



中國海外發展有限公司
CHINA OVERSEAS LAND & INVESTMENT LTD.

Stock Code : 00688

2019

Environmental, Social and Governance Report

Good Products | Good Services | Good Effectiveness | Good Citizen



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Message from the Chairman

Striving for Better Living for 40 Years Creating the Future Together

In 1979, China Overseas Land & Investment Ltd. ("COLI" or the "Company") started to undertake construction works in Hong Kong; in 1985, Treasure Garden, our first wholly-owned real estate project, was completed in Tai Po, Hong Kong; in 1992, COLI became the first Chinese-capital enterprise to be listed with its Hong Kong-based business. Upon the 40th anniversary of COLI, we upheld the dream and belief of "Creating a Better Life Together", adhered to the sustainability strategy of "a Company of Four Excellences (四好公司)", and resolutely forged ahead against headwinds.

2019 marked a new milestone for COLI in sustainable development. This year, in response to the United Nations Sustainable Development Goals and corresponding action plans of the state, we formally commenced the planning of long-term sustainability strategies, including formulating a strategic framework for corporate sustainability, setting quantitative objectives, and establishing a management structure and pertinent corporate sustainability policies. We also expanded the scope of business disclosure, such as adding trackable indicators on product quality and safety, and staff training. We undertake to fully integrate sustainability into our corporate systems by 2021, striving to achieve outstanding performance by 2023 and leading the sustainability progress of the domestic real estate industry.

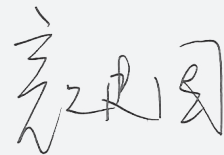
Customers are important stakeholders of COLI. We adhere to the philosophy of "Each and Every Detail of Each and Every Project", since providing customers with "Good Products" and "Good Services" are the foundations of our sustainability strategy of being "a Company of Four Excellences". In the whole process of project development, driven by the commitment to "good design, good materials, good quality and good amenities", we develop up-to-date product solutions that keep pace with the customers' demand for modern lifestyle and create "Good Products" for healthy and enjoyable living. This year, we put forward the product idea of "Leading the Future with National Craftsmanship and Smart Intelligence", and teamed up with tech giants to release "COLI Smart Life 3.0", to develop and apply technologies to enable a healthy and smart lifestyle in the future. With a focus on residential housing, we continued to go deep in meeting the needs of different user groups, and have developed advanced senior living projects in Jinan, Tianjin, Qingdao and Wuxi. In terms of offering "Good Services", we continued to seek insights on customer needs through mystery customer inspections and customer research. Adhering to the philosophy of "Full-cycle Customer Management", the Company saw its customer satisfaction reach 89% this year, hitting the highest record in four years and steadily securing a leading position in the industry.

A thriving enterprise draws its strength from the dynamics in its surroundings. We always bear in mind our corporate social responsibility and strive to be a "Good Citizen". COLI commits to reducing the environmental impact from project development cycles, helps to cope with the challenges of climate change, and proactively promotes the implementation of green health. This year, 74 new projects of COLI obtained Green Building Labels (GBL), including 47 1-Star GBLs, 23 2-star GBLs, three 3-star GBLs, and one LEED Silver Certification by the US Green Building Council. As at the end of 2019, we had a total of 281 green building certified projects, a year-on-year increase of 36%. We are concerned about the environmental aspect of buildings during their operation and the health and well-being of those staying in them. In 2019, Beijing CSC Fortune International Centre won the Certificate of Excellence from BOMA China, making it the second certified project of China Overseas Commercial Properties; the OfficeZip Project at Beijing China Overseas Fortune Centre passed the WELL V2 CORE Platinum Certification as the first flexible working space in the world to be so certified. China Overseas Office Capital ("COOC") also became a member of the International WELL Building Institute and reached a strategic cooperation agreement to jointly promote the application of healthy building standards in China, so as to actively convey our green health principles to homeowners, tenants and peers.

Believing that talents empower an enterprise, COLI regards employees as the foundation to create “Good Effectiveness”. Our personnel management strives to build a satisfied, efficient and value-creating team. We focus on recruitment and staff development, continue to strengthen the performance management system and refine qualitative and quantitative performance indicators to increase the breadth of performance evaluation, so as to motivate the teams toward higher performance and targets. COLI also continued to invest in staff training and development. In addition to a series of training programs including “Starting”, “Continuing”, “Racing” and “Leading” tailored for different seniorities, we launched an OA intranet learning platform during the year to provide online courses and to share learning materials to encourage employees’ independent study. In July 2019, we formally established a labour union at the headquarter, and encouraged regional companies to set up their own, with a view to facilitate the communications between employees and the Company. The Company has been awarded as China’s Best Employer for 12 consecutive years since 2008, and according to this year’s research, COLI’s employee satisfaction and engagement reached a high level at 83 points. We will continue to reference employee satisfaction while devising our personnel management strategies.

Thanks to the persistent efforts of all employees and the tremendous support from stakeholders, the profit attributable to equity shareholders of COLI amounted to RMB41.62 billion, a year-on-year increase of 10.3%. The Company was once again selected as a constituent stock of the Hang Seng Corporate Sustainability Index Series and won a number of sustainability-related awards, reflecting our achievements in business operation, environmental protection and social contribution.

We are very grateful to all stakeholders for their strong support and trust over the past 40 years. Looking forward, we will continue to implement the strategy of being “a Company of Four Excellences”, building a better tomorrow for the society through pioneering entrepreneurial spirit, meticulous workmanship and a strong belief in human in harmony with the environment.



Chairman of the Board of Directors
China Overseas Land & Investment Ltd.

ABOUT THIS REPORT

Since 2012, China Overseas Land & Investment Ltd. (“COLI”, “China Overseas”, “the Company” or “We”) has disclosed our governance strategies, actions and achievements in corporate social responsibility and sustainable development in the form of annual independent report to the public.

This report is the fifth annual Environmental, Social and Governance (“ESG”) Report of COLI (i.e. the ninth corporate social responsibility report; the last report was published in May 2019). The Company reports non-financial information through this report and communicates with the stakeholders about the progress and achievements of COLI in sustainable development.

2.1 Reporting Principles

This report was prepared under the guidance of the Corporate Social Responsibility Committee of the parent company, China Overseas Holdings Limited (the “Group”), with reference to the United Nations’ Guide for Business Action on the Sustainable Development Goals (SDGs), and in accordance with the Core Option of the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) and the Environmental, Social and Governance Reporting Guide (the “Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited issued by the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The compilation process of this report follows the reporting principles suggested by GRI Standards and the Guide, which include:

- **Materiality:** After collecting the opinions of stakeholders, we re-evaluate the importance priorities of various sustainable development issues to the Company, thereby defining the disclosure focus of this report and providing accurate and detailed responses to the issues that stakeholders are most concerned about, and utilizing them as a reference basis for the Company to formulate sustainable development targets.
- **Balance:** In addition to disclosing the Company’s progress in sustainable development management, this report also discusses the Company’s sustainable development challenges and future action plans, and explains the undisclosed information.
- **Quantitative:** We optimised our data collection tools this year. All departments and business lines used the tools to continuously record the Company’s economic, environmental and social indicators, and monitor the progress and results of the targets’ implementation. In order to present the Company’s annual performance changes, this report also presents some historical data of the Company.
- **Consistency:** Unless otherwise stated, the way the information was collected and presented in this report is consistent with the previous year’s practices to ensure information comparability.

2.2 Reporting Scope

This report covers the work results of the Company and its subsidiaries at all levels in environmental, social and governance aspects for the period from 1 January 2019 to 31 December 2019. Of which, China Overseas Grand Oceans Group Limited (stock code: 00081), as a subsidiary held by the Company directly, is also listed on the Stock Exchange. The details of its performance in environmental, social and governance aspects are available in the 2019 Environmental, Social and Governance Report of China Overseas Grand Oceans Group Limited (website: www.cogogl.com.hk), which is not included in this report.

The reporting scope of this report's performance indicators covers three operation scopes, including residence, commerce and innovation business, of the Company. Of which, the reporting scope of environmental KPIs includes 39 offices of the Company, 121 sales centres for projects on sale, 193 projects under construction and 42 commercial projects held by the Company and operated throughout the year (there are 34 office buildings, 10 shopping centres and commercial street projects, and 7 hotels, respectively, when measured in terms of number of buildings). This annual report also includes 3 innovative business projects that were in operation for the full year.

2.3 Confirmation and Approval

The Board of COLI is committed to monitoring the report content and ensuring that it does not contain false records, misleading statements or material omissions. This report, which has been prepared based on the Company's official documents and statistics, had been reviewed and approved by the Board and executive committee of the Company.

2.4 Access of the Report

This report has been prepared in traditional Chinese and English versions for readers' reference. The electronic version of this report is available for downloading on the Company's website (www.coli.com.hk/esg/report/) or the Stock Exchange's website (www.hkexnews.hk).

Contact Us

COLI believes that valuable opinions of stakeholders will facilitate our continuous improvement. If you have any suggestions or questions on this report's content or our sustainable development work, please contact the Company's Corporate Communications Department via below:

Address: 7/F, Three Pacific Place, 1 Queen's Road East, Hong Kong
10/F, China Overseas Building, No. 399 Fuhua Road, Futian District, Shenzhen
Tel: 852-2988 0666/86-0755 8282 6666
E-mail: coli_esg@cohl.com
Official website: www.coli.com.hk
COLI brand website: www.coli688.com

COLI's Strength

3.1 Business Structure

COLI is a member of China State Construction Engineering Corporation. It was founded in Hong Kong in 1979 and listed on the Hong Kong Stock Exchange in 1992 (stock code: 00688). COLI commenced residential housing development business in Hong Kong in 1984 and has been a constituent stock of Hong Kong Hang Seng Index since 2007, being a forerunner in the mainland China real estate industry.

Having gone through multiple rounds of economic cycles over 41 years, COLI remains committed to the vision of "becoming an exceptional global property development corporation", continuing to position its development in "major cities, mainstream areas and mainstream products. It expands its business around three major services: "Residential Development", "Urban Services" as well as "Design Services". It focuses on the challenges and opportunities arising from sustainable development. In addition to deeply cultivating the principal business of residential development, it also commits resources to commercial projects, and look into the education, senior care, logistics and public utilities, to strategically grow new profit engines.



3.1.1 Residential Development

The Company has more than 40 years of experience in real estate development, operation and management. Our residential projects are located in more than 70 major cities in mainland China as well as in Hong Kong and Macau, and in overseas markets such as London, Britain, New York, USA and Sydney, Australia. Committed to the development philosophy of "Each and Every Detail of Each and Every Project", the Company has launched more than 600 exquisite residential projects under the "China Overseas Property" (中海地產) brand, with a construction area of 150 million sq m, bringing a satisfactory living experience to our customers.

3.1.2 Urban Services

The Company has developed a diverse range of urban services, which includes office buildings, shopping malls, prestigious hotels, subway superstructures, urban renewal and tourism, logistics and others.

As the largest single-title office building developers and operators in mainland China, the Company, through its subsidiary, China Overseas Commercial Properties Co., Ltd. ("COCP"), holds and operates 45 Grade A office buildings with a total gross floor area of 2.87 million sq m. In the City of London, the Company holds and operates four century-old landmark commercial buildings. The Company established OfficeZip, a flexible working office brand with presence in seven cities including Beijing and Shanghai and a total operation area of over 74,000 sq m.

In places like Beijing, Shanghai, Jinan, Chengdu and Zhuhai, the Company has invested in as well as operates 13 integrated shopping malls including Unipark, Uni ELITE, UniFANs and Mid Town. The Company owns 12 prestigious hotels spanning across places like Beijing, Shenzhen, Zhuhai, Hainan and Macau, and invests in the development of tourism, leisure and vacation industries in well-known scenic locations such as Wanning in Hainan, Jiujiang in Jiangxi, and Huangshan in Anhui.


3.1.3 Design Services

Hua Yi Design Consultants Limited (“Hua Yi Design”), a wholly-owned subsidiary of COLI, is a national high-tech enterprise that has attained dual Grade-A qualifications comprising Architectural Design Qualification as well as Urban and Rural Planning Qualification, and possesses the capability to apply “Building Information Modeling (BIM) Design” technologies in the entire design process. Hua Yi Design has branches located in Beijing, Shanghai, Nanjing, Guangzhou, etc., employing more than 1,000 excellent professional designers; participating in urban planning, mega residential areas, integrated office buildings, hotels and other engineering projects, and completing more than 3,300 architectural and urban planning design projects. It has won about 500 outstanding design awards ranging from state-level and provincial-level to city-level. COLI is expanding into new business as well, such as education, elderly care and logistics.

With the core educational concept of “education could make everything possible”, the Company established its “COLI Education” brand name and currently holds and operates two K12 schools, four high-quality kindergartens and five COLI Academies in places like Shenzhen, Dongguan, Qingdao, Jinan, Foshan and Dalian, and campsite projects including badminton camps, golf camps and Hainan COLI PEPA+ (Psychology, Exploration, Physique & Art) Exploration Institute. With the service concept of “Celebrating the Golden Years Together”, the Company established its “China Overseas Jinnian” senior living brand name, and currently owns and operates 3 China Overseas Jinnian Senior Apartments in Tianjin, Qingdao and Jinan, and one Jinnian Senior Community in Wuxi.


For details, please refer to COLI’s 2019 Annual Report (www.coli.com.hk/ir_reports/)

3.2 Overview of COLI¹




Financial Performance

Corporate brand value	RMB 91.0 Billion		
Total assets	RMB 723.9 Billion	Net assets	RMB 289.1 Billion
Operating revenue	RMB 163.65 Billion	Contracted sales	HKD 377.17 Billion
Profit attributable to shareholders	RMB 41.62 Billion	Land reserve	89.23 million sq m




Sustainable Buildings

281 projects in accumulative total, inclusive of **74** new projects, obtained green building certificates, including National Green Building Star Certification, US LEED Certification, and UK BREEAM Certification
WELL V2 CORE platinum certification: OfficeZip at Beijing China Overseas Fortune Centre
BOMA Chinese Building Management Certificate of Excellence certification: Beijing CSC Fortune International Centre and Chengdu China Overseas International Centre




Community Investment

Newly constructed affordable housing: **2.939** million sq m
Percentage of total constructed affordable housing to total residential projects (in floor area): **18.1%**



Customer Recognition

Customer satisfaction rate: **89%**
Customer complaint: **↓ 35%**



Talent Development

Number of employees: **6,169**
Average training hours of employees: **↑ 6%** to **73** hours
Coverage rate of employees receiving physician examinations and supplementary medical insurance: **100%**
COLI and all of its subsidiaries have set up labour unions

¹ Unless otherwise specified, all percentage numbers represent the annual changes from 2018 to 2019

Sustainability Management

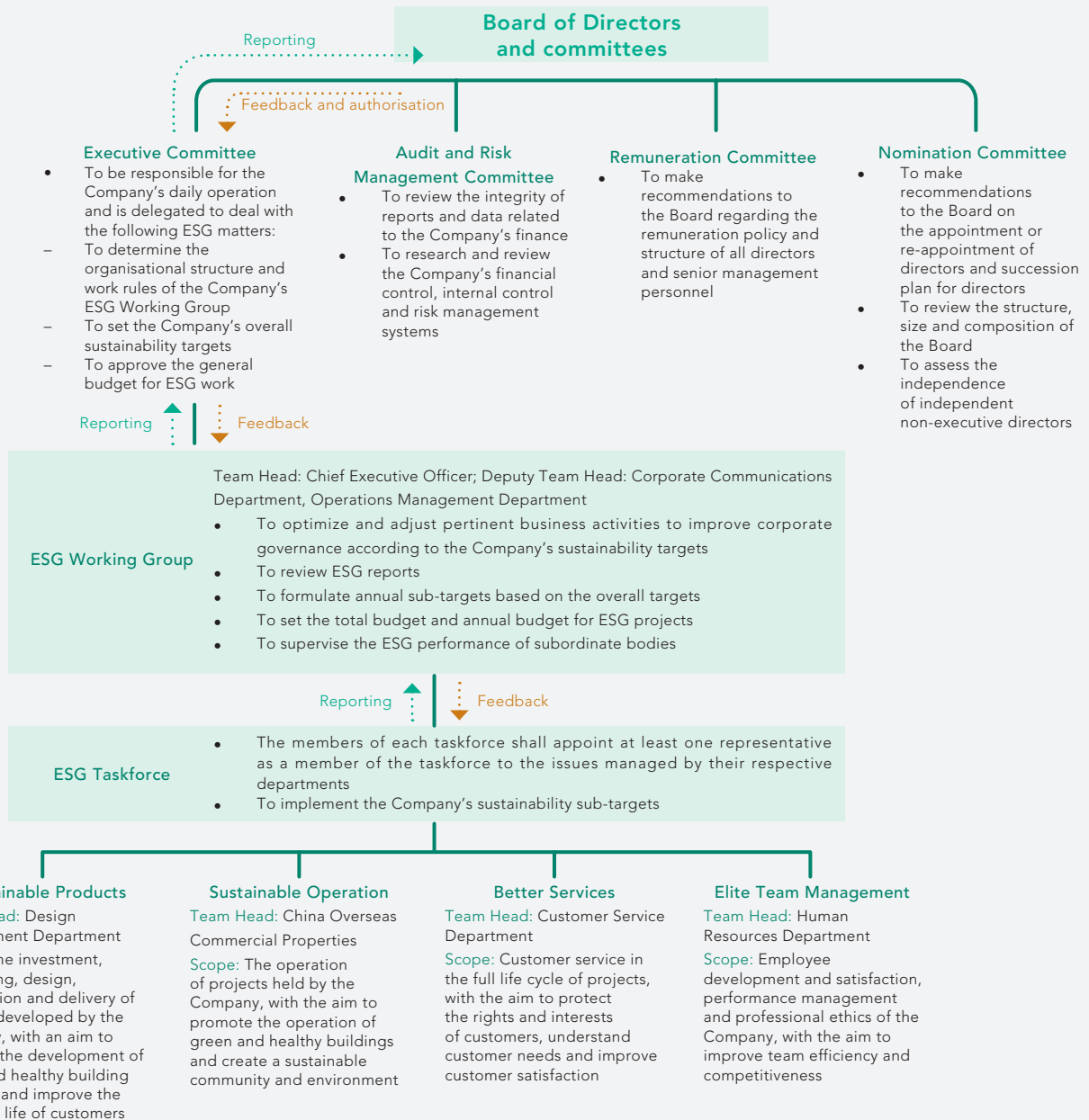
The world is undergoing rapid urbanisation. The urban population is expected to grow to about 70% of the world's population by 2050. Land use planning, architectural development, and changes in residential patterns will bring about a variety of sustainability challenges. As such, the United Nations noted that the development of sustainable cities and towns is a necessary strategy to reach the 2030 Sustainable Development Agenda. China also put forward the idea of "adjusting the city size according to the carrying capacity of resources and the environment", aiming at building new cities that are green, smart, innovative, versatile, and humanistic.

COLI regards the management of sustainability issues as a crucial path to realize its corporate vision and mission, and proactively integrates environmental, social and governance and other sustainability factors into its operating model. We are committed to joining hands with the new generation to address the challenges posed by climate changes and urban development by developing and employing green, healthy and sustainable buildings and technologies, and incorporating environmental and social considerations when making business decisions.

Corporate Vision	Corporate Mission	Corporate Value
<p>To be an Exceptional Global Property Development Corporation</p> <ul style="list-style-type: none">• Embark on the path of global expansion to provide customers with comprehensive of solutions on residential and business needs from development, investment and operations of real estate	<p>We create delightful living</p> <ul style="list-style-type: none">• Satisfying customers – focus on customers' short- and long-term interests to create more valuable space with dedication and experience• Helping employees succeed – unite and empower employees and share achievements with value creators and build the future hand in hand• Rewarding shareholders – strive to achieve lasting and stable value creation to reward the support of shareholders	<p>Focus on customer needs, assure quality and create value</p> <ul style="list-style-type: none">• Adhere to the principles of behaving properly, strictly complying with rules, seeking truth and being honest and pragmatic, and achieve personal value and COLI's ambitious objective of building an evergreen company through continuous innovation

4.1 Sustainability Management Structure

In order to systematically implement sustainability management, COLI has formulated the Management Measures for Environmental, Social and Governance Management of China Overseas Property to specify the responsibilities for overall planning and implementation of sustainability affairs and corresponding work reporting mechanisms.



4.1.1 Board of Directors and Committees

The Board of Directors (the “Board”) is responsible for leading the development of the Company, setting strategic objectives, and formulating the Company’s overall strategies and policies to ensure that the Company obtains necessary financial and other resources to achieve its targets, concurrently supervising the work of the Company’s management and reviewing the Company’s business performance. The Board is also responsible for assessing and determining the nature and extent of risks the Company is willing to take when reaching its business objectives, and supervising the management to set up and maintain appropriate and effective risk management and internal control systems. Committees have been set up under the Board to assist the Board in performing the above managerial and supervisory duties.

4.1.2 Executive Committee

The Board of Directors of COLI in 2020 delegated the Executive Committee to be responsible for the Company’s environmental, social and governance matters, under which an ESG Working Group was set up, whose head is the Chief Executive Officer. The main authorities and duties of the Executive Committee on ESG aspects are:

- To determine the organisational structure and work rules of the Company’s ESG Working Group
- To set the Company’s overall sustainability targets
- To approve the overall budget for ESG work

4.1.3 ESG Working Group

COLI values company-wide engagement in sustainability issues. During the year, we set up an ESG working group, a cross-departmental body led by senior management, to jointly conduct research, discussion and decision-making processes on specific sustainability issues, to continuously monitor the Company's overall sustainable operation performance and risks of major issues, and to further integrate sustainability elements into the Company's strategic planning.

The ESG Working Group of COLI is responsible for formulating the annual schedule and action plan, covering any significant gap between the ESG report and corresponding regulatory requirements, and regularly reporting and making suggestions to the Executive Committee of the Company. In case of violation of ESG-related laws and regulations, the working group shall promptly notify the Executive Committee of the Company, and the Company will then appoint senior management personnel to supervise the operating unit(s) involved regularly. The working group shall review its functional mechanism and terms of reference at least once a year, and propose any changes they deem necessary to the Executive Committee of the Company for approval; the Executive Committee reports to the Board of Directors every year.

Under the working group are four taskforces which are cross-departmental bodies responsible for the issues managed by their members' respective departments to ensure that relevant policies and measures are well implemented.

4.1.4 Risk Management and Internal Control

In view of the relations between sustainable development and corporate risk management, the Company has established risk management organisation structure, conducted risk assessment and risk control for various sectors, and continuously monitored national policy, human resources and other external or internal factors related to sustainable development. The composition of structure, responsibilities and management methods are as follows:

Committees	Major Responsibilities
Headquarters Functional Departments	<ul style="list-style-type: none">• To complete the scoring and initial ranking of annual risk matters• To implement corresponding risk management measures
Risk Management Team	<ul style="list-style-type: none">• To summarize and analyze the Company's annual risk events• Coordinate with functional departments and relevant units to track the changes of significant risks and the implementation of corresponding measures
Risk Management Committee	<ul style="list-style-type: none">• To determine the Company's annual risk management events and their rankings• To formulate risk management procedures and designating department as risk owners
The Board and the Audit and Risk Management Committee	<ul style="list-style-type: none">• To conduct final evaluation and approval for annual risk events and management procedures

The Intendence and Audit Department bears the responsibility of internal audit, and monitors the Company's risk management and internal control system (the "System") on an ongoing basis. It reviews relevant work and the System bi-annually, identifies rooms for improvement in the design of the System, reports to and makes recommendations to the Risk Management Committee and the Board. During the year, the Company also appointed an independent auditor to review the sufficiency and effectiveness of the System for our continuous improvement.

4.2 Disclosure Compliance and Transparency

COLI lays great emphasis on the transparency of corporate information. As national policies, regulatory authorities, investors and internal management all have specific requirements and expectations for the Company's sustainable development, we actively respond to investor-oriented sustainability indexes and rating questionnaires, including the Hang Seng Corporate Sustainability Index Series (HSSUS), MSCI ESG Ratings, Dow Jones Sustainability Index (DJSI) and Global Real Estate Sustainability Benchmark (GRESB), by disclosing more information on policies and data on corporate governance and sustainability to the capital market and providing more comprehensive non-financial information.

As to financial information, we announce property sales and land acquisition status on a monthly basis, and voluntarily disclose unaudited main operating and financial data on a quarterly basis. The management and Corporate Communications Department maintain close contact with investors through various platforms and channels. We organise press conferences, analyst briefings and post-result announcement roadshows every six months after the interim or annual result announcement to listen to and answer questions from shareholders, bond investors, analysts and other stakeholders about the Company's business operations, corporate governance and performance. This year, for the first time, COLI held an exchange between the management team and well-known Hong Kong stock commentators. At the meeting, the Company's management elaborated on the Company's operating results for the first half of 2019 and its advantages in land resources and financing, and exchanged views with the commentators on the Company's development.

In addition, we have regular interactions with investors through investment bank meetings, teleconferences, company visits, project visits, etc. Throughout the year, we communicated with investors more than 400 times through meetings and phone calls, and organised 160 field visits for over 500 people in total.

