and expanding the scope of disclosure.

Reporting Standard

The report is prepared in accordance with the ‘comply or explain’ provisions of Environmental, Social and Governance Reporting Guide of SEHK (the “ESG Reporting Guide”) and adopts the four reporting principles – materiality, quantitative, balance, and consistency – as the basis of which the report is compiled. In addition, the selected key performance indicators that are categorised by the ESG Reporting Guide as ‘recommended disclosures’ are included for enhanced reporting. A complete index is inserted in the last chapter for readers’ easy reference.

To ensure the accuracy of environmental key performance indicators, the Group commissioned a professional consultancy, Carbon Care Asia (CCA), to conduct a carbon assessment with reference to the Guidelines for Accounting and Reporting Greenhouse Gas Emissions – China Public Building Operation Units (Enterprises) (Trial) published by National Development and Reform Commission of the People's Republic of China, international standard ISO14064-1 and Greenhouse Gas Protocol.

Confirmation and Approval

The information documented in this report is sourced from the official documents, statistical data, management and operation information of and collected by the Group according to the policies of the Group. The report has been confirmed and approved by the board of directors of the Company (the “Board”).

Opinion and Feedback

COGOGL relies on the opinion of stakeholders on its performance and reporting for its continuous improvement. If you have any question or suggestion regarding the content or format of the report, please contact the Group through the following channels:

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Email: esg81@cohl.com

Tel: (852) 2988 0600

Fax: (852) 2988 0606

Message from the Management

As the international community proactively addresses issues like climate change and environmental pollution in recent years, being a leading real estate developer in Mainland, COGOGL must assume its share of responsibility in achieving sustainability. In 2017, the Group was awarded the CarbonCare® ESG Label by Carbon Care Asia and promised to further improve its level of sustainability reporting by formulating a credible plan. During the course of its continuous operation of the mid- and high-end boutique properties, the Group has strived to improve its social and environmental performances to fulfil the expectations of various stakeholders.

For COGOGL, the construction of a liveable environment must comply with the principles of sustainability. To ensure the best utilisation of natural resources, the Group will deepen its green building technology and introduce energy saving considerations in the property design to guide occupants develop green energy saving habits. The Group has conducted environmental impact assessments of all projects to determine the impact of projects on the nearby environment and to adopt corresponding management measures.

Only by comprehensively managing the supply chain could the Group grasp and control the impact of the entire operation on stakeholders. COGOGL shoulders its social responsibility by imposing a stringent selection of business partners in the tendering process to manage corruption, health and safety risks in the supply chain and to ensure all operations comply with laws and regulations. The Group's quality management system states the construction requirements for contractors to protect construction quality and the benefits and safety of occupants.

COGOGL is concerned about the healthy development of community and does all it can to care for and give back to the community. The Group integrates health with social charity to invest resources to organise various events this year, including community care event and construction of a Hope Primary School, to promote the physical and mental wellbeing of occupants and care for the need of communities where it operates.

Looking forward, the Group will uphold the spirit of 'Robust Prosperity on Solid Foundation', to continue investing in cities with development potentials and enhance the performance of sustainability effort and create a better living environment for the community. The Group will also deepen communication with internal and external stakeholders in order to improve its social and environmental work continuously and better fulfil stakeholders' expectations. To assure the continuous attention to sustainability issues, effective risk management and reporting accountability within the Board, in the coming year the Group is planning to study the relevant functional restructuring.

Yan Jianguo
Chairman and Non-executive Director

Stakeholder Engagement



Main Means of Stakeholder Engagement

As a key in the business management of COGOGL, stakeholder¹ participation is one of the important elements to help the Group review potential risks and business opportunities. Exchanges with stakeholders and understanding their views allow the Group to better fulfil their needs and expectations with its business practice and manage different stakeholders' opinions. The Group constantly communicates with key internal and external stakeholders via emails, annual general meetings and public announcements. This ensures that they have the opportunity to learn about the Group's development and operation directions and offers the Group a chance to listen to them in order to identify the priority of issues and develop corresponding policies.

Material Sustainability Issues

Same as the previous year, COGOGL commissioned an independent consultant to conduct a management interview, to identify environmental and social issues material to stakeholders of the Group, and to discuss the Group's sustainability strategy and directions. Combining the results of the interview and expert advice, the Group has identified three material issues from the environmental and social subject areas of the ESG Reporting Guide to be the material focus of the ESG Report.

To ensure the effectiveness of stakeholder engagement, COGOGL dedicates itself to establishing communication mechanisms for transparency, integrity and accuracy and providing timely response to the stakeholders. Looking ahead, the Group will explore more diversified channels to strengthen its interaction with the stakeholders, and to create reciprocal relations.



