



中海物業集團有限公司  
CHINA OVERSEAS PROPERTY HOLDINGS LIMITED

Stock Code: 2669



2018

Environmental, Social  
& Governance Report



# CONTENTS

|    |  |
|----|--|
| 2  | About this Report  |
| 2  | Purpose of this Report   |
| 2  | Reporting Year   |
| 2  | Scope of the Report  |
| 3  | Reporting Standards  |
| 3  | Source of Information  |
| 3  | How to Access this Report  |
| 3  | Feedback   |
| 4  | About COPL   |
| 6  | Business Scale   |
| 6  | Economic Performance   |
| 6  | Honours and Recognition  |
| 8  | Message from Management  |
| 9  | Sustainability Governance  |
| 9  | Our Value System   |
| 10 | Our Strategies   |
| 11 | Our Governance Structure   |
| 12 | Risks and Opportunities Relating to<br>Our Sustainable Development |
| 15 | Stakeholder Engagement   |
| 19 | Responding to Operation with Focus                                 |
| 20 | Focusing on Quality and Care for Customers                         |
| 29 | Focusing on Responsibility and<br>Honest Supply Chain              |
| 33 | Focusing on Return and<br>Building Community Together              |
| 37 | Responding to Employees with Development                           |
| 38 | Team Development and<br>Accumulation of Human Capital              |
| 44 | Development of Ability to Achieve<br>Win-win Results               |
| 47 | Development of Culture and<br>Creation of Healthy Workplaces       |
| 49 | Responding to the Environment with Greening                        |
| 51 | Green Resources  |
| 53 | Green Emissions  |
| 55 | Green Publicity  |
| 57 | Overview of Key Performance Indicators                             |
| 57 | Environmental Performance  |
| 58 | Social Performance   |
| 62 | List of Applicable Laws and Regulations                            |



# ABOUT THIS REPORT

## Purpose of this Report

This report is the third “Environmental, Social and Governance Report” (the “ESG Report”) released by China Overseas Property Holdings Limited (the “Company”, together with its subsidiaries, the “Group” or “COPL” or “we”) to disclose the Group’s strategies, policies, commitments and performance in the area of sustainable development in a transparent and open manner and, in particular, to respond to the concerns and expectations of our stakeholders for the sustainable development of the Group by way of the discussion of key environmental and social issues identified through materiality assessment.

## Reporting Year

The reporting period of this report is from 1 January 2018 to 31 December 2018 (the “Reporting Period” or the “Year”), which is consistent with the financial year of COPL, with appropriate forward and backward extensions for certain contents. The Group will release an “Environment, Social and Governance Report” annually for public’s access.

## Scope of the Report

Unless otherwise stated, this report focuses on the risks, opportunities and corresponding management policies, practices and performance of major sustainable development areas involved in the property management business of the Group. The number of the subsidiaries of the Group and the types of property management services provided by them increased due to business expansion of the Group during the Reporting Period. As such, the scope of the report is wider than those for previous years. This report does not fully cover all operations of the Group and all the regions in which it operates. The Group will continue to improve its internal data collection procedures to gradually expand the scope and depth of disclosure.

For the convenience of readers’ comparison, this report follows the principle of consistent disclosure, and its structure is as close as practicable to that for previous years.

## Reporting Standards

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the “Guide”) set out in Appendix 27 to the Listing Rules of the Main Board of Hong Kong Exchanges and Clearing Limited (“HKEx”). It strictly complies with the disclosure obligations under the provision of “comply or explain” and selectively discloses key performance indicators for “recommended disclosures” in view of the business nature of the Group. In addition, this report is also prepared with reference to the “Global Sustainability Standards” (the “GRI Standards”) issued by the Global Reporting Initiative in 2016 in order to present the Group’s contribution to sustainable development goals in a more balanced and reasonable manner and to enhance the Group’s transparency and accountability. The appendix to this report sets out a detailed index of contents for quick reference.

## Source of Information

All information cited in this report are derived from the Group’s public information, official documents and statistical data and have been reviewed in accordance with the internal control mechanism and review procedures. The board of directors of the Group is responsible for the adequacy and appropriateness of the contents of this report.

## How to Access this Report

This report is presented in both the Chinese and English languages and has been uploaded onto the Group’s official website at [www.copl.com.hk](http://www.copl.com.hk) and HKEx’s website at [www.hkexnews.hk](http://www.hkexnews.hk). If there are any contradictions or inconsistencies in the Chinese and English versions, the Chinese version shall prevail.

## Feedback

Our continued progress depends on your valuable comments. If you have any questions or suggestions, please contact us through the following methods:

Address: Suite 703, 7/F., Three Pacific Place, 1 Queen’s Road East, Hong Kong

Telephone: (852) 2988 0600

Fax: (852) 2988 0606

E-mail: [copl.ir@cohl.com](mailto:copl.ir@cohl.com)



## ABOUT COPL

The initial development of COPL was established through its wholly-owned subsidiary China Overseas Property Services Limited, which was incorporated in Hong Kong in 1986, and COPL entered mainland China in 1991. It is a subsidiary of China Overseas Holdings Limited under China State Construction Engineering Corporation and an avantgarde in the property management industry in China with first-class qualifications. The Group became listed on HKEx on 23 October 2015 and was included in the Hang Seng Composite Index Series<sup>1</sup> in 2016 and the Hang Seng Stock Connect Hong Kong Index Series<sup>2</sup> in 2018.

The Group is principally engaged in the provision of property management services and value-added services, i.e. providing security, cleaning, order management and other maintenance services for residential properties, commercial office buildings, commercial complexes, government office areas, hotels and other places, as well as value-added services such as engineering operations and community assets and service operation platforms. Backed by many years of hands-on experience and brand-building efforts, the Group continues to raise the level of professionalism and refinement in its property management operations with the greatest endeavours. The Group has obtained ISO

- 
- 1 In 2016, China Overseas Property Holdings Limited was selected by Hang Seng Indexes Company Limited as a constituent stock of the following Hang Seng Composite Index Series: the Hang Seng Composite Index, the Hang Seng Composite MidCap & SmallCap Index and the Hang Seng Composite SmallCap Index.
  - 2 In 2018, it was selected as a constituent stock of the following Hang Seng Stock Connect Hong Kong Index Series: the Hang Seng Stock Connect Hong Kong Index, the Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index, the Hang Seng Stock Connect Hong Kong SmallCap Index, the Hang Seng SCHK Mainland China Companies Index and the Hang Seng SCHK ex-AH Companies Index.

Gross floor area  
under management of  
**141** million  
square metres



Year-on-year  
growth of  
**9.8%**





Scope of  
management  
covers

**74** cities



**705**  
projects  
under  
management



**206**  
outstanding demonstration  
management projects  
**Industry-leading  
position**



Over  
**36,000**  
employees





## About COPL (Continued)

9001:2008, ISO 10002:2004, ISO 14001:2004 and OHSAS 18001:2007 system certifications for quality management, customer satisfaction, environmental management and occupational health and safety management respectively. The Group also relies on the professional and technical strengths of Shenzhen Xinghai IOT Technology Co., Ltd. and Shenzhen UN+ Internet Technology Limited, each a subsidiary of the Group, to continuously improve the level of intelligence of internal management and services, and to provide IOT and internet consulting services.

In May 2019, the Group distinguished itself from nearly 3,000 member units and was selected as a vice president unit of China Property Management Institute. The Group keeps in step with the government and the industry, and has always been committed to the PRC property management undertaking in terms of enhancing service quality, defining industry responsibilities, strengthening communities with technologies and improving standardization development, in order to serve a better life and strive for a new era of harmony.

### Business Scale

As at 31 December 2018, the Group had a footprint spanning over 74 major cities in China, with a workforce of over 36,000 employees. The properties under its management include residential communities, commercial properties and government properties. The Group has 705 contracted property projects with a gross floor area of over 141 million square metres. COPL has grown into a leading brand name in the sector underpinned by a nationwide strategic network and a global management vision.

### Economic Performance

COPL continues to maintain its competitive advantages in the industry brought by brand, service quality and scale, and maintains long-term partnership with its suppliers and customers. During the Reporting Period, the Group's business continued to grow steadily, with the gross floor area of properties under management rising 9.8% year-on-year, which brought a growth in average rate of return of 4% for its shareholders.

|   | 2018           | 2017    | 2016    |
|---|----------------|---------|---------|
| Annual turnover (HK\$ million)                                  | <b>4,154.7</b> | 3,357.8 | 2,563.4 |
| Gross floor area (GFA) under management (million square metres) | <b>140.9</b>   | 128.3   | 93.5    |
| Net profit (HK\$ million)                                       | <b>406.4</b>   | 307.2   | 226.3   |
| Average return on shareholders' equity                          | <b>40.7%</b>   | 36.7%   | 33.3%   |

### Honours and Recognition

Over 30 years of hard work and deep cultivation have won the recognition from the government, industry, market and the society for COPL, with a total of more than 400 awards received. During the Reporting Period, the Group won many honours relating to sustainable development:

## About COPL (Continued)

| Date of award  | Honorary title   | Issuer  |
|----------------|--|---|
| January 2018   | Top 100 Property Service Enterprises with Strongest Comprehensive Strengths 2018                                 | China Property Management Institute, Shanghai E-house China R&D Institute, China Real Estate Appraisal Centre       |
| May 2018       | Selected in the “Research Report of Capital, Listings, Mergers and Acquisitions about China Property Management” | China Property Management Institute Magazine  |
| July 2018      | “Vision Awards” Platinum Award   | League of American Communications Professionals LLC   |
| July 2018      | Ranked 18th globally   | League of American Communications Professionals LLC   |
| August 2018    | China Top 5 Community Service Provider 2018  | Yihan Think Tank  |
| September 2018 | China Top 30 Blue Chip Property Enterprises  | The Economic Observer   |
| September 2018 | Best ESG Report — Mid cap  | HERA — Merit Award  |
| September 2018 | Innovative Frontrunner   | HERA — Merit Award  |
| September 2018 | Ranked 1st in China Top 100 Property Management Enterprises 2018   | China Real Estate News  |
| October 2018   | Second International Property Management Industry Expo Outstanding Organisation Award                            | China Property Management Institute   |
| December 2018  | Bronze Award for Printing of 2018 Annual Report: Residential Properties category                                 | MerComm, Inc  |
| December 2018  | CarbonCare® ESG Label  | Hong Kong Carbon Care InnoLab   |
| May 2019       | Caring Company   | Hong Kong Council of Social Service   |
| May 2019       | 2018 Hong Kong Green Organisation Certification  | 9 institutions including Hong Kong Environmental Campaign Committee & Hong Kong Environmental Protection Department |



## MESSAGE FROM MANAGEMENT

The year 2018 is the third year following the listing of COPL in Hong Kong. Since its establishment, COPL has devoted itself to the operation of whole life-cycle home of green technology + comfort and energy conservation + mobile interconnection. It adheres to a people-oriented philosophy, strives to build a harmonious relationship between people and nature, and implements a new type of property management with the concept of sustainable development.

With its mission of “Creating More Beautiful Spaces to Embrace a Better Life” in mind, in 2018, COPL introduced the green culture of low-carbon, environmental protection and conservation into the communities to build the humanistic culture in the communities. It carried out environmental protection activities in various forms including environment-friendly creative fairs, environmentally-friendly parent-child activities, low-carbon public welfare activities, charitable hiking and biking, which had received active participation and enthusiastic support from property owners.

While building a green and low-carbon home, COPL is also leading a green and healthy fashion life. Each year, it conducts publicity and education on energy conservation and environmental protection and public welfare activities, spreads knowledge and methods of energy conservation and environmental protection, and vigorously promotes recycling in the communities. This has helped some children in poverty-stricken areas in meeting their living needs and enabled COPL to become a practitioner and guardian of “Beautiful China” together with more families and more children.

COPL makes sure that professional training is provided for every foundation position, that every ordinary position emits the light of concentration, that every shining innovation receives enough respect, and that every entry-level employee gets a stage to exhibit themselves. Relying on its distinctive, open mechanism of human resources management and China Overseas 18-Craft craftsmen’s regime, COPL is able to effectively combine its management system, unique corporate culture, energy-saving property service and management characteristics with green building management experience. They also enable COPL to have strong coordination ability and understanding for seamless connection to project development and management within the system and to develop a growing management team and professional talents.

COPL has been active in fulfilling its social responsibilities and strives to act as a conscientious enterprise which serves and works with property owners for years to jointly promote happiness and create higher value and multi-dimensional happiness for its customers, employees, the society and shareholders. COPL’s vision has also been changed to: becoming an outstanding global service provider in asset management. This reflects its higher objective of becoming a provider of integrated solutions for real estate whole value chain property services to provide specialised and customised services for all customers, to create higher value for its customers and partners and to become a trustworthy partner.

**Mr. Yan Jianguo**

*Chairman and Non-executive Director*

8 July 2019

# SUSTAINABILITY GOVERNANCE

As a property services enterprise with a strong brand and a leading market position, COPL grew up with the communities. Through quality property management services, it has established close trust with the communities and is also well aware of its opportunities and responsibilities as the consumption and social networking portal. The concept of sustainable development is integrated into our vision, mission, value system and even our commitments to major stakeholders, and has become an internal driving force for our sustainable development.

## Our Value System

Aggressive, steady and responsible business philosophy



**Aggressive, steady and responsible business philosophy:** With its mission of “Creating More Beautiful Spaces to Embrace a Better Life” in mind, the Group is committed to honouring its undertaking to be a Trusted Manager of Property Assets in line with its corporate values underpinned by Attention to Details, Professionalism, Integrity and Harmony, so as to Be an Outstanding Global Service Provider in Asset Management.



### Vision

To be an outstanding global service provider in asset management



### Mission

Creating more beautiful spaces to embrace a better life



### Service Undertaking


Trusted manager of property assets



### Corporate Spirit

Attention to details, professionalism, integrity and harmony

**High-quality and reliable services:** The Group has always adhered to customer-centred quality management, and has established a menu of hierarchical service products in view of the needs of different buildings and customers and built a hierarchical service brand. It is committed to providing customers with specialised and customised real estate whole value chain services and to creating a pleasant working and living environment for customers.



## Sustainability Governance (Continued)

**Innovative UN+ technology-based property management system:** The Group continues to invest in innovative research and development. Its self-developed building IOT operation platform and artificial intelligence technologies have been fully applied in more than 800 projects, which have helped transformation and upgrading in services and improvement in quality and efficiency. It also launched UN+ O2O products to provide customers with diversified service experiences and achieve the improvement in both the life quality and property value of customers.

**Strong human resources support:** The Group has set up a “Craftsmen’s Regime” and established a team of high-calibre talents which has a reasonable structure and distinctive levels to meet overall business needs, through a systematic and targeted talent training and reserve programme.

Over **20,000**  
intermediate and  
senior professional  
talents

More than **50**  
reserve  
management  
talents

More than **300**  
reserve project  
managers

Over **900**  
reserve customer  
service and  
engineering officers

**Community-oriented public welfare investment:** Relying on its close relationship with the communities, the Group continued to carry out a series of community activities such as “Little Property Owner Experience and Growth Camp” and “Happy Family Festival” in the communities nationwide, and it also advanced charitable and public welfare projects, carried forward a community culture of filial piety, care for family and harmonious neighbourhood helping each other, cared for disadvantaged social groups, and fulfilled its responsibilities to the public.

**Environmentally-friendly development model:** The Group attaches great importance to the management of the impacts of its operation on the environment. By establishing a performance evaluation mechanism for energy efficiency management, regularly identifying important factors affecting environment and carrying out environmental protection publicity activities, the Group assesses and strengthens the management of the impacts of its operation on the environment, raises the attention of its employees and the public to environmental protection, and practices the way of green operation.

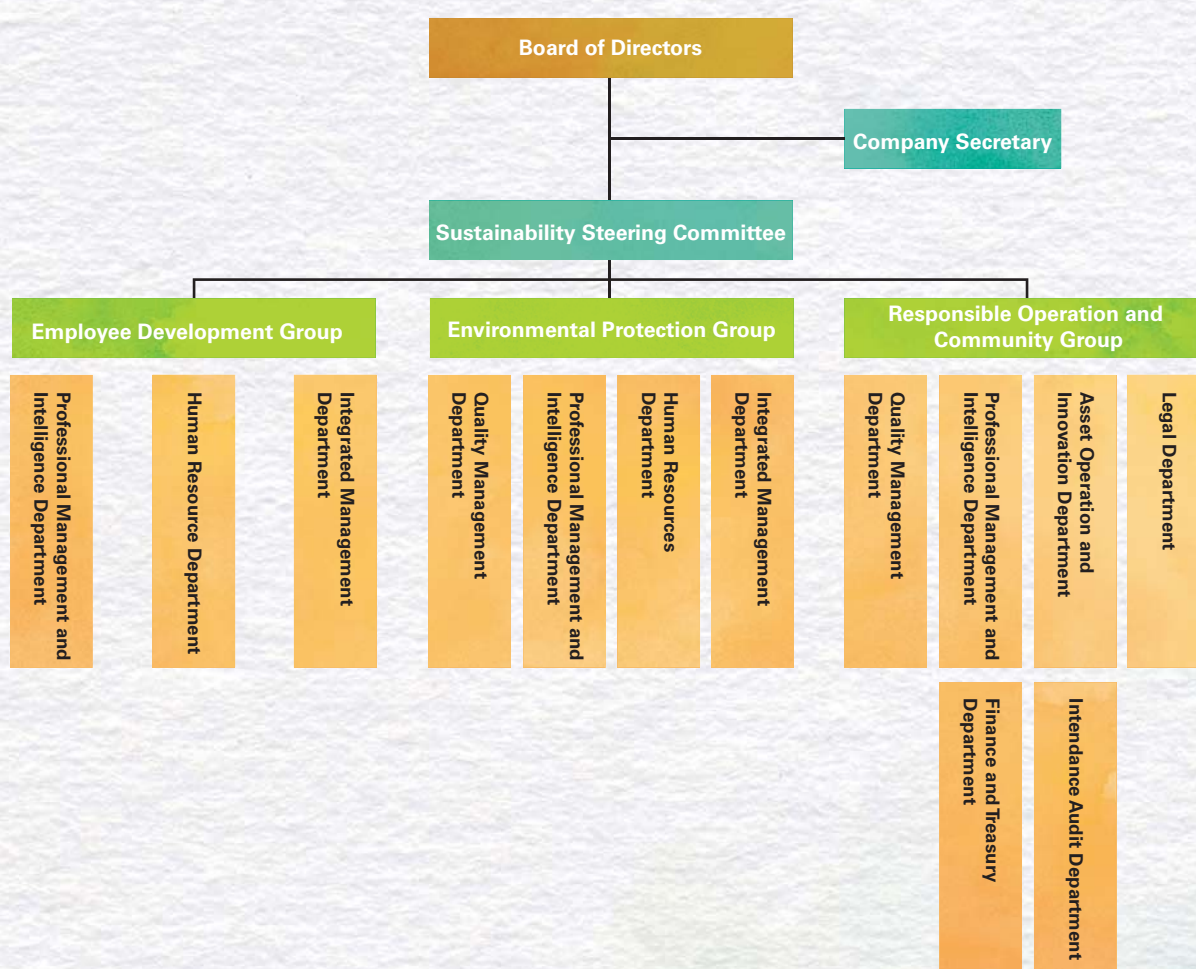
## Our Strategies

Based on our values and facing the opportunities and challenges brought about by the development of macro-economy and property management industry, the Group has deeply integrated the concept of sustainable development into the business growth process of COPL to form our strategy.