Sustainability Targets for 2019-2023

4.3 Sustainability Roadmap

This year, COLI formally launched the planning of its long-term sustainability strategies by using the National 14th Five-Year Plan cycle and the United Nations Sustainable Development Goals (UN SDGs) as its timeframe, in an effort to improve the Company's sustainable business model step by step. We are committed to fully integrate sustainability into our corporate systems by 2021, including establishing related management structure and objectives and incorporating them into the work plans and performance appraisal of functional departments. By doing so, we aim to achieve outstanding performance by 2023 during the 14th Five-Year Plan period, and to become a leader in practicing the 2030 UN Sustainable Development Agenda among domestic real estate developers.

The Phase I strategic planning of COLI started in the second half of 2019 and was divided into four scopes as below:

Work Scope	Task Detail
Identifying material issues	<ul style="list-style-type: none">Assign an independent third-party agency to conduct macro analysis, peer benchmarking and stakeholder surveys to identify major sustainability issues of the Company; and to perform analysis of existing departmental management. <p>Results: A register of total of 29 sustainability issues of the Company were updated and assessed by various stakeholders through questionnaire. The materiality of each issue was confirmed after quantitative analysis of the survey results and review of the analysis results by the management. A list of 10 material issues was established as the basis for setting sustainability targets and is disclosed in this report.</p>
Improving the sustainability governance structure	<ul style="list-style-type: none">Explore and determine the targets management model in line with the Company's development strategies and needs based on the preliminary analysis and survey results. <p>Results: The three-level ESG management structure was established. For details, please refer to the "Sustainability Management Structure" section herein.</p>
Setting management targets	<ul style="list-style-type: none">Propose management targets on major issues after departmental interviews, training and other communication processes and based on previous analysis results and strategic business plans of departments.Carry out cross-departmental discussion, feasibility study and financial budgeting on the list of sustainability targets. <p>Results: Specific sustainable development targets were put forward. Please refer to the "Sustainability Strategy and Targets" section for details</p>

Work Scope	Task Detail														
Developing corporate policies	<ul style="list-style-type: none"> Review the current business practices and risk management measures against the 29 sustainability issues of the Company. Formulate sustainability policies at the company and department levels, or revise the existing rules and systems to sort out management measures for environmental and social affairs covering all business activities of the Company. <p>Results: Five policies of the Company were issued in May 2020:</p> <table> <tr> <td>Sustainable development</td><td> <ul style="list-style-type: none"> Sustainable Development Policy </td></tr> <tr> <td>Environmental</td><td> <ul style="list-style-type: none"> Environmental Policy * </td></tr> <tr> <td>Social</td><td> <ul style="list-style-type: none"> Labour Rights and Occupational Safety and Health Policy * </td></tr> <tr> <td>Governance</td><td> <ul style="list-style-type: none"> Supplier Code of Conduct Corporate Code of Conduct * </td></tr> </table> <ul style="list-style-type: none"> Publicly disclose corporate policies to enhance the Company's transparency in sustainability management, and strengthen communication with stakeholders. <p>Policies to be drafted or updated include:</p> <table> <tr> <td>Environmental</td><td> <ul style="list-style-type: none"> COOC Climate Action Pledge COOC Climate Change Adaptation Strategy Green Finance Framework Measures for the Environmental Management of Projects under Construction of COLI * Sustainable Fit-out Handbook * Green and Healthy Housing Standards of COLI * </td></tr> <tr> <td>Social</td><td> <ul style="list-style-type: none"> COOC Healthy Building Standard * Safety Management Handbook of China Overseas Property * Customer Information Management Rules * Operational Guidelines for Risk Mitigation at Sales Sites of China Overseas Property * </td></tr> <tr> <td>Governance</td><td> <ul style="list-style-type: none"> Employee Code of Conduct * Guidelines for QDSS Management of Contractors Guidelines for QDSS Management of Centralized Procurement </td></tr> </table>	Sustainable development	<ul style="list-style-type: none"> Sustainable Development Policy 	Environmental	<ul style="list-style-type: none"> Environmental Policy * 	Social	<ul style="list-style-type: none"> Labour Rights and Occupational Safety and Health Policy * 	Governance	<ul style="list-style-type: none"> Supplier Code of Conduct Corporate Code of Conduct * 	Environmental	<ul style="list-style-type: none"> COOC Climate Action Pledge COOC Climate Change Adaptation Strategy Green Finance Framework Measures for the Environmental Management of Projects under Construction of COLI * Sustainable Fit-out Handbook * Green and Healthy Housing Standards of COLI * 	Social	<ul style="list-style-type: none"> COOC Healthy Building Standard * Safety Management Handbook of China Overseas Property * Customer Information Management Rules * Operational Guidelines for Risk Mitigation at Sales Sites of China Overseas Property * 	Governance	<ul style="list-style-type: none"> Employee Code of Conduct * Guidelines for QDSS Management of Contractors Guidelines for QDSS Management of Centralized Procurement
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Governance	<ul style="list-style-type: none"> Employee Code of Conduct * Guidelines for QDSS Management of Contractors Guidelines for QDSS Management of Centralized Procurement 														

* Related to the Company's major issues

4.4 Sustainability Strategy and Targets

List of Sustainability Issues

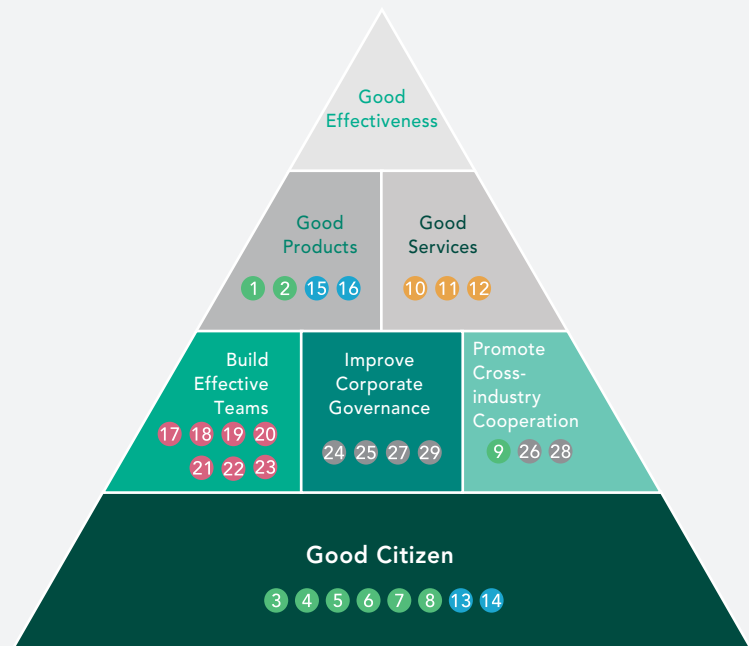
- | | |
|--|--|
| 1 Green and sustainable buildings | 16 Community integration and coordinated development |
| 2 Green finance | 17 Management and employee diversity |
| 3 Climate change | 18 Equal opportunity and anti-discrimination |
| 4 Energy efficiency and renewable energy | 19 Employee benefits |
| 5 Greenhouse gas emissions | 20 Labour relations and labour rights |
| 6 Water resource | 21 Employee engagement and satisfaction |
| 7 Waste and sewage management | 22 Training and development |
| 8 Land risk and biodiversity | 23 Occupational health and safety |
| 9 Environmental awareness and capacity building | 24 Corporate and supplier code of conduct |
| 10 Customer feedback and satisfaction | 25 Anti-corruption and unfair competition |
| 11 Fair treatment of customers and marketing | 26 Green and sustainable supply chain |
| 12 Customer privacy and information security | 27 Intellectual property protection |
| 13 Community risk assessment of project development | 28 Industry exchange, cooperation and innovation |
| 14 Regional economy and targeted poverty alleviation | 29 Distribution of economic gains |
| 15 Infrastructure and supporting services | |
- 10 Major Issues

This year, based on various analyses and communications with stakeholders, COLI further improved and restructured its sustainability strategy framework of “Four Excellences” and incorporated different sustainability issues into the framework, unifying the understanding of sustainability and achieving effective communication and goal management across different levels of the Company.

4.4.1 Sustainability Strategy

We integrated the 29 identified sustainability issues with the strategic framework of “Four Excellences” of COLI and reviewed our understanding and implementation of the vision of “Good Citizen, Good Services, Good Products and Good Effectiveness”. With 2019 as the base year, we set 61 sustainability targets for the period from 2019 to 2023 under the framework of “Four Excellences”, which were reviewed and approved by the Company’s senior management. In the future, we will focus on implementing the targets, review and report the progress internally and externally, and update the targets to achieve continuous improvement.

ESG Strategy Framework



4.4.2 Major Sustainability Issues

10 Major issues	Scope of issue	Related section(s)
Environmental		
1 Green and sustainable buildings	Incorporate green, healthy, and climate-resistant considerations into architectural design, construction and operation	Good Citizen – Human in Harmony with the Environment
2 Climate change	Identify and manage the impacts (including opportunities and risks) of climate change on the Company and its projects, and take actions to mitigate or address climate change	Environmental Protection and Climate Change Action
3 Energy efficiency and renewable energy	Reduce energy consumption, and improve the energy efficiency of project construction and operation, and adopt clean alternative energy	Sustainable Construction Process, Sustainable Project Operation
4 Greenhouse gas emissions	Assess and reduce direct air pollutants and indirect carbon emissions from project development and operation processes	
Social		
5 Employee benefits	Create a proper employment environment for employees through, among other things, regular review of compensation and benefits, rest periods, retirement benefits, workplace and work arrangements for improvement, and promotion of family harmony, physical and mental health and work-life balance, so as to enhance employees' engagement and productivity	Employee Engagement and Communication
6 Employee engagement and satisfaction	Establish a consistent, transparent and credible employee communication mechanism to enable employees at different levels to voice their opinions and suggestions on the Company's development, employment system, work environment and culture, and regularly review employee satisfaction and engagement	
7 Training and development	Provide employees with training sessions on skills and knowledge required for their positions and career development, and constantly review and optimise the functional system, promotion ladders, career management and performance appraisal management	Training and Development
8 Occupational health and safety	Establish an occupational safety and health management system in the workplace, identify and manage hidden hazards that may lead to work-related injuries, occupational diseases and health risks, and develop related supervision, redress and punishment mechanisms; and extend the production safety requirements and the related monitoring and evaluation mechanism from employees to the workplaces of business partners	Occupational Health and Safety
Governance		
9 Corporate and supplier code of conduct	Develop a code of conduct for the Company's management, employees and affiliates regarding the management of various sustainability issues, and extend the scope of code of conduct beyond the Company's own operations, such as its business partners in the supply chain	Establishing a Code of Conduct
10 Green and sustainable supply chain	Determine the environmental standards for materials and choose materials with low environmental impact; and incorporate environmental and social performance related requirements and criteria into the supplier selection process and partner performance evaluation	Material Supply Quality Management, Adoption of Sustainable Materials

4.4.3 Sustainability Targets for 2019-2023

Good Citizen

Human in Harmony with the Environment



Vision	Takes into account the environmental and social aspects when designing products, services and business management model, and assist the country and society in coping with sustainability and climate change challenges	
Strategy	Proactively learn about environmental issues and social development needs, and leverage own expertise, resources and influence to appropriately manage those factors across the full business cycle, plan for and participate in community building	
Targets	③ Climate change	Integrating climate change risks into corporate risk management system and strategy <ul style="list-style-type: none">• Incorporate ESG issues including climate change into the annual risk profile by 2021• Report to the Audit Committee on the level of risks concerning ESG issues including climate change• Establish COOC Climate Action Pledge, COOC Climate Change Adaptation Strategy and sustainable development strategy of respective departments by 2023
	④ Energy efficiency and renewable energy	Commercial projects <ul style="list-style-type: none">• Reduce carbon emissions of existing office building projects by 3% by 2023 compared with 2019• Replace 100% of energy-inefficient lightings in commercial projects in operation with LED lightings by end of 2020• Realize 100% coverage of energy consumption information platform in self-owned office building projects by end of 2020 Innovative projects <ul style="list-style-type: none">• Reduce carbon emission intensity by 3% by 2023 compared with 2020• Reduce energy consumption intensity by 5% by 2023 compared with 2020
	⑤ Greenhouse gas emissions	
	⑥ Water resources	Reduce water consumption intensity of innovative projects by 5% by 2023 compared with 2020
	⑦ Waste and sewage management	In 2020-2021, at least 10 commercial projects roll out waste sorting pilot scheme, with enhanced engagement of owners, tenants and residents to increase waste recycling rate of the community
	⑧ Land risk and biodiversity	Carry out land risk screening before land acquisition for each project by 2023 to analyze the risk factors related to the ecological environment such as geological terrain, soil risk, environmental pollution and special protection and identify the environmental risks of the project plot and its surrounding areas Conduct a third-party environmental impact assessment report on each land plot to be acquired by 2023, including an analysis of terrestrial biodiversity
	⑬ Community risk assessment of project development	Encourage innovative design schemes that preserve local historical and cultural characteristics as much as possible in the urban redevelopment and revitalisation projects
	⑭ Regional economy and targeted poverty alleviation	Improve the income, technology and education quality of local communities through industrial, consumer and educational poverty alleviation

Good Products

Creating a Healthy Life with Enjoyable Space



Vision	Adhere to the principle of “Each and Every Detail of Each and Every Project” to create new communities integrating functional, healthy and humanistic elements based on modern living and working patterns	
Strategy	Strive to understand customers' pursuit of a better life, integrate customer needs into architectural design and planning of supporting facilities, constantly explore product and business innovation, and strictly conduct supply chain management and control construction quality	
Targets	<p>① Green and sustainable buildings</p> <ul style="list-style-type: none"> Ensure that newly developed residential projects obtain 1-star national green building certification in 2020-2023, and encourage projects to obtain higher-star certifications, such as 2-star and 3-star national green building certifications, LEED certification and BREEAM certification, and complete the construction of COLI healthy residential system <p>For office building projects, by end of 2020</p> <ul style="list-style-type: none"> Achieve 1 WELL certification for OfficeZip flexible-working space All office building projects in London attain BREEAM certification Reach strategic partnership with German Sustainable Building Council (DGNB) or equivalent <p>For office building projects, by 2023</p> <ul style="list-style-type: none"> Achieve a cumulative number of 15 LEED certification Achieve a cumulative number of 11 WELL certification for project under development Achieve DGNB certification or equivalent in no less than 5 projects By 2023, 100% of new hotel projects attain China Green Building Star Certification with no less than 3 projects achieving 3-star rating <p>With reference to the China Green Building Evaluation Standard, WELL Building Standard and other international standards:</p> <ul style="list-style-type: none"> Establish the “300 Humanized Design Details” design guide by end of 2020 and apply it to the design of new residential projects By 2023, complete formulating the COOC Healthy Building Standard, and have over 98% of projects meeting such standard <p>Strengthen air quality monitoring and management:</p> <ul style="list-style-type: none"> Add real-time detection and end-point purification devices to pollutant emission equipment of commercial projects by 2021 Install air purification systems in new commercial projects in cities with substandard air quality by 2021 Achieve 100% air quality testing coverage and check-in standard in newly opened long-term rental apartments, education and senior living projects by 2021 	
	<p>② Green finance</p> <ul style="list-style-type: none"> Complete the issue of CITICS – China Overseas Green Property Management Asset-backed Plan 1 in 2020 Formulate Green Finance Framework of the Company and conduct feasibility studies on green and sustainable bonds and loans by 2021 according to the Green Bond Principles and the Green Loan Principles 	
	<p>⑮ Infrastructure and supporting services</p> <ul style="list-style-type: none"> 80% of operating shopping mall projects earn the title “Food Safety Demonstration Project” at the district level by 2021 Build a total of 5 million sq. m. of affordable housing by 2023 	
	<p>⑯ Community integration and coordinated development</p> <ul style="list-style-type: none"> Set up baby care rooms in all newly developed operating shopping mall projects and 80% of newly developed hotel projects by 2023 Develop high-standard senior living projects to provide high-standard senior living services for 5,000 families by 2030 	

Good Services

Full-cycle Customer Service



Vision	Continuously improve customer satisfaction and strive to be an industry leader in customer relationship management	
Strategy	Continuously improve customer communication, customer satisfaction surveys and interdepartmental collaboration at all stages of the project life cycle, and actively listen to and respond to customer needs through various channels	
Targets	10 Customer feedback and satisfaction	<p>Achieve the followings in third-party customer satisfaction surveys by 2023:</p> <ul style="list-style-type: none"> Rank at least 88% and 95th percentile of the industry in overall customer satisfaction rate Rank at least 90% and 85th percentile of the industry in customer satisfaction rate at sales sites Rank at least 70% and 85th percentile of the industry in homeowner satisfaction rate <p>Achieve in the semi-annual customer satisfaction surveys on commercial projects by 2023:</p> <ul style="list-style-type: none"> Scoring at least 80% in shopping malls and long-term rental apartments customer satisfaction rate Scoring at least 88% in tenant satisfaction rate in office buildings Incorporate environmental issues into survey indicators

Good Effectiveness

Creating Shared Value



Vision

Better understand the links between social needs and the Company's competitive strengths, create shared value for all stakeholders with a management mindset that breaks for-profit and non-profit boundaries, observe high-level corporate ethics, step up internal and external collaboration and communication, and catalyze sustainable development processes

Strategy

Improve corporate governance

Build a corporate culture that respects integrity and sustainability, strengthen internal and external supervision and audit, and facilitate the recognition and adoption of COLI's corporate values and code of conduct by partners

Build effective teams

Enhance employee satisfaction research, and constantly improve employment policy, working environment, personnel training & development and performance management, so as to increase talent development and management efficiency and enhance COLI's international competitiveness

Promote cross-industry cooperation

Strengthen communication and collaboration with stakeholders, increase collaboration from all walks of life and work together to create greater positive impact on the sustainable development of environment and society

Targets

25 Anti-corruption and unfair competition

- 100% of the Company's management personnel and employees (including employees of regional companies, project companies, joint ventures and associates) sign the Work Integrity Responsibility Statement on a yearly basis
- 100% of senior and middle-level employees of the headquarters and companies at all levels receive integrity education and training
- Have 100% of business partners (including suppliers and contractors) sign the Integrity Agreement and check their corporate credit and integrity records during the Company's procurement process
- Maintain information sharing and exchange as a member of the Enterprise Anti-fraud Alliance

27 Intellectual property protection

- Improve the intellectual property management system and define functions and duties in intellectual property management
- Set up a mechanism to provide regular internal training on intellectual property for employees

17 Management and employee diversity

- Maintain the ratio of male to female employees within 2.8:1 by 2023, and improve the ratio of male to female employees with an aim to bring down the ratio to 2:1

18 Equal opportunity and anti-discrimination

- Set up a monitoring mechanism with indicators to review the implementation of equal pay for equal work for men and women and the fairness of promotion by 2021

19 Employee well-being

- Review the effectiveness of the "professional manager" system and the equity incentive plan to increase employee satisfaction, reduce employee turnover, or improve work efficiency in respect of employee well-being by 2023

21 Employee engagement and satisfaction

- Conduct employee satisfaction and engagement surveys each year to develop improvement plans and make reports in respect of employee satisfaction and engagement
- Maintain employee satisfaction and engagement scores to be at least 80 and keep voluntary resignation rate below 8%

22 Training and development

- Maintain the number of training hours per employee per year to no less than 75 hours by 2023

23 Occupational health and safety

- Aim to realize zero work-related injuries and zero work-related fatality (covering employees of COLI and its contractors) in respect of occupational health and safety
- Build a system for monitoring of occupational safety and health indicators for employees of COLI and its project sites
- Maintain 100% physical examination and supplementary medical insurance coverage for employees

20 Labour relations and labour rights and interests

- Regularly review the rules and systems and operations of labour unions, employee representative associations and other staff organisations as well as employee complaint channels by 2023

9 Environmental awareness improvement and capability enhancement

- 100% of office tenants sign the COOC Green Lease Cooperation Plan by 2023
- Establish energy audit service system and confirm at least 5 pilot projects by end of 2020
- Offer free energy audit service to all office tenant's application with energy efficiency advisory by 2023
- Organize at least 3 community public welfare or promotional activities with the theme of environmental protection in shopping malls, long-term rental apartments and overseas asset projects
- Organize activities to promote sustainable lifestyle to 20,000 households in innovative projects by 2030
- Develop an environmental curriculum system for education projects and promote to 100% education projects by 2030

26 Green and sustainable supply chain

- Develop green procurement category standards by 2021
- Develop and monitor quantitative targets for green supply chain by 2023 (e.g. the number of categories with green standards, the purchase amount of each green material, and the percentage of such purchase amount in the category, etc.)

28 Industry exchange, cooperation and innovation

- Actively respond to climate change-related initiatives
- Actively participate in the preparation of technical standards for sustainable buildings
- Strengthen collaboration with first-class technology companies locally and overseas to promote design innovation

Stakeholder Engagement

Creating value for customers, employees, investors and communities has always been the core mission of COLI. We strive to maintain open communications with stakeholders via various channels and integrate their opinions into COLI's management policy and strategic planning to continuously better our products, services and business models.

5.1 Continuous Communication Strategy

Through multiple platforms, departments and business lines continue to inform stakeholders of COLI's management approach in sustainability, understand their needs and expectations, and make responses via the internal feedback mechanism. Reviewing the work on communication during the reporting period, we have identified the following groups of stakeholders and their major concerns:

Type	Focus	COLI's communication strategy	Main communication channels
Employees	Equal opportunity Employee communication Welfare protection Health and safety Career development path	COLI conducts employee satisfaction survey annually, and the human resources department is responsible for implementing the employee satisfaction enhancement scheme to strengthen team cohesion. COLI's headquarters and its regional branch companies officially established labour unions this year to strengthen the bilateral communication between the management and the frontline staff via a series of employee communication activities.	<ul style="list-style-type: none"> Employee satisfaction surveys Employee seminars and regular meetings General manager/ president luncheons Chairman's mailbox Meetings of leading officials on principles Employee gatherings OA intranet system China Overseas magazine
Labour	Health and safety Employment opportunities Labour rights and interests	The Company focuses on the safety construction issues of its projects and instils the importance of safety management to its engineering teams through the performance management system and the "Stars of the Sea" assessment system. We inform contractors and suppliers of the Company's requirements through agreement provisions, guidelines and inspections, and hold educational promotion campaigns to reinforce the awareness of safety among the employees of COLI and its partners.	<ul style="list-style-type: none"> Contract and salary administrative measures Project safety assessment and training "Safe and Civilised Production Month" campaign
Customers	Information transparency Product and service quality Healthy lifestyle Customer experience Handling of feedbacks and complaints	The Company adopts the strategy of "full-cycle customer management", proactively conducting customer satisfaction survey and communication, connecting various departments including product and service during the construction development period, and continuously analysing and integrating customers' requirements into products and services. We also use information systems and real-time monitor platforms to improve the efficiency of complaint feedback and rectification, keeping close contact with customers.	<ul style="list-style-type: none"> Customer satisfaction surveys "Knock-Knock" home owner visit programme China Overseas Property Club ("COPC") customer platform Customer service hotline and mailbox CRM system and customer App Official WeChat School parent meetings

Type	Focus	COLI's communication strategy	Main communication channels
Business partners	Performance of contracts with integrity Mutual beneficial relationship Deepening cooperation Joint development	The Company establishes open and transparent tendering and contract performance procedures, informs contractors and suppliers of policies and codes related to corporate ethics standards, anti-corruption and whistleblowing, and offers relevant guidance and training, building up equal and sustainable partnerships.	<ul style="list-style-type: none"> Cooperation agreement provisions Open Letter on tender submission Project meetings Supplier training "Central Procurement Communication Month" activity Central procurement suppliers conferences Contractor conferences
Shareholders/ Investors	Information transparency Investment return Protection of rights and interests Operational risk control	In addition to releasing financial information, the Company's management and Corporate Communications Department actively communicate with investors on a regular basis and answer queries about corporate governance and management strategy through different communication platforms, providing investors with more comprehensive and transparent non-financial information.	<ul style="list-style-type: none"> Press conferences Roadshows Investor and analyst meetings Corporate visits Project site visits Stock Exchange announcements Investor relations webpage
Community and media	Targeted poverty alleviation Employment opportunities Affordable housing Synergistic community development Public's right to know	The Company continuously mobilises and allocates resources for poverty alleviation, construction of affordable houses and schools, and other public welfare projects. We also maintain communication with local governments and assess the needs of community residents during project development. As for development projects involving land contamination, COLI discloses its environmental management implementation plans publicly in compliance with the law.	<ul style="list-style-type: none"> "Sea of Hope" poverty alleviation scheme Donations and visits to Hope Primary Schools Employee volunteering Official WeChat News centre of the Company's website
Government	Compliance with the law Paying taxes in accordance with the law New urban development	COLI maintains close communication and cooperation with the government, pushing forward China's new urban development by participating in urban renewal, ecological restoration and heritage preservation projects.	<ul style="list-style-type: none"> Participating in governmental projects Meetings and interviews Project site visits

"China Overseas Property", COLI's WeChat official account, pushes messages about corporate news, promotions, employee recognitions, and holiday reminders to stakeholders such as customers, partners, employees, and the media.