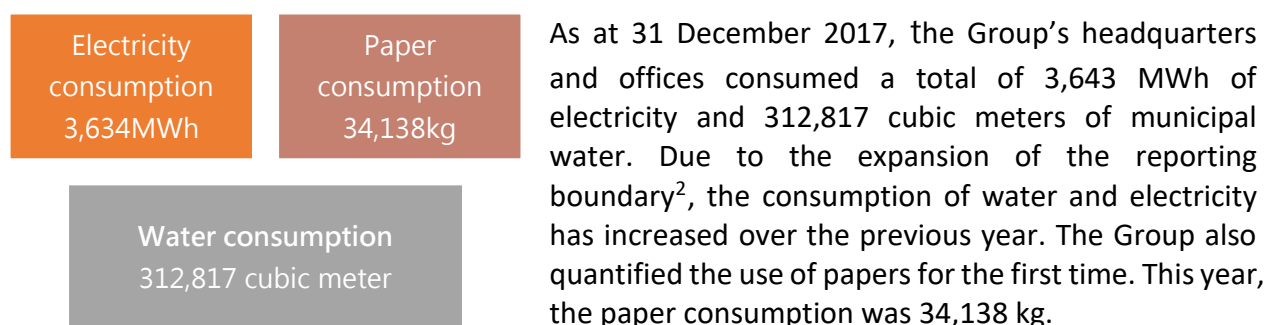
¹ Stakeholders refer to groups or individuals materially influencing or affected by the Group's business.

Green Real Estate

COGOGL attaches great importance to environmental protection and is committed to using natural resources more effectively and reducing the impact of business operations on the environment. During this year, the Company commissioned an independent consulting company to draft the Environmental Policy and is conducting an internal review over it. When the Policy comes into effect, it will help improve the environmental performance of all aspects of the Group's business and avoid and reduce the environmental risks and impacts of business operations. The Group pledges to comply with all applicable environmental laws and regulations in regions of its operations and to foster a corporate culture that promotes environmental protection.

Use of Resources

According to the Environmental Policy to be released, the Group has committed itself to the effective use of resources, including: establishing a data collection system to monitor the consumption of various types of resources; actively adopting advanced energy-saving and water-saving technologies in project planning; assessing the feasibility of renewable energy application; formulation of energy management and water usage management policies; simplifying the work process; launching rainwater collection systems in development projects; and setting improvement targets with regard to the consumption of raw materials.



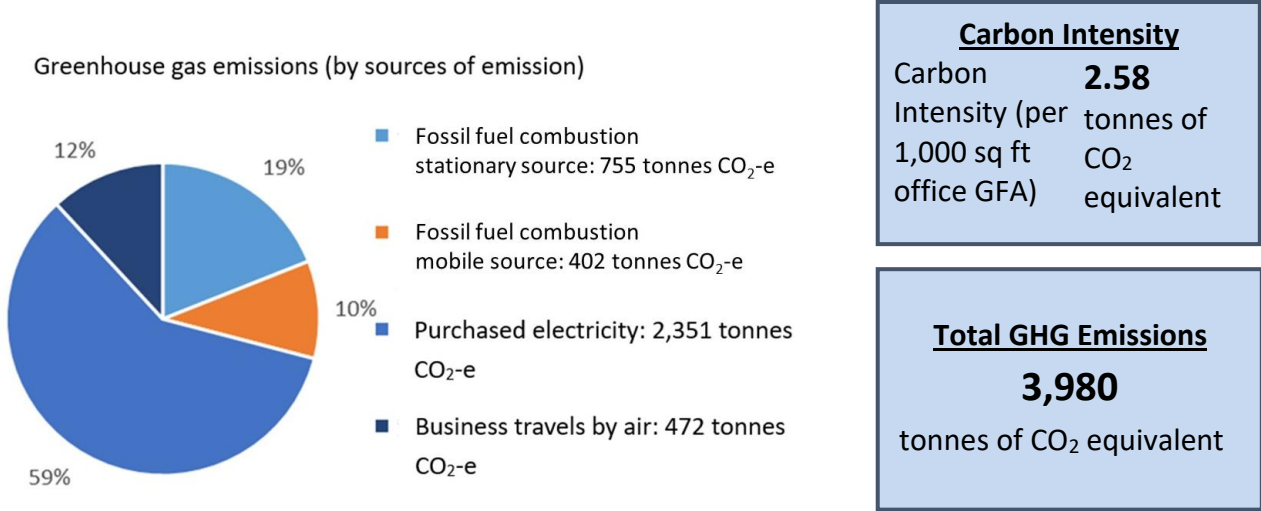
The Group's offices adopt the 5S office management standards and formulates the Self-Checking Standards of Office Environment Management and specified assessment criteria. Employees are required to regularly check the recycling of waste paper and the use of electronic devices to conserve resources and reduce energy consumption. The Group encourages its employees to conduct self-checks at least once per day to minimise the wastage of resources in office operation. The Group even regularly conducts internal assessments to recognise and reward the best-performing departments in terms of the utilisation of office resources, and concludes on areas that require improvement.

² This year's data of resource consumption includes an addition (including businesses acquired) of four regional companies.

To ensure that environmental management of office resources is implemented by employees, the Group's Employee Handbook stipulates that contractual employees in Hong Kong are obliged to fulfil the environmental responsibilities set out by the Group, and shall comply with and implement the Group's policies and measures on environmental protection. It provides that employees who violate the environmental protection policies will be subject to disciplinary sanctions, and the employees' performance in environmental protection duties will directly affect their promotion and salary increase.