- 1 Fully integrate resource advantages and continue high-quality expansion
- 2 Create a whole service value chain for developers and institutional customers
- 3 Provide diversified service experience to improve both life quality and property value
- 4 Actively utilise new technologies and information technology to reduce costs and increase efficiency
- 5 Focus on service quality, pursue customer satisfaction and strengthen reputation
- 6 Provide a strong human resource support for the long-term development of the Group
- 7 Fulfil social responsibility

## Our Governance Structure

In order to implement our strategies and achieve our goal of sustainable development, the Group has established a clear corporate governance structure and corresponding corporate governance policies and practices, so as to maintain high standard of business ethics, healthy corporate culture and good corporate governance. In particular, sustainable development concepts and responsibilities are implemented at all levels of the existing governance structure to properly identify, assess and manage environmental, social and governance (“ESG”) related risks and opportunities. For more information on corporate governance of the Group, please refer to the section headed “Corporate Governance Report” in the 2018 Annual Report of COPL published on the official website of the Group at [www.copl.com.hk](http://www.copl.com.hk) or the website of HKEx at [www.hkexnews.hk](http://www.hkexnews.hk).



## Board of Directors

The Group’s highest decisions are made by the board of directors of the Group (the “Board”), implemented by executive directors and the senior management team, and internally monitored by the Audit Committee, Remuneration Committee, and Nomination Committee. As at 31 December 2018, the Board comprised seven directors, including one non-executive director, being Chairman of the Group, three executive directors, being the Chief Executive Officer, Vice President and Chief Financial Officer of the Group, and three independent non-executive directors. A diversity policy is adopted for the composition of the Board to enable critical reviews and provision of independent opinions in the decision-making process.



## Sustainability Governance (Continued)

The Board provides effective guidance on the business of the Group, formulates the Group's sustainable development strategies, and ensures transparency and accountability in sustainable development matters in the operation of the Group. The Board is also responsible for sustainable development risk management and internal control, and assesses and determines the nature and extent of the risks that the Group can bear in achieving the strategic objectives relating to sustainable development.

### Sustainability Steering Committee







The Group has established the Sustainability Steering Committee (the "Committee") as the decision-making body for sustainability work. The chairman of the Committee is the Chief Executive Officer of the Group, and an assistant president serves as the vice chairman of the Committee. The Sustainability Steering Committee is responsible for overseeing the implementation of the sustainability strategy, formulating policies, determining goals, preparing the "ESG Report", and confirming the effectiveness of the sustainability work mechanism and management system with the Board on a regular basis. The Committee has three groups, namely the environmental protection group, the employee development group and the responsible operation and community group. Heads of relevant departments at the headquarters of the Group are appointed as heads of the three groups, and they are responsible for setting their respective action goals, implementing related plans, and participating in the preparation of the "ESG Report". The sustainability work groups report to the Sustainability Steering Committee and the Board on the implementation of the relevant work on an annual basis.

Each department at the headquarters of the Group and each regional company appoint a representative as a member of the Committee and its groups and to participate in the relevant work. These representatives include delegates of the Quality Management Department, the Professional Management and Intelligence Department, the Human Resources Department, the Integrated Management Department, the Assets Operation and Innovation Department, the Legal Department, the Finance and Treasury Department and the Intendence Audit Department, as well as heads of regional companies or regional management centres. These key units are responsible for collecting data and updating and submitting the same on a quarterly basis and implementing related plans.

### Risks and Opportunities Relating to Our Sustainable Development







All of our activities are closely related and complementary to the sustainable development of the environment, the society and even the whole world. As such, while we regularly identify, assess and cope with business risks through the risk management framework and internal control procedures, we also consider the impacts of our business on the environment and society, and take appropriate actions to make improvement in accordance with the United Nations Sustainable Development Goals ("SDGs").

## Sustainability Governance (Continued)

| Category                               | SDGs  | Our risks  | Our opportunities   | Our actions  |
|--|---|--|---|--|
| <b>Environment</b>                     |       | <p>Water pollution risk</p> <p>Environmental compliance risk</p> <p>Climate change risk</p>  | <p>Centralised water-recycling and reuse systems</p> <p>Energy-saving retrofit of buildings</p>   | <p>Implement paperless office</p> <p>Energy management performance assessment</p> <p>Energy-saving retrofit of LED lights</p> <p>Energy-saving retrofit of air conditioners</p> <p>No negative pressure pump retrofit</p> <p>Community waste sorting publicity</p> <p>Recycle used clothes</p> <p>Use of reclaimed water for irrigation and landscape</p> <p>Carry out “Green China Overseas • Green Carnival”, a community activity to advocate the concept of environmental protection</p> |
| <b>Employment and labour practices</b> |     | <p>Labour cost risk</p> <p>Talent loss risk</p> <p>Social security compliance risk</p>   | <p>Standardization and automation services</p> <p>Extensive management experience in the industry</p> <p>Cohesive corporate culture</p> <p>Staff training and development</p> <p>Competitive remuneration/assessment system</p> | <p>Provide equal job opportunities</p> <p>Eliminate occupational discrimination</p> <p>Formulate a systematic staff training plan</p> <p>Diversified development</p>   |
| <b>Operating practices</b>             |      | <p>Supplier regulatory risk</p> <p>Natural disaster risk</p> <p>System and equipment risk</p> <p>Security risk</p> <p>Information security risk</p> <p>Product or service quality risk</p> <p>Intellectual property right risk</p> <p>Advertising and marketing risk</p> <p>Customer complaint risk</p> <p>Cross-regional operational risk</p> | <p>Standardization and automation services</p> <p>Diversified and innovative services</p> <p>Industry consolidation</p> <p>Life service O2O market</p> <p>Advanced property management technology</p>                           | <p>Intelligent community safety management</p> <p>Higher community public health standards</p> <p>More stringent marketing audits</p> <p>Develop intelligent communities</p> <p>Explore community value-added services</p> <p>Continuously evaluate suppliers</p> <p>Agree on environmental and social related treaties in supplier cooperation agreements</p> <p>Strengthen exchange and communication with suppliers</p>   |



## Sustainability Governance (Continued)

| Category  | SDGs  | Our risks | Our opportunities   | Our actions   |
|-----------|---|-----------|---|---|
| Community |       |           | <p>Establish public welfare fund</p> <p>Set up educational institutions</p> | <p>Participate in the national targeted poverty alleviation plan</p> <p>Donate to disadvantaged groups</p> <p>Carry out volunteering activities</p> <p>Hold “Little Property Owner Experience Camp”</p> <p>Hold “Happy Family Festival”</p> <p>Set up China Overseas Community Elderly University</p> <p>Donate to schools in need</p> <p>Assist in holding public welfare sports events</p> <p>Care for breast cancer patients in the communities</p> <p>Care for children with autism</p> |

# STAKEHOLDER ENGAGEMENT

Maintaining close communication with stakeholders is an important way for the Group to achieve sustainable development. We maintain a multi-level and multi-channel communication mechanism with all stakeholders, actively listen to their opinions and suggestions, and constantly review our own operation and management on issues of concern to stakeholders.

We are committed to keeping stakeholders informed of the Group's development and management policies in a timely manner. We also actively formulate corresponding action plans based on their suggestions to strengthen sustainable management capabilities, stabilise cooperative relationship of mutual assistance and trust, and jointly realise sustainable development plans.

## Communication Methods with Stakeholders and Their Main Demands in 2018

| Stakeholder group                           | Communication methods  | Main demands  |
|---|--|---|
| Shareholders/investors                      | Hold general meetings of shareholders<br>Issue annual reports<br>Public information disclosure                                       | Maintain continuous profitability<br>Formulate sustainable development strategy<br>Enhance corporate transparency<br>Protect the rights and interests of shareholders and investors |
| Government                                  | Declare tax<br>Accept public inspections<br>Report on policy implementation<br>Participate in targeted poverty alleviation           | Ensure operational compliance<br>Pay taxes in full according to law<br>Respond to national policies<br>Support local development  |
| Employees                                   | President and General Manager Reception Days<br>President's email<br>Roast meeting<br>Manager Communication Day                      | Improve vocational training mechanism<br>Competitive compensation and benefits<br>Ensure occupational health and safety<br>Equal communication and complaint mechanism              |
| Customers/property owners                   | Property owner meetings<br>Housekeeper home visits<br>Bulletin boards in buildings<br>National 400 service supervision hotline/email | Safe and comfortable living environment<br>Offer considerate services<br>Maintain good neighbourhood relations<br>Ensure compliant marketing  |
| Suppliers/contractors/service providers     | Assessment and communication activities<br>Experience sharing meetings<br>Enter into agreements<br>Company policy communication      | Promote daily communication<br>Perform the contracts according to law<br>Improve daily communication<br>Build a responsible supply chain  |
| Public welfare organisations and the public | Media coverage<br>Thematic community activities<br>Public welfare investment   | Contribute to public welfare undertakings<br>Adhere to green operation<br>Promote community development   |

## Stakeholder Engagement (Continued)

In order to better respond to stakeholders' demands for information disclosure, the Group conducted an assessment of the materiality of environmental, social and governance issues in 2018. The specific work steps are as follows:

### Identification of ESG issues

Based on business development of the Group and in view of the national policies, industry conditions and the disclosure requirements set out in the ESG report guide, 21 material issues were identified which cover four scopes being environment, employment and labour practices, operating practices, and social investment.

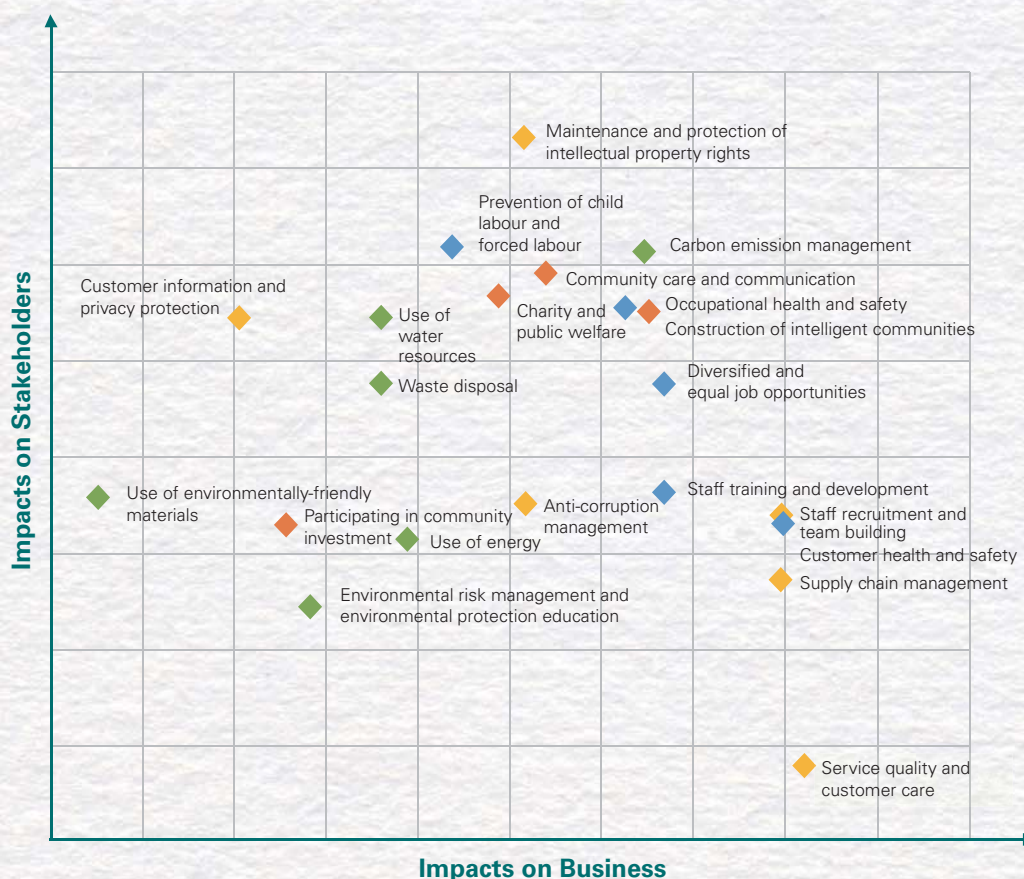
### Stakeholder survey

Internal and external stakeholders of the Group were invited to participate in an online questionnaire survey, which collected their scores given to the materiality of the 21 issues and their opinions on and expectations for the ESG management of the Group. 390 effective replies to questionnaires from eight categories of stakeholders were collected.

### Materiality analysis

Based on the survey results, the issues were arranged in order from two perspectives, being the "Impacts on Stakeholders" and the "Impacts on Business", to compile a materiality matrix. Management of the Group reviewed materiality analysis results and stakeholders' opinions and confirmed the focus areas of disclosure in the report for the Year.

Through the assessment, we identified the issues requiring more attention from two perspectives including the impacts on stakeholders and the impacts on business, as follows:



## Stakeholder Engagement (Continued)

### Materiality Matrix

|  |  |
|--|--|
| <b>Environment</b> <ul style="list-style-type: none"> <li>Carbon emission management 3</li> <li>Use of water resources 15</li> <li>Waste disposal 16</li> <li>Use of energy 17</li> <li>Environmental risk management and environmental protection education 20</li> <li>Use of environmentally-friendly materials 21</li> </ul>                     | <b>Employment</b> <ul style="list-style-type: none"> <li>Staff recruitment and team building 1</li> <li>Diversified and equal job opportunities 6</li> <li>Occupational health and safety 7</li> <li>Staff training and development 10</li> <li>Prevention of child labour and forced labour 13</li> </ul> |
| <b>Operation</b> <ul style="list-style-type: none"> <li>Customer health and safety 2</li> <li>Supply chain management 4</li> <li>Maintenance and protection of intellectual property rights 8</li> <li>Service quality and customer care 9</li> <li>Customer information and privacy protection 18</li> <li>Anti-corruption management 14</li> </ul> | <b>Community</b> <ul style="list-style-type: none"> <li>Construction of intelligent communities 5</li> <li>Community care and communication 11</li> <li>Participating in community investment 19</li> <li>Charity and public welfare 12</li> </ul>   |

### ESG Issues Materiality Ranking

We also listened to the opinions and suggestions of stakeholders on our sustainable development work and performance through the above assessment. We respond to the issues and areas of special concern to stakeholders one by one in the sections below in this report:

| Category of concerns                     | Opinions of stakeholders   | Group's response   |
|--|--|--|
| Group's sustainable development strategy | Stakeholders suggested that the Group establish communication channels with all stakeholders, identify sustainability issues through close communication and selectively improve its sustainable development management ability.   | Please refer to "Stakeholder Engagement"                   |
| Operating practices                      | Stakeholders suggested that the Group encourage more property owners to participate in the supervision over service quality and establish a transparent, complete and effective feedback mechanism for the complaints and suggestions of property owners.  | Please refer to "Responding to Operation with Focus"       |
| Human resource management                | Stakeholders suggested that the Group strengthen care for employees and provide upward communication channels for employees to reduce employee turnover so as to ensure the stability of service personnel. Stakeholders suggested that the Group enhance the professional knowledge of its employees through training and strengthen the training of talents in various business lines. | Please refer to "Responding to Employees with Development" |

## Stakeholder Engagement (Continued)

| Category of concerns      | Opinions of stakeholders  | Group's response  |
|---------------------------|---|---|
| Community engagement      | <p>Stakeholders suggested that the Group pay more attention to the disadvantaged social groups, strengthen efforts into targeted poverty alleviation, and fulfil corporate social responsibility.</p> <p>Stakeholders suggested that the Group strengthen the analysis and summarization of and communication for public welfare activities, so as to enable the public and internal employees to become aware of their contribution to public welfare and stimulate their enthusiasm for public welfare.</p> | Please refer to "Stakeholder Engagement"                      |
| Partnership               | Stakeholders suggested that the Group keep up with the pace of the times and lead the industry in order to seize the opportunities and achieve steady development.  | Please refer to "Responding to Operation with Focus"          |
| Environmental performance | Stakeholders suggested that while providing quality services, the Group ensure the improvement in its environmental performance based on environmental protection through energy consumption management, energy saving retrofit, green office, etc.   | Please refer to "Responding to the Environment with Greening" |

Through the above methods of stakeholder engagement, the Group continues to understand and communicate with stakeholders on areas of concern and regularly reviews its own operation and public responsibilities, in order to help us better solve ESG problems, improve management skills and achieve sustainable development in the future.