In 2019, the official account pushed 255 articles with 1.45 million views.

Year	Number of Articles	Clicks	Followers
2018	234	1.05 million	46,378
2019	255	1.45 million	69,855



5.2 Industry Communication and Cooperation

COLI has been actively participating in industry organisations and initiatives, driving the development and innovation of industry technology and management standards, and assisting the construction of sustainable communities by engaging in setting technical standards, project case demonstrations and peer collaboration and exchange, gaining high recognition from society.

Industry organisations and initiatives	Participating Unit of COLI	Membership qualification
China Green Building Council ("CGBC")	China Overseas Property	Leading Unit of the Property Team, participating in the Fifteenth International Conference on Green and Energy-Efficient Building & New Technologies and Products Expo on 3 April 2019
Shenzhen Green Building Association	Hua Yi Design	4 experts participating in the Green Building Council
China Index Academy		Member of the China Commercial Property Index System Advisory Committee BOMA China Platinum Member
Building Owners and Managers Association (BOMA) International	China Overseas	
Architectural Design Branch of China Survey and Design Association	Commercial Properties	Member of the Internet of Things Research and Promotion Department
The International WELL Building Institute (IWBI)		Keystone Member of IWBI

Awarding Organisation	Award
Corporate Governance and Comprehensive Performance	
China Real Estate Business	No.1 in the Top 50 Board of Directors of China's Listed Real Estate Companies 2018-2019
Corporate Governance Asia	Best Investor Relations Company (China) Asia's Best CEO (Investor Relations)
The Hong Kong Institute of Directors	Directors of The Year Awards (Executive Directors of Listed Companies)
Green Development	
The Asset	The Asset ESG Corporate Awards 2019 – Platinum
Caijing	Evergreen Award 2019 – Sustainable Development Green Award

* English translation is for identification only

Awarding Organisation	Award
Investor Relations Magazine	Certificate of Excellence Award in ESG Category
Chinese Investment Association, Standard Ranking, Caijing	No. 1 in China's Top 50 Real Estate Enterprises in Green Credit Index 2019 (mid-term) (AAA)
China Real Estate Association, Chinese Investment Association	No.3 in China's Green Property 2019 Top 10 in China's Green Property Project 2019 (Beijing LA CITE project) Top 10 in China's Green Property 2019 (Residential) Top 10 in China's Green Property 2019 (Commercial) Top 10 in China's Green Property Operation Model 2019 No.2 in China's Whole-decoration Enterprises 2019 Top 10 in China's Prefabricated Buildings Enterprises 2019
China Real Estate Business Weekly, CHIAF, China Real Estate Business, Zhong Fang Think Tank	China Real Estate Green Procurement Gold Partner Award 2019 Most Competitive Green Developer Top 10 2019 Most Competitive Green Commercial Real Estate Developer Top 10 2019
Excellent Employer	
China Real Estate Association	Best Real Estate Employer Enterprise in China 2019
Shanghai E-house Real Estate Research Institute, E-house Enterprise Group Property Employer Assessment Centre	College Students' Favourite Real Estate Employer in China 2019
Zhaopin & Social Survey Research	China's Best Employer 2019
Centre of Peking University, China Institute of Labour Economics, Harvard Business Review	No.2 in China's Top 30 Best Employers 2019
Caring the Community	
Chinese Academy of Social Sciences, Chinese Business Journal	Innovation Award for Poverty Alleviation Model 2019
The Time Weekly	Pioneering Award for Calibrated Poverty Alleviation 2019
The Hong Kong Council of Social Service	10 Years Plus Caring Company

Good Products

Creating Enjoyable Space

COLI adheres to the belief of “Each and Every Detail of Each and Every Project”, and commits to creating product solutions to satisfy new lifestyles and building “good products” that are livable living and comfortable. Throughout the process of project development, we proactively take the needs of customers and vast stakeholders into consideration to create a healthy and pleasant living space for our customers through internal and external collaboration to jointly pursue innovation and change based on the concept of “good design, good materials, good quality and good amenities”.

This section aligns with the following international goals and reporting indicators

UN SDGs



HKEx ESG Guide

GD-A2

GD-B5, KPI B5.1, KPI B5.2

GD-B6, KPI B6.3, KPI B6.4

GRI Standards

102-9, 103-1, 103-2, 103-3

203, 301, 308, 413, 414,

416, 417

Management actions taken to address material issues

Green and sustainable supply chain

Formulating the Supplier Code of Conduct and compiling Technical Requirements for building material procurement

Checking suppliers' material testing reports, quality management certifications and safe production permits

Conducting on-site unannounced material inspection and arranging quarterly third-party unannounced inspection for plants

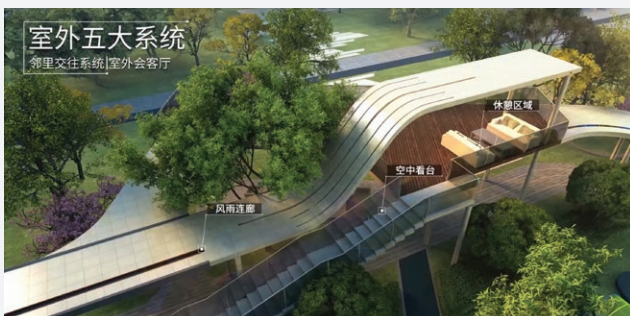
Convening annual central procurement supplier conference

6.1 Good Design – People-oriented Living Space

The accumulation and innovation of design ideas is key to creating successful products. In order to enhance and upgrade product design and positioning, our Design Management Department and Sales & Marketing Management Department conducts customer needs analysis and special research to gain in-depth understanding of the market environment and the needs of different customer groups.

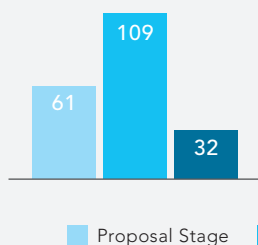
Smart life is an area that COLI has been exploring in recent years. The Product Research and Development Centre of COLI together with its Customer Research Centre conducted continuous research and development from three directions, namely "Smart Community", "Smart Home" and "Smart Sites", analysed critical concerns of customers, and came up with a Smart System that covers 4 segments, 20 scenarios and 50 sub-items. We continue to plan intelligent technology applications, unite with technology companies to develop technical standards, and build a model of system management. During the year, we cooperated with Huawei and other leading technology companies, and strived to incorporate the conception of "Intelligent IoT" into a new generation of products by leveraging technology and the extensive research experience of COLI in the residential scenario and empower the living space with technology. In 2019, COLI had various smart community schemes and models of smart home in place, and has carried out trials in 25 smart sales offices.

The development team of COLI, customer service departments and property management companies of different regions regularly conduct joint visits and spot check on delivered projects to collate product defect issues reported by property owners, analyse the causes and send feedbacks to corresponding departments through research reports and training cases, so as to incorporate customers' opinions, needs and risks into future pre-project design, planning and process management. Combined with customer research and product defect library, we continue to classify our products based on diverse family structures and product pricing, update Designer Manual of COLI CRAFT Product Series (《中海CRAFT產品系列設計師手冊》), develop the core control principles of each segment, and fully understand common customers' needs and design concerns, so as to tailor product experience to different customers.



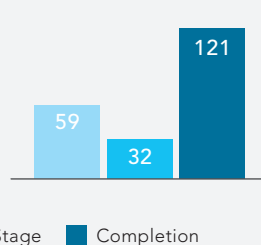
Smart Community

202 Projects



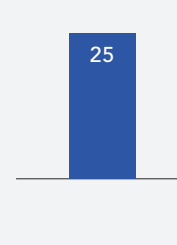
Smart Home

212 Show Flats



Smart Sales Offices

25 Projects



■ Proposal Stage ■ Construction Stage ■ Completion

6.2 Good Materials – Improving Supply Chain Management

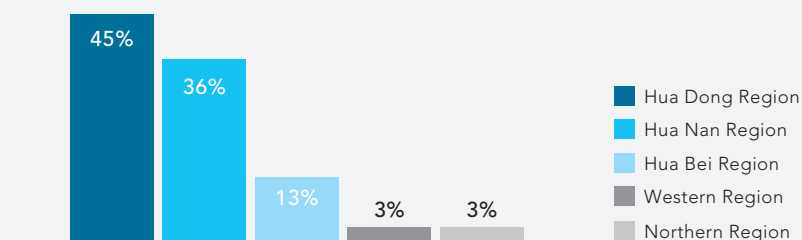
Maintaining safe, healthy, and quality materials and equipment is a condition precedent to building good products. As a pioneer in central procurement in China's real estate industry, COLI continues to improve supply chain management to meet the needs of industry growth and product development for new materials and processes. The implementation of the Material Management Measures (《物資管理辦法》) at the headquarters and regional levels establishes a standard for procurement procedures and work structures of various materials in terms of bidding, supplier review, contract management, etc., and the information of suppliers with significant impacts on our products is regularly monitored and reported.

6.2.1 Supplier Management

This year, we formulated a new Supplier Code of Conduct, which applies to business partners of COLI and its affiliated, regional and project companies at each location where they have business operations, including suppliers, contractors, subcontractors and property management companies that provide us with materials and services. In the future, suppliers need to sign and undertake to comply with ten aspects of code of conduct, including business ethics, remuneration and labour rights, occupational health and safety, prohibition of child and forced labour, environmental and safety standards of products. Business partners that violate the relevant codes will be issued notice for improvement within a time limit, warning or penalty, as the case may be, or the cooperation with such partners may be terminated and they will be included into the list of unqualified suppliers/contractors and disqualified for tender submission. No suppliers were included into our "List of Unqualified Suppliers" for this year for sub-par standards.

At the same time, to ensure procurement transparency and to promptly identify and stop non-compliant and illegal acts, we have formulated the "Integrity Agreement" and set up a wide variety of report channels for suppliers such as email, telephone, and visits, so as to proactively guide various stakeholders to participate in supervision. We look forward to working with our partners to uphold our core values and establish a foundation for mutually beneficial and win-win cooperation, while effectively protecting the interests of employees, customers and the social environment.

Distribution of Suppliers by Geographical Region



6.2.2 Supplier Admission

All potential central procurement suppliers must be screened in accordance with the established procedures and conditions as set out in the Company's Central Procurement QDSS Management Guidelines (《集採QDSS管理工作指引》). The Company assesses the performance of the potential suppliers in areas such as management mode, production process and material quality through data verification, management interviews, site visits, enterprise benchmarking and internal and external research. Only the suppliers that pass the assessment can be admitted to the Company's qualified suppliers' (QDSS) list and have the opportunity to participate in biddings. We also plan to add more specific environmental and social requirements to the QDSS and facilitate the implementation of Supplier Code of Conduct in supplier screening.

6.2.3 Material Supply Quality Management

The Company has compiled the Technical Requirements (《技術要求》) for building materials. We set technical standards that are on par or higher than the national standards. When purchasing materials, we can properly mitigate the impact of materials on health, safety and the environment. For example, the formaldehyde emission of wooden furniture should not be higher than the Class E1 emission concentration of the national standards. The electrical life of the electrical components in indoor distribution boxes should not be less than 10,000 cycles, which is higher than the national standard of not less than 4,000 cycles. The bidders must submit certificates such as inspection reports, ISO quality management certifications, Work Safety License and the origin of materials for review. In addition to unannounced inspections on materials at project sites, we also conduct unannounced third-party inspections on centrally procured products by visiting the plants quarterly to carry out spot checks on the materials, so as to stringently control quality.

6.2.4 Supplier Assessment

The Cost Management Department of the Company coordinates with multiple functional departments including the Design Management Department, Project Management Department, Customer Service Department and Sales & Marketing Management Department annually to conduct an integrated performance assessment of suppliers in cooperation (the "Partners") on a level-by-level manner from areas to regions, and to the headquarters, as a means of supply chain risk assessment. This includes reviewing the relevant documents of management systems, certificates and records of the Partners, as well as on-site acceptance, regular meetings, material quality testing and unannounced third-party inspection of production plants. We grade and classify the performance of suppliers based on indicators such as quality, safety, quality corrective actions and maintenance efficiency. The results are finally reported to the central procurement committee of the headquarters.

Based on the scores, we classify Partners into four certification grades: Grade A (excellent), Grade B (qualified), Grade C (poor) and Grade D (unqualified). Unqualified Partners will be prohibited from participating in bidding for two years whereas those with excellent performance will be appraised and rewarded. We select "strategic enterprises" from project contractors rated Grade A or above and give them preference in procurement to encourage our Partners to strive for excellence in product quality, safety and service and to maintain a long-term strategic cooperative relation with COLI. During the year, a total of 10 project contractors were selected as "strategic suppliers" of COLI.

COLI's suppliers in cooperation must commit to respect and protect the intellectual property rights of others. The procurement contract has included special provisions relating to intellectual property rights, which require the supplier to ensure that the product and its components do not infringe third-party intellectual property rights, trademark rights or industrial design rights. If the intellectual property rights are not possessed by the supplier, the Company will require the supplier to provide proofs for verification.

6.2.5 Supplier Engagement

We hold the “Central Procurement Communication Month” event every year to better understand the needs of suppliers. We have also set up a complaint mechanism to maintain two-way communication and close cooperation with partners. In 2019, we held the annual central procurement supplier conference, which has over 300 attendees from more than 120 brands. The conference featured the theme of “Join Hands and Share Benefits”. At the conference, we elaborated on and shared information from various perspectives including material requirements, sampling, standard use and issues caused by sub-standard materials, emphasizing the importance of material quality and safety. In future, we aim to pool resources from global quality partners and to better quality, and strengthen collaboration with partners to prepare for the targets under the green supply chain policy set by the Company this year.



6.3 Good Quality – Each and Every Detail of Each and Every Project

During construction, we adhere to the philosophy of attending to “Each and Every Detail of Each and Every Project” and strictly monitor the construction process to ensure the quality and safety of the finished products. We have established a digital management platform that supervise the whole process of real estate development, offering information management systems such as city maps, panoramic project management planning and remote surveillance of project works, to achieve precise management of key milestones using technology.

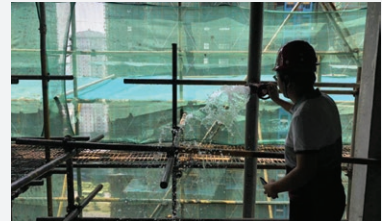
6.3.1 Before Construction

We conduct land surveys on the construction sites and surrounding areas to assess the impacts of groundwater and soil on structural safety, in order to avoid constructing buildings in locations with poor geological conditions such as unstable rocks, landslides and mudslides, and ensure that the site is geologically stable and suitable for construction.



6.3.2 During Construction

To improve risk control standards on construction management and inspection, we have established corresponding process management targets for inspection of different project milestones. In accordance with inspection regulations and policy documents such as the Operation Manual on Comprehensive Assessment (《綜合評估操作手冊》), Operation Manual on Monthly Assessment (《月度評估操作手冊》) and Operation Manual on Weekly Assessment (《週評估操作手冊》), COLI focuses on the four major areas of comprehensive assessment, including “quantitative & quality inspection”, “safety and civility”, “site management” and “quality”, the latter which has the highest weight among the four areas, to comprehensively oversee construction safety and quality.



The Project Management Department of the headquarters selects projects quarterly to assess their performance in the four major areas. In terms of product quality, we issue the “COLI Comprehensive Assessment Report on Quality and Safety” to sum up the assessment results, analyse the quality and safety risks and plan improvement measures. Our disciplinary actions against responsible units include demand for rectification, reward and punishment under the “Stars of the Sea”, reporting to the group-level, and motivational talks. The headquarters and the companies at the regional level carry out training and promotions in relation to product quality and safety every year, such as Wuhan company’s “Quality and Safety Assessment System Training and Assessment Focuses Analysis” and Shanghai Hongqi Village Project’s themed event of “Safe and Civil Production Month” during the year. We strive to identify and reduce quality issues of products and constantly review the “quality risk” indicators in quality areas such as building materials, structures, waterproofing and materials, in order to create safe and satisfactory products for customers.

Four major assessment areas of quarterly selected projects



Quantitative & Quality Inspection

Quality inspection of various projects such as waterproofing, masonry, decoration, exterior wall and equipment installation

Quality

The quality indicators of civil construction and decoration construction are revised annually according to customer quality satisfaction and the Company's quality strategy

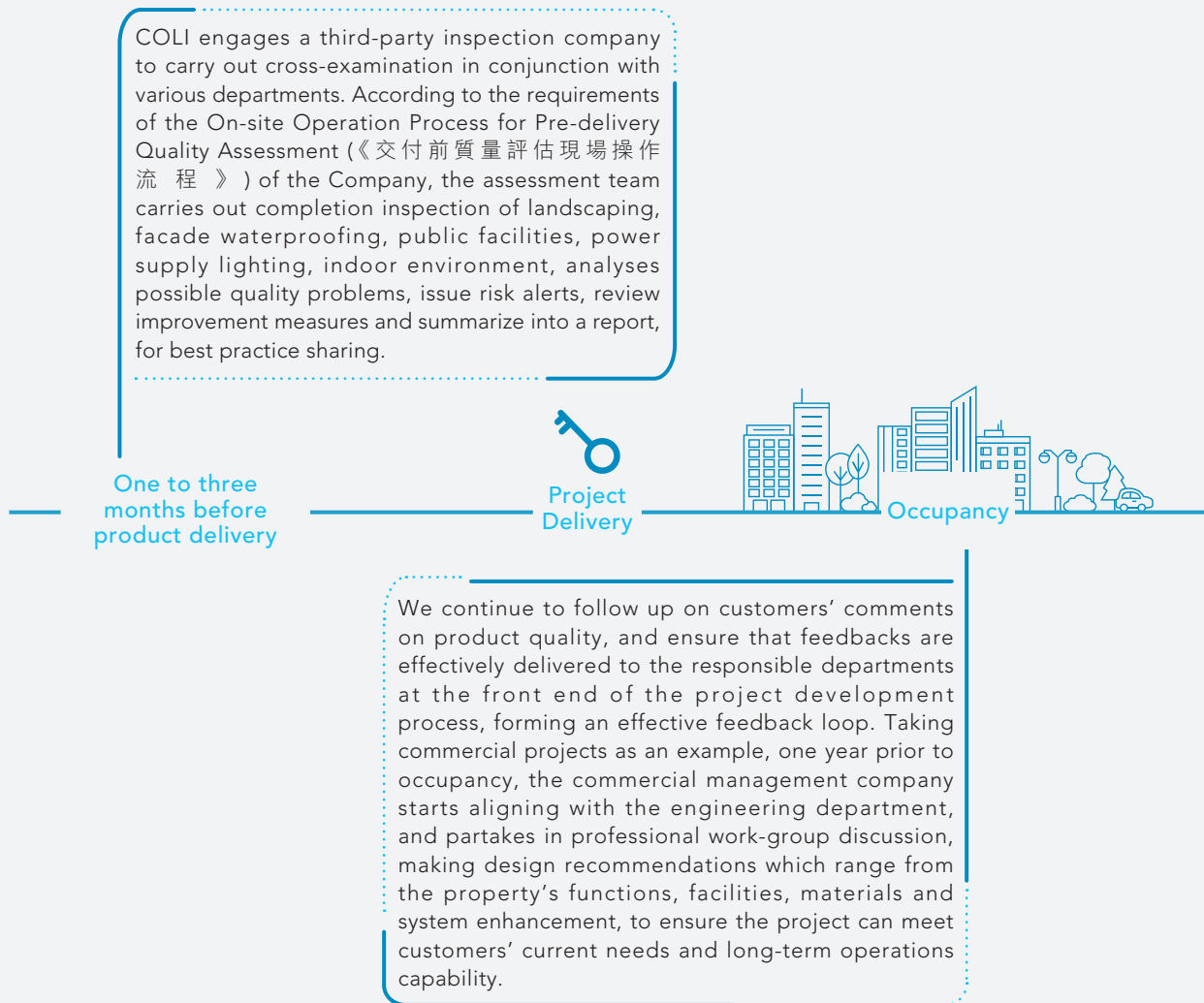
Site Management

The performance of quality process management, technology management, safety management, etc. of the project department and the supervision and construction units

Safety and Civility

Safe use of electricity, mechanical equipment, text labeling, material stacking and clean-up after completion, etc.

6.3.3 Quality Inspection and Follow-up before and after Project Delivery



6.4 Good Supporting Facilities – Product and Service Innovation

While residential development is our core business, we continue to explore and innovate to prepare for our future needs.

We continuously conduct community research and have developed the education business and senior living business. During the year, we established cross-industry strategic cooperation with tech giants and international institutions to bring about breakthroughs in COLI's fifth-generation premium projects and even the industry through joint development and application of various technologies and standards. We will continue to provide residents, tenants and merchants with comprehensive and convenient supporting facilities through diversified development of innovative business initiatives and the application of intelligent technologies, to usher in a green, smart and healthy future lifestyle.

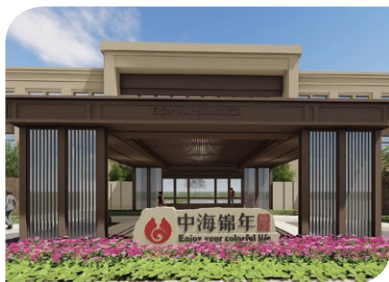
6.4.1 Improving Community Facilities

We pay attention to the correlation between elderly care, educational facilities and property development businesses. Facing the challenge brought by a aging population, building a healthy and comfortable community requires quality facilities for elderly care. "China Overseas Jinnian senior living" and "COLI education" are therefore launched to help build of China's elderly care and education systems. We continue to carry out community research based on the three scenarios of "rural, urban, and senior living", striving to integrate elements of community inclusion into the planning, design, and operation of education and elderly care business, thereby establishing a culture of inclusiveness where "the elderly are taken care of, the working population are put to good use, and children are properly raised".

Jinnian Senior Apartments – Enriching the Lives of the Elderly

Upholding the philosophy "celebrating the golden years together" and realizing the vision "creating a vibrant life for the elderly with our services", the China Overseas Jinnian senior living brand strives to lead the future elderly lifestyle with its products and services. COLI currently owns and operates 3 China Overseas Jinnian Senior Apartments in Tianjin, Qingdao and Jinan, and the China Overseas Jinnian Senior Community in Wuxi.

From the preliminary planning and design to the operation and management of the projects, we carefully considered the needs of the elderly in an inclusive community. Taking China Overseas Jinnian Senior Apartments in Jinan as an example, the project was designed by experts on elderly care buildings from Tsinghua University to fully integrate healthy designs that are suitable for seniors, including age-appropriate elevator design, barrier-free ramps, widened sliding doors, and fresh-air and anti-smog system, delivering convenience for the elderly with limited mobility. In addition to quality care giving and rehabilitation services, we also pay attention to the mental health of the elderly, providing them with professional services such as psychological counselling and sports rehabilitation. We also organise activities such as senior universities and interest groups to help them integrate into the community.



COLI actively expands its education business and has established a future-oriented education system with the innovative philosophy of “global vision, local passion”. We have carried out strategic cooperation with a number of quality educational institutions to establish “COLI Kindergarten”, a quality pre-school education brand, “COLI Academy”, an all-family and all-age community educational space, “COLI Outdoor Campsite”, an educational camp for ability development, and a variety of high standard K12 schools, providing quality education for over 12,000 students.

COLI Kindergarten – Creating Unlimited Possibilities of the Future of Kids

Located in Dongtai Garden Community, Dongcheng District, Dongguan City, the Dongguan Dongcheng COLI Kindergarten is a quality non-profit inclusive kindergarten jointly established by Education Unlimited and the Renmin University of China.



We equip COLI Kindergarten with facilities and equipment in accordance with the standards of Guangdong Province for first-tier kindergartens, including indoor facilities such as multimedia equipment, creative art rooms, Edison scientific discovery rooms, and mini theatres, as well as outdoor playgrounds such as paddling pool, sand pool, and exploration area for outdoor physical games, thereby providing the children with a free, healthy and diverse space to fully develop their personality and unleash their potential.

6.4.2 Healthy Living Space

China Overseas Commercial Properties (COCP) has established safety and health management procedures on its project premises, tenants, suppliers and service stating the occupational safety and health requirements, so as to avoid and reduce occupational hazards that may be incurred by various activities. The Asset Operation and Maintenance Centre of the headquarters is responsible for the supervision of the procedures. The department heads of the regional companies assess the occupational disease or work injury risk of the project, and regularly review and report the results to the headquarters. In response to the assessment results, the measures recommended by regional offices, the responsible departments, and the completion date are subject to the approval of the general manager of the regional company.

Regional companies record work-related injuries, thoroughly investigate the causes and issue investigation reports. Annual statistics of work-related injuries are maintained and reported to the general manager of COCP.