Emissions

To gain a more accurate understanding of the Group's environmental impact, this year, COGOGL commissioned a professional consultancy, Carbon Care Asia, to conduct a carbon assessment to calculate the amount of greenhouse gas (GHG) emissions generated by the Group's headquarters and offices. The assessment reveals that the Group's main source of carbon emissions is the use of electricity. In response to the national goal of addressing climate change and achieving low-carbon transformation and development, the Group will use this year's carbon emission data as a basis to conduct research on the formulation of carbon reduction targets, and targeting at the electricity usage to strengthen the usage efficiency of office electrical appliances (e.g.: by checking whether facilities such as projectors are turned off when the conference room is unoccupied).



In addition to greenhouse gas emissions, the use of gasoline also produces exhaust gas, causing roadside and urban air pollution. In response to the use of company vehicles, the Group will strengthen the monitoring of vehicle fuel consumption and continue to promote electronic communications to reduce the need for business travel. Please refer to the overview of key performance indicators summary on page 20 for the Group's emission of exhaust gas in this year.

This year, COGOGL also began to measure wastes generated. The operations of the Group's headquarters and offices did not generate hazardous waste, and the non-hazardous wastes generated were chiefly domestic wastes, which were collected and sent to the landfills or incinerators by the property management company. The Group promotes paperless office at its headquarters and regional companies, and has also set up a recycling area for office waste paper and provided employees with clearer guidelines for sorting and recycling. Please refer to the overview of key performance indicators summary on page 20 for the Group's production of waste in this year.

Although this report focuses on the disclosure of office operations, COGOGL is fully aware that the Group's emissions concentrate in the construction phase of the property development business. In order to reduce the air pollutants, greenhouse gases, wastes, and wastewater generated during the operation, the Company's Environmental Policy to be published sets out the direction for emissions management:



The Environment and Natural Resources

Committed to protection of the environment and natural resources, the Group implements green construction and promotes green building. The Group references the environmental management measures of China Overseas Land & Investment Limited³; deepens its professional research development and practice of green building technology; as well as supports and participates in national and overseas green building certification schemes. Meanwhile, the Group has managed to protect the biodiversity and ecosystem around its projects through green construction management, and has implemented on-site environmental management measures to avoid and strictly control any negative impact on the ecology.

Although this report focuses on the disclosure of environmental impacts of the operations of headquarter and offices, COGOGL is fully aware that the construction phase of the property development business is most likely to affect the ecology. All branch companies of COGOGL conduct environmental impact assessments for all completed and developing projects. Approved by relevant local government agencies, the reports cover:

- ✓ Assessment of residual environmental impacts on existing facilities (e.g. chemical plants) on the project construction site;
- ✓ Ensure that there is no distribution of rare and endangered wildlife near the project site;
- ✓ Check whether the project's surface water body causes river diversion;
- ✓ Check if the project location is in contact with ecological protection zones; and
- ✓ Estimate the impact on soil erosion during construction.

The Group's Hong Kong Employee Handbook also provides regulations for green construction, where employees must consider environmental factors before project planning and construction to adopt environmental prevention and control measures; be accountable for environmental protection tasks within their duties; and voice out environmental non-compliance and raise suggestions for improvement to their superiors.

The Environmental Policy to be released by COGOGL regulates and controls the impact of the Group's business on the environment and natural resources. The Group is committed to protecting the ecosystem, developing green real estate strategies, and promoting green value chains.

During this year, there were no internal report and no case reporting non-compliance of laws and regulations related to emissions or the environment within the Group's headquarters and offices.

³ The China Overseas Land & Investment Limited is the holding company of the Group (hereinafter referred to as "holding company").

Responsible Operations

COGOGL is committed to implementing comprehensive and responsible operations management to establish and maintaining its brand reputation. The Group has established a wide network of suppliers throughout the country and has conducted quality and risk management against them. The Group implements quality control on the products supplied and continuously improves the quality of its sales services. The Group has adopted integrity management for itself and its partners, and carried out anti-corruption activities throughout the entire supply chain of its products and services.

Supply Chain Management

Proper supply chain management is the key to ensuring the sustainability of the Group's business. This year, the Group established a supply and sales network with over 1,700 suppliers throughout the country, covering all project cities.

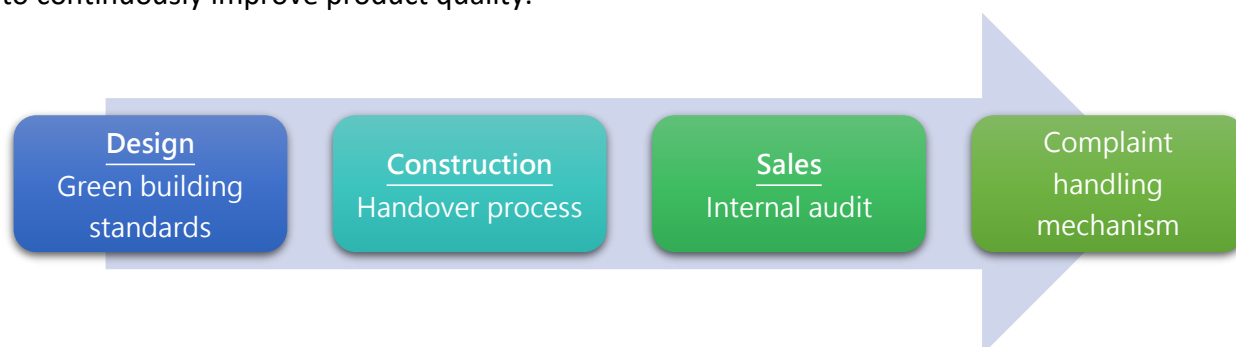
Origin of suppliers (by regions)	Number
Northeast China	100
North China	80
Northwest China	338
East China	1,064
South China	128
National total	1,710