# RESPONDING TO OPERATION WITH FOCUS

# RESPONDING TO OPERATION WITH FOCUS

Property owners' living and working in peace and contentment is the unswerving pursuit of COPL. By adhering to our service undertaking of being a Trusted Manager of Property Assets, we have long been focusing on building a high-standard product and service system, continuously promoting the development of intelligent communities to improve service quality, widely listening to and timely responding to customers' demands from multiple channels, and ensuring customers' satisfaction with attentive and considerate services. We work hand in hand with our partners, fulfil our promises and responsibilities, actively perform monitoring duties, and strive to create a win-win situation with our partners. We also pay attention to community development, focus on promoting positive and healthy community culture and ideas, continue to help disadvantaged social groups such as the elderly, the minors and the poor, and fulfil our corporate social responsibilities.

## Focusing on Quality and Care for Customers

The Group regards quality management capability as one of its core competitive strengths. We abide by the "Urban Real Estate Administration Law of the PRC", the "Property Management Regulations" and other laws and regulations. We have formulated and implemented systems and guidelines including the "Customer Service Work Guide", the "Residential Property Service Classification Standards (Four Levels)", the "Guidelines for Quality Supervision and Inspection" and the "Supporting Guidance Document for Entering New Residential Projects", and continue to build a service value creation system based on customers' needs and towards customers' satisfaction. We optimised the design of our service provision system, including innovating service model, improving details of services and products, optimising service process, and continued to improve the timeliness and efficiency of our services, so that our services are knowable, perceptible, identifiable and verifiable. We also expanded quality control tools to improve the efficiency and effectiveness of quality control and further ensure the stability of service quality.

## Refined Standards Make Service More Professional

Over the years, the Group has been raising the level of professionalism and refinement in its property management operations with the greatest endeavours, and is the first enterprise in the industry to pass the certification of three systems (namely ISO9001, ISO14001 and OHSAS18001). In July 2018, we participated in the compilation of three national standards for the property management industry, being the "Property Management Terminology", the "Evaluation of Customer Satisfaction for Property Services" and the "Property Services Safety and Emergency Response", and was the leader of the team compiling the "Property Services Safety and Emergency Response". After 5 months of thorough communication and exchanges, 3 expert seminars and 9 team leader seminars, we have now completed the draft for review of the "Property Services Safety and Emergency Response", and have received strong recognition from the relevant experts for the draft complied and our professionalism and enthusiasm.



In order to further improve the quality of basic property services, the Group carried out a series of standardization construction work with the theme of "Setting up a Model of Profession and Building a Better Home" during the Reporting Period.

## Responding to Operation with Focus (Continued)

The Group has formulated and implemented the “Model Gate Post Construction Work Guide” and the “Boutique Central Control Room Construction Work Guide”, and has established COPL’s service brand for “Model Gate Post” and “Boutique Central Control Room” to further improve the service quality of its security management gate post and central control post.

The Group has formulated and implemented the “Cleaning Contracting Management Work Guide” and the “Greening Contracting Management Work Guide”, revised the existing “Community Cleaning Outsourcing Contract”, the “Greening Maintenance Contract”, the “Green Planting Leasing and Maintenance Contract” and other cleaning and greening contracting management work guides in order to assess the service quality of cleaning and greening sub-contractors more objectively and fairly and promote the cleanliness and beauty of the environment of the projects.

The Group implements machine room standardization management at its projects in the PRC and promotes physical handover inspection and acceptance and rectification standardization and equipment system operation training standardization. It has developed equipment repair and maintenance standards, equipment inspection standards and red flag equipment evaluation measures, and strengthened the normalization of the operation, maintenance and management of the entire equipment life cycle including equipment handover inspection and acceptance, operation training, repair and maintenance and inspections.

### Benchmark Adds Value: Model Project Construction

2018 is the 8th year since COPL started the construction of model projects. During the Reporting Period, 55 projects of the Group across China participated in the construction of model projects. Each model project has achieved significant improvement in hardware defect rectification, soft property service improvement, customer satisfaction improvement and community value maintenance and appreciation and has become an internal management benchmark, which has promoted the improvement in overall services of the Group and enabled the upgrading of customers’ residential value, brand value and investment value.



Materials for the Construction of  
“China Overseas Jincheng” as a Model Project



“China Overseas Jincheng”  
Model Project Inspection and Acceptance Meeting

### Standards Build Quality: Suzhou Sale Site Services

Unified service standards were adopted at the Suzhou Sale Site of COPL to provide high-quality services. At the Suzhou Sale Site, training was provided to all employees on the degree of bowing and smiling, gestures, eye contacts and other service bearings. The reception staff must be elegant in appearance, well-dressed, and wear uniform high heels, stockings and headdresses. Physical training was carried out to ensure the stamina and mental state of the security team, and strict special training was arranged to ensure the consistency in the eaves angle, arm swing range, swing arm height, kick stride and other details of the security team.

In 2018, in order to further improve the service quality, China Overseas “Upward” staged service improvement requirements were formulated for the Suzhou Sale Site, which set out clear requirements for improving the arrangement of items and layout of exhibition areas in the sales hall. For the newly-added concierge and doorman positions at the Suzhou Sale Site, one-on-one etiquette teaching on two basic guiding gestures, being raising arm at 45 degree and bowing at 30 degree, were arranged, with a daily practice frequency of more than 50 times.

## Responding to Operation with Focus (Continued)



Service Personnel at the Suzhou Sale Site

In addition to providing high-quality basic services, the Group actively explores the provision of personalised and diversified value-added services for property owners to meet their growing needs of consumption for broking, home decoration, community life services and business services and to create a better living space for property owners. Furthermore, value-added property services will also help achieve win-win results with upstream and downstream partners, become an important driving force for the Group's development and support its long-term growth.

### Intelligent Community Makes Life Better

The Group has adopted a model of "Internet of Things + Community" and "Internet + Community" in building a "New Technology Property Management and Service System" with the construction of intelligent community at the core, which has laid a solid scientific and technological foundation for its information technology construction, provision of services with higher quality and sustainable community ecology.

### Good Neighbourhood Assistant: "UN+" App

The Group has established a "UN+" App community service platform exclusively for property owners, which has been applied to all residential projects under its management. "UN+" App can provide convenient basic property services such as door opening via cell phone Bluetooth, online payment, public announcement, issue and repair reporting, information search and housekeeper calling, as well as high-quality affordable value-added community services including group purchase, home decoration, home services and travel ticket purchase to fully meet the needs of property owners for a better life. "UN+" App is also a good channel for neighbourhood social networking, through which property owners can view extensive information on, sign up in and comment on neighbourhood activities and communicate and interact with each other via "Neighbourhood Circle", "Second-hand Items" and "Help Neighbours" functions in order to jointly create a vibrant community environment.



"UN+" App

### New Model for Online Operation and Maintenance: Launch of Smart Equipment and Facilities Management Platform

The Group has set up a smart equipment and facilities management platform and rebuilt its equipment and facilities operation and maintenance model. Such platform can enable online facilities and equipment information management, operation and maintenance management, operation specification check, expert resources and knowledge search. With an embedded operation indicator system, it supports automatic statistical analysis of travel reports, thus promoting the improvement in the efficiency and standardization of facilities and equipment information management and maintenance, and effectively strengthening work efficiency, service efficiency and customer satisfaction. The platform was officially launched in 476 projects in 49 cities across the PRC on 17 August 2018.



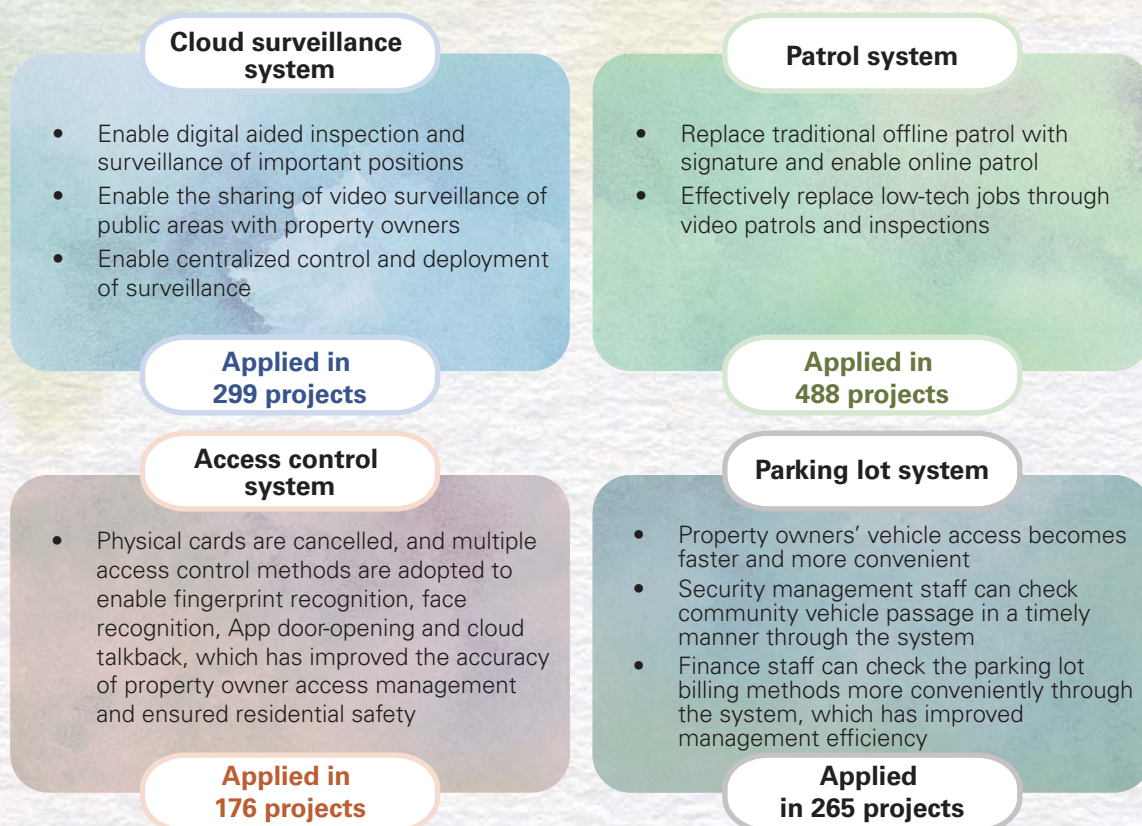
Smart Equipment and Facilities Management Platform

### Intelligent Building Management: Development of Building IOT Operation Platform

In order to improve the intellectualization of building facilities and equipment management, the Group has established Xinghai IOT Technology Co., Ltd. to develop a building IOT operation platform. Currently the development of version 1.0 is substantially completed with four major modules, including basic function module (issue reporting management, information centre, personal centre functions), IOT monitoring module (pedestrian access, vehicle access, cloud talkback, video surveillance functions), application management module (quality management and public opinion management) and business configuration module. The platform has been connected to the cloud surveillance systems of 299 projects, patrol systems of 488 projects, access control systems of 176 projects and parking lot systems of 265 projects, and has enabled interconnection of equipment or functions of 13 systems such as pedestrian access, vehicle access, remote monitoring for machine room, electronic patrol, cloud talkback and electronic fence. Through artificial intelligence solutions, diversified and considerate business scenes are formed to serve property owners, promote further transformation of the traditional service system to high-tech services and enhance the value of services.



## Responding to Operation with Focus (Continued)



### Protection of Intellectual Property Rights

The Group follows the principle of unified management in intellectual property right work and is committed to commercialising intellectual property rights and improving its competitiveness. Currently the Group owns 68 trademarks, 13 patents and 17 software copyrights the application of which have been approved or are pending. We are gradually increasing the number of our intellectual property rights and vigorously exploring patented technologies which can be commercialised. We have also carried out a series of work in the area of intellectual property rights management, including developing an intellectual property rights management system and strategic planning and further specifying clear responsibilities for intellectual property rights management, in order to make better use of the role of intellectual property rights management in protecting and supporting business operation and serve the development strategies of COPL.

### Careful Protection Makes Environment Safer Customer Health and Safety

The Group continues to revise management systems including the "Environmental Management Work Guidelines", the "Safety Management Work Guidelines" and the "Emergency Management Regulations", which set out community safety management responsibility system and safety management policies, establish a standardized operation process for cleaning and sanitation, landscaping, security inspections, as well as the service frequency and completion criteria. The Group adheres to strict safety inspections, standardized order management, timely sanitation and cleaning and use of pesticide and fertilizer products with low toxicity and low harm, in order to provide a healthy and safe living and working environment for property owners and residents.

## Responding to Operation with Focus (Continued)



### Close Escort to Ensure Safety

COPL has never stopped protecting children and women which are relatively weak. The Group provides escort services for school-age children, with security staff accompanying the children all the way through dangerous areas such as roads near schools. We also provide "Safe Night" escort services to women. Female property owners and residents who worry about safety issues on their way home may make an appointment in advance, and we will assign designated personnel to escort them home from the nearest subway station, bus station and taxi station.



Children Escort Service



Female Property Owner Escort Service

### Fight against Typhoon Mangkhut

On 16 September 2018, Typhoon Mangkhut landed in the coastal area of Guangdong Province with a super-strong wind force of level 14. In the early morning of 17 September 2018, Guangdong Province issued the largest typhoon warning in history, with a red warning on the entire coast of the Pearl River Delta. COPL's employees in 11 cities united to fight against the typhoon. Over 20,000 employees participated in the event who, while ensuring the life safety of employees, efficiently distributed windproof items, dredged drainage pipelines to prevent rainstorm flooding, and cleaned up blown tree trunks. They closely watched the typhoon path, stood ready and issued comprehensive early warnings in order to ensure that all emergency materials and equipment are in place and strive to protect the safety of lives and properties of customers. The Group has received letters of commendation and gratitude from multiple local armies for its thorough preparation, quick responses and early warnings in the fight against Typhoon Mangkhut.

## Responding to Operation with Focus (Continued)



Fight against Typhoon Mangkhut



Letter of Commendation

In order to ensure the safety of lives and properties of property owners and residents, to create a safer and more comfortable living environment and to better solve the community safety problems, the Group focused on strict control over the access of outside visitors and carried out “Iron Guard, Smiling Services” emergency drills in 2018. During the drills, community security personnel were dressed in violence prevention clothes and carried out physical combat exercise by simulating the scenes in order to strengthen their ability to respond to emergencies, so that they will be able to protect the safety and health of property owners and residents in case of emergency.

### Customer Privacy and Information Security

The Group strictly abides by the requirements of the “Law of the PRC on the Protection of Consumer Rights and Interests” regarding the collection and use of personal information of consumers. It has established and implemented systems and processes such as “Control Procedures of Client Property” and “Client Document Management”, which require its employees to collect information on property owners and residents only by lawful and proper means and keep the information strictly confidential. In order to prevent the leakage or improper use of personal information of customers, the Group strictly limits the scope of dissemination and use of information on a need-to-know basis. For example, security personnel are provided with the information on the names and addresses of residents only, thus reducing the possibility of information leakage. In addition, the Group only allows the provision of information on registered visitors, surveillance videos and customer ownership to law enforcement authorities such as the public security authorities in accordance with formal procedures in order to ensure the lawfulness of the use of information. The Group also regularly maintains machine rooms, communication equipment and information systems where customer information is stored. It strengthens physical protection by locking and patrolling and continuously upgrades network security technologies such as information encryption to prevent the information from theft. The Group focuses on strengthening internal control. It strengthens staff’s awareness of information security protection through training and education and has formulated remedial plans for information leakage in order to enhance its ability to manage customer information and data security.

### Active Response Makes Communication Smoother

In order to understand the opinions and living experience of property owners and residents in a timely manner, to facilitate effective communication with customers, and to maintain its leading position in the industry in terms of property management and services, the Group has established comprehensive channels for communication with customers and actively listens to customers’ opinions.

## Responding to Operation with Focus (Continued)

| Communication channels   | Major information on communication  |
|--|---|
| Housekeeper WeChat<br>WeChat group for property owners   | Property owners and residents communicate with housekeepers/employees of property management companies in a timely manner   |
| UN+ App  | Online reporting on issues, repairs and complaints for follow-up processing, feedback and closure of issues within the specified period   |
| Property owner meetings<br>Housekeeper home visits   | Regularly report to property owners and residents on the highlights of service work and future plans of the management office, community activities, and revenue and spending                       |
| Bulletin boards in buildings   | Notices, announcements and warm tips  |
| National 400 service supervision hotline/email<br>Messages left at COPL's official website<br>24-hour project property service hotline | Enable good communication with customers, avoid repeated complaints and escalation of complaints, timely and effectively follow up on and deal with customers' demands and address customers' needs |

In order to standardize customer complaint handling procedures and improve complaint handling efficiency, the Group has formulated and implemented systems and processes such as the "Customer Complaint Management Measures", the "Complaint Handling Procedures at All Levels" and the "Call Centre On-site Management System" to ensure that customers' complaints and suggestions are timely and accurately communicated to the relevant departments and management and ensure the timeliness of response to customers' demands and their satisfaction. The following four principles are followed in the Group's customer complaint response system:

### First person responsibility system

The first person receiving a complaint shall respond actively, whether he/she is a housekeeper in the area of responsibility

### Ticket establishing principles

The receiver shall report customer's complaint to the customer service centre at the management office

### Time limit for handling complaints

The issue must be handled within seven days

### Customer service centre/housekeeper call-backs

100% call-back for complaints in principle



Number of inbound calls 32,214  
Number of outbound calls 33,215

96%  
Services Satisfaction



Daily average number of complaints received 47  
Daily average number of successful outbound calls 11

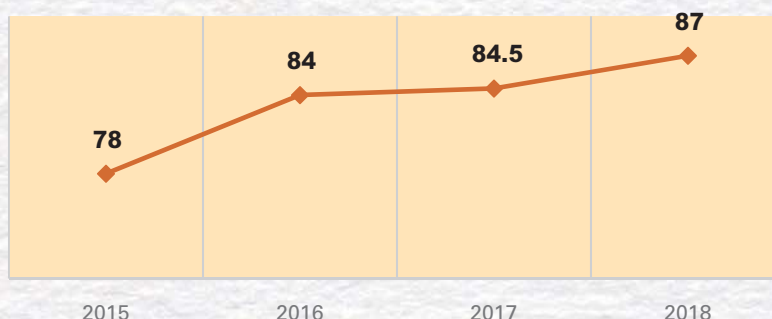
Source: Data on complaints received and handled by the 400 Customer Service Centre as at 31 December 2018

## Responding to Operation with Focus (Continued)

### Customer Satisfaction Oriented

Customer satisfaction has always been the core measurement of management service quality of the Group. In November 2018, the Group engaged a third-party professional consultant to conduct a customer satisfaction survey on its projects. A total of approximately 42,693 customers were invited to participate, representing 7% of total number of its customers. According to the results of the satisfaction survey and the strategic planning and objectives of COPL, we issued satisfaction objectives by city and developed the measures for grading and scoring of satisfaction results. In addition, customer satisfaction accounts for 30% score in the assessment of the achievement of annual operating objectives by regional companies and business lines, and is the assessment criterion with highest weight. The Group is committed to emphasizing the importance of customer satisfaction in the strategic development of the Group through a dual assessment mechanism, promoting cooperation among business lines, and improving service management by focusing on customer satisfaction objectives.