In 2018, COCP officially introduced the BOMA China Building Management Certificate of Excellence (COE) management system. Following China Overseas International Centre, Chengdu, in 2019, Beijing CSC Fortune International Centre also passed BOMA's external audits and attained BOMA COE management certifications system in the areas of "building operations management", "energy management", "training management", "marketing and communication management" and "environmental management" and received five BOMA COE management system certifications. Going forward, COCP plans to develop a management manual based on the requirements of the BOMA COE management system to promote management measures covering product and service safety to all commercial projects, the implementation of which will be coordinated with the rental and operation and maintenance teams.



China Overseas International Centre, Chengdu

Having officially received BOMA China Certificate of Excellence (COE) covering five aspects in one attempt in 2018, it is the first commercial office building in Western China to incorporate this international operation management system, and achieving such record in the shortest time, demonstrating our strength and "COLI efficiency".



Beijing CSC Fortune International Centre

Having obtained BOMA COE in 2019, this is the first light-asset operation project of China Overseas Office Capital (COOC) to incorporate BOMA international operation management standards, showcasing that apart from being one of the largest single-title office building developers and operators in mainland China, COOC's management capability can benchmark against international standards in terms of light-asset operation on the back of continuous improvement.

Flexible office space integrating health intelligence, family friendliness and ergonomic elements

In December, COOC's OfficeZip flexible-working brand launched a brand conference where it announced the brand's new positioning of "Flexible Office Means Better" and made several major announcements:



- COOC officially became a member of the International WELL Building Institute to help upgrade the domestic commercial property management system by aligning with international standards and professional institutions.
- During the year, the Beijing China Overseas Fortune Centre OfficeZip project passed the WELL certification. With excellent performance in intelligent service, ergonomic health, network security, life safety and other aspects, the project became the world's first flexible-working project to obtain the WELL V2 CORE platinum certification with a high score of 98/110.
- Also announced at the conference was the upcoming launch of Beijing China Overseas Plaza OfficeZip Space. The project features the "Chinese traditional style" culture and incorporates traditional Beijing design elements. The new space will also be equipped with childcare facilities and services. The facilities are created by a top preschool environment design team led by an Italian architect, with indoor air quality reaching an enfant-appropriate standard. Professional teachers and childcare teams are engaged to provide courses and support services from COLI Education's "PEPA+" early childhood development system. Future tenants can spend spare time with their children during working hours. This, coupled with smart office areas, rest areas and fitness facilities, will promote the balance between career and family, and both physical and mental well-being.

COCP – Assisting in Promoting the Implementation and Development of Industry Standards for Commercial Property Asset Management



COCP and two major international industrial associations reached a collaboration agreement to explore the strategic path of promoting sustainable development related standards in mainland China.

COCP and International WELL Building Institute (IWBI) in the U.S. reached a strategic collaboration agreement. We expect there will be future market demand in buildings with healthy and humanistic design, and the introduction of the WELL Building Standard can greatly promote the industry in developing sustainable buildings. Going forward, COCP and its subordinate arm COOC will collaborate with IWBI in exploring health standards under a local cultural context to promote the development of the WELL Building Standard in mainland China based on scientific research and industrial practices, guiding a movement that will in the long run enhance our physical and mental health through architectural disruption.

The Effective Guide for Selecting Essential Property Management KPIs published by BOMA serves as a reference for international commercial property owners in selecting appropriate, quantifiable and comparable KPIs, assists management teams in developing management frameworks for effective data management, and provides guidance on improving operation standards and enhancing professional capabilities. After assisting in preparing and publishing the Chinese version of the guide, COCP will collaborate with BOMA to promote the WELL Standards in mainland China, advocating to raise the bar of China's commercial property industry in its operation, management and practices.

6.4.3 Building and Enjoying a Smart Future

Smart Life 3.0

“National Craftsmanship Building a Smart Future” – Leveraging Smart Habitat Technology to Drive COLI’s Fifth-Generation Premium Projects



As modern people embrace changes in living and office requirements, the design and positioning of products and services should advance with time, placing top priority on the health, experience and well-being of users. Technology is instrumental to creating a convenient, safe, flexible and free lifestyle, and as such, apart from actively conducting research and development in and applying new technology, COLI joined hands with tech giants including Huawei, Microsoft, Alibaba and Tencent during the year and announced COLI Smart Life 3.0, aiming at strengthening cross-industry collaboration in the area of smart home and redefining the future industry standards for smart real estate.

New Strategic Cooperation in Real Estate and Technology

At Huawei's 2019 Developers Conference, COLI and Huawei reached a strategic collaboration agreement under which both parties will enter full strategic collaboration in terms of Huawei's HiLink smart home platform and IoT to set national smart home standards, offering consumers smarter and more convenient experience.



We, together with Huawei, will:

- carry out extensive collaboration in the real estate field and work with MOHURD, SAC/TC426 and other institutions to form industry alliances, with the aim to promote the establishment of national standards and regulations regarding smart home construction sector;
- give priority to Huawei's entrance and connection products and HUAWEI HiLink ecological products for COLI's residential projects customers in terms of smart terminals and the IoT ecology, so as to jointly build COLI's supplier bank for intelligent tenders and procurements;
- in terms of brand collaboration, we will explore joint marketing of residential products and benchmark projects to maximise the value of HiLink ecological products in COLI's residential products.

COLI x Huawei, Connecting to a Smart Life



Located at the superstructure of Line 11 and Line 14 in Putuo District, Shanghai, COLI•Zhenru Mansion (中海•臻如府) is the first 5G smart home demonstration project in China that uses HUAWEI HiLink. HUAWEI HiLink is an open platform that promotes the research and development capabilities of the project's cross-scenario IoT solution by introducing cross-industry, multi-brand and multi-category IoT ecological products. With the collaboration between around 100 from COLI of R&D staff and Huawei and more than 15 suppliers, we have achieved smart control in one touch for more than 100 home devices in the aspects of lighting, cleaning, energy saving, security, kitchen appliances, etc. under the six major scenarios of the project, which marked the first iconic project in the industry.

Good Services

Full-cycle Customer Management

From contract signing, living to repeat purchase, COLI believes that different customer groups have different needs and expectations, and their living and working patterns are constantly changing in tandem as technology gains traction. As such, our strategy is to carefully listen to and analyse customers' opinions in the process of engaging with customers through various communication channels such as customer surveys and post-occupation visits, and to carry out smooth interdepartmental communication and convey customers' voices to the project teams to accumulate important project experience, to take the next project to a higher level. Meanwhile, we ensure that when new projects are put on sale, our licensed sales staff strictly comply with the laws and regulations to build long-term trusting relationship with customers.

This section aligns with the following international goals and reporting indicators

UN SDGs



HKEx ESG Guide

GD-B6, KPI B6.2, KPI B6.5,
KPI B6.5

GRI Standards

103-1, 103-2, 103-3
413, 416, 417, 418

Management actions taken in relation to customer services

Customer feedback and satisfaction

Customer needs analysis and risk evaluation

Customer satisfaction survey and mystery customer inspection

Customer satisfaction rate of 89% for residential projects, improving for 4 consecutive years

Fair treatment of customers and marketing

Displayed the Measures for Transparent Publicity at Sales Sites and Notice on Transparent Sales at sales centres

Displayed the sales permits, public information on adverse factors inside and outside the red line indicating the development's boundary, and sales code of conduct

Compliance risk inspection over regional companies' marketing departments

Customer privacy and information security

ISO 27001 information security management system's third-party audit and certification

Adopted the national classified protection of cybersecurity system

Annual external audit, internal information security audit and risk inspection

Cybersecurity Week training activities

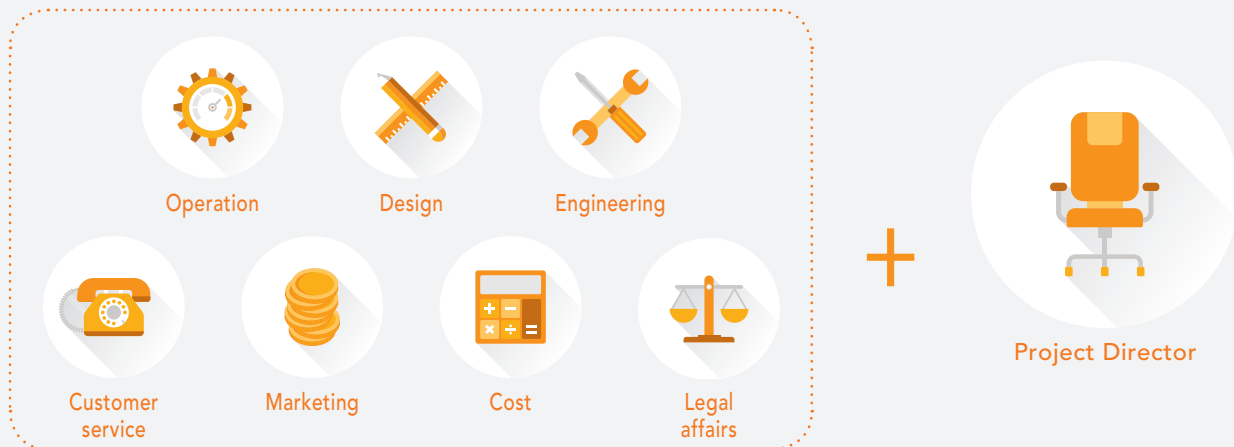
7.1 Customer Needs Analysis

The Project Risk Management Measures of COLI sets out guidelines to manage issues related to customer needs in the process of project development.

7.1.1 Residential Project Development Team Structure

According to the guidelines, all residential project development teams of COLI adopt a “7+1” structure which composes of one project director and 7 headquarters departments spanning operation, design, engineering, customer service, marketing, cost and legal affairs, to ensure that customer information such as customer type, project positioning and sales strategy is highly coordinated with the Customer Service Department at all phases of residential projects and among all departments.

“7+1” Structure of COLI’s Project Development Teams



In all residential project development cycles, COLI sets up seven “checkpoints” for key risk assessment and requires each project team to take measures to identify and manage matters related to customer needs and satisfaction and to formulate action plans.

7.1.2 Project Development Cycle

Seven Project Operation Checkpoints



7.1.3 Project Positioning

The Sales & Marketing Management Department continuously analyses the needs and major concerns of different customer segment from various dimensions such as family structure and purchasing power to understand the changes in the market environment. In order to enhance the accuracy of project positioning and product innovation capabilities, we have established a product R&D system based on the classification of customers into "five categories", and set up a typical case library to gather project experience from various regions as an important reference for future project development.

Five categories of products to meet different customers

C	CLASSIC	經典
R	REFINED	品居
A	ADVANCED	優選
F	FOREMOST	尊享
T	TOP	奢享

7.1.4 Project Initiation Review

At the "project initiation review meeting" stage, the Customer Service Department conducts analysis of customers' major concerns through project site inspections and other survey methods to identify product, environment and community factors affecting customer satisfaction, such as floor plan, landscape, surrounding supporting facilities and transportation, and report the findings to the project development team for the formulation of countermeasures at the stage of product positioning. The Sales & Marketing Management Department and the Customer Service Department then lead the "risk inspection for sales kick-off" and the "occupation kick-off meeting" respectively to screen out unfavourable or factors that affect customers' health and living experience, including noise, odour and industrial activities. The corresponding departments also holds risk prevention and control meetings on a regular basis, as well as monthly interdepartmental exchange meetings to dynamically adjust customer risk management strategies.

7.2 Improving Customer Experience

After occupancy, COLI employs various customer survey tools to find out areas where service needs to be improved from customers' perspective, and mobilizes pertinent departments to discuss and develop improvement plans.

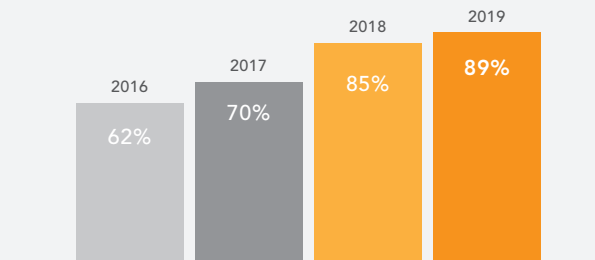
7.2.1 Customer Satisfaction Survey

This year, we continued to engage a third-party agency to carry out a customer satisfaction survey, quantify the Company's service performance in an objective and scientific way, and conduct industry benchmarking. We randomly selected 10% of residential project customers to conduct telephone survey which collected ratings and feedback on our products and services from would-be, new, and existing homeowners at six stages from after signing sales contract to after move-in.

Content of Questionnaire Survey



Survey results



In 2019, our customer satisfaction rate reached 89%, at an industry-leading level. The key indicators of satisfaction with products and services significantly improved compared with those in 2018, including indicators on property management, delivery, complaint handling, maintenance, post-contract communication, sales services and supporting facilities.

We also conducted customer satisfaction surveys for commercial and innovation projects to cater to customers' needs, health and well-being. This year, the customer satisfaction survey for commercial projects covered office buildings, shopping mall visitors, flexible-working space projects and overseas projects. For example, the evaluation indicators on office building projects cover not only the quality of products and services (including supporting facilities, property management, operation and maintenance, service quality), but also the overall experience of customers on environmental health and comfort, such as landscape, air conditioning comfort, indoor air quality, and environmental tranquility. As to the innovative business, we conducted a survey on the curriculum management, supporting resources, teacher resources and other aspects of the COLI Academy and Kindergarten, and collected parents' opinions to enhance home-school communication.

7.2.2 Fair Marketing

The Company has strict regulations on the sales process. The Sales Management Measures of China Overseas Land & Investment Ltd. lists out the procedures and rules that front-line sales staff must comply with in the sales process from subscription and deposit collection to contract signing. We strictly prohibit double sale of housing units. The sales team is required to fill out the sales management form and use the electronic system to clearly record the sales status of each housing unit in a project, and formulate templates for contracts and subscription agreements, so as to ensure the transparency of the product information.

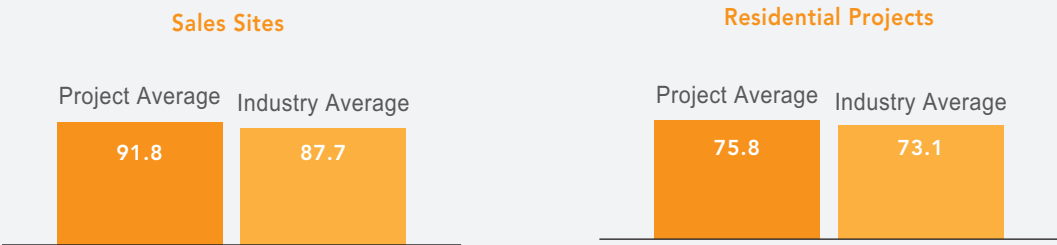
The marketing materials of all the Company's projects on sale in Hong Kong are in strict compliance with the relevant provisions of the Residential Properties (First-hand Sales) Ordinance. As to the sale of commercial housing in mainland China, we abide by relevant regulations of the local government. The Company has developed the Measures for Transparent Publicity at Sales Sites, undertaking to clearly display sales permits, public information on adverse factors inside and outside the red line indicating the development's boundary, project model risk warnings, show flat risk warnings and other relevant documents at all sales offices. The Company displays the Notice on Transparent Sales at each sales site, which stipulates that any act of accepting kickbacks or gifts in the name of internal subscription, early flat selection, special discount and change of title owner is defined as accepting bribes and is strictly prohibited. We disclose the complaint hotline and the hotline for whistleblowing on professional ethics-related matters at the sales site, property management office and maintenance centre and on the business cards of sales and customer service staff and the delivery notice, in an effort to keep the information and complaint channels transparent.

Throughout the year, we observed that the enforcement of the Advertising Law of the People's Republic of China and the Construction Law of the People's Republic of China was strengthened, and there were regional differences in the corresponding requirements. For example, the management requirements of some regions require the pre-sale of existing buildings, and inspections will be conducted to check the property listing information at real estate agency stores. The Company has incorporated compliance requirements into the performance evaluation indicators of marketing departments in all regions, and conduct quarterly, semi-annual, and annual performance evaluations. In addition, the Company also carries out regular compliance risk screening over regional companies throughout the year to improve the compliance awareness of frontline personnel.

7.2.3 Mystery Customer Inspection Mechanism

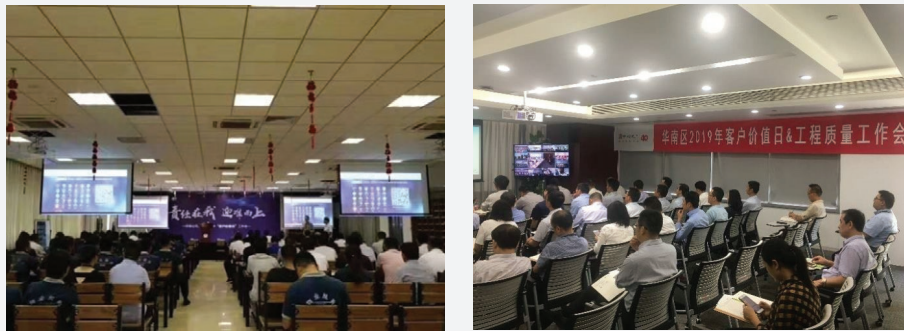
In order to ensure the effective implementation of customer service standards by the frontline staff of projects, this year the headquarters of COLI continued to engage a third-party research agency to conduct quarterly mystery customer visits to 313 residential projects and 317 sales sites of 34 regional companies in total. Our commercial property companies also conduct mystery customer visits to their shopping mall projects each year to help improve the quality of our products and services as well as the performance of property management. Prior to such visits/inspections, the Company's management, the Customer Service Department and the Marketing Management Department at the headquarters will carry out kick-off presentation and training to introduce the purposes and principles of the investigation to the departments of regional companies and property management companies.

According to customers' purchase process, the mystery customers will visit the sales site, display area and show flats, observe the working status and business familiarity of the sales team, and check the signs, notices, sandbox model, risk warning and other compliance-related requirements at the sales site. The inspection of residential projects involves 99 indicators, covering environmental management, safety performance, customer service, operation & maintenance, renovation management, etc. In addition to ranking regional companies, we also conduct industry benchmarking on the inspection results to ensure the project teams live up to our commitments to quality products and services.



7.2.4 Continuous Improvement Mechanism

In 2019, COLI held the “Customer Value Day” conference and the “Training Session on Common Issues Spotted out by Mystery Customers” where the third-party survey agency worked with the Company’s senior executives, departmental representatives and property management companies to discuss and study industry data and remarkable internal and external cases, analyse customer satisfaction and mystery customer survey results, dissect the key issues found in surveys, and propose measures to improve customer satisfaction. Under the coordination of the Customer Service Department, the headquarters and regional companies jointly formulated and implemented action plans. China Overseas Commercial Properties (COCP) and the Innovative Business Management Department also classified, analysed and followed up on the issues raised by customers. During the year, all regional companies adopted improvement measures, such as addressing the construction defects of residential projects and strengthening customer relationship management (CRM) system training; carrying out inspection, cleaning and air treatment on commercial projects more frequently.



“Customer Value Day” conference held by regional companies during the year

We refined customer satisfaction management, set up customer satisfaction targets for regional companies, and required them to conduct monthly reviews on a project-by-project basis. The Company has also set up a customer satisfaction test score on its business intelligence platform which displays the customer satisfaction rate in real time on the billboard and enables timely rectification through a dynamic early warning mechanism. Moreover, we have incorporated customer satisfaction-related indicators including customer satisfaction rate, mystery customer inspection score, frontline staff training and compliance management into the evaluation of performance indicators of all departments at the headquarters and regional companies.

7.2.5 Cybersecurity and Customer Privacy

In accordance with the Cybersecurity Law of the People's Republic of China and other relevant laws and regulations, the Company has developed the Information Security Management Measures of China Overseas Land & Investment Ltd. to specify the measures for the management of passwords, networks, systems and data. The Company's cybersecurity management structure consists of the Cybersecurity and Information Management Committee ("Cybersecurity Committee"), the Information Management Department, and various functional departments. The Cybersecurity Committee is the highest authority in the structure. We conduct an internal information security audit at least every six months and an external security audit every year. The Information Management Department and the department responsible for business systems shall rectify the issues specified in the external audit report and submit the rectification results to the Cybersecurity Committee. Throughout the year, we carried out special tasks such as security risk screening and correction and key target defenses, initially establishing an in-depth cybersecurity defense system and forming a comprehensive and three-dimensional defense framework.



This year, COLI's information security management system was audited by an independent third party and remained certified to ISO 27001 standards. We also adopted the national classified protection of cybersecurity system and completed relevant external audits including the evaluation of second-level protection of our property sales system.

ISO 27001 information security management system and national classified protection of cybersecurity certifications

We carried out company-wide Cybersecurity Week activities for the third consecutive year to provide regular training on cybersecurity of projects for employees at the headquarters and regional companies. This year, we promoted knowledge and information on account security, network use and confidentiality awareness through posters, intranet, billboards, China Overseas Channel and other channels. Meanwhile, our regional companies also organised internal training and exhibitions on information security. In addition, the Company's headquarters held security and confidentiality training for all our IT suppliers to strengthen these partners' awareness of network security. The attending suppliers signed the information security and confidentiality agreement on the site to undertake to firmly safeguard information security and customer privacy and comply with confidentiality rules during the service period.

The Guidelines for Customer Information Security Management of the Company sets out the working guidelines and confidentiality requirements for the management of customer data including storage, use, processing and destruction of such data, provides for the methods of storing electronic and paper data, and sets up a strict approval process for the use of data. The Marketing Management Department is responsible for protecting customer information obtained in the sales process, and the Customer Service Department is responsible for supervising the implementation of relevant standards. Employees in relevant positions have signed a confidentiality agreement with the Company. We disclose the terms of our privacy policy on our official website and mobile app "Haiketong" (海客通) to inform customers and the public of our privacy policy on the collection, storage, access, use and transfer of personal information.

7.3 Protection of Customers' Rights and Interests

Respecting the basic rights and interests of customers as consumers is the key to building long-term trust in the brand of COLI. COLI has established internal standards and communication channels to ensure that the delivery of products and services is focused on the interests of customers.

7.3.1 Safety and Quality of Products and Services

We hold “Construction Site Open Day” for each project to allow prospective homeowners to visit the project site with the company of our team. Our professional home inspectors will answer questions about quality and safety of our products, and there is a maintenance team around to respond quickly to customer needs, so as to promote transparent disclosure of project information and improve rectification efficiency. In 2019, we introduced online live broadcast to allow prospective homeowners who could not visit flats in person to attend the online presentation of our home inspectors and see the details and design of various indoor areas through the camera. Each residential project has a “Housing Maintenance Centre” responsible for the rectification of problems found in internal inspections, rectification arrangements for homeowners after occupation, handling of engineering quality complaints, after-sales maintenance by contractors, public area inspection, etc.



For commercial projects, in order to ensure the quality of property management services and safety management, we have developed the SOP Guidelines for Occupancy of Projects which specifies the matters to be coordinated between the COLI team and property management companies. The COLI team will review the service management plan submitted by each property management company, including the preparation of and training on safety management handbook and emergency response procedures. During the operation period, the COLI team and the property management company will hold bi-weekly meetings to discuss issues about the quality of products and services as well as the safety management that need bilateral support, such as equipment maintenance, safety inspections and emergency drills, in an effort to achieve the goal of zero incidents. We carry out regular or ad hoc inspections on the property management team, including weekly and monthly inspections and risk assessments on customer service and environmental, safety and engineering management, routine facility and fire inspections, semi-annual fire drills, and pre-holiday safety inspections on tenants' premises, with a view to monitor product and service quality and safety performance and services. We formulate inspection reports on the issues found during the inspections by their types (quality, management, and service), and the responsible department will urge the property management team to rectify the issues and report the rectification progress in a timely manner.

7.3.2 Properly Responding to Customer Requests

Electronic and Face-to-Face Complaint Filing Channels

• National 400 hotlines	62%	• Home visits	2%
• COPC WeChat official account	8%	• Complaint mailbox	0.5%
• Front-desk reception	6%	• Others	21.5%

CRM System

Customer App and WeChat Official Account	Supplier App	COLI Customer Service App	Back Office System
Target users Prospective buyers, homeowners, tenants and residents	Contractors and suppliers	Project Director, Customer Service Department, Engineering Management Department and Maintenance Centre	Headquarters, regional and project related departments
Functions Report incidents, file complaints, and make service inquiries	Receive cases, make corrections, and present results	Internal inspection, occupancy process, public area management, daily services, complaint and upgrade handling	Data collation, statistical report, early warning notification and approval process

COLI has set up a number of complaint platforms to allow customers to file opinions and complaints. We publish our contact information at project sales sites, property management offices and lobbies, occupancy sites and online platforms, in order to promote communication and improve complaint handling efficiency leveraging information technology. Since the official launch of our CRM system, customers and prospective homeowners can report incidents to the Company through our mobile App or WeChat. The suppliers and employees of COLI are kept updated with all incident reports and customer satisfaction issues. This year, large-screen monitors were installed in regional offices to monitor complaints, rectification matters and customer satisfaction indicators in various regions in real time, greatly improving the efficiency of reporting, recording, classifying and responding to such matters.