The Group values its cooperation with suppliers and contractors and regards them as important business partners. It hopes that through mutual cooperation, a long-term stable supply chain can be established. To strengthen the quality management of the supply chain, this year, the Group amended its Project Quality Management System to further standardise the formulation of technical requirements for tendering, and required the Project Department to provide contractors with detailed requirements on progress, quality, safe and civilized construction, and on-site cooperation. In addition, the COGOGL Tendering Management Methods stipulates that the Group's tendering process should abide by the principles of transparency and fairness, full competition, integrity, reputation, and confidentiality. Successful bidders should demonstrate reputation in the industry, and have no record of major quality or safety incidents in the last three years, and be free from any major economic disputes.

Besides, the various departments of the Group adopt specific requirements for the selection of suppliers. The COGOGL Project Cost Management Methods conducts project cost management and dynamic monitoring of tendering and subcontracting throughout the process, in order to render warning against risks of overspending. At the same time, the Group requires suppliers to comply with relevant environmental and safety standard certifications, such as compliance with: the Limit of Harmful Substances of Exterior Wall Coatings, the Technical Requirements of Environmental Labelling Product Certification, the Code for Indoor Environmental Pollution Control of Civil Building Engineering and the Limits of Radionuclides in Building Materials, to manage the environmental and social risks of the products supplied.

Product Responsibility

The Group values the quality of its products and services and imposes stringent quality control standards on project design, construction projects and handover processes. The Group has published the Construction Quality Management System to set out standards for the management process of project's entire cycle and to establish a project quality management system to strengthen the standardisation and professionalisation of project management so as to continuously improve product quality.



In the design stage, the Group's real estate projects have to meet the local green building standards. In accordance with these standards, the project design controls the average concentration of indoor PM2.5, indoor formaldehyde concentration, total hardness and colony count of drinking water, and provides sufficient fitness venues and outdoor social venues to create a liveable environment in every aspects for customers.

In the handover of property upon completion of construction, the Group implemented the Guidelines for Construction Quality Inspection and Handover to inspect the quality of the finished projects and that of the properties for handovers. The handover team must inspect the quality of construction on-site and provide and sign their comments on the construction handover. On-site checking includes: sampling investigation of parts of the sub-contracted projects and an inspection of construction appearance quality. The project completion date can only be determined after the project handover inspection is passed. Otherwise, the handover team has to discuss a solution and coordinate rectifications with various parties to conduct handover inspections again.

For property sales, the Group adopts the COGOGL Monitoring and Audit Management System to conduct internal monitoring and audit of the sales department to supervise and inspect the performance and efficiency of its services to improve the quality of sales services.

The Group responds to customer complaints about products and services proactively and collects the number of complaints and response solutions from all channels on a quarterly basis. During this year, the Group received a total of 75 complaints which involved the advertisement or sales descriptions of projects, facilities, service attitudes in sales, and the construction quality of buildings delivered. All complaints have been dealt with promptly.

COGOGL is committed to compliance with the requirements of the relevant laws and regulations on advertising and labelling. To improve customer satisfaction with the project advertisement or sales description, the Group specifies the maintenance period, the definition of the responsible party for maintenance and the scope of maintenance in Commodity Properties Sales Contracts, Residential Property User Manual and Residential Property Warranty Certificate. Customers can lodge complaints or report construction problems by visiting the property centre or making telephone appointments. The Group will arrange an engineer to carry out maintenance. In addition to formulating procedures for quality monitoring control and building maintenance, COGOGL's real estate advertisement provides the public with accurate information in accordance with legal requirements.

To protect customer data and privacy, the Group includes the duty of confidentiality and related requirements in the Hong Kong Employee Handbook and the Employees' Code of Conducts in the Mainland, both of which stipulate that employees must abide by the Company's code of ethics and the regulations related to confidentiality by protecting all confidential and privileged information provided by customers. At the same time, the Group safeguards the privacy of customers through measures such as the operation of client terminal systems and assigning specific personnel to profile management.

Client's Privacy Protection Measures

All projects of the Group fully adopt the 'China Overseas e-Family' system to maintain client information files and follow-up in the sales process, while the MingYuan software system maintains client information management in contract signing. With advanced database management technology and strict access control, client information can be stored and protected in a centralised and uniform manner to prevent unauthorised use or leakage of information. In addition, the Group has improved its file management system to assign a person-in-charge to handle paper documents involved in the processes of subscription, purchase, handover, registration, etc, to properly handle the client's information. With the exception of necessary materials, the Group will not store client's personal or family information and will protect the privacy of the clients as far as possible.