### Customer Satisfaction Scores

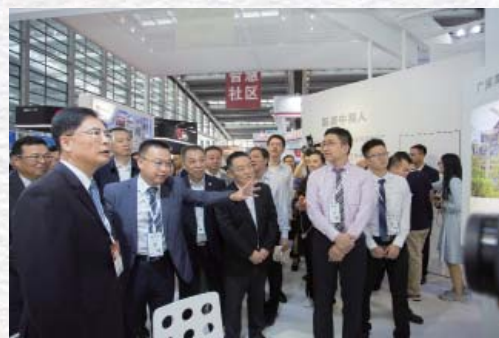


### Identification of Problems from Customers' Perspective

In order to continuously improve service quality and eliminate weak spots in management, the Group engaged a third-party property service evaluation company in 2018 to carry out quarterly "Mystery Guest Inspections" on its projects<sup>3</sup>. Outsiders with extensive experience in property management timely identified and improved the shortcomings on-site from the perspective of customers. According to the inspection results of "mystery guests", the Quality Management Department and the Professional Management and Intelligence Department of the Group established a management promotion mechanism for implementation. Through an accountability mechanism at all levels, performance review mechanism and learning and assessment mechanism, they improved the problems identified by "mystery guests" in order to improve the service quality of the projects under the management of the Group.

### Let Market Voice Test Quality

The voice of the market is the best teacher. During the period from 15 to 17 October 2018, the Group participated in the Second International Property Management Industry Expo (the "Property Expo") hosted by China Property Management Institute with the theme of "Change, Nothing is Impossible", sending a signal that COPL is going to full-scale marketization. During the Property Expo, the COPL booth received 163 groups of guests and 12 groups of guests visited its project sites. COPL won unanimous praise from customers for its whole chain service products and implementation results and was granted the "2018 Top 10 Property Management Companies" award and the "Outstanding Organisation Award for Second International Property Management Industry Expo".



2018 Property Expo in Shenzhen

<sup>3</sup> The data on the number of persons surveyed during the satisfaction survey and the survey results do not cover Hong Kong and Macau.

## Focusing on Responsibility and Honest Supply Chain

Supply chain is an important support for COPL to deliver value. In the process of cooperation with suppliers, the Group strictly fulfils its contractual commitments, adheres to the principles of fair, impartial and transparent bidding and procurement, and establishes a win-win cooperation for sustainable development. In addition, the Group actively monitors the performance of fulfilment of environmental and social responsibilities of suppliers to ensure that they do not violate laws and regulations relating to corruption, anti-money laundering, labour rights protection and environmental protection and to build a responsible supply chain.

During the Reporting Period, the Group had not experienced any corruption incident or corruption litigation or dismissed or taken disciplinary actions against employees, nor had it terminated or chosen not to renew any contract with any business partner due to corruption and non-compliance.

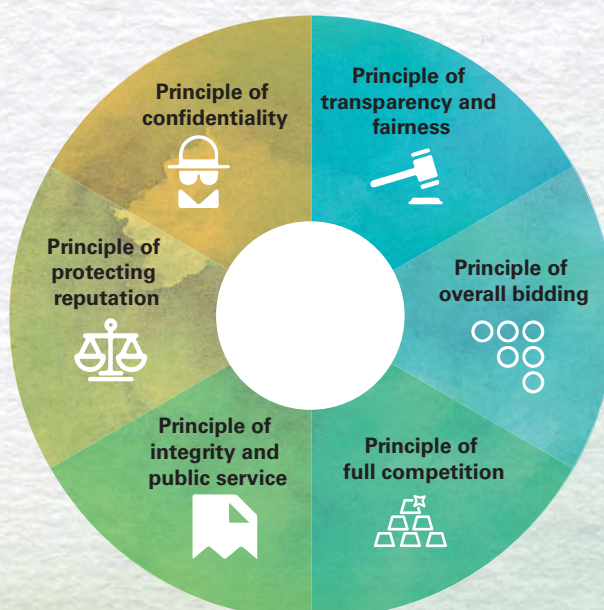
## Fair Rewards and Punishment Make Cooperation Steadier

The Group abides by the “Tendering and Bidding Law of the PRC”, the “Government Procurement Law of the PRC” and other laws and regulations. It has formulated and implemented the “Administrative Measures for Bidding and Material Procurement” to manage suppliers in many links including warehousing review, management and control by classification and regular assessment and maintenance. It maintains long-term cooperation with suppliers according to the principle of fairness and transparency and manages together with partners the environmental and social impacts of the supply chain for the purpose of mutual aid and benefits, so as to build a fair, honest and efficient supply chain environment with a responsible attitude.

As at 31 December 2018, the Group had a total of 9,761 registered suppliers, 27% of which were environmental suppliers, 41% engineering suppliers, 12% security management suppliers and 20% other suppliers.

| Distribution of suppliers | Number of suppliers | Percentage of total number of suppliers |
|---------------------------|---------------------|---|
| Mainland China            | 9,490               | 97%                                     |
| Hong Kong                 | 259                 | 3%                                      |
| Macau                     | 12                  | 0%                                      |
| Total                     | 9,761               |   |

## Fair and Reasonable Supply Chain



Six Principles of Bidding and Procurement



## Responding to Operation with Focus (Continued)

The Group has developed supplier list management procedures to continuously assess and record the results and contractual performance of suppliers included in the list through inclusion of suppliers in the list following assessment, based on which it conducts classification and management of suppliers and protects the reasonableness and traceability of decisions on supplier management in order to ensure the fairness and transparency of the procurement mechanism. Moreover, the Group attaches great importance to the supervision over and audit of internal employees participating in bidding and takes the examination results into consideration as an integral part of annual assessment in assessing its integrity building and the implementation of internal management and control system. It strictly prevents and reports any bidding behaviour in violation of the relevant bidding laws and the rules of the Company including rejecting potential bidders, restricting competition among bidders and circumventing bidding.

### Fair, impartial and open supplier management system

#### Fair admittance

The supplier introduction unit shall conduct a preliminary review of qualifications of new suppliers in terms of business qualification, performance, reputation, technical strengths and registered capital, visit suppliers with high contract value, and then decide whether or not to include them in the list of suppliers according to the assessment results of their performance ability. There shall be no exceptions.

#### Centralized management

The Group's headquarters, second-level companies and third-level units are responsible for the management of their respective suppliers. Third-level units submit the updated lists of their suppliers and the "Updated Supplier List Approval Form" to second-level companies for review and approval in the first quarter of each year, which are consolidated by second-level companies before submission to the competent business departments at the headquarters of the property group for filing and inspection and the entry of information on suppliers into the cost management and control platform.

#### Continuous assessment

After a new supplier performs its first contract, head of the relevant business department shall assess its performance of the contract. Suppliers passing the contract performance assessment will be upgraded to "qualified" suppliers and those failing the contract performance assessment will be included in the list of "unqualified" suppliers for the entry into the cost management and control platform. If the Group questions and recommends the re-assessment of a supplier, the competent business department shall organise the relevant departments and personnel to investigate the performance of the contract.

#### Internal supervision

The Intendence Audit Department is responsible for monitoring and auditing the bidding work of each unit from time to time each year. The business departments of all second-level companies and the finance management departments of all units are responsible for conducting day-to-day supervision over and inspection of the bidding work and reporting to the headquarters of the Group and the Intendence Audit Department in a timely manner. Any unit or individual failing to duly perform duties or having misconduct or abusing power to seek personal gain in bidding, signing, performing and managing contracts will be severely punished.

## Supply Chain Responsible for Environment and Society

Suppliers are important partners of the Group. In order to procure suppliers to operate in an environmentally and socially responsible manner, the contracts entered into between the Group and its suppliers contain provisions relating to environmental protection and protection of labour rights and interests. The Group also signs "Commitment Statement on Integrity Practices" with its suppliers, which expressly stipulates that the parties are prohibited from engaging in bribery, kickbacks, frauds and other unfair competition. Suppliers are required to be aware of the relevant policies of the Group, to be responsible for the health and safety of their employees, anti-bribery actions and the impact of operation on the environment, and to jointly fulfil their responsibilities to the environment and the public.

#### The Group has expressly stipulated in the cooperation agreement with the suppliers for product production that:

"Party B shall abide by the relevant national and local environmental protection policies and regulations and ensure that the whole production process meets the prevailing policies and regulations for environmental protection and that there are no bad behaviours such as emissions of waste water and exhaust gas failing to meet the standards."

#### The Group has expressly stipulated in the cooperation agreement with the suppliers for product and service outsourcing and the suppliers for engineering construction that:

"Party B must maintain social insurance for its employees."

The Group's "Procedure Documents" also stipulate that the Group shall regularly provide suppliers with training covering applicable laws and regulations, requirements for quality, environment, occupational health and safety awareness, contingency plans, information hardware equipment and related application systems. All persons that are involved in the quality, environmental matters and safety of the products and services of the Group shall attend the training.

### Responsibility and Integrity Enable Healthier Development

The Group adheres to the management principle of governance according to the law and abides by the "Anti-Unfair Competition Law of the PRC", the "Interim Provisions on Prohibiting Commercial Bribery" and other laws and regulations. It has formulated and implemented the "Specific Measures of the Party Committee of China Overseas Property Management Company Limited for Further Strengthening Work Style Construction by Thoroughly Implementing the Spirit of the Eight-Point Decision on Improving Party and Government Conduct", the "Commitment Statement on Responsibilities for Comprehensive and Strict Governance of the Party", the "Detailed Implementation Rules for Employees' Integrity and Self-Discipline", the "Employees Code of Conduct" and other policies and rules, which expressly stipulate that the Group shall improve internal workflows including those for business investigation and research, large- and medium-sized meetings and business vehicle allocation and reduce the waste of public resources and damages to public interests for personal gain in the principle of thrift and pragmatism. They also specifically provide that all units within the Group shall strengthen self-examination, self-correction and handling of bribery, extortion, fraud and money laundering, strictly prevent internal and external corruption, bribery and money laundering and create a healthy and honest environment within the Group.

### Combination of Prevention with Control to Eliminate Corruption

In order to eliminate the risk of corruption, the Group has adopted a combination of measures for prevention and control to strictly manage and control employees, suppliers and other personnel by signing integrity and self-discipline agreements, self-examination and self-correction, special inspections, system construction and implementation and timely communication of national policies. The Group is committed to building a clean and transparent business environment and maintaining a clean market environment.

#### Binding agreements

In addition to labour contracts, we also enter into the "Commitment Statement on Integrity and Self-Discipline" with employees and the "Commitment Statement on Integrity Practices" with suppliers, which expressly set out anti-corruption and bribery provisions and ensure accountability for breach of contract.

#### Internal supervision

Each regional company carries out an annual anti-corruption and work style self-examination, receives special supervision and inspection from the Group, and is required to prepare and submit a written report on the results of self-examination and special supervision and inspection to the headquarters of the Group.

Meeting expenses are subject to annual internal audit.

#### Development of systems and policies

We continued to optimise systems, stressed specific principles for anti-corruption, and formulated specific implementation measures to expressly set out implementation rules for reducing meetings, thrift, eliminating bureaucracy and abuse of power and regulate the practicing behaviours of employees.

#### Communication of national policies

We issued documents to communicate the requirements of the "Eight-Point Decision on Improving Party and Government Conduct", the "Opposition of Formalism, Bureaucratism, Hedonism, and Extravagance" and other requirements issued by the Discipline Inspection Team of the State-owned Assets Supervision and Administration Commission and other government authorities, and strengthened the arrangement for internal integrity work style development.

We sent short messages on integrity tips to management at major festivals to alert them to the elimination of corruption risk.

## Responding to Operation with Focus (Continued)

### Active Guidance to Improve Work Style

The Group continues to carry out anti-corruption education and the construction of integrity culture, arranges employees to study legal knowledge and learn lessons from corruption cases, guides employees in establishing and consolidating correct world outlook, outlook on life and values, thus enhancing employees' awareness of anti-corruption and self-discipline and avoiding fluke mentality.

We conducted integrity organisation life meetings, staff meetings, special training on anti-corruption and other activities to remind employees to be alert to the areas of corruption risk and strengthen employees' legal concept, discipline awareness and moral accomplishment.

#### Anti-corruption training and seminars

We require all units to put up cultural publicity posters with the theme of "Upholding Integrity and Self-Discipline and Being Alarmed All the Time" and provide computer wall papers containing maxims for anti-corruption to create a good atmosphere of clean and honest office within the Group.

#### Anti-corruption cultural publicity

We organised employees to watch more than ten warning and educational films such as "To Forge Iron, One Must Be Strong", "Cool Autumn Night" and "Yardstick", in order to raise staff's vigilance against the serious consequences of corruption, to build their awareness of prevention against corruption, bribery, money laundering and other acts, and to create a positive, fair and transparent enterprise environment.

#### Organisation of employees to watch anti-corruption warning educational film

We organised key employees to visit prisons and other places for anti-corruption education. They understood the re-education through labour of prisoners, experienced the harsh living environment in the prison, listened to prison officers on various cases of duty crime, watched warning and educational programmes in which prisoners used their own experience as an objective lesson. This enabled employees to remind themselves of strict compliance with various requirements for integrity and self-discipline and restraining their own behaviours by way of understanding the huge differences between prisoners before and after committing a crime.

#### Visits to anti-corruption educational places

#### "Integrity Culture Publicity Week" Activity at Foshan Branch

In 2018, COPL arranged its branches to carry out the "Integrity Culture Publicity Week" activity to strengthen the construction of integrity culture. COPL Foshan Branch held an "Integrity Culture Publicity Week" activity from 23 to 27 November 2018, with 32 events and over 1,600 participating employees in total. Through this activity, Foshan Branch arranged its employees to learn the knowledge of integrity culture. Led by general manager, employees at all levels read aloud the "Declaration of Self-discipline for Employees of COPL Group", vowed to comply with the self-discipline clause and entered into integrity agreements. This strengthened employees' awareness of upholding integrity, created a strong cultural atmosphere of corporate integrity, integrated the culture of integrity into its development philosophy, and strived to build an integrity culture system with China Overseas characteristics.



General Manager Leads the Reading Aloud of the "Declaration of Self-Discipline for Employees of COPL Group"



Employees Vow to Comply with the Self-Discipline Clause

### Encouragement of Whistleblowing and Severe Punishment for Non-compliance

The Group has provided anti-corruption reporting channels including reporting telephone, reporting email, reporting address and 400 service monitoring hotline through the “Commitment Statement on Integrity Practices”, the “Open Letter from COPL to Contractors and Suppliers” and its official website, and encourages people within and outside the Group to report any internal and external corruption, bribery, use of public resources for personal gain, money laundering and other corrupt practices. The Group will appoint special personnel to investigate the corruption reports received. Once confirmed, severe punishment will be imposed in accordance with its rules, and serious cases will be referred to judicial authorities. If a supplier is found to be involved in corrupt practices such as bribery to gain a competitive advantage, its integrity deposit will be forfeited.

### Focusing on Return and Building Community Together

COPL has always been adhering to improving the community activity system. It has formulated and implemented the “Control Procedures of Community Culture Management” to create a more colourful community life for property owners and residents and build a harmonious and warm neighbourhood community culture. In addition, we also actively fulfil corporate social responsibilities, devote ourselves to diversified public welfare practice activities and care for disadvantaged social groups in order to create sustainable public welfare value.

### Development of a Positive and Healthy Community Culture

Over the years, the Group has continuously held a series of activities such as “Little Property Owner Experience and Growth Camp” and “Happy Family Festival”. It has established and hosted community-based public welfare organisations and competitions such as the Community Elderly University and the Charitable Marathon. It actively promotes the positive values of filial piety, care for family and harmonious neighbourhood in the communities in which it operates and fulfils the social governance responsibilities of joint construction and governance of and sharing with the communities.

### Support for Growth: Little Property Owner Experience and Growth Camp

In 2018, the Group continued to carry out a series of activities named “Little Property Owner Experience and Growth Camp”. During the experience camp activities, little campers were dressed as property management staff, including customer service personnel, concierges, bartenders and security personnel, and conducted practical learning in their respective positions. Our staff also led little property owners to visit museums, wetland parks, etc. to spend a good time together. A total of 4,126 little property owners participated in the “Little Property Owner Experience and Growth Camp” during the Year, representing an increase of over 2,000 from 2017. During the activities, a total of 605 short videos were published on the TikTok platform and received more than 130,000 likes.



Visit to Steel Structure Museum



Shenzhen Overseas Chinese Town Wetland Park Experience

## Responding to Operation with Focus (Continued)



Little Property Owners Dressed as Manhole Cover Beautician



Little Property Owners' China Overseas Special Service Team Experience

## Family Joy: Happy Family Festival

From September to November 2018, the Group conducted “Happy Family Festival” activities, including signing happiness covenants, Hundred-Family Banquet, family talent competitions, family sports games, in projects under its management in 37 cities across China. Carried out together with other interactive games or performances, they enabled property owners to go out to improve communication with families and neighbours and create a more harmonious community environment.



Signing of Happiness Covenants During “Happy Family Festival”



Hundred-Family Banquet

## Bliss of Old Age: China Overseas Community Elderly University

On 5 September 2018, the fifth campus of China Overseas Community Elderly University — Fu Chun Shan Ju Branch — was officially established. Currently the number of registered students of China Overseas Community Elderly University has exceeded 1,200, with an active student ratio of 62.5%. In addition to the original theoretical knowledge (current affairs, physiotherapy, history, Chinese studies, etc.) courses, the Elderly University has gradually added courses such as dance, Tai Chi, sword fan, music, calligraphy and painting, gate ball, chorus and extracurricular activities. The reasonable and stable arrangement of courses enables the elderly property owners to have more substantial, more secure and more sustainable sense of achievement, happiness and trust and realise the beautiful vision of “Having Fun, Learning and Doing Something at Old Age”.