The Measures for Incident Reporting and Payment Management of China Overseas Land & Investment Ltd. regulates the workflow of handling customers' reported incidents. All incident reports of customers are classified by severity into enquiries, suggestions, general reports, escalated reports, material complaints and crisis-level complaints, and are divided into different specific areas such as design, product quality and safety, property services and sales. The Customer Service Department is responsible for reporting the reported incidents to, and handling such incidents in coordination with, relevant departments at the headquarters and regional companies, and notifying the reporting customers of the handling results for confirmation through the CRM system. As to secondary complaints, collective complaints and claim-related escalated complaints, we have set up dedicated 400 hotlines nationwide to enhance the accuracy of complaint handling and risk management.

This year, the Company received a total of 3,297 complaints nationwide, none of which were related to health and safety issues of products and services, advertising, labelling and customer privacy, nor did they give rise to any legal proceedings.

7.3.3 Customer Bonding Activities

The Company established COPC, a customer service platform, in 2004, which holds community activities related to healthy lifestyle, public welfare & charity, and environmental protection from time to time to promote the Company's connections with the community and improve homeowners' residential experiences. The number of certified members of COPC has now increased to over 280,000.

2019 COLI Sports Day
for Nanchang and
Ningbo communities



Free consultation
service and clothes
donation activity in La
Cite, Fuzhou

Delivery of free breakfast
to homeowners at COLI's
communities in Wuhan



Good Citizen

Human in Harmony with the Environment

In terms of carbon emission intensity, building operation is one of the industries with the largest share of resource consumption in socio-economic activities. It is every corporate citizen's responsibility to assist the future society to cope with sustainable development and climate change challenges. COLI promotes industrial and social sustainable development models and infuses the sustainable design, planning, building and operation philosophy of "Good Citizen" on the back of the Company's "Good Products and Good Services". COLI also proactively understands environmental issues and social development needs during the process and strengthens collaboration with stakeholders, building future communities possessing sustainable development value.

This section aligns with the following international goals and reporting indicators

UN SDGs



HKEx ESG Guide

GD-A1, KPI A1.5, KPI A1.6
GD-A2, KPI A2.3, KPI A2.4,
KPI A2.5
GD-A3
GD-B5, KPI B5.2
GD-B8, KPI B8.1, KPI B8.2

GRI Standards

102-11
103-1, 103-2, 103-3
201, 203, 301, 302, 303,
304, 305, 306, 308
413

Management actions taken to address material issues

Green and sustainable construction	<p><u>Added 74 new Green Building Labels and 3 green building technology patents</u></p> <p><u>Beijing China Overseas Fortune Centre OfficeZip passed the WELL V2 CORE Platinum Certification</u></p> <p><u>Promoted the Green Environment Pact to tenants in all office buildings</u></p>
Climate change	<p><u>Formulated the Sustainable Development Policy and Environmental Policy</u></p> <p><u>Formulated the climate change management targets for 2023</u></p>
Energy efficiency and renewable energy	<p><u>Established on-site real-time environmental data monitoring platforms in 100% of projects retrofitting</u></p>
Greenhouse gas emissions	<p><u>Expanded the project coverage of the energy consumption information platform for commercial projects</u></p> <p><u>Conducted energy conservation renovation projects on lighting system and heating and ventilation equipment</u></p>

8.1 Sustainable Architectural Design

The philosophy of green architecture integrating the requirements on safety and endurance, health and comfort, life convenience, resource conservation and enjoyable environment is important to building a beautiful China. China's green architecture standards continue to improve. The Ministry of Housing and Urban-Rural Development also published new Assessment Standard for Green Building in 2019 as one of ten key standards to promote urban quality development. COLI closely follows national and industrial norms and requirements, specifies its sustainable architecture approach in the Environmental Policy, and uses innovative green architecture technology to further improve architecture quality and enhance the satisfaction of premise users.

8.1.1 Green Building Philosophy

COLI advocates the consistent implementation of the philosophy and planning of green buildings during the full life circle of projects. Adhering to the building site selection principle of "urban brownfield first, greenfield second, and preservation preceding restoration", COLI inspects the environmental and ecological factors of the selected sites during the project location and planning stage, and fully considers the impact of local geography and climate change on building operation and residents' experience and the change of projects on surrounding ecological systems, aiming to build green buildings where human and nature coexist harmoniously.

In order to accomplish the beautiful home philosophy featuring the harmonious coexistence of human and nature, construction needs to mitigate the adverse impact of projects on stakeholders. For example, the light source of urban buildings may cause light pollution to nocturnal creatures. Therefore, when designing outdoor nightscape lighting devices, we strictly comply with relevant requirements of light pollution control in the Code for Lighting Design of Urban Nightscape to reduce the interference or adverse impact on nocturnal creatures. In addition, ecological and landscape impact of projects is also highlighted during the design stage, and green design is adopted to endue buildings with a regeneration mechanism, so as to provide enough space for the growth of different plants and animals and protect the biodiversity around the projects. For instance, we plant medium-age trees in the sites, so that the sites can achieve the multi-layer greening combining "trees, shrubs and grasses". The covering soil depth and drainage capacity of the planting areas can also meet the growth needs of different types of plants and effectively maintain biodiversity and habitat.

We also put forward sustainable development requirements for the construction arrangements of new projects and major urban redevelopment and revitalisation projects, including promoting the recycling of construction waste, sand, soil and vegetation as much as possible; preventing building pollutants from flowing into local water systems to protect surface water and ecosystems; actively protecting and restoring habitat and soil disturbed during the construction process; protecting air quality; and improving water supply and water management efficiency.

8.1.2 Green Building Technology

COLI has been proactively investing in the innovation and research and development of green building technology, obtaining a total of 28 related technology patents. In 2019, we continued to invest in the research and development of green building technology, and obtained a total of three new patents, making positive contributions to promote the development of green building technology, the development of the real estate industry, and environmental and ecological protection.

Patent name	Licensing date	Summary
1 A device to treat municipal wastewater for reuse	23 September 2019	Also known as activated sludge process of the membrane separation, it is an emerging technology for combining membrane technology with biochemical reactions in sewage treatment. The MBR process is used to filter the sludge wastewater in the biochemical reaction tank to accomplish the separation of sludge and water. The technology requires less land with simple process and convenient operation, and the effluent water quality is stable with little sludge, which is suitable for the treatment and reuse of municipal wastewater in residential communities.
2 A system for the operation of two diesel generator sets	21 May 2019	A system for the operation of two diesel generator sets, its design is simple and the joint cabinet is cancelled, on the basis of meeting the flexibility and reliability of two generator sets; the selection of equipment components and current-carrying busbar in the distribution cabinet is reduced to the capacity of a single diesel generator set, providing a new operating mechanism and solving the problem of investment cost caused by the joint cabinet.
3 A switch structure of steel truss supported by y-shaped column top	6 February 2019	A switch structure of steel truss supported by y-shaped column top, its structural form is reasonable, fully leveraging the advantages of steel structure and steel-reinforced concrete members' good anti-seismic performance. The construction is convenient, which is conducive to the promotion to the same kinds of projects.

8.1.3 Green Building Certification

COLI proactively promotes appropriate new and existing property projects to obtain green building certifications, such as China Green Building Star Certification, LEED, WELL and other related green and sustainable building certifications, or refers to the best management practices of the certification system to improve the environmental benefits of the projects.

Among the projects completed in 2019, COLI obtained 74 green building certifications (70 residential projects and 4 commercial projects), including 47 one-star certifications, 23 two-star certifications, 3 three-star certifications, and 1 LEED Silver Award, covering a total gross floor area (GFA) of 15.28 million sq m. As at the end of 2019, COLI had developed a total of 281 green building-certified projects (254 residential projects and 27 commercial projects), with a total green GFA of 54.86 million sq m, representing 69% of the Company's total developed projects and 68%² of their GFA, respectively.

In the Top 30 China Green Property Index 2019 report, COLI received multiple accolades including No.3 in China's Green Property 2019 and Top 10 in China's Green Property Operation Model 2019, representing full recognition of our relentless efforts and results on green buildings.

² The accumulated statistical data was calculated between 2016 and 2019

Projects Receiving Three-star Green Building Certification in 2019

Nanjing Jiangbei Project



Suzhou Sports Park Project



Xiong'an Citizens Service Center



Projects Receiving Two-star Green Building Certification and LEED Silver Award in 2019

1	Yanziji Project (Nanjing)	13	Gate of Peace (Shenyang) (Plot 3#)
2	Yuhuatai (Nanjing) (Plot C)	14	Elite Villa (Shenyang)
3	Nanjing Zhenjiang Project (1#, 2# and 3#)	15	Yanxiang New Town (Xi'an) (Plot A)
4	Nanjing Jiangbei Project	16	Yanxiang New Town (Xi'an) (Plot B)
5	The Phoenix (Wuxi) (Plot A1)	17	The Century (Yancheng)
6	La Cite (Wuxi) (Phase I)	18	The Arch (Yancheng)
7	Suzhou Sports Park Project	19	Paragon Garden (Yancheng)
8	Suzhou Qingjian Lake Project	20	The Central Mansion (Shaoxing)
9	Xiaying Wisdom Park (Ningbo) (Plot No.5)	21	Patrimonial Mansion (Xuzhou)
10	234 Project (Zhengzhou)	22	Coli City (Xuzhou)
11	Runshan Mansion (Shenyang)	23	Office Building No. 6 (Hongqi Village, Shanghai) (Plot 1)
12	Mansion Hills (Shenyang) (Phase II)	24	Lakeside (Beijing) (Commercial)

Projects Receiving One-star Green Building Certification in 2019

1	Glorious (Nanchang)	25	Lakeside Residence (Chengdu)
2	The Peninsula (Nanchang)	26	View of Lishan Mountain (Xi'an) (Plot A)
3	Shanghai Fengcheng Project	27	Lakeville (Hefei)
4	Shanghai Xiaokunshan Project	28	The Riverside Project (Ganzhou) (Plot F23)
5	Shanghai Hangtong Project	29	The Paragon (Liuzhou)
6	Jimei Project (Xiamen) (Plot 2019JP01)	30	Patrimonial Mansion (Guilin)
7	Fanhuali Project (Fuzhou)	31	Huizhou Tangquan (Phase III-V)
8	Phase IV of Meixi Lake Era (Changsha) (Plot B)	32	La Cite Garden (Shantou) (Plot E)
9	Elite Villa (Beijing)	33	Glorious (Quanzhou)
10	Beihan Urban Renewal Project (Taiyuan) (Plot A2)	34	Glorious (Quanzhou) (East Area)
11	Beihan Urban Renewal Project (Taiyuan) (Plot B2)	35	Platinum Pleated Mansion Project (Lanzhou)
12	Macao Road Project (Wuhan)	36	China Overseas Platinum Garden Project (Lanzhou)
13	Times Project (Harbin)	37	Da Guan Tian Xia (Weifang) (Plot E)
14	Times Residence Project (Harbin)	38	Glory Manor Project (Yangzhou) (Plot A)
15	Longxi (Changchun) (Area A)	39	Overlooking River Mansion (Jilin) (Plot 3)
16	Longxi (Changchun) (Area B)	40	Overlooking River Mansion (Jilin) (Plot 4)
17	Flourishing City (Changchun) (Area A)	41	The New Metropolis (Jilin)
18	Flourishing City (Changchun) (Area B)	42	Glorioushire (Jilin) (Phase I of Plot 01)
19	The Courtyard (Qingdao)	43	Glorioushire (Xining)
20	Coli City (Shenyang) (Plot 01D)	44	Mansion Yue (Yinchuan)
21	Heitan South Project (Xinjiang)	45	Plot 58 (Yinchuan)
22	Yun Ding Da Guan (Xinjiang)	46	China Overseas Platinum Garden Project (Apartment Section)
23	International Community (Chongqing) (Plot 5#)	47	Da Guan Tian Xia (Plot E1-1)
24	International Community (Chongqing) (Plot 4#)		

Xiong'an Citizens Service Center – Receiving Three-star Green Building Certification in 2019

Xiong'an Citizens Service Center is the first large-scale building complex in Xiong'an New District since its establishment, and it is also a green window to demonstrate the innovation and application of green building technology. The design of COLI advocates the philosophy of "green building +", which integrates the five concepts of passive technology, assembly technology, sponge city, smart city and healthy building to build a green community where blue and green are interwoven and water and city are integrated.



In the project, rainwater storage facilities were jointly built with the comprehensive pipe corridor. The permeable pavement in the site accounts for 56.22% of the hard pavement area, and the green rainwater storage facilities such as sunken green land and rainwater garden account for 19.88% of the total green land area. A 12,000 m³ rainwater storage trench was installed underground to collect and store rainwater and recharge for reuse during drought. The project fully demonstrates the design concept of a sponge city, strengthens the climate resilience capacity of buildings, and helps cope with the physical risks of rain disasters caused by climate change.

The project adopts a three-level coupling system of trunk line, branch line and cable line with full coverage, and the operation and maintenance system of underground power, heat, water supply, communication and other comprehensive pipe corridors adopt Building Information Modelling (BIM) and global positioning system (GPS) to achieve visual operation and maintenance. The pipeline corridor is equipped with an automatic robot inspection system, which can detect small animals, toxic gases, temperature and humidity, analyse data and alarm faults, so as to ensure the stability and safety of the system.

8.2 Sustainable Project Planning

In recent years, COLI has incorporated green features, safety, health and climate risk resistance into consideration during the architectural design and planning stage, which consistently embodies the philosophy of people-orientation and green concepts.

Protecting biodiversity is an important basis for achieving the harmonious coexistence of human and nature and creating a better future for mankind. In the Environmental Policy, COLI made a commitment not to carry out construction and excavation work in World Heritage areas and IUCN Category I-IV protected areas. It will carry on risk screening including biodiversity factors before accessing land for projects, minimise the impact on biodiversity during the global project construction process, and proactively restore from existing adverse impact. COLI is willing to work with all stakeholders to jointly raise public awareness of biodiversity protection and conservation issues and reduce the impact of business operations on biodiversity and ecosystems.

Site Selection

1

2

3

During the pre-acquisition stage/pre-investment stage preceding to acquisition of project land, COLI requires every project unit to conduct environmental risk screening, carry out due diligence on risks related to ecology and the environment such as geography, soil risk, environmental pollution and special preservation, identify the project site and the surrounding environment risks, and conduct further survey in accordance with the project situation, ensuring that the projects have no significant impact on the ecological environment.

The Company's Environmental Policy and the Green Building Technical Manual set out its attitude and commitment to protect biodiversity, requiring that projects shall comply with local urban and rural planning requirements, the Regulations of the People's Republic of China on Nature Reserves and the Urban and Rural Planning Law of the People's Republic of China. All new and large urban redevelopment and revitalisation projects will be assessed in accordance with relevant standards during the pre-acquisition stage/pre-investment stage preceding to acquisition of project land. We are committed to not to develop projects in National Nature Reserves, so as to protect the local representative ecosystems and endangered flora and fauna species. We also avoid to develop farmland and greenfield as much as possible, and will obtain approvals from relevant departments before developing projects if necessary. In addition, we proactively facilitate the restoration of ecosystems, such as participating in the restoration and use of contaminated abandoned warehouses or factories, bare rock, gravel land, saline-alkali land, sandy wasteland and waste kilns, helping to recover and restore the original local natural ecology.

Preliminary Survey

1

2

3

In the early stage of project development, COLI strictly complies with the Environmental Impact Assessment Law of the People's Republic of China, conducts preliminary research on the geological terrain and soil risks of the project sites, carries out professional environmental impact assessment for every new project, and specifies the environmental and scientific performance basis of the sites, ensuring to proceed with projects only after obtaining approvals from local environmental authorities. For example, the Beixin'an shantytown renovation project, an urban brownfield redevelopment project, is located in a plot of land where a special steel company operates. Industrial land may have groundwater contamination, thus COLI entrusted a third-party testing unit with professional qualifications to carry out on-site sampling and testing of soil and groundwater to identify contaminants and base value, so as to determine site conditions and restoration targets. The environmental assessment reports on such projects (including details of pollution remediation targets and assessment procedures) have been published on the website of COLI for the public's information.



Beixin'an Community after renovation

Habitat Restoration

During the project construction process, COLI mitigates the environmental impact caused by construction, and proactively takes ecological restoration measures to reduce changes and damages to the original environment of the sites after the completion of projects, such as ecological treatment of soil, restoration of polluted water, and ecological design of vegetation.

World-class Ecological New City – Shantytown Renovation Project in Huashan District of Jinan

Huashan Mountain is located in the northeast of Jinan. In the past, the ecology of Huashan District was severely damaged with “Jinan Green” rock being overexploited; the living environment was dirty and messy, the buildings were dilapidated, the flood was ceaseless, and the residents’ living quality was poor. Since 2014, COLI has cooperated with Jinan government to shoulder the important task of the shantytown renovation project, which is the largest and the most difficult one in Shandong Province. We initiated the Huashan Mountain development model with its core featuring government dominance, market operation, resource integration and comprehensive planning. During the process of engineering design and development, we placed high emphasis on protecting and restoring local ecology, using energy-saving and environment-friendly building materials, so as to accomplish the harmonious coexistence of human and nature. In March 2019, the Huashan shantytown renovation and resettlement project was delivered in succession, with the first batch of 6,536 residents moving in.

After the construction of Huashan Wetland Park and the restoration of Woniu Mountain, which used to be an ore mining site, COLI participated in the restoration of Jinan’s largest ancient building complex, Huayang Palace, in Huashan District, and renovated the cultural and ecological resources of Huashan Mountain, enabling the Huashan urban area to win the reputation of “World-class Ecological City”.



Old scene of Huashan District



Huayang Palace Ancient Building Complex currently has 36 buildings and 62 millennium old cypresses



Renovated community – Paramount Jade



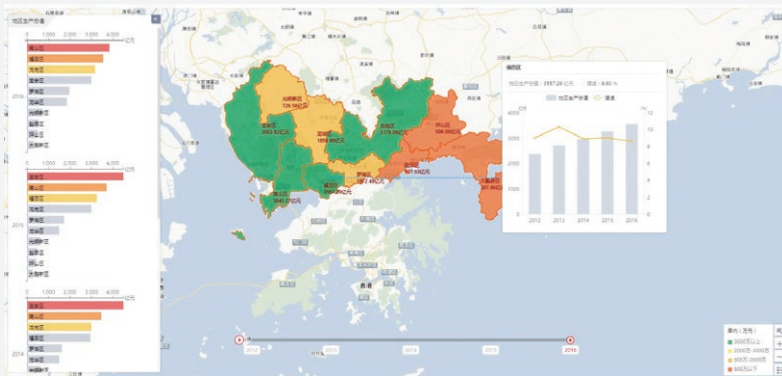
Huayang Palace is the largest temple with the longest history among the building complex

8.2.1 Community Engagement

We fully take into account the needs of community residents and local development planning in the re-orientation and regulation of low-end industries in the communities, so as to improve the living conditions of community residents, effectively achieve urban revitalisation, industry upgrade and economic development, and facilitate long-term healthy development.

As stated in the Sustainable Development Policy, COLI commits to allocating resources for community infrastructure and supporting services, communicates with local communities at early stages of a construction project, and actively satisfies the needs of different communities. During the planning and construction stage, we consult with residents in local communities via local government channels, and solicit environmental protection and professional engineering advice from the environmental protection bureau and construction units to enable stakeholder participation in the community development process. Regardless of residential or commercial projects, we work closely with property management teams to collect advice from community residents or premise users, so as to monitor whether the construction meets the needs of different parties and facilitates coordinated human and economic development.

In order to discover urban community value more effectively, COLI developed the “City Map” independently by relying on information management systems. We import each plot into the City Map during the land acquisition decision process, and the system will quickly export the investment reference value of the plot according to relevant variables and parameters. COLI can build better and more valuable communities for residents by using digital support decision to improve its experience and judgement.



City Map developed by COLI independently

Creating an Urban Revitalisation Model and Constructing a New City with a Green and Livable Ecology – Beixin'an Resettlement Housing Project

Located to the west of Beijing's Shijingshan District, Beixin'an used to be a hub for Beijing's steel and power plants. Many residents continued to live there when those plants were relocated. Beixin'an was an urban brownfield with dense houses and narrow roads. Some alleys could only allow one person to pass through. The environment was dirty and chaotic and lacked public facilities, and public security incidents occurred from time to time. Municipal facilities such as road traffic and underground drainage were obsolete, and heavy rain frequently led to serious road waterlogging, therefore making the shantytown renovation a top priority.

By initiating government and enterprise cooperation, COLI and Shijingshan District government jointly constructed Beixin'an resettlement housing and accomplished the urban revitalisation of Beixin'an area. COLI assumed the task of Beixin'an Shantytown Renovation Project and was responsible for all processes including planning, implementation, construction and operation. The demolition and relocation works were started 7 months immediately after initiation, achieving impressive results of topping out within 16 months and delivering flats of assured quality and quantity within 28 months, building "the most beautiful resettlement housing in Beijing". In November 2019, the first phase of Beixin'an resettlement housing was delivered for occupancy with a total GFA of 369,400 sq m.

- **Reasonable housing structure and comfortable living.** Resettlement buildings adopt the design approach of maximum width, minimum depth and enclosed layout, and large building separation brings a wide field of view.
- **Landscape courtyard and segregation of pedestrian and vehicular traffic.** Through the reasonable collocation of green plants, COLI makes it possible to enjoy green scenery all year round. By making transport arrangements to segregate pedestrian and vehicular traffic, parking spaces are all located in the underground carpark to reduce the probability of crossing of pedestrian and vehicular traffic flow and provide residents with a more comfortable and safer garden environment.



Beixin'an before renovation



Beixin'an Community after renovation

Promoting Sustainable Lifestyles for Communities

We continue to leverage the Company's operation scale and customer network to actively raise the awareness of stakeholders, including employees, the public, tenants and partners, on environmental protection and climate change via community activities and cooperation.

Nanjing Unipark – New Idea for UNI Green Life



UniMall of COLI unites its multiple strategic brand stores to jointly launch the "New Idea for UNI Green Life" campaign, calling on more people to reduce the consumption of single-use plastic bags and bring their own environment-friendly bags. Green life initiatives developed by us have gained the attention and support of millions of consumers.

Jinan Unipark – "Earth Hour"



Year 2019 was the sixth consecutive year for COLI to participate in the "Earth Hour" initiative of World Wildlife Fund for Nature (WWF). From 8:30 p.m. to 9:30 p.m. on 30 March, we turned off lights or dimmed non-essential lights in over 60 operational projects in Beijing, Shanghai, Chengdu and other cities across the country, allowing local people to feel the importance of energy conservation in addressing climate change.



Foshan COLI Unipark Log Art Exhibition

From March to April in 2019, Foshan COLI Unipark held a log art exhibition, showcasing many geometric art forms derived from using various kinds of old wood such as white birch, eucalyptus and pine, so as to enable community residents to feel the nature through art and encourage them to treasure forest resources. In addition, the project also collects original works from young artists all over the country on a long-term basis, providing free space, exhibition packaging, online marketing and event promotion to support local art development.

8.3 Sustainable Construction

During the construction stage, COLI tries to reduce environmental pollution issues brought by construction, and uses technology to empower the construction process, managing the impact on the environment more effectively. From the project planning to operation stage, we apply Building Information Modelling (BIM) technology to present the project design situation in a three-dimensional manner, identify hidden defects, and help achieve higher efficiency and maintain quality for the operation stage. During the operation stage of projects, we continue to discover opportunities in facility management to enhance resource consumption efficiency, and reduce the emission of greenhouse gases and improve the health and well-being of building users, constructing green, comfortable, healthy, and sustainable buildings for residents.

8.3.1 Using Sustainable Materials

We underscore the use of sustainable materials in the Environmental Policy, with an aim to select materials that have lower impact on the environment and are harmless to human beings. We also gradually determine the environment protection and health standards for materials, and supervise and manage the environmental impact on the supply chain. In terms of new and large urban renewal projects, we proactively consider environmental sustainability attributes in building material selection, such as undertaking to accord priority to using third-party certified, sustainable wood-based materials, actively promoting suppliers to use such materials during the project construction process, reinforcing the resource management and recycle on the project construction sites, and strengthening the level of green features during the full life cycle of projects.


8.3.2 Enhancing Resource Use Efficiency

Enhancing the efficient use of building materials and construction energy helps save cost and reduce embodied carbon emissions from buildings during the construction period. Referring to the latest Green Architecture Evaluation Standards, COLI formulated the Company's internal Green Building Technical Manual, which stipulates that each project has to follow various green building star requirements to develop economically and environmentally preferable construction plans.

We recommend new projects to adopt no less than 8% of reusable and recyclable building materials and achieve 100% integration of civil engineering and decoration design, so as to improve the overall quality and performance of the projects. COLI also strives to reduce waste at source, continuously monitoring and restricting the use of concrete in construction projects to avoid the production of extra building waste. For instance, the residential project in A5 Area of Yantai International Community used ready-mixed concrete and ready-mixed mortar as cast-in-situ concrete, with the weight of recycled materials amounting to 23,735 tonnes and accounting for 6.19% of the total weight of all building materials.