The Employee Handbook and the Employees' Code of Conducts also provides regulations for the respect and protection of intellectual property rights. The Company cannot adopt the idea, product or merchandise of others without formal prior authorisation. Any patent, copyright or patent registration created by or the creation of which is participated by employees under the Company's arrangement is a property right of the Company. Such intellectual property rights include information, invention and improvement, research findings, product designs containing construction information, copyrighted works or other products and commercial benefits obtained by employees from their work.

During this year, there was no case of non-compliance with laws and regulations in relation to product responsibility within the headquarters and offices of the Group.

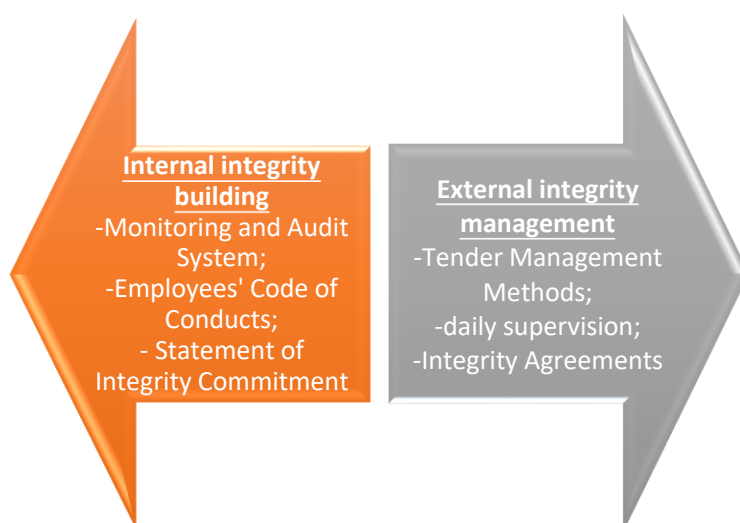
Anti-corruption

As a responsible company, COGOGL pledges to prevent the illegal conducts, such as corruption, bribery, extortion, fraud and money laundering. The Group upholds the operation principles of 'honouring the contract, ensuring the quality, thin profits, and caring about righteousness' to maintain integrity. As required by the Group's policies, the Group's management, department heads and management of the regional companies shall sign the Statement of Integrity Commitment, carry out self-regulatory practices and strengthen their awareness of integrity.

With regards to internal management, the Employee Handbook and the Employees' Code of Conducts have established a disciplinary code for employees to regulate business transactions and business activities, which stipulate that employees are prohibited from claiming or accepting any benefits or committing frauds. These documents are published through the Group's intranet and on the printed documents issued to employees, to ensure that the employees are aware of the relevant requirements. The Group's Human Resources Department has also formulated a Guideline for Integrity Risk Prevention Education to raise employees' awareness of integrity and self-regulation. Any employee who violate the policies concerned will face disciplinary actions and be liable to legal actions. The Group has a reporting and grievance mechanism in place to handle staff reports of corrupt conducts.

For external parties, the Group has formulated and implemented the Tender Management Methods, published an Open Letter to Cooperation Partners, and signed the Integrity Agreement with the partners. The Tender Management Methods abide by the principles of integrity and stipulates that the Integrity Agreement must be signed with the successful bidders at the same time of signing the contract. The document expressly forbids suppliers' provision of sponsorships, rebates, gifts, securities and valuables, or banquet or entertainment in any form. The management of all regional companies is responsible for daily supervision of the integrity and self-regulation of tender administering officers. Any violation of the tender management system must be reported immediately. Suppliers who are in breach of the Integrity Agreement will be removed from the List of Cooperation Partners of the Group.

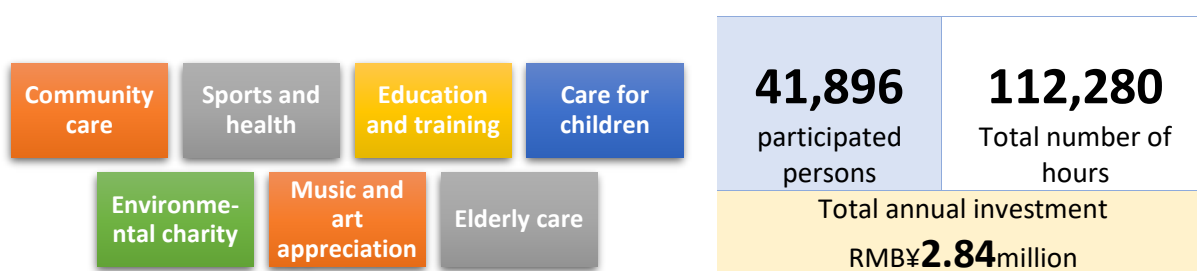
The Group has established the Intendence and Audit Department to expand internal and external reporting channels and to strengthen the internal and external monitoring system. The Group's policies such as the Intendence and Audit Management System were launched to prevent misconducts. Reporting channels including telephone and email are available for all parties, on documents such as the Open Letter to Cooperation Partners, and the Integrity Agreement with the partners.