### Care for Students: “Green Ribbon for College Entrance Examination”, Care for Students Preparing for College Entrance Examination

Since 2013, the Group has been carrying out “Green Ribbon for College Entrance Examination” activity to help students preparing for college entrance examination during the period of college entrance examination and create a good environment for students in the communities to prepare for the examination. Each community provides these students with lucky bags for the college entrance examination, which contain stationery, greeting cards, commonly used drugs, drinking water, paper towels and other items. One week before the examination, silence signs and banners advocating silence are put up in the communities. During the period of the college entrance examination, “special parking lots for students taking examination” and assistance stations are provided for property owners in the communities to support students preparing for college entrance examination.



Lucky Bag for the College Entrance Examination



“Green Ribbon for College Entrance Examination” Assistance Station

### Maintenance of Social Relationship of Charity and Love

We are fully aware that while gaining economic benefits, we also shoulder the important social responsibility of paying back to the society and contributing to public welfare and charity. Over the years, through charitable donations, volunteering activities, etc., the Group has connected employees, property owners and residents in the communities to disadvantaged social groups to take care of them.

On 8 March 2018, in an activity with the theme of the “Flowers and Youth”, Foshan Branch of the Group commissioned “Pink Home”, a social work service programme, to organise members of a breast cancer patient mutual aid group to make 3,500 handmade flowers and, through exchange of handmade flowers for public welfare, finance postoperative pressure bandages for breast cancer patients in order to support their postoperative rehabilitation and help them recover as soon as practicable.

On 1 June 2018, after approaching the Park Management Committee, the Social Work Committee, the Disciplinary Committee and the Youth League Committee of Suzhou, Suzhou Branch of the Group invited nearly 400 families from 15 projects in Suzhou under its management to visit Suzhou Industrial Park Benevolence School and spend the holiday with 200 children with autism and disability.

In the season 4 activity of Sea Horse Charity Event 2018, “Summer Vacation Yearned for”, Shanghai Branch of the Group organised little property owners to jointly study, live and make friends with the students of Quzhou Hope Primary School. 600 books were donated to the school, which sowed the seeds of love into every child and let their world full with love and hope.

.....

## Responding to Operation with Focus (Continued)

Regional companies of the Group actively promote the development of cultural and sports undertakings, help the residents in poor areas and the education of poverty-stricken students, care for special social groups, and conduct environmental protection and other volunteering and donation activities. During the Reporting Period, the Group carried out a total of 60 charitable activities and raised donations from property owners of RMB1,041,197, and 13,593 volunteers participated in the activities with volunteering hours reaching 336,853.

| Area                     | Donation (RMB) | Number of volunteers | Volunteering time (Hours) | Number of projects |
|--------------------------|----------------|----------------------|---------------------------|--------------------|
| Culture and sports       | 680,000        | 594                  | 2,448                     | 16                 |
| Health                   | 19,200         | 120                  | 1,190                     | 3                  |
| Poverty alleviation      | 15,624         | 117                  | 519                       | 5                  |
| Education                | 161,873        | 660                  | 4,840                     | 9                  |
| Environmental protection | 19,500         | 11,369               | 323,548                   | 17                 |
| Social welfare           | 145,000        | 733                  | 4,308                     | 10                 |

### Wenchuan Marathon


On 13 May 2018, the 2018 Wenchuan Marathon started at the Love Cubic at Yingxiu Town, Wenchuan County. In order to respond to the call of life and cater to the meaning of "New Life", the theme of the Wenchuan Marathon is "Hymn for Life — Building a Healthy Wenchuan with Gratitude". The Group sent 100 volunteers to actively participate in the support for the competition, which contributed to the success of the competition.



Building a Healthy Wenchuan with Gratitude



# RESPONDING TO EMPLOYEES WITH DEVELOPMENT



# RESPONDING TO EMPLOYEES WITH DEVELOPMENT

Outstanding talents are essential to the development of COPL. The Group actively builds and continuously optimises and improves its system of talent selection, employment, education and retention. It brings together outstanding talents with an inclusive corporate environment, trains talents in the spirit of craftsmanship, and cares for talents with considerate management, which enables a team full of talents and passion to become a strong guarantee for the long-term healthy development of the Group.

The Group regularly engages third-party experts to carry out employee satisfaction surveys in order to timely understand employees' suggestions and opinions and improve employee satisfaction. During the Reporting Period, 28,318 employees participated in the satisfaction survey through online questionnaires, with an overall dedication score of 74.8% and an overall satisfaction score of 80.1%.

## Team Development and Accumulation of Human Capital

### Diversified Employment Makes Operation More Stable

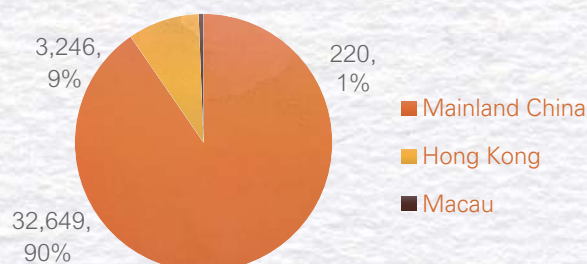
The Group attaches great importance to talent selection and retention, and has established a talent selection and retention mechanism, which screens talents and fixes their salaries and positions based on their values, academic qualifications, working ability and experience. The Group continues to recruit additional outstanding talents through campus recruitment, cooperation with head hunters, online recruitment, military-enterprise cooperation and college-enterprise cooperation, and promotes the healthy development of the talent selection and retention mechanism to support the steady operation of the Group.



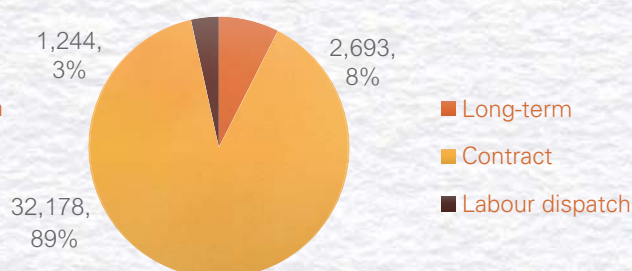
## Responding to Employees with Development (Continued)

As at 31 December 2018, the Group had a total of 36,115 employees, including 22,033 new employees who joined the Group during the Year. Details are as follows:

**Number of employees by region**



**Number of employees by employment type**



In 2018, the Group revised the “Administrative Measures for Organizational Assessment and Incentives” and the “Administrative Measures for Performance Assessment and Incentives for Managers”, and continued to deepen the performance assessment under the operational and managerial objective responsibility system, whereby the objectives of the Group are broken down into objectives for each department and employee and the promotion and performance bonus of employees are closely based on the results of performance assessment, so that the Group’s business objectives are aligned with staff career development to promote the common development of employees and the Group. The Group has introduced a mandatory ranking mechanism for assessment results to strengthen the results-oriented work process control method and promote the development of an open, fair and impartial employment culture. The Group also carries out “China Overseas Star” outstanding employee selection on a monthly basis to recognise employees contributing to the growth and innovation of the Group and strives to promote a “striver-oriented” corporate culture.

The Group examines and reviews the performance results of all employees in the middle and at the end of each year, so as to continuously revise the performance objectives of various departments and employees and improve the work guidance effectiveness of the performance assessment mechanism. The Group also actively understands the working conditions of employees, provides resources and help for employees to solve difficulties in their work, and helps employees achieve the Group’s goals and personal development.

| Group classification |                       | Number of employees under review | Percentage of employees under review |
|----------------------|-----------------------|----------------------------------|--------------------------------------|
| Male                 | Senior management     | 22                               | 100%                                 |
|                      | Middle management     | 92                               | 100%                                 |
|                      | Foundation management | 1,190                            | 100%                                 |
|                      | Others                | 24,390                           | 100%                                 |
| Female               | Senior management     | 2                                | 100%                                 |
|                      | Middle management     | 24                               | 100%                                 |
|                      | Foundation management | 656                              | 100%                                 |
|                      | Others                | 9,739                            | 100%                                 |

## Responding to Employees with Development (Continued)

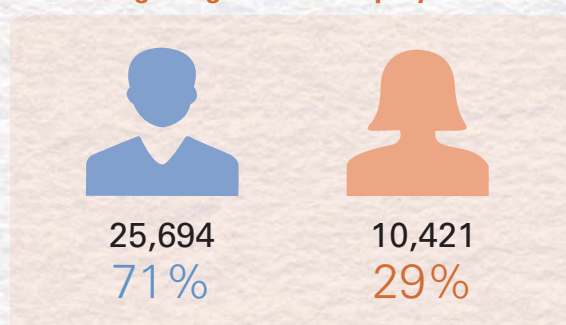
The Group has established a standardized and rigorous communication and investigation mechanism for dismissal of employees to ensure that dismissals are based on clear facts and sufficient evidence, that the dismissal procedures are in accordance with the laws and the rules of the Group, and that the lawful rights and interests of employees are protected. In addition, we also carry out exit interviews and other procedures in case of voluntarily leaves of employees in order to retain employees in a timely manner and reduce the turnover of employees of the Group. The employee turnover rate of the Group in 2018 was 30.23%.

Note: Employee turnover rate = Number of lost employees in the Year/(Number of employees at the end of the Year + Number of lost employees in the Year)

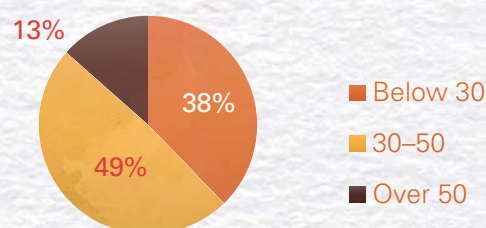
### Equal Opportunities Make Enterprise Healthier

The Group has formulated and implemented systems such as the “Internal Recruitment Mechanism” and the “Administrative Measures for Open Position Competition”, which set out a fair, open and transparent external recruitment and internal competition process and strictly stipulate that the job opportunities, promotion opportunities and salary levels of all positions shall be determined based on the relevant factors such as educational background, length of service, working ability, job requirements, etc. Any unfair treatment caused by non-work-related factors such as gender, nationality, registered birthplace, etc. is strictly prohibited in order to effectively protect employees’ equal right to work.

Percentage of gender of employees



Percentage of age of employees



In order to create a healthy and orderly talent flow mechanism for fair competition, open selection and reasonable allocation of talent resources, the Group requires that assistant department heads and above at the headquarters of the Group, members of leadership of units within the Group and other key positions shall be filled through competition, in order to stimulate the enthusiasm of employees so that personal value of employees is closely connected to the development of the Group and that employees are able to make reasonable and effective personal career plans.

### Number of Employees by Employment Category and Gender

| Employment category   | Male   | Female |
|-----------------------|--------|--------|
| Senior management     | 22     | 2      |
| Middle management     | 92     | 24     |
| Foundation management | 1,190  | 656    |
| Others                | 24,390 | 9,739  |

### Respect for Labour Rights Makes Management More Standardized

The Group strictly abides by the “Labour Law of the PRC”, the “Labour Contract Law of the PRC” and other laws and regulations as well as the rules and regulations of the places in which it operates. It has formulated and implemented the “Labour Contract Management Measures” and other systems to ensure that each unit within the Group follows the principles of legality, fairness, equality and voluntariness in recruitment and fully communicates information on labour remuneration, time and place of employment in order to avoid forced labour and protect the lawful rights and interests of employees. We implement a strict recruitment approval process and require new employees to provide identification cards or certificates issued by police stations of the places of their registered residence for verification before joining the Group, which, together with appropriate background investigation, ensures the avoidance of any illegal or noncompliant employment such as employment of child labour. During the Reporting Period, the Group did not hire any child labour or forced labour.

The Group has set up smooth communication channels for employees and encourages employees to actively provide feedback, suggestions and opinions and timely speak out against unfair treatment encountered in the work, so as to help it continuously improve the employee management mechanism and provide employees with a fairer and more delightful working environment. A total of 20,000 persons participated in these activities in 2018.

#### Smooth Channels for Communication with Employees



##### “President and General Manager Reception Days”

We designated two working days of each month as the “President and General Manager Reception Days”, on which our president and general manager lead a team to visit and communicate with entry-level positions in order to listen to the opinions and suggestions of entry-level cadres and employees in a sincere manner.



##### “Leadership's visits from time to time”

Leadership of the Group visits regional companies and projects from time to time, interviews employees, collects opinions from employees, and makes public replies following sorting and analysis.



##### “President's email”

We set up a public email for the Chief Executive Officer and encourage employees to provide feedback and suggestions on a real-name basis.



##### “Manager Communication Day”

Each regional company designated one day of each month as the “Manager Communication Day”, on which the human resources and administration departments at all levels arrange forums for managers and employees and exchanges among project managers. Staff at the human resources and administration departments participates in the forums and exchanges and collects employees' opinions and suggestions on corporate business and human resource management in order to pay close attention to the mental health of employees in a timely manner.



##### “Roast Meeting”

The Group implements a pilot programme “Roast Meeting”, which is carried out once every two months and during which employee representatives and new employee representatives from each department are teamed up and are encouraged to give reasonable suggestions.



##### “Anonymous QQ group for the headquarters”

An anonymous QQ group for the headquarters is set up, in which employees can speak anonymously and freely.

### Meticulous Care Makes Employees Happier

The Group continues to optimise remuneration and benefit system and provides employees with competitive remuneration through salary survey and adjustments. It makes contribution to housing provident fund and social insurance for employees in accordance with the relevant national laws and regulations and provides employees with paid annual leave, marriage leave, funeral leave, maternity leave, paternity leave and other holiday benefits. In addition, it provides employees with comfortable and warm dormitories and clean and healthy staff canteens to ensure the convenience and comfort of staff life. The Group maintains its attention to and utilisation of the government's welfare policies, gradually strengthens the efforts to apply for government subsidies and affordable properties for talents in order to seek benefits for more employees and improve their quality of life.

## Responding to Employees with Development (Continued)

The Group has formulated and implemented the “Staff Fellowship Society System” and established a fellowship society of China Overseas Property Holdings Limited (the “COPL Fellowship Society”), under which 24 fellowship society branches have been set up at units within the Group. Each year, the COPL Fellowship Society develops a “Fellowship Society Activity Plan”, carries out various staff fellowship activities and staff care activities, and cares for employees with a sincere heart in order to improve employees’ sense of happiness and belonging and build a harmonious and win-win relationship between employees and the Group.

### Welcome Gift Bags — Providing New Employees with Necessities of Life and Work

The Group provides new employees staying in corporate dormitories with welcome gift bags, including but not limited to personal necessities such as toothpaste and toothbrushes, and provides employees with mosquito repellent water, warm water bags and other seasonal supplies depending on local climate and employees’ needs. It also hands out induction office gift bags to new management staff, including essential office supplies and welcome cards. Nearly 5,000 persons received such bags in 2018.



### Grateful to Have You along the Journey — Blessings to Employees on Important Dates After Joining the Group

On important dates of employees such as anniversaries of joining the Group, birthdays, marriage and child births, the Group together with the COPL Fellowship Society gives blessings and gifts to employees, signalling that the Group and employees work hand in hand for common development. A total of 30,000 such activities were conducted in 2018.



### A Bite of China Overseas — Improve Dining Quality and Canteen Satisfaction

The human resources and administration departments of units at all levels within the Group visit the canteens at their respective headquarters and project sites each quarter, organise employees to give satisfaction scores on multiple areas, and rank the canteens in the last week of each quarter. The chef team of the canteen with the highest score will receive a reward of RMB500, and the human resources and administration departments will organise canteens ranking in the last 10% to participate in training and learning and formulate measures for improvement and optimisation.

All units conduct creative activities including “Cooking Competition” and “Fancy Pasta Festival”, reward winning chefs, and continue to motivate chef teams to improve cooking skills and employee satisfaction. Over 350 project canteens were covered in 2018.

## Responding to Employees with Development (Continued)



### Happy Company at 9pm — Sending Warmth to Overtime and Night Shift Employees

Each unit within the Group organises at least one “Happy Company at 9pm” activity each month and sends warmth and greetings to employees stilling working overtime in functional departments of the Group and on duty at projects at 9pm, in forms including but not limited to leadership visits and provision of overtime meals and daily necessities. Nearly 40,000 persons were involved in such activities in 2018.



### Reading at China Overseas — Creating a Learning Atmosphere and Building a Learning-based Organisation

Each unit within the Group has set up a “Book Corner” at their headquarters and organises the subscription for books on business management, professional development, literature and history each year. Heads of departments at headquarters and project leaders borrow these books for reading in view of the needs of employees at the departments and projects. In addition, July of each year is designated by the human resources and administration department at all levels as the “Reading Month”, during which various reading activities are arranged to encourage employees to actively study and write book reviews. Almost 300 project book corners were set up in 2018.