Examples of Resource Management

Building Materials Management		On-site Facility Management	
Material Requisition on Quota:	The project materials department calculates the material consumption volume and saving rate every month, regulating the quantity of building materials despatched each time, and reducing the waste or overuse of building materials.	Temporary Housing:	If there is no suitable temporary housing to rent, the Company will build prefabricated box houses according to the rental and environmental protection cost. After the completion of the project, they can be disassembled and transferred to the next construction site for reuse.
Reuse of Building Materials:	Reusing building materials such as sand, waste ceramic tile and stone, and collecting scrap metal materials such as cable, steel bar, iron wire and iron nails and selling them to third party companies after classification and storage.	Office:	It is stipulated that the field offices adopt an open structure, using natural ventilation and light, and installing energy-saving lamp tubes to reduce the energy consumption of air conditioning and lighting.
Water Conservation:	Rainwater collection systems are set up in some construction sites for road cleaning, greening, fire-fighting and dust prevention.	Instrument Supervision:	Supervising the energy consumption of the construction sites by installing instruments at the construction sites and filling in the "energy metering network chart" on a monthly basis.



8.3.3 Construction Site Environmental Management

COLI strictly manages the environmental pollution of project construction sites, regulates the behaviour of construction workers and contractors by formulating management norms and technical documents, proactively conducts training and education related to water and energy conservation and recycle of waste for construction workers and contractors, and encourages contractors to recycle waste building materials.

COLI enhances the construction sites' environmental management by technology, establishing smart construction sites. Through establishing an environmental data monitoring platform, we monitor environmental data such as air pollution, noise pollution, temperature and wind force of projects under construction in real time, discover excessive pollution in time and take measures. If potential environmental risks are found, all employees can immediately report them through our mobile app, accomplishing the dynamic management of full participation and supervision. In 2019, after our vigorous promotion, smart construction site measures basically covered 100% of projects under construction.

Construction Sites' Monitoring Items



Air pollution

- Hardening treatment of construction site floor will be well handled, and equipment prone to produce dust is covered with tarpaulin or protective shed net. In addition, some of the projects will carry out temporary greening work to prevent dust arising from water and soil erosion.



On-site wastewater treatment

- Strictly following the national and local sewage discharge standards, setting up drainage ditch to direct sewage to the sedimentation tank and discharging it to designated places after standard treatment, and regularly entrusting qualified third-party companies to inspect wastewater quality.
- Setting up independent rainwater and sewage pipe network system on the construction sites to separate rain and sewage.



Hazardous waste pollution

- Chemicals on the construction site are stored in areas covered with watertight layers and impermeable concrete.
- 100% of the construction sites are equipped with no less than 3 garbage tanks to classify and store hazardous wastes, recyclable materials and other wastes separately.
- The hazardous wastes on the construction sites must be stored independently in the designated sealed containers and are transferred to engaged qualified professional treatment companies for handling on a regular basis.



Noise pollution

- Setting up temporary sound barriers at the construction sites, strictly limiting the operational time, and taking anti-noise and noise reduction measures for noisy machines and equipment to reduce noise nuisance to site workers and nearby residents

8.4 Sustainable Project Operation

Using the power of science and technology to promote energy conservation and emission reduction in construction projects is an important way to reduce carbon emissions. We constantly develop intelligent energy consumption management systems to reduce carbon emissions in project operation without compromising the functionality and comfort of buildings.

8.4.1 Energy Management

During the project operation phase, we put in place a comprehensive maintenance programs and leverage the building energy consumption information platform independently developed by COCP to achieve refined, quantitative and intelligent control of the project's energy efficiency. As at 2019, we have installed 5,315 metering stations on various commercial property projects to monitor and measure the energy consumption and power distribution of each piece of equipment in real time, thereby enhancing the comparability of energy consumption and energy conservation data among projects. We also put in place dedicated energy management personnel to analyse energy consumption and saving performance records of the projects monthly and record abnormal energy consumption.

The building energy consumption information platform enables more accurate display of the energy consumption in project operation, allowing management personnel to put forward more targeted management improvement and equipment update measures. For example, we found abnormality in part of the electricity power in the water supply system of the office building in Shenyang International Center was less than optimal. Upon investigation, we discovered that the reason was frequency converting control was used for the project, resulting in severely insufficient water pressure at the far end of the water supply. We then installed a programmable logic controller (PLC) system in the power distribution system of the domestic water pump room to ensure sufficient water pressure on each floor, saving an estimate of approximately 87,000 kWh of power per year. In 2019, we also carried out energy conservation improvement works on the lighting and HVAC facilities of a number of projects, contributing to the reduction of greenhouse gas emissions.

Energy conservation improvement works	Property name	Improvement content
Energy consumption information platform	<ul style="list-style-type: none">China Overseas Fortune Center, SuzhouChina Overseas Building, Wuhan	<ul style="list-style-type: none">The energy consumption management platform officially went liveMaintenance and update of the energy consumption management platform
Lighting system improvement	<ul style="list-style-type: none">Nanjing UniparkBlocks A and B of China Overseas International Center, Chengdu	<ul style="list-style-type: none">Energy conservation improvement of public lightingEnergy conservation improvement of lighting and HVAC facilities
HVAC facilities improvement	<ul style="list-style-type: none">Nanjing UniparkChina Overseas Building (Nanjing)Shenyang International CenterBlocks A and B of China Overseas International Center, Chengdu	<ul style="list-style-type: none">Air conditioning automatic control system improvementReplacement of filling in the cooling tower of the air conditioning systemEnergy conservation improvement of lighting and HVAC facilities

8.4.2 Water Conservation

COCP has developed Water Supply Management and Control Procedures to enhance the water-conservation awareness of employees and tenants from various aspects including management system, education and facility upgrade, and has developed management guidelines for sanitary ware, swimming pools, kitchens and other facilities with large water consumption to adopt specific water-saving measures. We have also designated persons responsible for the management of various conservation measures and set quotas for water conservation, which are linked to the reward assessment of the above persons.

For commercial projects, COLI requires the property management office to inspect water supply network and facilities and record readings of the main water meters on a daily basis, analyse water consumption and trends, and regularly report water meter data to tenants. Leak detection must be conducted at least once a year. Equipment with large water consumption in particular must be inspected regularly and promptly. We work with tenants to promote water conservation, such as disseminating water-conservation knowledge to tenants, collecting water conservation suggestions, and implementing water conservation project transformation. We continuously carry out improvement projects to help conserve water resources. The Jinan Unipark project can serve as an example. After the pipeline reconstruction this year, the drain from the alarm valve room was diverted to the fire water tank for reuse, saving an estimate of approximately 268 m³ of water each year.

8.4.3 Solid Waste Management

Waste is generated during project operations, varying in types depending on the type of the project. COCP has formulated the Solid Waste Control Procedures and the Garbage Collection Operation Procedures for different business lines, clarified the responsibilities of relevant departments and treatment methods for different types of waste, and committed to managing project waste responsibly and implementing recycling initiatives to reduce solid waste. Taking office buildings as an example, we assist in collecting various types of waste generated by tenants, and store waste with recycling value by category. We also appoint safety and environmental officers to record and inspect waste collection and cooperate with the project manager and the Company to conduct weekly inspections and monthly spot checks to strengthen supervision. In 2019, COLI did not have any major environmental pollution or administrative penalty incidents in relation to waste.



Recyclable and domestic waste

We set up designated recycling stations at most projects to collect paper, metal, glass and other recyclable waste, while other household garbage will be centrally disposed of by garbage collection contractors.



Construction waste

Construction waste generated from tenants' decoration and maintenance works must be disposed of in accordance with the provisions of the competent municipal environmental authority.



Hazardous waste

We develop the List of Hazardous Waste to ensure proper sorting and handling of hazardous waste, which cannot be stored in general garbage rooms and is collected by hazardous waste carriers, of whom we maintain records of monitoring and measurement including qualification certificates, contracts and the Hazardous Waste Transfer Manifests to ensure compliance of the disposal process with relevant regulations.

8.4.4 Green Leases

Achieving the goal of green leases in collaboration with building users not only reduces operating costs, but also multiplies the effect of energy conservation and other environmental protection measures, unleashing higher building performance. As such, COLI actively promotes green leases and customer eco-efficiency programmes to communicate the green and environment-friendly development philosophy.

By setting guidelines, pushing newsletters, and providing trainings, COLI communicates with and educates the property management teams of the projects on sustainable operation, covering areas such as leading practices of peers and tenant communication. During the year, we carried out training on BOMA urban operations and operation management to help the property management teams understand and implement the building operation and environmental management requirements under the BOMA management system.

To advocate the joint responsibilities of preserving the property ecosystem to the tenants and establish a long-term and equal partnership for sustainable development, COCP has formulated the Green Environment Pact (the "Pact"), putting forward a series of initiatives in relation to environmental protection obligations and public cooperation incorporated in the commercial agreement as voluntary clauses. The parties to the Pact undertake to incorporate environmental management into their ordinary course of business, including providing and using green and safe products or services, promoting environmental protection and sustainable development to customers, distributors and other stakeholders, actively participating in greening and ecological environment improvement activities, and complying with requirements for the management of waste, sewage and garbage in the office building environment. The Pact was implemented on a trial basis in Chengdu China Overseas International Center and Beijing CSC Fortune International Center in 2018, and was officially implemented across all office buildings of COOC in 2019, accumulating important experience for further achievement of green leases targets in the future.

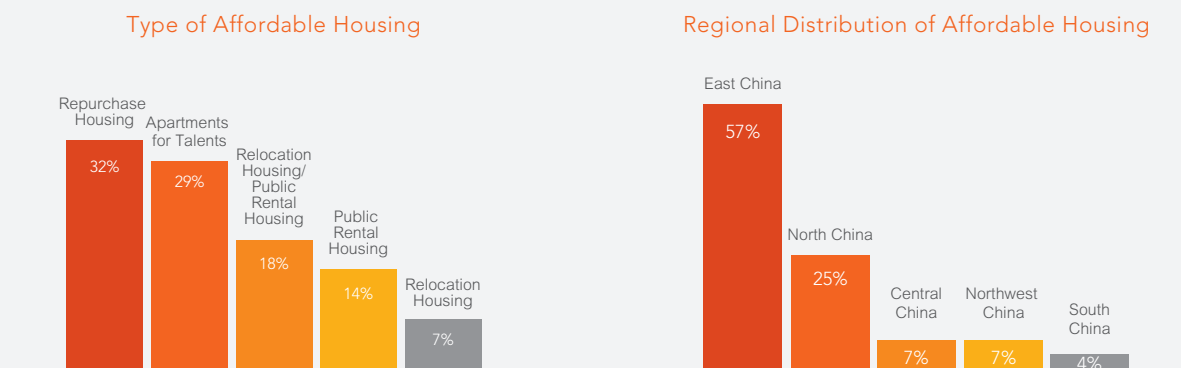
8.5 Sustainable Community Development

8.5.1 Construction of Affordable Housing

COLI believes that the living needs and affordability of different groups of people must be taken into consideration for the housing planning of a sustainable community. We have long been paying attention to housing affordability, responding to national policies and carrying out research on customer needs since we took part in the construction of Tsui Ping Estate in Hong Kong in 1987. We have participated in the government's affordable housing development projects to build low-price or rental housing for low-income families or youth, relocated families, and other groups who have difficulties in accommodation or have special needs, so as to promote community inclusion and coordinated development.

During the year, COLI completed or started construction of affordable housing projects in various regions across China. The floor area of newly launched affordable housing projects during the year reached 576,000 sq m, and the area of projects completed and accepted reached 2.939 million sq m. We will continue to enhance the efficiency of affordable housing construction and improve urban living conditions.

Projects Completed, Under Construction and Started during 2019



8.5.2. Targeted Poverty Alleviation

COLI has developed the China Overseas Property Special Work Implementation Plan for Targeted Poverty Alleviation for 2019-2020 as our guideline policy on poverty alleviation. For regional poverty issues, with the closing year of the “Thirteenth Five-Year Plan” of the country (being 2020) as our target year for poverty alleviation, we have undertaken to invest funds, expertise, labour and business network resources of the Company in community development projects in relation to poverty alleviation, in order to help farmers in poverty-stricken areas increase per capita disposable income and contribute to the nation’s 2020 poverty alleviation targets.

COLI achieves the targets of increasing residents’ income and developing the regional economy by helping poverty-stricken areas improve the operation system of local characteristic industries. With local consultation, cooperation and communication as the starting point, we identify the targets of poverty alleviation and understand their living needs. We strive to precisely control each aspect from household-based measures to the use of funds, and set quantitative indicators to monitor the effectiveness. COLI has set up a leadership group for poverty alleviation (“Leadership Group”) led by the chairman of the Board of COLI and comprised of various members of the leadership team, to be responsible for the decision-making, supervision, communication with regional governments, and execution of agreements in relation to poverty alleviation projects. A promotion team for poverty alleviation (“Promotion Team”) composed of management personnel of each department was set up under the Leadership Group to be responsible for project implementation and reporting.

Poverty Alleviation Project Management Process under China Overseas Property Special Work Implementation Plan for Targeted Poverty Alleviation for 2019-2020:



Target Setting

Assess the needs of the regions and select target areas and industries for poverty alleviation



Implementation

Conduct surveys and inspection to ensure that the plan is practical and feasible



System Improvement

Improve the industry operation system to drive economic growth and improve people’s livelihood



Drawing Strength

Leverage professional knowledge and market networks to promote products to the public

Industrial Poverty Alleviation

“Longkang Old-Tree Walnut Kernel” (隴康老樹核桃仁) is the second territory-wide poverty alleviation project under COLI’s “Sea of Hope” brand. After comprehensively assessing the poverty alleviation needs of the three designated poverty alleviation counties of China State Construction Engineering Corporation, COLI selected three out of more than 20 local agricultural products by voting as key support targets. The members of the Promotion Team made a special trip to the counties for investigation, and finally identified Kang County of Longnan, Gansu as the poverty alleviation target. We also continued to follow up on the “Xiurong Millet” poverty alleviation project launched in Lan County, Shanxi Province in 2018, and promote poverty alleviation products, aiming to ensure the long-term operation of the marketing model.

“Sea of Hope” Targeted Poverty Alleviation Project – “Longkang Old-Tree Walnut Kernel” of Kang County, Longnan, Gansu

Located in Longnan, Gansu, Kang County is a national poverty county, with 6% of the local population still living in poverty as at early 2019. In light of the rich resources of agricultural products in Kang County, COLI has discovered that the local walnut variety “Jiantou Bailu” (尖頭白路) has a great mouthfeel, but slow sale due to poor market access.



We helped local farmers build up the “Longkang Old-tree Walnut Kernel” brand step by step from packaging design, brand registration and production arrangements to opening online stores. Moreover, we leveraged COLI’s national presence to promote the brand to customers, employees and the public. Following the new trend of e-commerce development, in addition to helping the brand open “WeChat stores” and “Taobao online stores”, we have entered into the “Strategic Cooperation Framework Agreement for E-commerce-Aided Poverty Alleviation” with the large-scale online food purchasing platform “Benlai.com” to market the product on the platform, thereby expanding the sales channel. COLI purchased a batch of the product and promoted it to more than 2.1 million customers at our communities in more than 70 cities across China and at over 610 nationwide sales events, while encouraging COLI’s suppliers to purchase the product as a token of support. We gave the product to customers and employees in various community events and internal team building activities, and guided them to follow the online store of the product, so as to improve the brand awareness of the product and help farmers increase income on an ongoing basis, successfully achieving sales of 147,000 boxes of walnut kernel and 128,000 boxes of millet during the year.

The calibrated implementation of this sustainable and replicable “industrial poverty alleviation model”, coupled with the investment of its own resources and the solid project results, has won high recognition for COLI, which was granted the “2019 Poverty Alleviation Model Innovation Award” (2019年度中經脫貧攻堅模式創新獎), the “2019 Targeted Poverty Alleviation Pioneer Award” (2019年度精準扶貧先鋒獎) and other awards.

Poverty Alleviation through Education

Education is the foundation of national development in the long run as well as the cornerstone of social progress. Since 2005, we have been supportive in the Group's donations for constructing Hope Schools. By donating to the China Overseas Charity Fund set up by the Group and leveraging our professional strengths, we participate in the planning and construction of Hope Schools, so as to improve the teaching standards in various areas across China and provide equal, safe and pleasant learning opportunities for children in the local communities. By alleviating poverty through education, we have also adopted a multi-pronged approach to improve the quality of teachers at all levels and of all types and cultivate for our society a better future generation.



In 2019, we built Meie Hope School in Qiandongnan Miao and Dong Autonomous Prefecture in Guizhou, effectively solving the educational difficulty for school-age children of the relocated settlement sites and providing the guarantee for attending a nearby school. We built Ayding Lake Hope School in Turpan, Xinjiang, to enable students to study in brand-new multi-functional classrooms such as the aeromodelling room, art room and dance room, supporting the holistic development of the students. So far, we have successively built 14 China Overseas Hope Schools across China.

Education is Key to Poverty Alleviation – Spring Bud Action of COLI



In August 2019, Education Unlimited pulled together 30 management staff and key teachers of its Dongguan Education Project to tailor-make 55 special training courses during the summer vacation for teachers from three counties in Gansu, covering topics such as classroom planning, classroom efficiency, and special teaching. Teachers from 50 kindergartens, elementary schools and middle schools in the three counties in Gansu participated in the training courses, 15 of whom were from Kang County, a key supported area of COLI's poverty alleviation projects for the year. On 22 August, Education Unlimited held a forum in the Two Pavilions in Shenzhen, where Education Unlimited and the principals and management staff from the three counties in Gansu held seminars and exchanges to discuss the current differences in education between the inland and the coastal regions, as well as the methods to improve the education management in the two regions. In the second phase of the action, we sent a team of outstanding principals and teachers to the three counties to carry out education support initiatives, bringing COLI's educational philosophy and methods to the local communities.

8.5.3 Environmental Protection and Climate Change Action

COLI recognises that climate change poses physical risks to the stability of the Company's assets and supply chain. China's policy development during the transition to a low carbon economy will also pose transition risks related to compliance, market and reputation to the Company's business activities.

We actively respond to the UN SDGs and international environmental initiatives. During the year, COLI officially implemented a strategic plan for sustainable development and formulated the Sustainable Development Policy and the Environmental Policy of COLI, offering a summary of our management approaches and commitments on climate change, and setting targets and initiatives to manage or adapt to physical and transition risks.

Our policy commitments:

Business operation

- Identify and manage the impact of climate change on the Company and the projects (including opportunities and risks), and take actions to mitigate or address climate change.

Sustainable building

- Promote the development of sustainable buildings by incorporating considerations of green features (including energy, water and emissions management efficiency), safety and health, and climate resilience in the design, construction and operation of buildings.

Sustainable materials

- Develop a sustainable procurement management model, include climate change considerations in the procurement process, and encourage the use of low-carbon and energy-efficient products and materials.

Address climate change

- When bidding for, constructing, designing and operating projects
 - Consider the physical risks that extreme weather such as water stress, hurricane, and flood may pose to the Company's assets, business, and supply chain stability;
 - Continuously monitor transformation risks in relation to consumer preference, technologies, applicable laws, etc.; and
 - Analyse the impact of the above risks on the Company's business and finance, and formulate and take countermeasures.

Good Effectiveness

Creating Shared Value

Having established its presence in Hong Kong for 40 years, COLI has achieved a better and faster high quality development, maintaining a net profit margin of over 25% for 2 successive years and remaining as an industry leader in terms of value creation. Our success relies on talent management, training and motivation, as well as the corporate ethics and hard-working mentality upheld by COLI.

This section aligns with the following international goals and reporting indicators

UN SDGs



HKEx ESG Guide

GD-B1, KPI B1.1
GD-B2, KPI B2.1, KPI B2.3
GD-B3, KPI B3.1, KPI B3.2
GD-B4, KPI B4.2
GD-B5, KPI B5.2
GD-B7, KPI B7.2

GRI Standards

103-1, 103-2, 103-3,
202, 205, 206
401, 403, 404, 405, 406, 414

Management actions taken to address material issues

Employee benefits

Reviewed employees' employment benefits based on the results of the employee satisfaction survey

Flexible working hours for pregnant and nursing employees

Allowed employees to share with their children the physical check up allowance

Hosted employee activities to promote work-life balance

Employee engagement and satisfaction

Third-party employee satisfaction surveys

Trade unions and other internal associations hosted team building activities

Communication channels including the Chairman's mailbox and employee seminars

Training and development

Four recruitment and development schemes

Added a new training points credits system, three learning resource sharing platforms and an OA intranet learning platform

Internal training activities in relation to environmental, social and governance issues

Occupational health and safety

Induction training on occupational safety and health for employees

Conducted quarterly spot checks on and assessment of the occupational safety and health risks for projects under construction and commercial projects

Tracked and recorded the occupational safety and health condition of tenants, suppliers and service providers

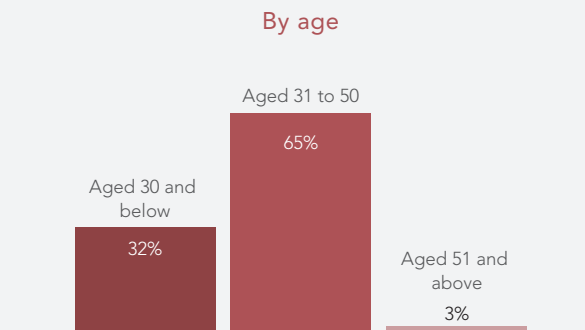
In accordance with the Management Measures for the Appointment of Employees of China Overseas Land & Investment Ltd., we manage talents based on ability, performance and public recognition and determine the criteria for compensation and benefits, recruitment, promotion, job transfer, resignation, working hours, holidays and leave, appraisal, etc. We understand the needs of the employees and the organisational and corporate culture through regular employee satisfaction surveys, so as to review the "selection, employment, cultivation, and retention" of talents. During the year, we drafted the Labour Rights and Occupational Safety and Health Policy and the Corporate Code of Conduct to further set out the code of conduct to be adopted by COLI in business activities, and protect the rights and interests of employees of COLI and its partners, with the ultimate aim of all strategies being enhancing the team cohesion and value creation ability of COLI to allow COLI and its partners to share success.

9.1 Diversity and Inclusiveness

The Company believes that talents with diversity in gender, culture, and professional background help drive the development of the Company. We actively recruit talents and continuously monitor various employee diversity indicators established.

COLI achieved the quantitative targets of gender diversity of employees this year. During the 14th Five-Year Plan, we will strive to maintain the male to female ratio of employees at no more than 2.8:1, and aim for 2:1. In 2019, COLI employed 6,169 employees, and the male to female ratio of employees for the year was 2.55:1.

Employee Ratio by Age (%)

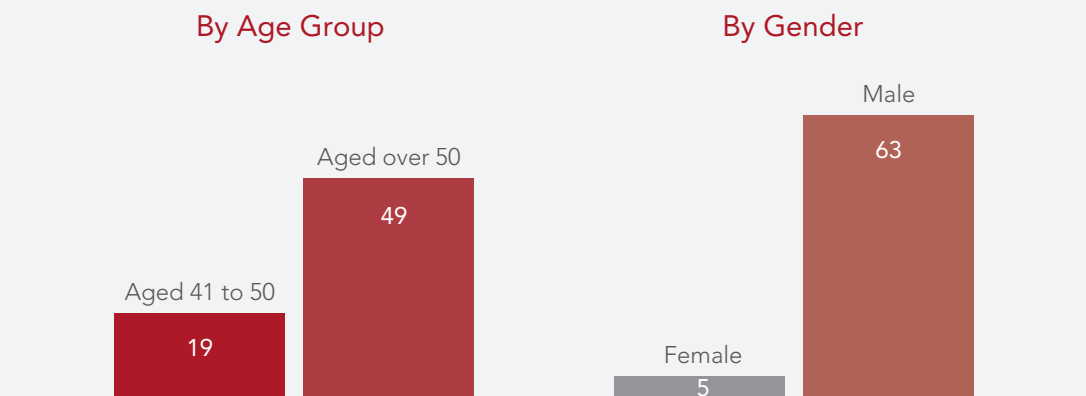


Board Diversity Policy

COLI believes that the diversity of the Board composition can add thoughts and insights to the Company's sustainable development. In 2013, COLI formulated the Board Diversity Policy. The Nomination Committee of the Board is responsible for monitoring the implementation of the Policy, reviewing the structure and policies of the Board and the procedures for appointment, election and removal of directors (including selection and recommendation criteria) in due course, so as to ensure that the Policy is effective and in line with current social norms. The Policy stipulates that the selection of candidates shall be based on a range of diversity indicators, including but not limited to gender, age, educational background, professional experience, knowledge, culture and term of service, and the final appointment decisions shall be made based on the candidates' merits and potential contributions to the Board. As of 31 December 2019, 14.28% of the members of the Board are female.