During this year, there was no reported case, lawsuit or non-compliance of laws and regulations in relation to corruption within the headquarters and offices of the Group.

Building the Community Together

COGOGL values community building and actively invests resources in creating an inclusive community with all sectors of society. The real estate business is closely linked to community building. COGOGL has always committed itself to understand the needs of the communities in which it operates. In this year, the Group continued to focus its contribution on “charities in combination of health”, by paying attention to the health of the home owners and contributing to the sustainable development of the community by supporting the building of a healthy and vibrant community.



The Group encourages its customers to participate in community care and recreational activities, music and cultural activities and environmental charity activities. In this year, the Group’s accumulated community investment amounted to over HK\$3.5 million, and total duration of community activities was over 100,000 hours, involving more than 40,000 participants. The Group actively responds to events organised by stakeholders from all sectors, such as marathon competitions in different locations, and organises complementary activities such as urban community health run for home owners and customers. Regional company offices also organised cultural activities such as music festivals and community parent-child care activities such as the Little Property Managers’ Experience Camp to promote diverse leisure activities to the local community and care for the physical and mental health of home owners and residents.

This year in June, COGOGL mobilises staff, home owners, and customers of various regions to response to the marathon event organised by China Overseas Holdings Limited. Participants made use of mobile application such as Gu-Dong to accumulate running mileage and compete among various groups.

In terms of project construction, the Group also incorporated community investment measures to include design and construction of “civil air defence engineering” in underground garages of projects under development, to provide disaster prevention and protection infrastructure for the community. To fulfil its corporate social responsibility, the Group also shouldered the donation and construction of Ganzhou China Overseas Jiangkou Hope Primary School in September.

In the coming year, the Group will continue to organise various forms of community activities for home owners and the community.

Caring for the Employees

COGOGL values the professional development of employees and cares for their individual needs. The Group has piloted a number of employee engagement and health management initiatives during this year to strengthen employee morale and create synergies continuously.

Employment System

COGOGL is committed to creating an inclusive and respectful work environment. This is consistent with the corporate values that Group has always upheld and helps to enhance the Company's competitiveness and employee productivity. The Group's management systems – such as Hong Kong Employee Handbook, the Implementation Standards of Marriage Leave, Maternity Leave, and Care Leave in Different Regions of Mainland China, and the Employee Relations Management Methods of the holding company – have listed employment terms and relevant human resources management matters in relation to remuneration, recruitment, promotion, dismissal, working hours, rest periods and other benefits.

Total workforce ⁴	Male to female employee ratio	Employee turnover	Turnover rate	New hires	Ratio of new hires to total workforce
1,855	2.39 : 1	208	11.2%	375	20.2%

In order to attract and retain outstanding talents, the Group provides employees with benefits additional to statutory requirements, including: employee medical insurance scheme, family medical insurance scheme (applicable to Hong Kong employees), corporate annuity scheme (supplementary pension insurance), personal accident insurance, and lunch subsidy (applicable to Hong Kong employees), bonus, sickness allowance, maternity leave and paternity leave pay, paid marriage leave (Hong Kong employees up to seven consecutive days, mainland Chinese employees up to three consecutive days), long-service gold coins, wedding vouchers, birthday and festive gifts, congratulations gifts for academic achievements of employees' children, etc.

The Group has established an annual assessment mechanism and uses performance appraisal results as the basis for bonus distribution and promotion. The assessment is conducted in an online platform where employees could log into the Group's assessment website and complete assessment according to the system guidance. The assessment results of employees of all levels are then calculated, analysed and filed by the Human Resources Department.

100% staff
received regular
performance and
career development
review

To provide equal opportunities and to prevent discrimination, the Group's Hong Kong Employee Handbook contains the Policy on Prevention of Discrimination and Harassments, and all regional companies in the Mainland also strictly abide by the relevant provisions of the national Labour Law to eliminate discrimination and harassment due to gender, marital status, pregnancy,

⁴ Data as at 31 December 2016.

disability, family status, religious beliefs, ethnicity, and race. In addition, the Group has formulated and adopted a board diversity policy.

COGOGL encourages employees to maintain two-way communication with their superiors. During this year, the Group also promoted and piloted Employee Relations Management measures, enhanced communication with employees and the integration of corporate culture to improve employee cohesion. Employee engagement methods include online and offline methods. Online engagement methods include channels such as: satisfaction survey, management email, telephone hotline and social media. Offline engagement methods include: employee seminar, sharing and interview. If employees think they receive unfair treatment, they could report the case through the designated Group telephone number, email or letters. Exit interviews will be conducted upon employee resignation for the Group to listen to and collect reasonable opinions of employees.

During this year, there was no case of non-compliance of laws and regulations related to employment and labour practices or any grievance related to discrimination or harassment within the headquarters and offices of the Group.

Health and Safety

COGOGL regards occupational health and safety as one of the most important aspects of corporate risk management. Not only does the Group strictly implement the relevant laws and regulations, but it has also formulated related internal policies and regulations.