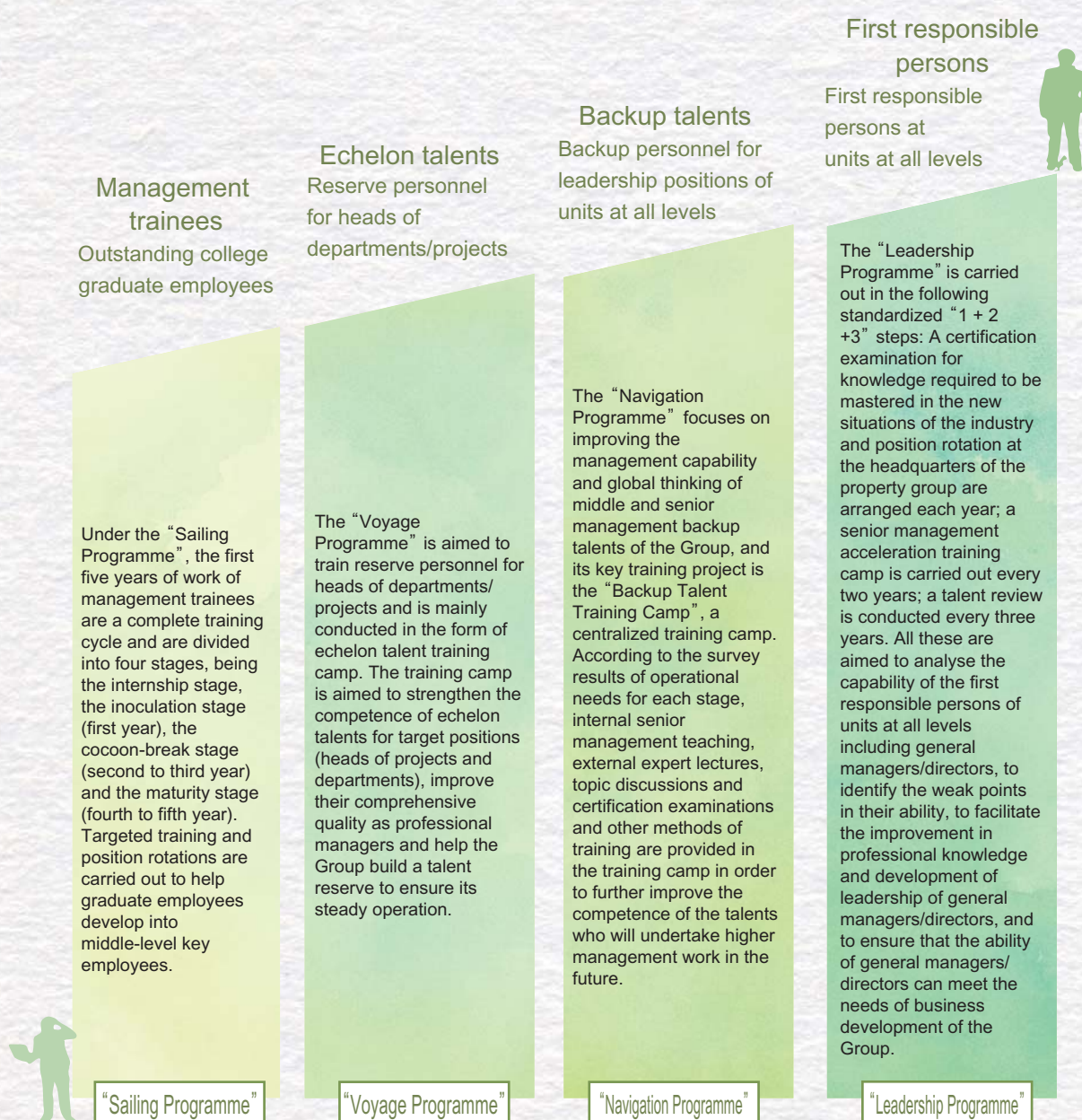
## Responding to Employees with Development (Continued)

### Development of Ability to Achieve Win-win Results

The Group attaches great importance to the development and training of talents. It has established a multi-level and three-dimensional talent training system to cover the whole life cycle of staff career development in the “spirit of craftsmanship” and build a team of high-calibre talents which has a reasonable structure and distinctive levels to meet overall business needs and realise the common growth of the Group and talents.

### Long-term Plan Makes Development Smoother

In view of the quality feature and career development stages of different employees, the Group has established a series of echelon talent training plans including the “Sailing Programme” for management trainees, the “Voyage Programme” for reserve talents, the “Navigation Programme” for backup talents, and the “Leadership Programme” for first responsible persons. It classifies talents by growth stage, sets training objectives for each stage and develops targeted training lessons in order to develop high-skilled talents with organisational and managerial competence, to set up a talent pool, and to support employees’ career development.



### Quality Training Makes Work More Professional

The Group continues to arrange targeted training courses such as engineering training camp, security management instructor certification and selection and “Golden Dandelion” five-star housekeeper certification and training camp in order to continuously improve professional qualification system construction. It has established a skilled staff development system, and procured frontline staff to actively refine and summarise work experience, in order to strengthen the learning and application of professional service knowledge, to improve their work in their respective fields and to achieve personal career development.

#### Engineering Manager Training Camp

In March 2018, COPL carried out a series of engineering manager training camps to provide the managers of engineering management departments of regional companies with training courses on “COPL Corporate Culture”, “Equipment and Facilities Management Standards”, “Emergency Response Proposals”, “Engineering Management Guide” and “Equipment Machine Room Standardization Construction Guide” to help engineering managers improve their standard management ability for facilities and equipment and strengthen their engineering management skills. The Group will further develop its “18-Craft — Quality Inspection Team Specialization” training and certifications series and strengthen engineering management qualification system construction in order to fully strengthen its ability of early intervention, undertaking and inspection and improve the satisfaction of property owners and residents.

#### Skills Cup Competition and Training

From April to July 2018, COPL conducted the “Skills Cup Competition and Training” to provide electricians at regional companies, regional management centres and projects with training courses on “What You Should Know About Property Management Projects”, “Undertaking and Inspection”, “Senior Electrician”, “Intermediate Electrician” and “Junior Electrician” and provide property managers with training courses on “Laws and Regulations on Property Management”, “Property Management Practices” and “Comprehensive Ability of Property Management”, with the aim of carrying forward the spirit of craftsmanship, improving their basic service skills and promoting the talent echelon development and the exploration of reserve cadres and professional and technical personnel.



#### Security Management Instructor Certification and Selection

From May to June 2018, COPL conducted a series of training for “Security Management Instructor Certification and Selection” to provide security management instructors at regional companies and regional management centres with training courses on “COPL Corporate Culture”, “Shift Change and Central Control Room Equipment Operation”, “Team Queue Teaching Method and Training” and “Training and Teaching for Handling Fire and Emergency Accidents”. With the aim of serving frontline staff, such series of training adopts the method of “Short, Flat and Fast”, further unifies training methods, changes teaching concept, improves the teaching level and the expertise and professional quality of the security management team, and promotes effective qualification certification, teaching and working with certificates for security management instructors.

## Responding to Employees with Development (Continued)



### “Golden Dandelion” Five-Star Housekeeper Certification and Training Camp

In September 2018, COPL gathered more than 100 outstanding housekeeper representatives from all over the country to launch a five-day “Golden Dandelion” five-star housekeeper certification and training camp. Through the training camp, the Group arranged four-star and quasi-five-star property housekeepers nominated by its regional companies and management centres to give professional lectures and promote the exchange and sharing among prominent housekeepers, and 100 five-star housekeepers were certified. This “Golden Dandelion” training camp helped housekeepers master better communication skills, professional global planning ability, great business skills, active response and coordination ability and sharp observation and thinking ability, so that they can better serve property owners and create a better community life. It also promoted the construction of the professional qualification certification system for property housekeepers, strengthened the echelon construction of the property team, and effectively improved the Group’s team management capability.



The Group encourages all units to hold basic skill competitions such as “Golden Screw”, “Golden Wrench”, “Red Flag Equipment”, “Model Machine Room”, “Dream-chasing Dandelion” and “My Good Class Monitor” to explore highlights in front-line work and procure employees to continuously improve their personal professional quality and skills and strengthen their innovation ability and become expert technicians with the “Spirit of Craftsmanship”.

| Staff training programme                  | By employment category  | Number of participants | Percentage of participants |
|---|---|------------------------|----------------------------|
| Senior management acceleration camp       | Assistant presidents and above of the property group, general managers of units at all levels, and heads of departments at the headquarters | 48                     | 92%                        |
| Navigation Programme for backup talents   | Senior managers   | 51                     | 69%                        |
| Voyage Programme for echelon talents      | Managers, deputy managers and assistant managers  | 701                    | 99%                        |
| Sailing Programme for management trainees | Associates  | 280                    | 100%                       |
| Project manager training camp             | Project leaders   | 500                    | 98%                        |

## Responding to Employees with Development (Continued)

| Staff training programme                                   | By employment category               | Number of participants | Percentage of participants |
|--|--------------------------------------|------------------------|----------------------------|
| Engineering manager training camp                          | Engineering managers                 | 79                     | 94%                        |
| Housekeeper training camp                                  | Property housekeepers                | 2,240                  | 100%                       |
| Security management instructor certification and selection | Core security personnel              | 5,832                  | 50%                        |
| Skills Cup competition and training                        | Employees at manager level and below | 21,262                 | 80%                        |



## Development of Culture and Creation of Healthy Workplaces

The Group pays great attention to the health and safety of its employees and complies with the “Law of the PRC on the Prevention and Treatment of Occupational Diseases”, the “Emergency Response Law of the PRC” and other laws and regulations. It has formulated and implemented the “Hazard Source Identification and Evaluation Control Procedures”, the “Fellowship Society Management System” and other systems to provide employees with a healthy, safe and comfortable working environment and protect their physical and mental health.

### Standardized Management Makes Work Safer

The “Hazard Source Identification and Evaluation Procedures” standardize the management of occupational health and safety risks and provide an effective process, method and basis for identifying and controlling occupational environmental hazard sources. Each year, the Group coordinates all units to review major hazard sources and their control measures for the previous year, pursuant to which they revise the assessment of major occupational environment hazard sources and formulate relevant control measures.

The Group’s major high-risk positions are elevator workers, electricians, welders, greening workers and other engineering and maintenance personnel. In order to ensure their occupational health and safety, the Group strictly requires all employees at high-risk positions to possess relevant certificates and provides them with professional protective equipment such as labour protection gloves, safety helmets, insulating appliances, welding appliances and chemical protection appliances, and makes explicit provisions in the workflow rules to require them to take corresponding protective measures.

## Responding to Employees with Development (Continued)

### Careful Protection Makes Employees Healthier

In order to prevent employees from accidents, in addition to the social insurance contribution that is required to be made in the PRC, the Group also maintains employer's liability insurance for employees and health insurance such as comprehensive personal accident insurance for full-time employees with frequent business trips. We organise an employee health check-up each year to help employees pay attention to their physical health and reasonably adjust their work and life style. For pregnant female employees, we provide them with effective protection, make reasonable work arrangements for them, and provide them with maternity leave, prenatal examination leave, nursing leave and other holidays to ensure their health. We also pay attention to the mental health of our employees. We have established partnership with local mental health institutions where we operate to provide mental health consulting services to employees, help employees solve mental problems in a timely manner and improve their stress tolerance and mental health.

The Group carries out activities such as safety first aid drills, lectures on emergency rescue knowledge, and lectures on mental health from time to time to teach health knowledge such as first aid and psychological counselling to employees, so that they can provide timely assistance to others and themselves in case of emergency, learn to relieve psychological pressure by themselves in daily life, and thus enhance their ability to maintain mental and physical health.



Safety First Aid Drill



Lecture on Mental Health

### Employee Health and Safety Data

|                              |       |
|------------------------------|-------|
| Work injuries                | 163   |
| Lost days due to work injury | 6,541 |

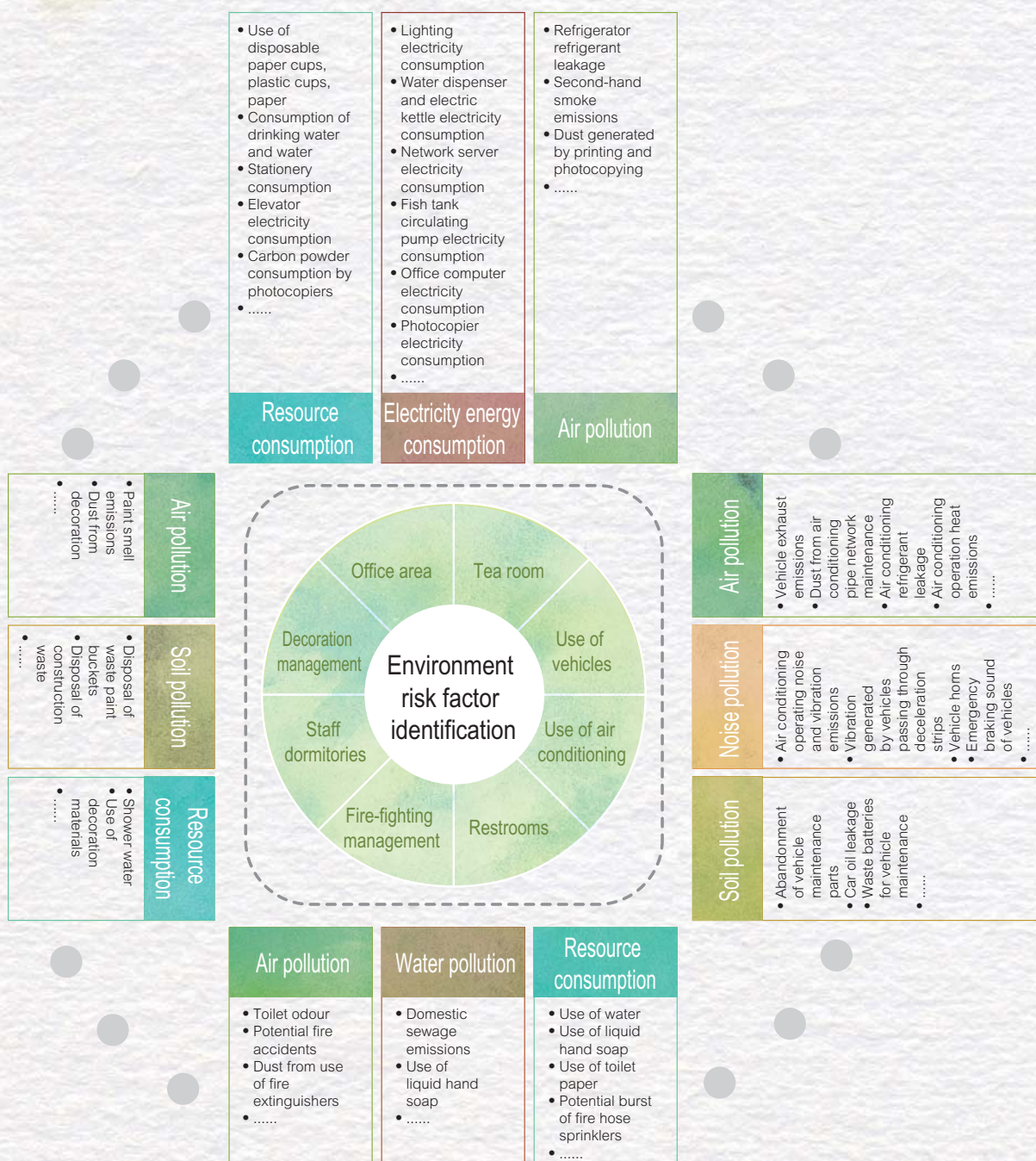
A watercolor illustration of a city park scene. In the background, a city skyline with various colored buildings is visible. In the middle ground, there are green trees and a grassy area where several people are walking, including a person pushing a stroller. In the foreground, a playground with two large slides and two gazebo-like structures is shown. A man is walking a dog, and a group of three people is walking nearby. A bench is also visible. The entire scene is framed by decorative green foliage and a butterfly in the top left corner.

# RESPONDING TO THE ENVIRONMENT WITH GREENING

## Responding to the Environment with Greening (Continued)

COPL has always coordinated the balance between corporate development and environmental protection. By following the “Environmental Protection Law of the PRC” and other laws and regulations, the Group practices the concept of low-carbon and sustainable green development in its operation, provides local communities where it operates with a beautiful, healthy and comfortable working and living environment in order to protect the ecological environment from damages and realise the common prosperity of human beings and nature.

In order to continuously improve its environmental management capability, the Group has formulated and implemented the “Environmental Factors Identification and Evaluation Control Procedures”, which identify, evaluate and effectively manage and control important environmental factors in the Group’s activities, products and services according to the four evaluation principles, being frequency of occurrence, degree of environmental impact, degree of concern of relevant parties and resource consumption. The Group stipulates that each unit shall arrange an expert team to carry out annual environmental assessment and take into full consideration important environmental factors when setting targets. Through the annual internal audit, the control of important environmental factors is comprehensively reviewed to ensure that the Group’s activities, products and services comply with the relevant environmental laws and regulations, and to prevent and mitigate the adverse impacts of its business operation on the environment.



### Green Resources

The Group's "Procedure Documents" set out the "Power Saving Control Procedures" and the "Control Procedures for Energy Conservation and Emission Reduction" to strengthen its ability to manage paper, water, electricity, heat and other resources. By strictly implementing operation management of major energy-consuming equipment including air conditioning, elevator, ventilation, lighting and landscape systems, the Group actively promotes information construction and paperless office, applies and promotes energy conservation technologies for LED energy conservation retrofit, no negative pressure pump energy conservation retrofit and air conditioning energy conservation retrofit in order to improve the efficiency of resource use and honour its commitments to green operation.

### Energy Management

In order to stimulate the enthusiasm for energy consumption management and control and reduce the public energy consumption of the property projects under its management, the Group has formulated and implemented the "Energy Conservation Assessment Measures", sets annual objectives for annual energy management assessment and carries out the relevant performance assessment. For projects which have overfulfilled their objectives for energy consumption management and control, the Group will issue the "Award for overfulfilling Energy Conservation Objective" or the "Energy Conservation Management Case Award" and financial rewards to them. For projects in which energy consumption is 10% or more higher than their prescribed objectives, the Group will circulate a notice of criticism or reduce their bonus or impose other penalties on them. In order to ensure the fairness and reasonableness of energy conservation and consumption reduction, we set echelon energy consumption management and control objectives according to the number of years since the occupation of projects, and require that the energy consumption management and control shall not affect customer satisfaction, so as to ensure the sustainability of the assessment measures for energy consumption management and control work.

The Group understands that climate change will have financial impacts on its business operation, such as the direct impact of sea level rise on the projects under its management, as well as other risks. For example, if the government strengthens the control of greenhouse gas emissions, the Group's operating costs will increase. The Group will examine the impacts of climate change on it, manage the financial risks brought about by climate change, cooperate with China Overseas Holdings Limited, the controlling shareholder of the Group, to formulate sustainable development strategies, and explore opportunities brought about by green finance.