We also continuously monitor the diversity indicators of the Company's senior management (i.e. general managers and above (including directors)), details of which are as follows:

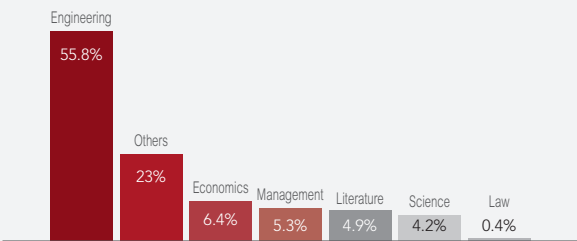
Total Number of Senior Management: 68 persons



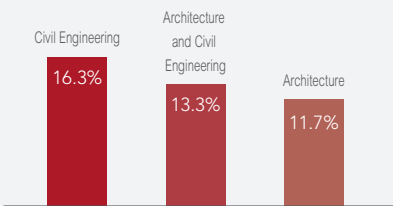
9.1.1 Talent Recruitment and Development

COLI continued to expand its recruitment channels to enhance talent diversity through targeted recruitment strategy. In this year's "Sons of the Sea" campus recruitment scheme for fresh graduates, we recruited outstanding talents from various regions and with different professional backgrounds and strived to increase the proportion of female new recruits in the male-dominated real estate labour market. The "Sons of the Sea" newly recruited during the year came from 72 cities in China, with a male to female ratio of 2.62:1. Approximately 45% of them were from non-engineering majors, adding new drivers to the Company.

Distribution of Types of Majors of Sons of the Sea



Top 3 Majors



Based on the career development status of the employees and the characteristics of the talent pipeline, COLI has tailored career development plans for employees with different experience and job hierarchies under the recruitment brands of "Sea's Recruit", "Sons of the Sea" and "Stars of the Sea", and rewards outperformers to add new blood to the Company's future management team.

Sons of the Sea



"Sons of the Sea" provides fresh graduates with job positions in real estate development and business management. With a top-notch and international positioning, the scheme is composed of six main segments, and designed to establish a stable and sustainable talent ecosystem through systematic and comprehensive recruitment and training practices.



1. **Sons of the Sea Study Scheme** – This year, the Company arranged 5 regional companies and 16 local offices to visit more than 30 universities locally and abroad to recruit interns. A total of 314 college students participated in a study camp to learn about the career opportunities and career development prospects in COLI.
2. **Sons of the Sea Internship Scheme** – Following the study camp, students were assigned to regional subsidiaries of COLI for summer internship. We arranged a mentor for each student to help them understand business etiquette as well as professional knowledge and spirit, and provide them with guidance for career development planning.
3. **Sons of the Sea Recruitment Scheme** – The headquarters centrally arranged and led subsidiaries to carry out recruitment across China. During the year, we held 12 recruitment presentations covering over 30 key universities in 12 places across the nation and recruited 217 "Sons of the Sea".
4. **Sons of the Sea Experience Scheme** – We invited the candidates of "Sons of the Sea" to visit the Company and COLI projects and communicate with the previous "Sons of the Sea", to increase the understanding of this year's candidates about the Company and enhance mutual communication.
5. **Sons of the Sea Pilot Training Scheme** – Through a series of activities, the Pilot Training scheme explained COLI's corporate culture, talent philosophy and strategy, "Sons of the Sea" career channel and talent development mechanism, and COLI's future development strategy in an understandable way.
6. **Sons of the Sea Training Scheme** – The Company will closely track the growth of "Sons of the Sea" in their first three years of employment. We have in place mentorship programmes for "Sons of the Sea" who are in their first year of employment where we appoint regional management team members who are above the assistant general manager level to serve as mentors and share industry knowledge and management experience with new recruits. Through mentoring and other forms of training such as concentrated training, job rotation for learning, and roundtable forums, "Sons of the Sea" receive on-the-job training on an ongoing basis to prepare them for promotion to managers of COLI.

COLI • Sea's Recruit



"COLI Sea's Recruit" targets professionals with at least two years' work experience. This year, we continued our special training in COLI Integration Camps in various regions to allow "Sea's Recruit" employees to integrate into the COLI family as soon as possible. The special training covered the development history of the Company and details of its major projects, as well as explanation of regulations in relation to finance and human resource management, to help new employees understand the Company's corporate culture and business operations. COLI also provided development training for "Sea's Recruit" employees to foster the team awareness and mutual assistance mentality of new employees through collaborative tasks, thereby laying a good communication foundation for working in COLI in the future.





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STAR OF CHINA
OVERSEAS PROPERTY

Stars of the Sea

To meet the needs of different business segments and positions for fresh graduates, “Stars of the Sea” mainly recruits outstanding graduates who are interested in nearly 20 types of positions in the four major fields of sales, commerce, education and elderly care, and transform them into rising stars in the industry. This year, “Stars of the Sea” recruited from 200 undergraduate colleges and universities in 72 cities across China, bringing in over 230 new recruits to the Company.



“Stars of the Sea” is designed to cultivate local talents. It provides employment opportunities for graduates of different majors to introduce new insights to COLI to stimulate business development. In 2019, the “Stars of the Sea Recruitment Scheme” helped new employees understand their jobs and assimilate into the working environment of COLI through military training, outward bound training, themed activities, and graduation achievement report.

Introduction and Training of Talents for Education and Elderly Care Business Lines

COLI actively expands its elderly care and education business lines. We continue to implement the elderly care talent introduction scheme to recruit professional operation talents to support the development of COLI’s elderly care brand. The Company recruits famous teachers from various provinces and cities through the “Sea’s Recruit – Famous Teacher Scheme”, a social recruitment initiative, and recruits graduates from teachers college on campus through “Stars of the Sea”.

During the year, COLI’s elderly care business recruited outstanding graduates from a variety of well-known universities in China, and planned to groom them to be future key management personnel. We worked closely with Changsha Social Work College which was jointly established by the Ministry of Civil Affairs and Hunan Province and other professional colleges and universities to recruit graduates to become front-line nursing staff and interns in the Company’s elderly care institutions. We invited the principal of the Renmin University of China Kindergarten to provide pre-job training for prospective teachers of COLI, who must pass the examination to take up their posts. Through a series of training such as internships, mentoring, and external practices, we actively support the talent cultivation and sustainable development of innovative business lines.

9.1.2 Human Rights and Labour Rights

Based on the basic principles of the United Nations Global Compact, our Labour Rights and Occupational Safety and Health Policy covers the labour standards advocated in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, and requires the headquarters and subsidiaries to strictly comply with these standards at work premises owned and directly operated by COLI; mainly including:

Respect the freedom of assembly and association: Respect the rights of employees to form and join trade unions, employee representative conference and other employee associations in accordance with local laws and regulations, and strive to protect employees from fear of retaliation, intimidation or harassment as a result thereof.

Prohibit child labour and forced labour: Strictly forbid any business unit or its supply chain cooperative units from employing any kind of forced labour, including but not limited to people smuggling, involuntary prison labour, labour coerced or bound by unreasonable deeds for debt relief, and taking exploitative actions to force someone to work.

Promote equal opportunities and eliminate discrimination: In the employment systems including hiring, remuneration and promotion as well as other business activities, the Company's business units and their cooperative units must adhere to the principle of equal opportunities, and must not prejudice or discriminate against or harass employees, colleagues, customers or persons from other business affiliates based on gender, age, family condition, disability, race, religious belief or other definitions under laws and regulations.

Freedom of Assembly and Association

The trade union at COLI's headquarters was established on 31 July 2019. So far, COLI and all subsidiaries have set up trade unions to establish a communication channel between the Company and front-line employees and maintain good labour relations. The trade unions operate in accordance with the Measures for the Management of Reception and Expense of Funds of COLI, while based on the members' opinions and a voting mechanism, they carry out social activities and workplace improvement measures that meet the needs of employees, and call on employees to arrange and participate in community communication and public welfare activities in the location of the trade union. In 2019, we launched the first training class for trade union cadres to improve its ability in protecting employees' rights and interests. In the future, we will regularly review the regulations and operations of employee associations including trade unions and employee representative conferences, and continue to examine the complaint channels related to labour relations and rights.

Monitor Labour Rights Risk in the Supply Chain

COLI is concerned about the protection of human rights and labour rights by its partners. The general terms and conditions of our tender documents require contractors to strictly comply with the prevailing laws and regulations, including determining the working hours, working conditions and wages of their employees and purchasing accident insurance for their construction workers. In the event of wage arrears or other labour disputes, we may, depending on the circumstances, require the contractor concerned to settle them within a time limit, or even stop paying the project funds or disqualify it as a contractor. We proactively work with suppliers to improve labour protection throughout the real estate development cycle. Matters related to human rights and labour rights have also been included in the Company's Corporate Code of Conduct and Supplier Code of Conduct. In the procurement and cooperation process, we will review whether the business partner's employees receive reasonable compensation, as well as their labour management, wage payment, civil and safe construction work plan, corporate credit and track records, and will conduct inspection on the production site to verify the performance of partners and assess human rights risks in the Company's supply chain.

Promote equality and inclusiveness

COLI promotes the value of respect, equality and diversity to employees through various employee activities. Employee gatherings were held within the Company to provide a communication platform for employees from different backgrounds. During the year, the Company hosted a series of special events for the 8 March Women's Day gatherings, creating an atmosphere of gender inclusiveness and mutual respect in the workplace. We are also committed to creating a diverse and inclusive working environment. For example, we provide Halal food in the canteen of Xinjiang China Overseas Property, set up baby-care room in the office, and give appropriate care to employees with various religious beliefs and family status.

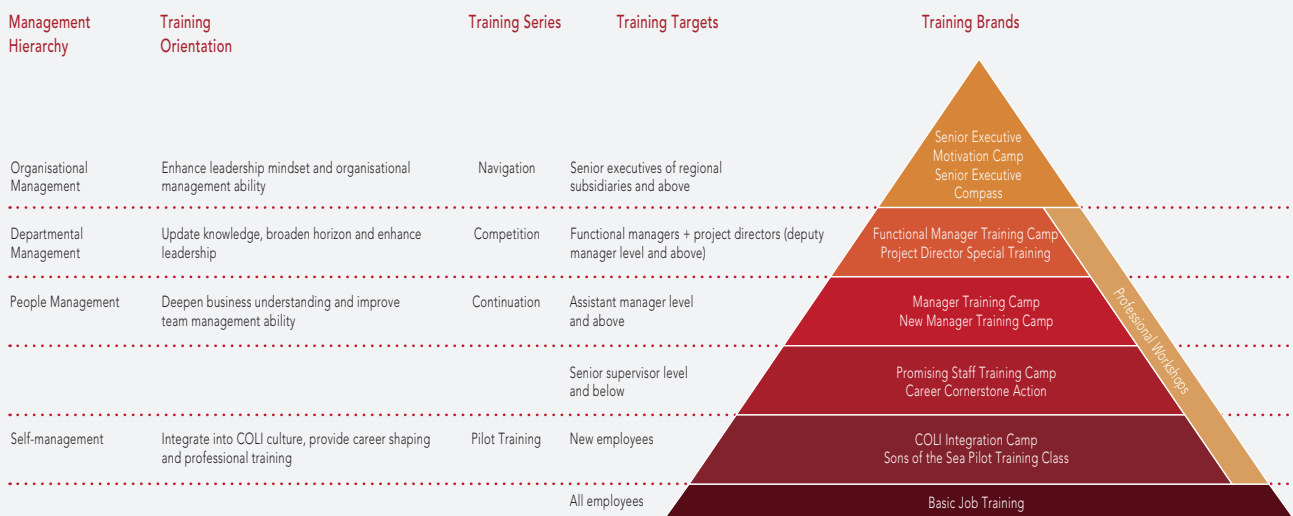


We are committed to creating a level playing field for employees and eliminating gender discrimination and gaps in the workplace. The Company is committed to gender pay equality, and assess the performance of all employees by unified standards through the performance review system to achieve gender equality in remuneration. We have set goals where we undertake to set up a monitoring mechanism and indicators during the 14th Five-Year Plan period to regularly review the implementation of equal pay for equal work for men and women and the promotion mechanism to ensure that employees are treated fairly and reasonably.

9.2 Training and Development

Over the years, COLI has been investing in the human capital development, so that employee capabilities will grow with the development of the Company. In addition to providing function-oriented training that allows employees to master the skills required for their positions, we also actively develop the potential of employees and adjust training methods according to employee capabilities, job requirements and industrial development. During the year, COLI integrated internal and external resources and continuously improved the training process under COLI Training System. We classified our employees according to their job hierarchy, and carried out talent recruitment and development plans by four series, namely "Navigation", "Competition", "Continuation" and "Pilot Training", so as to recruit talents in a targeted manner based on requirements on academic background, experience and ability, and provide training and guidance to employees at different stages of their career development.

COLI Training System



Total Average Training Hours Per Person:
73 (i.e. approximately 9 working days)

100%
employees received training

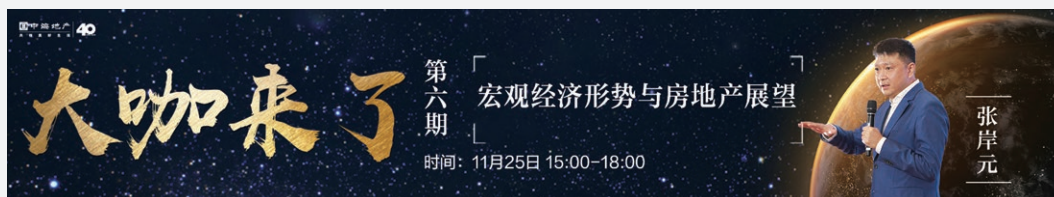
4,467
training activities were held during the year, covering sustainability-related issues

9.2.1 Career Development Plan

COLI provides job training for employees when they first join the Company, and guidance on career development planning during their employment. We offer courses on business knowledge, latest management theories, policies and regulations regularly to keep employees abreast of the latest updates in the industry. In addition, we conduct a survey of training needs every January to collect employees' opinions, and will provide training based on employees' needs and interests wherever possible. The Company will post the information about training on the Company's intranet for employees to participate at their discretion.

9.2.2 Continuous Training and Learning

To expand the management and business vision of employees at all levels and promote the crossover integration of relevant business lines, COLI has created a wide variety of knowledge sharing platforms. During the year, we added three sharing platforms, namely "Premier Public Courses", "Golden Lectures" and "Marquees", which gathered excellent internal and external learning resources, made available on a continuous basis to facilitate the continuous learning of employees. In addition, in 2019, COLI built a new OA intranet learning platform to help employees improve themselves through sharing learning packages and studying premium courses online. This year, we introduced a training credit system to encourage employees to actively participate in training and teaching, and guide employees to learn on their own through achievement presentation and point redemption.



To encourage knowledge sharing, the Company has established a lecturer management system and encourages companies at all levels to establish a complete internal teacher team to provide systematic training for employees in conjunction with external teachers. We encourage employees to serve as internal lecturers and carry out summary and sharing by providing lecturer teaching skill training, lecture fees, and lecture point rewards. Excellent lecturers elected by all employees through evaluation will be awarded the title of "Gold Lecturer" of the year.

During the year, the Company hosted a total of 4,467 training events through the above training schemes and platforms, covering various training topics in relation to environmental, social and governance issues.

	Environmental	Social	Governance
All employees (including senior management of the Company)	Green building products New materials and new processes	Product strategy of the Company Targeted poverty alleviation projects	Corporate risk management Anti-corruption policy Employee Code of Conduct Integrity education
Specific groups or functions	Environmental Management System (COCP) Green supply chain (cost)	Construction site production safety (engineering) Product and service quality, and safety control (engineering and customer service)	The latest requirements of laws and regulations (marketing, investment and operation)

9.2.3 Performance Management System

COLI attaches great importance to value creation and advocates a hard-working culture. We motivate employees to strive for excellence in career development and work performance through performance evaluation. Based on the target responsibility evaluation, we established the MVP Performance Evaluation System this year to evaluate employee performance at both organisational and individual performance management levels. In addition, we added new qualitative and quantitative evaluation dimensions to the performance evaluation system to enhance its comprehensiveness. Components of organisational performance evaluation include:

- | | |
|--|---|
| Key performance indicators (KPIs): | These are evaluation indicators for undertaking of duties and responsibilities and business capabilities of the department, comprising mostly of quantitative indicators developed according to department functions, to evaluate the performance and work results of the department. |
| Key results (KRs): | The Objectives and Key Results (OKR) management method is applied to require departments at headquarters to set targets for the implementation of the Company's strategies and evaluate the completion of key results (KRs) by the departments in achieving the performance; examples of KRs indicators include preparation for project meeting, customer research, marketing compliance, standardisation of management practices, and management innovation, with specifics subject to the department's functions. |
| Team management (TEAM): | The team management capabilities of the department in talent retention and development is evaluated. Indicators include business line construction, benchmarking learning, regretted attrition rate and business line satisfaction (being the satisfaction evaluation of the department by other departments). |
| "Stars of the Sea" Assessment System: | The implementation of the Company's current measures and the work plan carried out in the course of business operations by each department and entity are examined. The performance assessment outcomes are divided into positive and negative. The assessment will be translated into bonuses or penalties depending on the performance achieved, so as to facilitate the enhancement of management capability. |

Components of individual-level performance evaluation include key performance indicators (KPIs), the "Morning Star" Talent Review Strategy, and appointment inspection, with ethical conducts as an essential prerequisite, and emphasis on being "honest and pragmatic, self-disciplined and disciplining, simple and positive, tolerant and open-minded". Performance evaluation results affect employment arrangements of individuals, such as position, incentives, and compensation. Individual performance evaluation results are divided into five levels, each having standard descriptions covering all ranks. We continue to improve the evaluation system that covers all ranks and all units, and align strategic objectives with phased objectives, results orientation with process management, and organisational performance with individual performance. The assessment results will be applied to the areas of, among other things, development and appointment, remuneration review and enhancement to create a competitive, result-oriented culture.

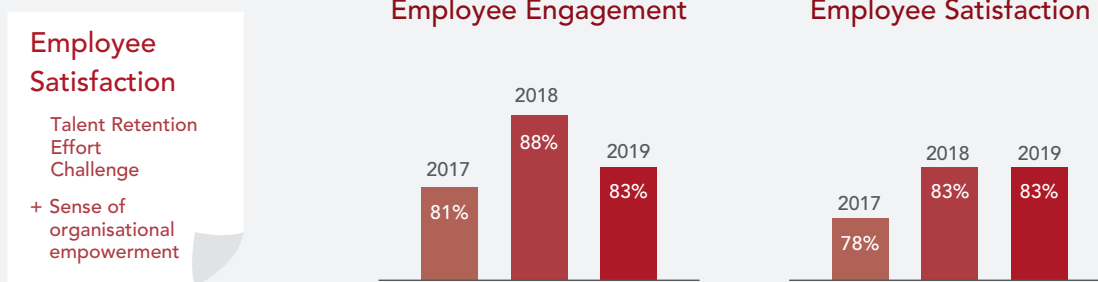
The personal performance evaluation system is complementary to the MAPS hierarchical system of the Company. Under the MAPS hierarchical system, we unify the titles of positions at the headquarters, regional companies and local companies and divide employees into a four-tiered hierarchy: Management, Professionals, Sales, and Administration, thereby providing clearer career development paths for employees. The hierarchical system also provides tools for appointment, compensation, performance, division of authorities and responsibilities, and efficiency management, and introduces measurement indicators such as average rank, average rank remuneration, average rank performance, and differentiated promotion management, thus further refining human resource management.

9.3 Employee Engagement and Communication

COLI believes that maintaining two-way transparent communication with employees not only improves morale, but also helps establish a shared development vision and promote the long-term development of the Company. We encourage the management to maintain close communication with employees to achieve mutual understanding and strengthen team cohesion and COLI's corporate culture.

9.3.1 Employee Satisfaction Survey

To continuously adjust and strengthen COLI's talent management and development strategies, we conduct employee satisfaction and engagement surveys to understand the expectations of all employees for their work and for the Company, so as to formulate action plans to improve employee satisfaction. We have commissioned third-party consultants to conduct in-depth research since 2017, and introduced the concept of "agile organisational engagement" to the employee satisfaction survey in 2019. While retaining the three evaluation aspects of retention, effort, and challenge in personal engagement, we added the "sense of organisational empowerment" indicator to analyse from multiple perspectives the correlation between data on engagement and satisfaction, as well as between data at organisational and individual levels. COLI has set 80 as the target score for the employee satisfaction and engagement survey, and scored over 80 for the past two years.



The Company continues to implement the "Satisfaction 6+1" scheme for improvement of employee engagement and satisfaction. The Human Resources Department communicates the survey results to the management and various departments. We review talent management and communication strategies with a focus on six employee welfare policies based on the views of departments, policy makers and families and implement a series of employee satisfaction improvement measures to strengthen the cohesion of employees and retain excellent talents.

2019 Employee Satisfaction Enhancement Action Plan

Benefit:	From the perspective of employee care and compensation, we have built a comprehensive benefit system that includes corporate benefits, trade union benefits, and performance-based compensation, and implement market-oriented management of "Professional Manager" system.
Employee care:	To create a healthy and pleasant working environment, we provide free meals at the canteen, keep refreshment and drinks in the pantry, and host festival-themed food gatherings. We provide a series of employee discounts for household cleaning, fitness centres, etc.
Employee engagement:	We hold employee symposiums and tea parties to enhance face-to-face communication between employees and leaders, straighten out employees' work attitude, and collect suggestions for the operation and management of the Company.
Family care:	We extend medical benefits to family members of employees and provide employees with green channels for medical services, such as assisting employees in making appointments with doctors and waiving part of the registration fee.
Employee training and activities:	We carry out training and team building activities such as "Navigation", "Continuation", "Competition" and "Pilot Training" to improve professional abilities of employees; and host activities such as outward bound training, fun sports events and family days to promote work-life balance.

"Satisfaction 6+1" 6 Employee Benefits

Welfare Policies	Publicise the recently issued compensation and welfare policies to build the concept of comprehensive compensation	+ Feedback collection
Teambuilding Activities	Departmental or cross-business-line teambuilding activities, site-visits or outdoor activities	
Overtime Care	Overtime care and welfare	
Caring Culture	Canteen culture, family culture, project culture	
Troop-like Spirit	Overcome difficulties in business activities such as property sale and delivery in peak periods with troop-like spirit	
Departmental Structure Review	Flexibly adjust departmental structure	

9.3.2 Communication Platform and Team Building

COLI believes that to promote management quality and business development, the entire Company must work closely together to create a dynamic and unified team culture.

We have long been collecting suggestions from employees through various channels and submit them to the management for reference. We encourage employees to volunteer their opinions, promote communication between the management and employees, and collectively discuss solutions to problems through various communication channels such as the Chairman's mailbox, an anonymous forum and employee seminars, as well as communication activities such as open forums held by the trade union and luncheons with the general manager. The Company also presents its developments through OA intranet system-based work meetings and regular meetings as well as regular publication of the "China Overseas" magazine to keep employees abreast of the latest developments of the Company's policies and development strategies.

Through trade unions and other internal institutions, we host from time to time autumn outings, sports events and other team building activities with the theme of healthy life, diversity, inclusion, and corporate culture. For example, Dalian Company's trade union has a dedicated event venue, and has established through plenary voting a total of 8 social groups for sports activities such as fitness, yoga and football. It regularly holds health-related cultural activities such as 40th anniversary walk, night running, and Integrity Culture Promotion Week to create a healthy and harmonious working atmosphere.



To celebrate the 40th anniversary of COLI and enhance the cohesion of the workforce, the trade unions of the headquarters and regional companies organized a wide variety of activities, including fitness walking, hill climbing, sports meeting, and coastal cleaning, in which employees and their families had great fun.

9.4 Occupational Health and Safety

COLI not only focuses on its own employees' well-being, but also values the occupational health and safety risk management of construction sites, operating projects, and supply chain partners. We aim at the ultimate management target of zero work injury and zero work-related fatality, implementing multiple measures and policies to protect the safety of employees and partners.

This year, the Company further established the safety management principles and duties of COLI's teams through formulating the Labour Rights and Occupational Safety and Health Policy, the Corporate Code of Conduct and the Supplier Code of Conduct, and communicated the safety management requirements to suppliers, contractors, subcontractors, property management companies and other partners. The applicable scope of the Labour Rights and Occupational Safety and Health Policy covers the Company's owned and directly-operated workplaces, including offices and developed and operational projects. Relevant teams of COLI must identify the health and safety impact of those places, and ensure the implementation of corresponding prevention, control and mitigation measures.