In the office, the Group promotes the 5S Office Management Specifications, and has designed and implemented a proprietary Self-Checking Standards of Office Environment Management referencing pertinent global standards, to create a clean, tidy and comfortable working environment. Besides, the Group regularly provides employees with occupational safety and health education. During this year, over 9,000 employee attendants participated in a total of 18,718 hours of training.

To improve employees' health, the Group regularly organises recreational and social events for them. In this year, the Group piloted 'Employee Health Management' measures to provide the employees with physical and mental health management activities, including: daily health management, employee body check management, business insurance plan, psychological counselling and psychology seminar. Daily health management includes the establishment of emergency response plans for outbreak and substantial food poisoning, improving the healthcare services network and regular assessments of providers of employee health check.

Although this report focuses on the disclosure of office operations, COGOGL is fully aware that the Group's property development construction requires more stringent safety management. The Group advocates that the Employment Handbook in Hong Kong should require employees to adopt proper safety preventive measures during the planning and before construction of projects; be responsible for the daily safety duties within their roles; and report the potential safety hazards to their superiors. Each of the regional offices has established its own project safety management system according to the Group's Construction Safety Management System to improve the working environment to protect personal safety of the employees.

During this year, there was no case of non-compliance of laws and regulations in relation to health and safety nor cases of work injury within the headquarters and offices of the Group.

Training and Development

COGOGL values the career development of employees and encourages employees to participate in various types of professional development training activities. Employees confirm their direction of training development using the annual assessment as the basis. The Employee Handbook applied in Hong Kong and the one in Mainland China specify the employee training procedures to provide regular internal and external employee training.

**100% employees
received training**

**Average number of
hours of training
per employee
18.5**

To encourage key employees to keep their knowledge up-to-date, the Group has in place the Employee Education Subsidy Management Methods to encourage and provide financial support for employees to pursue professional master's and doctoral degrees while working.

During this year, the Group's Polishing Scheme for Potential Employees nurtured general staff via innovative means to identify their talent and potential, as well as to enhance the value of employees and the performance of the team.

The Changzhou office of COGOGL initiated the first Polishing Camp for Potential Employees in July to provide general staff with pre-camp preparation and training during the training camp. The five-day camp includes various internal and external programmes that cover business lines such as product design, marketing planning, project management, human resources and finance management.

The experiential learning facilitated by external professional lecturers improved team coordination and the efficiency of execution through methods such as on-site explanation, simulation exercise, and interactive exercises. This activity adopts the creative assessment model of 12-day full-cycle assignment task cards to strengthen capability building for individuals and team building.



Labour Standards

COGOGL understands that child labour and forced labour violate basic human rights and international labour conventions, and poses a threat to the sustainable development of society and economy. The Group expressly prohibits any form of forced or involuntary labour. The Employee Handbook in Hong Kong specifies overtime work compensation leave or allowance is provided by the Company. For employees in the Mainland, in principle, the employee management system provides that the monthly overtime work of each employee should not exceed 36 hours while daily overtime work of each employee should not exceed 3 hours.

The Group abides by the law (e.g. Provisions on the Prohibition of Using Child Labor issued by the State Council of the People's Republic of China) in the recruiting process, and forbids the hiring of individuals under 16. The Group verifies the age of employees by checking the identity documents of new employees to abolish child labour.

During this year, there was no case of non-compliance of laws and regulations in relation to child labour and forced labour within the headquarters and offices of the Group.

Overview of Key Performance Indicators

Environmental Performance

Exhaust gas and GHG emissions	Type	Emissions
	Sulphur oxides (kilogram) ⁵	13.23
	Particulate matter (kilogram) ⁶	10.48
	Scope 1: Direct GHG emissions (tonnes of carbon dioxide equivalent)	
	Fossil fuel combustion – Stationary sources	755
	Fossil fuel combustion – Mobile sources	402
	Sub-total	1,157
	Scope 2: Energy indirect GHG emissions (tonnes of carbon dioxide equivalent)	
	Purchased electricity	2,351
	Sub-total	2,351
	Scope 3: Other indirect GHG emissions (tonnes of carbon dioxide equivalent)	
	Air business travel ⁷	472
	Sub-total	472
	Total GHG emissions (tonnes of carbon dioxide equivalent)	3,980
	GHG emissions intensity (per square meter of office GFA ⁸ , i.e. tonnes of carbon dioxide equivalent/square meter)	2.58

Waste	Type	Generation
	Generation of hazardous waste (tonne)	The operations of headquarters and offices of the Group did not produce hazardous waste.
	Generation of non-hazardous waste (tonne)	1.34
	Non-hazardous waste intensity (per square meter of office GFA ⁷ , i.e. tonne/square meter)	0.001

⁵ Data only includes emission of sulphur oxides of company vehicles.

⁶ Data only includes emission of particulate matter of gas installation.

⁷ Assuming 50% are short-haul flights, 30% are medium-haul flights and 20% are long-haul flights.

⁸ Total GFA of offices within the reporting boundary is 1,540 square meter.