#### Carrying out Energy Conservation Retrofit

LED Energy Conservation Retrofit: COPL has been carrying out LED energy conservation retrofit projects across China since 2014. By the end of 2018, it had carried out a total of 125 LED retrofit projects. Following random inspections of seven retrofit projects in Suzhou, we discovered that lamps were rarely damaged and the lighting was in good condition for most projects, which can meet the service standards of the Group. There had been significant saving of energy following retrofit, and the power saving ratio of the projects following retrofit reached over 50%. During the Reporting Period, the Group's The Lagoon project and Yuan Shan Garden project in Hefei underwent LED energy conservation retrofit, which reduced electricity consumption by 109,513 kWh in total.

No Negative Pressure Pump Retrofit: From 2014 to the end of 2018, COPL carried out a total of 4 water pump retrofit projects. The retrofit method adopted was no negative pressure water supply, which can enable a power saving ratio of over 35%.

Air Conditioning Retrofit: In 2017, COPL carried out air conditioning energy conservation retrofit at Blocks A and B of Chengdu International Community. The retrofit method adopted was saving energy consumption by freezing water pump, cooling water pump and fan frequency conversion. The overall air conditioning power saving ratio reached 18%.

### Energy Consumption

| Resource Category                   | Unit                           | Consumption      |
|-------------------------------------|--------------------------------|------------------|
| Gasoline consumption                | Litre                          | 227,247          |
| Diesel consumption                  | Litre                          | 149,969          |
| Liquefied petroleum gas consumption | Kg                             | 258,068          |
| Pipeline natural gas consumption    | Cubic metre                    | 2,782,856        |
| Liquefied natural gas consumption   | Litre                          | 58,247           |
| <b>Direct energy consumption</b>    | <b>GJ</b>                      | <b>126,476</b>   |
| Purchased electricity               | Mwh                            | 552,071          |
| Purchased heating                   | GJ                             | 153,611          |
| <b>Indirect energy consumption</b>  | <b>GJ</b>                      | <b>2,141,067</b> |
| <b>Total energy consumption</b>     | <b>GJ</b>                      | <b>2,267,544</b> |
| <b>Energy intensity</b>             | <b>GJ/10,000 square metres</b> | <b>161</b>       |

## Responding to the Environment with Greening (Continued)

### Water Resources Management

As a property service enterprise, the Group consumes much water in greening, landscape water system, public swimming pool maintenance and other services. Saving water is one of the key resource conservation tasks of the Group. While ensuring the quality of property services, the Group actively promotes various water-saving measures in various projects to improve water efficiency.



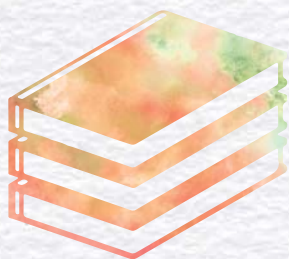
|  |  |
|--|--|
| <b>Total water consumption</b>                           | <b>Water intensity</b>                         |
| <b>20.25</b> million cubic metres                        | <b>1,438</b> cubic metres/10,000 square metres |
| <b>Water consumption<br/>(excluding reclaimed water)</b> | <b>Reclaimed water consumption</b>             |
| <b>19.74</b> million cubic metres                        | <b>510,000</b> cubic metres                    |

#### Water Saving Strategies

- A. The management offices shall install independent water meters for different water consuming units and implement household metering.
- B. Use water-saving facilities or products and water-saving devices.
- C. Put up water-saving signs in prominent places such as water-using places and water-using appliances.
- D. Cleaning water, greening water, commercial water, club water, supporting room water and public toilet water are measured separately.
- E. Outlets of water facilities shall be controlled by water-saving valves or taps.
- F. Put an end to long running water, control the amount of washing water, and turn off water before leaving;
- G. Water saving measures such as recycling water and multipurpose use of water are adopted to reduce water consumption and improve water reuse rate.
- H. Install water recycling facilities in swimming pools to effectively process water to desirable quality and improve water reuse rate.
- I. Water-saving irrigation is adopted for landscaping and greening, and automatic sprinkling irrigation system is implemented.
- J. Advocate the comprehensive utilisation of the water used to clean the water tank for the purpose of flushing ground, roads, etc.
- K. Collect rainwater. Construct related pool facilities to collect rainwater for watering flowers and trees, flushing road dirt, etc.
- L. Regularly check the swimming pools and water scape pools for leakage and overflow, and handle the same in a timely manner to avoid water loss.
- M. Install a separate air conditioning condensate recovery system for central air conditioning system for use as water in landscape and road flushing, etc.
- N. Use the reclaimed water system of the projects. Reclaimed water generated following the sewage treatment process and meeting the required standard is used for flushing toilets and roads, watering plants, etc.
- O. The management offices shall strengthen the maintenance and management of the water supply pipeline network, water facilities, equipment and appliances in the communities, and take anti-seepage and anti-leakage measures to reduce the leakage rate. Reduce waste of water by emitting, dripping and leakage. Examine aged water supply network for water leakage or seepage, etc.

### Materials Management

The Group advocates a resource-saving green office style. It reduces the consumption of major materials such as paper and office stationery in operation and reduces the consumption of materials in operation. We handle office work online rather than by circulating documents, use double-sided photocopying to reduce the number of printed documents, publicity newspapers, magazines, etc. and avoid the waste of paper. We use gel pens with replaceable refill and use automatic pencils rather than wooden pencils in order to improve the efficiency of office stationery and other items. Employees are required to bring their own water cups and the use of disposable water cups, bottled water and disposable tableware is restricted.



### Office paper consumption

**164** tonnes

### Green Emissions

The Group strictly abides by the “Water Pollution Prevention Law of the PRC”, the “Solid Waste Pollution Prevention Law of the PRC”, the “Air Pollution Prevention Law of the PRC”, the “Work Plan for Controlling Greenhouse Gas Emissions for the 13th Five-Year Period” and other laws and regulations. It has formulated and implemented the “Control Procedures for Energy Conservation and Emission Reduction”, the “Node Control Procedures”, the “Waste Water/Exhaust Gas Control Procedures”, the “Solid Waste Control Procedures”, the “Hazardous Chemical Control Procedures” and other control procedures in the “Procedure Documents” to strictly control the emission of greenhouse gas, exhaust gas, waste water and waste residue.

### Air Pollutant Emissions

Nitrogen oxide  
emissions

**771** kg

Sulphur oxide  
emissions

**4** kg

Suspended particulate  
matter emissions

**65** kg

### Greenhouse Gas Emission Management

In November 2016, the “Paris Agreement” came into effect with the aim of limiting the rise of global temperatures within 2°C at the end of the century and committed to further control it within 1.5°C. Climate change has brought unprecedented challenges to global economic development. The extreme weather brought about by climate change directly or indirectly affects the ability of different institutions to access resources and maintain operation. Reducing greenhouse gas emissions is the most important mitigation tool for tackling climate change, while quantifying greenhouse gas (“GHG”) is providing a basis for further reducing emissions. Consistent with global commitment to tackle with climate change, the Chinese government is actively promoting climate change mitigation efforts and has announced carbon reduction commitment to reduce carbon intensity from 2005 level by 60% to 65% by 2030. The Hong Kong Government has also set carbon reduction target — in the Policy Address 2017, it proposed to reduce Hong Kong’s carbon intensity from 2005 level by 65% to 70% by 2030.



## Responding to the Environment with Greening (Continued)

The Group is deeply aware of the threats that global climate change poses to human life. It actively responds to China's call for energy conservation and emission reduction by taking various measures to reduce the consumption of resources and energy and greenhouse gas emissions so as to reduce carbon emissions of the Group. The sources of data on greenhouse gas emissions (Scope 1) are the fuel consumption of fixed equipment such as gas stoves and boilers in non-outsourced staff canteens and business vehicles as well as the overflow of cryogen from air conditioning and other refrigeration equipment. The sources of data on greenhouse gas emissions (Scope 2) are purchased electricity and purchased heating. The sources of data on greenhouse gas emissions (Scope 3) are records of employee business trips by plane.

### Greenhouse Gas Emissions

|                                       | Unit         | Emissions      |
|---------------------------------------|--------------|----------------|
| Greenhouse gas emissions (Scope 1)    | Tonne        | 10,492         |
| Greenhouse gas emissions (Scope 2)    | Tonne        | 515,656        |
| Greenhouse gas emissions (Scope 3)    | Tonne        | 275            |
| <b>Total greenhouse gas emissions</b> | <b>Tonne</b> | <b>526,422</b> |

## Waste Management

The Group has formulated and implemented the "Waste Water/Exhaust Gas Control Procedures", the "Solid Waste Control Procedures" and the "Hazardous Chemical Control Procedures" in the "Procedure Documents" to regulate the management of waste water, exhaust gas, garbage and other waste generated from septic tanks, restaurants and garages in the areas of property management.

### Exhaust gas

- Fume purification facilities shall be installed for the fume generated by restaurants and canteens in the areas of property management and the smoke exhaust from emergency generators. Kitchen fume shall be processed by fume purification facilities to meet emission standards before emission through special flues in order not to affect community residents.
- We strengthen the management of business vehicles to reduce unnecessary vehicle trips, and regularly maintain vehicles to reduce the emissions of air pollutants from vehicles.
- We regularly inspect smoke exhaust from heating boilers and make timely adjustments to the fuel to air intake ratio in order to prevent incomplete combustion in case of insufficient combustion of fossil fuels.

### Waste water

- Domestic sewage shall be processed at septic tank sewage treatment facilities to meet emission standards before emission.
- Following oil separation treatment, restaurant waste water shall be delivered to septic tank sewage treatment facilities for processing to meet emission standards before emission.
- Property air conditioning terminal condensate water shall be discharged on a centralized basis.
- Emission of toxic substances, flammable, explosive substances and harmful gases into urban sewers are strictly prohibited.

### Solid waste

- Community waste is generally divided into four categories, being general domestic garbage, recyclable waste, construction waste, and toxic and hazardous waste, for processing in order to prevent solid waste from polluting the environment and ensure the maximum recovery of solid waste.
- Areas are designated for centralized storage of construction waste with obvious signs and dust prevention measures (enclosure, covering, etc.).
- Domestic garbage is put into containers which are covered to prevent exhaust gas from leakage. Garbage is disposed of on a daily basis and delivered to municipal refuse transfer station for disposal.

## Responding to the Environment with Greening (Continued)

### Green Publicity

The Group pays close attention to and supports the environmental protection undertaking, makes unremitting efforts to save energy, reduce consumption and beautify the environment, and has made many explorations in such areas. Each year, we carry out environmental protection publicity and education and environmental protection public welfare activities for energy conservation, water conservation, waste sorting, etc. for residents in the communities where we operate, spread knowledge of energy conservation and environmental protection, encourage and guide property owners and residents to participate in environmental protection activities in the communities, and strive to become an advocate and founder of “Green Communities and Harmonious Homes”.

### Green China Overseas • Green Carnival

From March to June 2018, the “Green China Overseas • Green Carnival” activity was held at the Group’s nearly 100 projects in 18 cities including Beijing, Changchun, Shenyang, Jinan, Qingdao, Guangzhou, Foshan, Hefei and Nanjing. A total of over 300 events were held, with an aggregate of more than 90,000 participants. With the theme of “Green US”, the “Green China Overseas • Green Carnival” in 2018 included the “Green Fashion Show”, the “Green Shade Welfare Fair”, the “Environmental Protection Picture Book” and other events both fun and educational, which educated the community residents about the significance of environmental protection and led residents to personally adopt environmental protection measures and jointly create a green future.



“Children Painting” Event



Green China Overseas • Green Carnival Event

### Waste Battery Recycling

In 2018, the Group’s 19 regional companies in China actively carried out waste battery recycling activities in their projects. Special battery recovery boxes were placed in public areas of each project to recover used batteries, and special personnel was assigned to sort out and register used batteries, which were then delivered to specialised processing companies for harmless treatment. In the meanwhile, each project also promoted the concepts of energy conservation and emission reduction and waste sorting to property owners and residents through bulletin boards, property owner QQ groups, property owner WeChat groups and door-to-door visits. Property owners were informed of the adverse impacts of used batteries on the environment in order to enhance the environmental protection awareness of property owners.



Waste Battery Recycling Activity

## Responding to the Environment with Greening (Continued)

### Waste Sorting Publicity

The Group's 22 regional companies actively responded to the call of the state and continued to promote waste sorting in their projects. For each project, instructions on waste sorting are marked on garbage bins. The significance and methods of waste sorting are spread through bulletin boards, property owner WeChat groups, community activities and other channels, and property owners and residents are encouraged to sort domestic garbage for disposal, in order to guide residents into conscious and reasonable waste sorting by themselves and gradually developing the awareness of waste sorting and environmental protection and a habit of cherishing resources and saving energy.



Waste Sorting Publicity



Garbage Bins for Sorting

### Recycling of Used Clothes

All projects of the Group are equipped with clothing recycling boxes. Property owners and residents are encouraged to clean and put their used clothes that are no longer needed but are still usable into the recycling boxes. The Group works with charitable organisations, street offices and other units, who send people to collect, sort, clean and donate the clothes to remote villages on a regular basis. In addition, through the "Green Carnival", "Little Property Owner Experience Camp" and other activities, the projects promote the benefits of recycling of used clothes to property owners and residents on a regular basis and enable them to participate in the recycling of clothes. The recycling of used clothes can, on the one hand, enable the items which have good quality and can be used to be given to people in need, and also convert unusable waste items into environmental protection products through scientific, safe, and environmentally-friendly recycling for utilisation of waste.



Used Clothes Recycling Box



Donation of Used Clothes

# OVERVIEW OF KEY PERFORMANCE INDICATORS

## Environmental Performance

| No.                       | Key performance indicator                            | Unit                             | Data for 2018 <sup>(1)(2)</sup>  |
|---------------------------|--|----------------------------------|--|
| <b>A1.1</b>               | <b>Nitrogen oxide emissions</b>                      | Kg                               | 772  |
|                           | <b>Sulphur oxide emissions</b>                       | Kg                               | 4  |
|                           | <b>Particulate matter</b>                            | Kg                               | 62   |
| <b>A1.2<sup>(3)</sup></b> | <b>Total greenhouse gas emissions</b>                | Tonne                            | 526,442  |
|                           | <b>Greenhouse gas emissions (Scope 1)</b>            | Tonne                            | 10,492   |
|                           | <b>Greenhouse gas emissions (Scope 2)</b>            | Tonne                            | 515,656  |
|                           | <b>Greenhouse gas emissions (Scope 3)</b>            | Tonne                            | 275  |
| <b>A1.3</b>               | <b>Hazardous waste</b>                               | Tonne                            | The operation of the Group generally does not generate hazardous waste. As such, the relevant information is not available |
| <b>A1.4</b>               | <b>Non-hazardous waste</b>                           | Tonne                            | 2,109  |
|                           | <b>Office waste</b>                                  | Tonne                            | 338  |
|                           | <b>Kitchen waste</b>                                 | Tonne                            | 1,770  |
| <b>A2.1<sup>(3)</sup></b> | <b>Total energy consumption</b>                      | GJ                               | 2,267,544  |
|                           | <b>Direct energy consumption</b>                     | GJ                               | 126,476  |
|                           | <b>Gasoline energy consumption</b>                   | GJ                               | 7,381  |
|                           | <b>Diesel energy consumption</b>                     | GJ                               | 5,426  |
|                           | <b>Liquefied petroleum gas energy consumption</b>    | GJ                               | 4,439  |
|                           | <b>Pipeline natural gas energy consumption</b>       | GJ                               | 108,339  |
|                           | <b>Liquefied natural gas energy consumption</b>      | GJ                               | 891  |
|                           | <b>Indirect energy consumption</b>                   | GJ                               | 2,267,544  |
|                           | <b>Consumption of purchased power</b>                | Mwh                              | 552,071  |
|                           | <b>Consumption of purchased heating</b>              | GJ                               | 153,611  |
|                           | <b>Energy intensity <sup>(5)</sup></b>               | GJ/10,000 square metres          | 161  |
| <b>A2.2<sup>(6)</sup></b> | <b>Total water consumption</b>                       | Cubic metre                      | 20,254,560   |
|                           | <b>Water consumption (excluding reclaimed water)</b> | Cubic metre                      | 19,741,507   |
|                           | <b>Reclaimed water consumption</b>                   | Cubic metre                      | 513,053  |
|                           | <b>Water intensity <sup>(7)</sup></b>                | Cubic metre/10,000 square metres | 1,438  |

## Overview of Key Performance Indicators (Continued)

Description of key environmental performance indicators:

- 1 The scope of data on the key environmental performance indicators in 2018 covers the Group's headquarters, 20 regional companies and 12 regional management centres, Shenzhen UN+ Internet Technology Limited, Shenzhen Xinghai IOT Technology Co., Ltd., and 528 projects under the management of the Group, including the office areas, non-outsourced canteens and public areas for project property management within the above scope. The data on companies in Hong Kong and Macau is not included in the scope of data for 2018.
- 2 The relevant data conversion factors are derived from "How to Prepare an ESG Report? — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange. For the factors not covered in such guidance, please refer to the notes below.
- 3 The sources of data on greenhouse gas emissions (Scope 1) are the fuel consumption of fixed equipment such as gas stoves and boilers in non-outsourced staff canteens and business vehicles as well as the overflow of cryogen from air conditioning and other refrigeration equipment. The sources of data on greenhouse gas emissions (Scope 2) are purchased electricity and purchased heating. The sources of data on greenhouse gas emissions (Scope 3) are records of employee business trips by plane. The greenhouse gas emissions factor of purchased electricity in the PRC is derived from the "2017 Baseline Emission Factors for Regional Power Grids in China" published by the Ministry of Ecology Environment of the PRC. The greenhouse gas emissions factor of purchased heating in the PRC is derived from the paper titled "Calculation Method of Indirect Greenhouse Gas Emissions Caused by Purchased Heating" published by Hu Zhifei and Zhang Zhibin at the Energy Conservation and Emission Reduction Centre of China National Offshore Oil Corporation in 2014. The greenhouse gas emissions factor of employee business trips by plane is derived from the "IAO Carbon Emissions Calculator" published by the International Civil Aviation Organization, the United Nations.
- 4 The sources of energy consumption data include the fuel consumption of fixed equipment such as gas stoves and boilers in non-outsourced staff canteens and business vehicles, as well as the consumption of purchased electricity and purchased heating. The energy consumption factor is derived from the conversion factors provided by the International Energy Agency and China National Standard GB2589-2008T "General Principles for Calculation of the Comprehensive Energy Consumption".
- 5  $\text{Energy intensity} = \text{Total energy consumption} \div \text{Total gross floor area of projects under management of the Group in 2018}$
- 6 The sources of data on water consumption are water supply volume from municipal pipeline network for offices and canteens and the consumption of reclaimed water for greening and landscape equipment.
- 7  $\text{Water intensity} = \text{Water consumption} \div \text{Total gross floor area of projects under management of the Group in 2018}$ .

## Social Performance

### B1.1 Total number of employees

| Group classification                           |                       | Number in 2018 | Percentage in 2018 |
|--|-----------------------|----------------|--------------------|
| <b>Total number of employees<sup>(1)</sup></b> |                       | 36,115         | —                  |
| <b>Gender</b>                                  | Male                  | 25,694         | 71.14%             |
|  | Female                | 10,421         | 28.86%             |
| <b>Employment category<sup>(2)</sup></b>       | Senior management     | 24             | 0.07%              |
|  | Middle management     | 116            | 0.32%              |
|  | Foundation management | 1,846          | 5.11%              |
|  | Others                | 34,129         | 94.50%             |
| <b>Age</b>                                     | Under 30              | 13,641         | 37.77%             |
|  | 30–50                 | 17,614         | 48.77%             |
|  | Over 50               | 4,860          | 13.46%             |
| <b>Employment type<sup>(3)</sup></b>           | Long-term             | 2,693          | 7.46%              |
|  | Contract              | 32,178         | 89.10%             |
|  | Labour dispatch       | 1,244          | 3.44%              |
| <b>Region</b>                                  | Mainland China        | 32,649         | 90.40%             |
|  | Hong Kong             | 3,246          | 8.99%              |
|  | Macau                 | 220            | 0.61%              |

## Overview of Key Performance Indicators (Continued)

### B1.2 Employee turnover rate

|  | Data for 2018               |                              |
|--|-----------------------------|------------------------------|
|  | Number of employee turnover | Turnover rate <sup>(4)</sup> |
| <b>Total number of employee turnover</b> | 15,648                      | 30.23%                       |

### B2.1 Health and safety

|                                       | Unit        | Employment type | Data for 2018 |
|---------------------------------------|-------------|-----------------|---------------|
| <b>Work injuries</b>                  | Person-time | Male            | 112           |
|                                       |             | Female          | 51            |
|                                       |             | Total           | 163           |
| <b>Lost days due to work injuries</b> | Day         | All             | 6,541         |

### B3.1 Percentage of employees trained

| Group classification |                       | Data for 2018               |                                 |
|----------------------|-----------------------|-----------------------------|---------------------------------|
|                      |                       | Number of employees trained | Percentage of employees trained |
| <b>Male</b>          | Senior management     | 22                          | 100%                            |
|                      | Middle management     | 92                          | 100%                            |
|                      | Foundation management | 1,098                       | 100%                            |
|                      | Others                | 22,198                      | 92%                             |
|                      | Subtotal              | 23,410                      | 91%                             |
| <b>Female</b>        | Senior management     | 2                           | 91%                             |
|                      | Middle management     | 24                          | 100%                            |
|                      | Foundation management | 598                         | 100%                            |
|                      | Others                | 8,908                       | 91%                             |
|                      | Subtotal              | 9,532                       | 91%                             |
| <b>Total</b>         |                       | 32,942                      | 91%                             |

## Overview of Key Performance Indicators (Continued)

### B3.2 Average number of training hours completed per employee

| Data for 2018        |                       |                                |                                  |   |
|----------------------|-----------------------|--------------------------------|----------------------------------|---|
| Group classification |                       | Total number of training hours | Average number of training hours | Average training expense per employee (RMB) |
| Male                 | Senior management     | 390.6                          | 17.75                            | 10,000                                      |
|                      | Middle management     | 2,475                          | 26.90                            | 3,000                                       |
|                      | Foundation management | 40,955.4                       | 37.30                            | 1,500                                       |
|                      | Others                | 539,411.4                      | 24.30                            | 500   |
|                      | Subtotal              | 583,232.4                      | 24.91                            | 565.66                                      |
| Female               | Senior management     | 35                             | 17.50                            | 10,000                                      |
|                      | Middle management     | 636                            | 26.50                            | 3,000                                       |
|                      | Foundation management | 21,827                         | 36.50                            | 1,500                                       |
|                      | Others                | 192,412.8                      | 21.60                            | 500   |
|                      | Subtotal              | 214,910.8                      | 22.55                            | 571.02                                      |
| Total                |                       | 798,143.2                      | 24.23                            | 567.21                                      |

### Number of employees under review

| Group classification |                       | Number of employees under review | Percentage of employees under review |
|----------------------|-----------------------|----------------------------------|--------------------------------------|
| Male                 | Senior management     | 22                               | 100%                                 |
|                      | Middle management     | 92                               | 100%                                 |
|                      | Foundation management | 1,190                            | 100%                                 |
|                      | Others                | 24,390                           | 100%                                 |
|                      | Subtotal              | 25,694                           | 100%                                 |
| Female               | Senior management     | 2                                | 100%                                 |
|                      | Middle management     | 24                               | 100%                                 |
|                      | Foundation management | 656                              | 100%                                 |
|                      | Others                | 9,739                            | 100%                                 |
|                      | Subtotal              | 10,421                           | 100%                                 |

## Overview of Key Performance Indicators (Continued)

### B5.1 Number of suppliers by geographical region

| Region of supplier         | Number in 2018 |
|----------------------------|----------------|
| <b>Mainland China</b>      | 9,489          |
| <b>Hong Kong and Macau</b> | 259            |
| <b>Overseas</b>            | 12             |
| <b>Total</b>               | 9,760          |

### B7.1 Anti-corruption

| Information on anti-corruption  | Unit | Data for 2018 |
|---|------|---------------|
| <b>Number of confirmed corruption cases</b>   | Case | 0             |
| <b>Total number of cases of dismissal or disciplinary punishment of employees due to corruption</b>                                     | Case | 0             |
| <b>Total number of cases of termination or non-renewal of contracts with business partners due to corruption and non-compliant acts</b> | Case | 0             |
| <b>Total number of completed corruption lawsuits against organisations and employees</b>  | Case | 0             |
| <b>Number of hours of anti-corruption publicity and training</b>  | Hour | 42            |

### B8.1 Focus areas of contribution

#### B8.2 Resources contributed to the focus area

| Area                            | Donation (RMB) | Number of volunteers | Volunteering time (Hours) | Number of projects |
|---------------------------------|----------------|----------------------|---------------------------|--------------------|
| <b>Culture and sports</b>       | 680,000        | 594                  | 2,448                     | 16                 |
| <b>Health</b>                   | 19,200         | 120                  | 1,190                     | 3                  |
| <b>Poverty alleviation</b>      | 15,624         | 117                  | 519                       | 5                  |
| <b>Education</b>                | 161,873        | 660                  | 4,840                     | 9                  |
| <b>Environmental protection</b> | 19,500         | 11,369               | 323,548                   | 17                 |
| <b>Social welfare</b>           | 145,000        | 733                  | 4,308                     | 10                 |

Description of key social performance indicators:

- Total number of employees in 2018 includes labour dispatch.
- The criteria for classification of employees by employment category in 2018 are as follows:  
 Senior management: Assistant presidents and above of property group, general managers of regional companies  
 Middle management: General managers/deputy general managers of departments of property group, vice presidents/assistant presidents of regional companies, directors/deputy directors of regional management centres, directors/deputy directors of units directly under the management of the headquarters  
 Foundation management: Assistant general managers/managers/deputy managers of departments of property group, senior managers/managers/deputy managers of regional companies/regional management centres/units directly under the management of the headquarters  
 Others: Other ordinary employees save for the above
- In 2018, the employment types of employees were changed to contract, long-term and labour dispatch, details of which are as follows:  
 Contract: Employees who have entered into normal fixed-term labour contracts with the Group  
 Long-term: Employees who have entered into non-fixed-term labour contracts with the Group  
 Labour dispatch: Employees dispatched by contracted labour dispatch companies
- Employee turnover rate = Number of lost employees in the Year/(Number of employees at the end of the Year + Number of lost employees in the Year)

# LIST OF APPLICABLE LAWS AND REGULATIONS

| ESG KPI  | Compliance with laws and regulations  |
|--|---|
| <b>Aspect A1: Emissions</b><br><b>Aspect A2: Use of Resources</b><br><b>Aspect A3: The Environment and Natural Resources</b> | "Environmental Protection Law of the PRC"<br>"Water Pollution Prevention Law of the PRC"<br>"Solid Waste Pollution Prevention Law of the PRC"<br>"Environmental Noise Pollution Prevention Law of the PRC"<br>"Air Pollution Prevention Law of the PRC"<br>"Marine Environmental Protection Law of the PRC"<br>"Administrative Regulations of the PRC on the Prevention of Marine Environment Pollution Caused by Land-based Pollutants"<br>"List of National Hazardous Waste"<br>"Administrative Measures for Hazardous Waste Disposal Forms"<br>"Work Plan for Controlling Greenhouse Gas Emissions for the 13th Five-Year Period"  |
| <b>Aspect B1: Employment</b>   | "Labour Law of the PRC"<br>"Labour Contract Law of the PRC"<br>"Employment Promotion Law of the PRC"<br>"Social Insurance Law of the PRC"<br>"Minimum Wage Regulations"   |
| <b>Aspect B2: Health and Safety</b>  | "Labour Law of the PRC"<br>"Law of the PRC on the Prevention and Treatment of Occupational Diseases"<br>"Production Safety Law of the PRC"<br>"Fire Prevention Law of the PRC"<br>"Emergency Response Law of the PRC"<br>"Regulations of the PRC on the Safety Administration of Hazardous Chemicals"<br>"Regulations for Reporting, Inspection and Treatment of Production Safety Accidents"<br>"Interim Provisions for the Inspection and Treatment of Risks for Production Safety Accidents"<br>"Regulations of the PRC on Work-Related Injury Insurance"<br>"Regulations on Supervision and Administration of Occupational Health in Workplaces"<br>"Classification and Catalogue of Occupational Diseases" |
| <b>Aspect B4: Labour Standards</b>   | "Labour Law of the PRC"<br>"Provisions on the Prohibition against the Use of Child Labour"<br>"Law of the PRC on the Protection of Minors"  |
| <b>Aspect B5: Supply Chain Management</b>  | "Tendering and Bidding Law of the PRC"  |

## List of Applicable Laws and Regulations (Continued)

| ESG KPI                                      | Compliance with laws and regulations   |
|--|--|
| <b>Aspect B6:<br/>Product Responsibility</b> | "Anti-Unfair Competition Law of the PRC"<br>"Interim Provisions on Prohibiting Commercial Bribery"<br>"Anti-Monopoly Law of the PRC"<br>"Law of the PRC on the Protection of Consumer Rights and Interests"<br>"Tort Liability Law of the PRC"<br>"Advertising Law of the PRC"<br>"Trademark Law of the PRC"<br>"Product Quality Law of the PRC"<br>"Urban Real Estate Administration Law of the PRC"<br>"Code for Fire Protection Design of Buildings, GB50016-2014"<br>"Property Management Regulations" |
| <b>Aspect B7: Anti-corruption</b>            | "Company Law of the PRC"<br>"Anti-Money Laundering Law of the PRC"<br>"Anti-Unfair Competition Law of the PRC"<br>"Interim Provisions on Prohibiting Commercial Bribery"   |

## Index of Contents

| GRI standards   | ESG guide          | Section reference   |   |
|---|--------------------|---|---|
| A1 Emissions  |                    |   |   |
| GRI 103-2<br>GRI 307-1  | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to exhaust and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste | Responding to the Environment with Greening   |
| —   | A1.1               | The types of emissions and respective emissions data  | Responding to the Environment with Greening<br>Overview of Key Performance Indicators |
| GRI 103-2<br>GRI 305-1<br>GRI 305-2<br>GRI 305-3<br>GRI 305-4 | A1.2               | Greenhouse gas emissions in total and, where appropriate, intensity   | Responding to the Environment with Greening<br>Overview of Key Performance Indicators |
| —   | A1.3               | Total hazardous waste produced and, where appropriate, intensity  | Not applicable  |

## List of Applicable Laws and Regulations (Continued)

| GRI standards                               | ESG guide          |  | Section reference  |
|---|--------------------|--|--|
| —   | A1.4               | Total non-hazardous waste produced and intensity   | Responding to the Environment with Greening Overview of Key Performance Indicators |
| —   | A1.5               | Description of measures to mitigate emissions and results achieved   | Responding to the Environment with Greening Overview of Key Performance Indicators |
| —   | A1.6               | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved                          | Responding to the Environment with Greening Overview of Key Performance Indicators |
| <b>A2 Use of Resources</b>                  |                    |  |  |
| —   | General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials  | Responding to the Environment with Greening  |
| GRI 103-2<br>GRI 302-3                      | A2.1               | Direct and/or indirect energy consumption by type in total and intensity   | Responding to the Environment with Greening Overview of Key Performance Indicators |
| —   | A2.2               | Water consumption in total and intensity   | Responding to the Environment with Greening Overview of Key Performance Indicators |
| —   | A2.3               | Description of energy use efficiency initiatives and results achieved  | Responding to the Environment with Greening Overview of Key Performance Indicators |
| —   | A2.4               | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved | Responding to the Environment with Greening Overview of Key Performance Indicators |
| —   | A2.5               | Total packaging materials used for finished products and, if applicable, with reference to per unit produced                           | Not applicable   |
| <b>A3 Environment and Natural Resources</b> |                    |  |  |
| GRI 103                                     | General Disclosure | Policies on minimizing the issuer's significant impact on the environment and natural resources.                                       | Responding to the Environment with Greening  |
| —   | A3.1               | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them     | Responding to the Environment with Greening  |

## List of Applicable Laws and Regulations (Continued)

| GRI standards          | ESG guide          | Section reference   |  |
|------------------------|--------------------|---|--|
| B1 Employment          |                    |   |  |
| GRI 103-2<br>GRI 419-1 | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare | Responding to Employees with Development   |
| —                      | B1.1               | Total workforce by gender, employment type, age group and geographical region   | Responding to Employees with Development<br>Overview of Key Performance Indicators |
| —                      | B1.2               | Employee turnover rate by gender, age group and geographical region   | Responding to Employees with Development<br>Overview of Key Performance Indicators |
| B2 Health and Safety   |                    |   |  |
| —                      | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance and material non-compliance with relevant standards, rules and regulations<br><br>relating to providing a safe working environment and protecting employees from occupational hazards  | Responding to Employees with Development   |
| —                      | B2.1               | Number and rate of work-related fatalities  | Responding to Employees with Development   |
| —                      | B2.2               | Lost days due to work injuries  | Responding to Employees with Development<br>Overview of Key Performance Indicators |
| GRI 103-2              | B2.3               | Description of occupational health and safety measures adopted, how they are implemented and monitored  | Responding to Employees with Development   |

## List of Applicable Laws and Regulations (Continued)

| GRI standards                      | ESG guide          | Section reference  |
|------------------------------------|--------------------|--|
| <b>B3 Development and Training</b> |                    |  |
| —                                  | General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work; Description of training  |
| —                                  | B3.1               | The percentage of employees trained by gender and employee category  |
| GRI 103-2<br>GRI 404-1             | B3.2               | The average training hours completed per employee by gender and employee category  |
| GRI 103-2<br>GRI 404-3             | —                  | The acceptance of regular performance and career development checks according to the employee's gender and category, as a percentage of total employees                                      |
| <b>B4 Labour Standards</b>         |                    |  |
| GRI 103-2                          | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to preventing child and forced labour |
| —                                  | B4.1               | Describe measures to review recruitment practices to avoid child labour and forced labour  |
| —                                  | B4.2               | Description of steps taken to eliminate such practices when discovered   |
| <b>B5 Supply Chain Management</b>  |                    |  |
| GRI 103-2                          | General Disclosure | Policies on managing environmental and social risks of the supply chain  |
| —                                  | B5.1               | Number of suppliers by region  |
| GRI 103-2                          | B5.2               | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored                               |

## List of Applicable Laws and Regulations (Continued)

| GRI standards                       | ESG guide          | Section reference   |  |
|-------------------------------------|--------------------|---|--|
| B6 Product Responsibility           |                    |   |  |
| GRI 103-2<br>GRI 416-2<br>GRI 419-1 | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress | Responding to Operation with Focus   |
| —                                   | B6.1               | Percentage of total products sold or shipped subject to recalls for safety and health reasons   | Not applicable   |
| —                                   | B6.2               | Number of products and service related complaints received and how they are dealt with  | Responding to Operation with Focus<br>Overview of Key Performance Indicators |
| —                                   | B6.3               | Description of practices relating to observing and protecting intellectual property rights  | Responding to Operation with Focus<br>Overview of Key Performance Indicators |
| —                                   | B6.4               | Description of quality assurance process and recall procedures  | Not applicable   |
| GRI 103-2<br>GRI 418-1              | B6.5               | Description of consumer data protection and privacy policies, how they are implemented and monitored  | Responding to Operation with Focus<br>Overview of Key Performance Indicators |
| B7 Anti-corruption                  |                    |   |  |
| —                                   | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to bribery, extortion, fraud and money laundering  | Responding to Operation with Focus   |
| GRI 103-2<br>GRI 205-3              | 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   | Responding to Operation with Focus<br>Overview of Key Performance Indicators |
| —                                   | B7.2               | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored   | Responding to Operation with Focus<br>Overview of Key Performance Indicators |

## List of Applicable Laws and Regulations (Continued)

| GRI standards                  | ESG guide          | Section reference   |
|--------------------------------|--------------------|---|
| <b>B8 Community Investment</b> |                    |   |
| —                              | 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 |
| —                              | B8.1               | Focus areas of contribution   |
| —                              | B7.2               | Resources contributed to the focus area   |



中海物業集團有限公司  
CHINA OVERSEAS PROPERTY HOLDINGS LIMITED