Energy consumption	Type	Consumption
	Direct energy– Petrol (GJ)	5,697
	Direct energy – Natural gas (GJ)	13,597
	Indirect energy – Electricity (MWh)	3,634
	Total energy consumption (GJ)	32,377
	Energy intensity (per square meter of office GFA ⁷ , i.e. GJ/square meter)	21.02

Water usage	Type	Consumption
	Total water consumption (cubic meter)	312,817
	Water intensity (per square meter of office GFA ⁷ , i.e. cubic meter/square meter)	203.13

Social Performance

Distribution of employees			Total workforce	Male-to-female employee ratio
Gender	Male	1,308	1,855	2.39 : 1
	Female	547		
Employment type	Senior management	67		
	Middle management	593		
	General staff	1,195		
Age group	Below 30	883		
	30 to 50	954		
	Above 50	18		
Academic qualifications	Degree and/ or above	1,587		
	Below degree level	268		

Employee turnover distribution			Turnover rate	Total employee turnover	Total employee turnover rate
Gender	Male	152	11.6%	208	11.2%
	Female	56	10.2%		
Age group	Below 30	71	8.0%		
	30 to 50	136	14.2%		
	Above 50	1	5.6%		

Distribution of new hires			Total number of new hires	Percentage of new hires to total workforce
Gender	Male	277	375	20.2%
	Female	98		
Age group	Below 30	191		
	30 to 50	184		
	Above 50	-		

Occupational safety and health performance	Total
Work injury	0
Work-related fatalities	0
Number of employees who suffered work injury	0
Lost days due to work injury	0
Total training attendants in occupational safety and health education	9,311
Average hours of training in occupational safety and health education	10.1
Percentage of employees who participated in safety training	100%

Employee training	
Average hours of training undertaken by employees	18.5
Percentage of employees who receive a regular performance and career development review	100%

Number of suppliers		
Location of suppliers	Number of suppliers	Percentage of suppliers who adopt the relevant practices ⁹
Hohhot	80	100%
Jilin	100	
Guilin	28	
Yinchuan	149	
Hefei	198	
Lanzhou	189	
Nanning	73	
Ganzhou	215	
Yangzhou	214	
Nantong	159	
Changzhou	117	
Yancheng	118	
Shaoxing	43	
Shantou	27	

⁹ Relevant practices mainly include the Project Quality Management System, the Tendering Management Methods, the Project Construction Costs Management System, and the relevant environmental and safety standards certifications that the Group requires from the suppliers, such as the Limit of Harmful Substances of Exterior Wall Coatings, the Technical Requirements of Environmental Labelling Product Certification, the Code for Indoor Environmental Pollution Control of Civil Building Engineering and the Limits of Radionuclides in Building Materials, etc.

Community investment			
Focus area	Number of participants	Accumulated hours of activities	Amount of investment (ten thousand RMB)
Community care	14,036	59,740	137.4
Sports and health	6,731	28,513	53.9
Education and training	3,115	14,040	22.8
Care for children	1,138	2,858	13.5
Environmental charity	600	1,621	15.0
Music and art appreciation	15,315	3,570	29.3
Elderly care	961	1,938	11.9
Total	41,896	112,280	283.8

ESG Reporting Guide Content Index

Material Aspect	Content	Page Index/Remarks
A. Environmental		
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7-8
A1.1	The types of emissions and respective emissions data.	7-8, 20
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7-8, 20
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The operations of headquarters and offices of the Group did not produce hazardous waste.
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7-8, 20
A1.5	Description of measures to mitigate emissions and results achieved.	7-8
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	7-8
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	5-6
A2.1	Direct and/or indirect energy consumption by type in total and intensity	5-6, 21
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5-6, 21
A2.3	Description of energy use efficiency initiatives and results achieved.	5-6
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	5-6; The headquarters and offices of the Group had no issue in sourcing water that is fit for purpose.
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The headquarters and offices of the Group did not use a material amount of packaging material.

Material Aspect	Content	Page Index/ Remarks
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	9
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	9
B. Social		
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	15-16
B1.1 (partial)	Total workforce by gender, employment type and age group.	15-16, 22
B1.2 (partial)	Employee turnover rate by gender and age group.	15-16, 22
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	17
B2.1	Number and rate of work-related fatalities.	23
B2.2	Lost days due to work injury.	23
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	17
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	18
B3.1 (partial)	The percentage of employees trained	18, 23
B3.2 (partial)	The average training hours completed per employee.	18, 23
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	19
B4.1	Description of measures to review employment practices to avoid child and forced labour.	19
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	10
B5.1	Number of suppliers by geographical region.	10, 23
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	10, 23

Material Aspect	Content	Page Index/ Remarks
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	11-12
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The operations of the headquarters and offices of the Group did not involve product recall.
B6.2	Number of products and service related complaints received and how they are dealt with.	11
B6.3	Description of practices relating to observing and protecting intellectual property rights.	12
B6.4	Description of quality assurance process and recall procedures.	11-12; The operations of the headquarters and offices of the Group did not involve product recall.
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	12
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	13
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	13
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	13
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	14
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	14
B8.2	Resources contributed (e.g. money or time) to the focus area.	14, 24