9.4.1 Safety, Health and Well-being of Employees

The Labour Rights and Occupational Safety and Health Policy requires the business units of the Company to strictly comply with the management principles on protecting occupational health and safety, identify occupational safety and health risk in the workplaces, strive to provide a harmless working environment, ensure that the employees know and can effectively implement safety work procedures, and take protective measures for positions with high risks and the vulnerable groups including the elderly, pregnant women and the disabled. COLI implements the Safe Production Management Measures of China Overseas Holdings Limited, guides the occupational health and safety training of each unit and the management approach to prevent, control and eliminate hazards, specifies the production safety responsibility of different levels of enterprises, and ensures the effectiveness of the safe production mechanism. In terms of safety, health and welfare of COLI's employees, the Company implements the following measures:

► Family-friendly Measures

Offering flexible working hours to pregnant and nursing employees, providing employees with maternity leave and paternity leave higher than statutory requirements, and allowing employees and their children to share the physical examination aid provided by the Company

► Safety and Health Training Promotion

All employees' induction training content covers occupational safety and health; the headquarters and regional companies hold safe production week campaigns and training frequently; and employees' activities are related to the topics of sports and healthy life (please refer to the section headed "Employee Engagement and Communication" of this report for details)

► Safety Risk Assessment of Workplaces

Inspecting the safety measures of office buildings and project sites regularly, conducting safety risk assessment targeting water and electrical equipment, and carrying out inspection on fire and theft prevention

► Employees' Annual Physical Health Checks and Supplementary Medical Insurance

Arranging employees to conduct regular physical examination annually with 100% coverage rate, and providing supplementary medical insurance scheme to employees on top of regular social insurance

In 2019, the Company did not incur any work injuries or work-related fatalities

9.4.2 Safe and Civil Construction

COLI highly values property quality and construction safety. We work closely with contractors and subcontractors and communicate our management requirements and obligations to partners through the Supplier Code of Conduct, including establishing safety management system; formulating reporting and contingency plans for major emergencies; providing safety, protective equipment and training; and informing the Company of work injuries and cooperating with the follow-up investigation and rectification. We also recommend contractors to actively obtain third-party safety management system certification such as OHSAS 18000 and establish a standard safety production management system.

The engineering management team of COLI conducts strict management and inspection on projects under constructions, ensuring construction workers' occupational health and safety. We have formulated the Guidelines for Safe and Civil Construction on Site according to the National Standard for Construction Safety Inspection (JGJ59-2011), specifying the safe and civil risk management operation rules to be followed by contractors and subcontractors during the construction phase.

We carry out a comprehensive assessment of projects under construction to determine whether their construction is safe and civil, adopt the Assessment Form for Qualified Rate of On-site Safe and Civil Construction, and quarterly conduct random sample inspection on the project sites in various regions to assess the occupational safety and health risks of the construction sites. We will check and score the safety equipment, building materials, electricity consumption, fire safety management and other inspection items of partners, and determine the proportion of the score according to the safety risk of the projects. On the basis of internal inspection, we also follow the Safety Inspection Standards for Building Construction (JGJ59-2011), the Safety Technical Specifications for Temporary Electricity Consumption on the Construction Site (JGJ46-2005), the Safety Technical Specifications for the Fastener Type Steel Pipe Scaffold (JGJ130-2011) and other related inspection standards and specifications, and appoint a professional third party agency to conduct safety risk assessment for all projects under construction. If any safety loopholes are found during the inspection period, COLI's inspection team will take photos as evidence for future tracing, follow up the implementation of the rectification measures of regional companies, and issue risk warnings or penalty points to relevant units, as the case may be.

Each year, COLI formulates safety training schemes, and plans training content according to different construction stages of the projects, such as scaffold engineering, construction electricity use, edge protection and other topics. We often hold large-scale training promotion activities, such as the quarterly safety seminar of Xinjiang subsidiary this year, "Safe and Civil Production Month" campaign of Shanghai Hongqi Village Project, "Quality and Safety Assessment System Training and Analysis of Key Assessment" of Wuhan subsidiary, and "Safety Regulations, Risk Management and Case Study Training of Jinan subsidiary and New Town (新城) subsidiary, raising the safety awareness of frontline engineering personnel. COLI has incorporated safety and quality incident rate of projects under construction into the key performance indicators of the headquarters and regional engineering teams. We rank the year-end performance of regional companies according to the performance appraisal results. In conjunction with the implementation of the "Stars of the Sea" assessment system, we will mete out penalty to regional or project companies with poor safety management performance.

In 2019, the Company's projects under construction did not incur any serious work injuries or work-related fatalities; please refer to the section headed "List of Performance Indicators" of this report for detailed data on occupational health and safety.

9.4.3 Safe Operation Management

In addition to daily operations and engineering projects, COLI's health and safety management system also covers its self-owned and self-operated commercial projects. We check and track the occupational safety and health status of tenants, suppliers and service providers. COLI will assign regional companies to conduct risk management assessment on a regular basis, check and analyse the working conditions of different positions, and ensure that the health and safety conditions of the workplaces comply with relevant regulations and standards.

We require regional companies to ensure that the operating conditions of their tenants, suppliers and service providers are in compliance with relevant standards on occupational safety and health, including the handling of gas, dust and hazardous materials, work hygiene conditions, as well as equipment safety. The Company will dispatch department heads to investigate the factors that may give rise to occupational diseases or injuries due to physical factors, biological pollution, excessive work intensity or unsafe facilities, and record the investigation findings in the Investigation Form on Work Conditions of Tenants, Suppliers and Service Providers. In the event of work injuries occurring to tenants, suppliers or service providers, regional companies will record such information in the Health Records of Tenants, Suppliers and Service Providers, and take measures and give support with reference to relevant regulations and standards.

In 2019, the projects of COCP did not incur any serious work injuries or work-related fatalities; please refer to the section headed "List of Performance Indicators" of this report for detailed data.

9.5 Business Ethics and Integrity

100% of COLI's employees	100% of partners
including all employees of the headquarters, regional, project, associate and joint venture companies, signed the Work Integrity Responsibility Statement and received training related to anti-corruption	including suppliers and general contractors, signed the Integrity Agreement as part of the contract

Ensuring that the management, employees and partners closely adhere to the code of conduct with integrity and professionalism is an important step for the Company to comprehend its sustainability management. Through codes, agreements, policies, systems and training campaigns, we are committed to strengthening the anti-corruption awareness within the Company and among our business partners, and strictly comply with the principles of ethical, social and environmental responsibility in our business activities, so as to prevent the risk of corruption and protect the rights and interests of stakeholders.

9.5.1 Establishing the Code of Conduct

On the basis of the Employee Code of Conduct, Employees' Handbook, and other existing policies, COLI formally drafted the Corporate Code of Conduct this year, and further defined the acceptable behavioural guidelines that all employees of the Company and its subsidiaries and branches need to comply with. All directors, management and employees are required to perform an annual signoff and be committed to complying with relevant requirements, the key points of which include:

- **Anti-corruption:** During the process of conducting business, COLI's employees and their spouses and lineal relatives are prohibited from corruption and bribery, including soliciting or accepting any benefits such as facilitation payments, kickbacks, donations and sponsorship from business-related units; and must carefully handle business-related social activities and comply with requirements to manage and report matters related to commission, remuneration, reception and gifts.
- **Conflict of interest:** Arranging relatives to receive services or gain benefits in business-related units by exerting the influence of one's position, concurrently undertaking paid work without approval and conducting investment activities involving conflict of interest are not allowed.
- **Confidentiality of information:** Employees can only use internal information in the operation and management of the Company for reasons of duty, must abide by the rules related to confidentiality responsibility and intellectual property rights, and are prohibited from using confidential or inside information to gain personal interests.
- **Anti-competitive practices:** Employees must comply with applicable competition laws and anti-monopoly laws; all bidding decisions must be transparent among at least three management members of the Company, and biddings awarded to individual units at arbitrary instruction are not allowed.
- **Anti-discrimination:** Regardless of gender, age, family status, disability, race, religion or other factors, employees must respect colleagues, clients and members of associated units. Any discrimination, harassment or other illegal conducts are strictly prohibited.
- **Environment, health and safety:** The management must identify the environment, health and safety impact of the offices or project locations and take corresponding prevention, control and mitigation measures, including providing appropriate guidance or training to COLI's employees and other relevant personnel.
- **Whistleblowing:** COLI's employees must communicate with their supervisors or the Human Resources Department when they encounter situations beyond the code and find it difficult to make a decision; any suspected breach of the code must be reported to the Intendence and Audit Department with no whistleblowing information disseminated, so as to control the scope of knowledge and protect the independence of the investigation and the rights of whistleblowers.

The Company established the Supplier Code of Conduct, advocating the norm of conduct consistent with the principles of the Corporate Code of Conduct to all partners ("COLI's Engaged Persons") such as suppliers, contractors, subcontractors and property management companies. In order to maintain consistent guiding principles of conduct across the hierarchy of the Company and within and beyond the corporate, all employees of the Company, including the management, are required to sign the Work Integrity Responsibility Statement annually, and all bidding units of the Company (such as suppliers and contractors) are also required to sign the Integrity Agreement to confirm their acknowledgement of and commitment to comply with the relevant requirements of the Company's anti-corruption policies. Employees violating the code are deemed as dereliction of duty, which may lead to punishment including dismissal; while business partners violating the Integrity Agreement may be warned, fined or even disqualified from bidding and cooperation.

9.5.2 Strengthening the Integrity System

We follow the principle of separation of duties, and appoint each post and define the scope of authority in accordance with the Administrative Measures for Personnel Appointment. Following such operating guidelines and assessment procedures, all employees must pass qualification evaluation before taking office and are not allowed to take positions that are incompatible with their responsibilities, and their qualification will be denied for any integrity violations in the past. Leaders must rotate their posts after a certain number of years to prevent abuse of power.

Under the regulation of the Administrative Measures for COLI Integrity Construction Responsibility System, the Company's management ranging from the headquarters and regions to local companies has the responsibility to promote the hierarchical management system of supervision responsibility, and regularly reviews the reward and punishment mechanism for integrity construction and the practices of integrity and self-discipline commitment. We have also integrated relevant anti-corruption requirements into the performance management system. Through self-evaluation, annual reporting and employee satisfaction surveys, we assess the management performance of local companies in the areas of corruption punishment and prevention system, the delegation of anti-corruption responsibilities, and the level of integrity and self-discipline of the management, so as to regularly assess bribery and corruption risks of different regions and business activities of the Company. Employees' performance appraisal results will directly affect their salary and promotion review.

In accordance with the Administrative Measure for Integrity Conversations, every new leader is required to conduct pre-service conversations with the Chief Executive Officer to understand the requirements on exercising authority and practising integrity. We also formulated conversation guidelines for employees' reference, aiming to assist in identifying employees who show misconduct tendency and remind them to make timely corrections. The Company continuously sends electronic files and Integrity e-Materials through the internal employee platform named China Overseas Channel, explaining relevant compliance requirements of anti-corruption to employees via law interpretations and case studies. The Company provides employees with training related to the Anti-unfair Competition Law of the People's Republic of China to prevent them from violating the law mistakenly. All members of the Board of Directors and employees of COLI received regular annual training on anti-corruption and fair competition this year.

9.5.3 Setting Industry-specific Anti-corruption Standards

COLI proactively participates in formulating the industry's anti-corruption standards. The Enterprise Anti-fraud Alliance, in which the Company participates, includes more than 500 leading enterprises covering industries such as real estate, retail, e-commerce, finance and insurance. COLI was invited to become a deputy director unit this year, strengthening the construction of anti-corruption mechanism with other enterprises. The alliance's work includes establishing an information sharing system to inform members of a list of individuals and suppliers who have committed bribery, influence-peddling and other malpractices, so as to jointly maintain a clean and fair business environment.



COLI was elected to be a deputy director unit in the annual conference of the Enterprise Anti-fraud Alliance held in November this year.

9.5.4 Protecting the Rights of Whistleblowers

The Measures for Handling Discipline Inspection and Supervision Cases of the Company establishes standard procedures for report handling, investigation and evidence collection, and settling cases. We make available to employees, customers, business partners and other external stakeholders reporting channels including mails, calls, visits and internet means. The Company's independent reporting hotline and email are published on the Company's official website, the Open Letter to Partners and the Integrity Agreement, and are accessible in sales offices, property management offices, maintenance centres, name cards of sales and customer service personnel, and delivery notices.

To ensure whistleblowers' rights and interests and the independence of investigations, the Measures for Handling Discipline Inspection and Supervision Cases (Trial) specifies the codes for handling and investigating whistleblowing information, such as arranging at least two people to meet the whistleblowers, and recording details of the violations, evidence and whistleblowers' contact information and demands. The Intendence and Audit Department is responsible for analysing and investigating clues to whistleblowing issues, proposing handling advice, and delivering to respective leaders for approval and further classification and handling. We will establish a special investigation team of no less than two people to conduct investigation and verification, treat investigation information confidentially, and control the scope of knowledge within the Company. If it is a real-name reporting, the Intendence and Audit Department must reply to the whistleblowers about the handling after completing the investigation. We are committed to ensuring the fairness of the whistleblowing system. The Company has set up relevant punishment provisions for cases where the investigated individuals retaliate against the whistleblowers, witnesses or supervisors, or where the whistleblowers and witnesses fabricate facts and make false accusations.

Operational Compliance

COLI organises its internal legal management system through continuous legal review and training to raise employees' awareness and capability of compliance risk management. This year, the Company's Legal Department continued to optimise the standardised contract structure and ensured that all economic contracts and internal rules and regulations passed the legal review process. The Legal Department established and continuously updated records on laws and regulations to identify the impact of these new requirements on the current and future development of the Company. This year, the state issued a series of policies on regulation of land acquisition and sales, and regional-specific requirements. To allow employees to keep abreast of the latest development and management methods of laws and regulations, we maintained an internal e-circular "Rule of Law by China Overseas" to disseminate information on rule of law, and offered special training to investment, operation, sales and other business departments.

In the last four years, the Company has not recorded any pending investigations or violations relating to bribery, extortion, fraud, money laundering or anti-competitive conducts, nor has it been subject to relevant fines or damages. In terms of laws and regulations relating to other governance, environmental and social issues that impact significantly on the Company's business operation (refer to the table below), COLI and its subsidiaries had no non-compliance that were proceeded to lawsuits this year:

Major Laws and Regulations	Relevant Governance, Environmental and Social Matters
Environmental Protection Law of the People's Republic of China, Environmental Impact Assessment Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Noise Pollution, Administrative Regulations of Environmental Protection of Construction Projects, Administrative Measures for Environmental Protection and Acceptance of Completed Construction Projects	Management of exhaust gas and greenhouse gas emissions, discharges into water and land, hazardous and non-hazardous waste, and other emissions
Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Law of the People's Republic of China on Protection of Disabled Persons, Employment Ordinance, Employees' Compensation Ordinance	<ul style="list-style-type: none"> • Compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination, and other employment systems • Management of occupation safety and health • Child labour, forced labour or other human rights and labour rights issues
Product Quality Law of the People's Republic of China, Construction Law of the People's Republic of China, Advertising Law of the People's Republic of China, Primary Residential Property Sales Regulations, Cybersecurity Law of the People's Republic of China	Management of product and service information, health and safety, advertising, labeling, marketing methods, customer privacy, information security and other product responsibility issues
Anti-money Laundering Law of the People's Republic of China	Bribery, extortion, fraud, money laundering, and other corrupt practices
Criminal Law of the People's Republic of China, Anti-unfair Competition Law of the People's Republic of China	Legal cases regarding corrupt practices brought against the headquarters and regional companies or their employees
Anti-unfair Competition Law of the People's Republic of China, Implementing Measures for the Accountability for Illegal Operation and Investment of Central Enterprises (trial)	Legal cases regarding anti-competitive practices brought against the headquarters and regional companies or their employees

List of Performance Indicators

Economic Value

Indicator	Unit	2019 Total	2018 Total ¹
Economic Value Generated and Distributed			
Net revenue	RMB'000	163,650,953	144,027,289
Direct operating costs	RMB'000	108,570,841	89,592,363
Total finance cost	RMB'000	8,970,167	7,858,917
Dividends payable	RMB'000	5,635,519	4,771,426
Tax expenses ¹	RMB'000	22,204,315	21,727,807
Retained profits	RMB'000	207,184,440	175,507,073

Corporate Governance

Indicator	Unit	2019 Total	2018 Total
Concluded Legal Cases Brought Against the Company or its Employees			
Regarding corrupt practices	Case(s)	0	0
Regarding anti-competitive practices	Case(s)	0	0
Confirmed Non-compliance with Laws and Regulations			
Regarding air and greenhouse gas emissions, discharges into water and land, hazardous and non-hazardous waste, and other emissions issues	Case(s)	0	0
Regarding compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination, and other employment matters	Case(s)	0	0
Regarding occupational safety and health	Case(s)	0	0
Regarding child labour, forced labour or other human rights and labour rights issues	Case(s)	0	0
Regarding product and service information, product health and safety, advertising, labeling, marketing, customer privacy, and other product responsibility issues	Case(s)	0	0
Regarding bribery, extortion, fraud, money laundering and other corrupt practices	Case(s)	0	0
Regarding intellectual property rights	Case(s)	0	–
Regarding anti-competitive practices	Case(s)	0	–

¹ The data for 2018 are restated, please refer to Notes to the Financial Statements contained in the Annual Report 2019 for details. The tax expenses set out in this table represents the income tax expenses

Indicator	Unit	2019 Total	2018 Total
Communication and Training Regarding Anti-corruption Policies and Procedures			
Employees who received training on anti-corruption policies	Percentage	100%	— ²
Employees from subsidiaries, joint ventures and associates who received training on anti-corruption policies	Percentage	100%	100%
Employees being regulated under Employee Code of Conduct	Percentage	100%	100%
Employees of headquarters, regional companies, projects, joint ventures and associates which signed the Work Integrity Responsibility Statement	Percentage	100%	100%
Business partners which signed the Integrity Agreement	Percentage	100%	100%

Product and Service Responsibility

Indicator	Unit	Reporting year			
Customer Relationship Management					
Customer satisfaction ³	Percentage	2019 89%	2018 85%	2017 70%	2016 62%
Customers covered in the customer satisfaction survey	Percentage	2019 10%	2018 10%	2017 10%	2016 10%

Indicator	Unit	2019 Total	2018 Total
Customer complaints			
Total number of customer complaints	Case(s)	3,297	5,102
Total number of customer privacy related complaints	Case(s)	0	0
Confirmed cases of customer privacy and data breaches of customer privacy and loss of customer data	Case(s)	0	0

Indicator	Unit	2019 Total
Customer health and safety		
Engineering staff receiving trainings regarding product quality and/or product safety	Percentage	89%
Commercial project staff receiving trainings regarding product quality and/or product safety	Percentage	100%
Residential projects receiving external assurance certifications regarding product quality and/or product safety	Percentage	19%

² The unit for the 2018 statistical data of received training is person-time(s), which totaled 6,457 person-times; no percentage of employees covered is calculated

³ Involved customers from the residential projects of COLI

Supply Chain Management

Indicator	Unit	2019 Total	2018 Total
Geographical Distribution of Suppliers⁴			
Northern Region	Supplier(s)	3	2
Hua Bei Region	Supplier(s)	15	18
Hua Dong Region	Supplier(s)	53	34
Hua Nan Region	Supplier(s)	42	44
Western Region	Supplier(s)	4	2
Hong Kong and Macau	Supplier(s)	–	–
Overseas	Supplier(s)	–	–
Total	Supplier(s)	117	100
Assessment of Suppliers			
Percentage of new suppliers screened this year ⁵	Percentage	100%	100%
Key business partners receiving annual integrated performance assessment	Percentage	100%	–
Rectification required by business partners against risks found from the annual comprehensive appraisal	Percentage	6.3%	–

Community Investment

Indicator	Unit	2019 Total	2018 Total
Community Investment and Philanthropic Activity			
Area of affordable housing completed during the year	m ²	2,939,000	1,940,000
GFA of completed affordable housing relative to the residential projects of the Company	Percentage	18.1%	14.2%

⁴ Referring to the number of suppliers maintaining cooperation relationship on central procurement with the Company under the Register of Central Procurement Suppliers at Headquarters this year

⁵ Referring to new suppliers that were originally not on the Register of Central Procurement Suppliers at Headquarters and were then included upon passing the prequalification assessment. The prequalification assessment covers certain environmental and social standards including requiring suppliers to provide quality management system certification documents

Employment

Indicator	Unit	2019 Total		2018 Total	
Composition of Senior Management (including Board members)					
By Gender					
Female	Person(s)	5		4	
Male	Person(s)	63		68	
By Age					
Aged 30 and below	Person(s)	0		0	
Aged 31 to 50	Person(s)	49		55	
Aged 51 and above	Person(s)	19		17	
Ratio of senior management hired from the local community					
Mainland China	Percentage	87.8%		85.7%	
Hong Kong, Macau and overseas	Percentage	66.7%		68.8%	
Total number of senior management (including Board members)	Person(s)	68		72	
Employee Distribution					
By Geographical Region					
Mainland China	Person(s)	6,061	98.3%	5,749	97.5%
Hong Kong, Macau and overseas	Person(s)	108	1.7%	146	2.5%
By Gender					
Female	Person(s)	1,737	28.2%	1,736	29.4%
Male	Person(s)	4,432	71.8%	4,159	70.6%
By Age					
Aged 30 and below	Person(s)	1,994	32.3%	1,847	31.3%
Aged 31 to 50	Person(s)	3,996	64.8%	3,884	65.9%
Aged 51 and above	Person(s)	179	2.9%	164	2.8%
By Employee Category					
Senior management (excluding Board members)	Person(s)	60	1.0%	64	1.1%
Middle management	Person(s)	363	5.9%	336	5.7%
Entry-level employees	Person(s)	1,229	19.9%	1,195	20.3%
General employees	Person(s)	4,517	73.2%	4,300	72.9%
By Type of Employment Contracts					
Full-time	Person(s)	6,169	100%	5,895	100%
Part-time	Person(s)	0	0%	0	0%
Total number of employees	Person(s)	6,169		5,895	

Retention of Talents

Indicator	Unit	2019 Total		2018 Total	
Number and Percentage of New Employees					
By Geographical Region					
Mainland China	Person(s)	1,290	21.3%	1,255	21.8%
Hong Kong, Macau and overseas	Person(s)	19	17.7%	32	21.9%
By Gender					
Female	Person(s)	316	18.2%	968	55.8%
Male	Person(s)	993	22.4%	319	7.7%
By Age					
Aged 30 and below	Person(s)	638	32.0%	513	27.8%
Aged 31 to 50	Person(s)	657	16.4%	746	19.2%
Aged 51 and above	Person(s)	14	7.8%	28	17.1%
By Employee Category					
Senior management	Person(s)	0	–	–	–
Middle management	Person(s)	13	3.6%	–	–
Entry-level employees	Person(s)	103	8.4%	–	–
General employees	Person(s)	1,193	26.4%	–	–
Total number and percentage of new employees	Person(s)	1,309	21.2%	1,287	21.8%

Indicator	Unit	2019 Total		2018 Total	
Employee Turnover in Number and Percentage					
By Geographical Region					
Mainland China	Person(s)	1,024	16.9%	443	7.7%
Hong Kong, Macau and overseas	Person(s)	11	10.2%	27	18.5%
By Gender					
Female	Person(s)	271	15.6%	351	20.2%
Male	Person(s)	764	17.2%	119	2.9%
By Age					
Aged 30 and below	Person(s)	262	13.1%	204	11.0%
Aged 31 to 50	Person(s)	739	18.5%	263	6.8%
Aged 51 and above	Person(s)	34	19.0%	3	1.8%
By Employee Category					
Senior management	Person(s)	0	–	–	–
Middle management	Person(s)	17	4.7%	–	–
Entry-level employees	Person(s)	119	9.7%	–	–
General employees	Person(s)	899	19.9%	–	–
Total number and rate of employee turnover	Person(s)	1,035	16.8%	470	8.0%
Employee Satisfaction					
Participation of staff on employee satisfaction and engagement survey	Reporting year	2019	2018	2017	2016
	Percentage	85%	84%	81%	–
Employee satisfaction	Reporting year	2019	2018	2017	2016
	Percentage	84%	83%	78%	90%
Employee engagement	Reporting year	2019	2018	2017	2016
	Percentage	83%	88%	81%	–

Training and Development

Indicator	Unit	2019 Total	2018 Total
Percentage of Employees Receiving Trainings³			
By Gender			
Female	Percentage	100%	–
Male	Percentage	100%	–
By Employee Category			
Senior management	Percentage	100%	–
Middle management	Percentage	100%	–
Entry-level employees	Percentage	100%	–
General employees	Percentage	100%	–
Overall percentage of employees receiving trainings	Percentage	100%	–
Average Training Hours per Employee			
By Gender			
Female	Hour(s)	74	60
Male	Hour(s)	73	70
By Employee Category			
Senior management	Hour(s)	140	60
Middle management	Hour(s)	67	65
Entry-level employees	Hour(s)	72	62
General employees	Hour(s)	73	72
Overall average training hours per employee	Hour(s)	73	69
Performance Management			
Employee covered by the performance management system ⁶	%	100	100
Staff participation under the Share Option Scheme ⁷	%	7	–

⁶ Including the request to reach an agreement between supervisor(s) and subordinates on measurable or quantitative performance targets, and to conduct multi-dimensional evaluation and performance ranking of employees

⁷ Calculation include employees holding positions below senior management only

Labour Rights

Indicator	Unit	2019 Total		2018 Total	
Occupational Health and Safety					
Employees of China Overseas					
Number of work-related injuries	Case(s)	0		0	
Number of severe work-related injuries	Case(s)	0		0	
Lost days due to work-related injuries	Day(s)	0		0	
Number of work-related fatalities	Case(s)	2019 0	2018 0	2017 0	2016 0
Employee covered by in medical check up	Percentage	100%		100%	
Employee covered by in Supplementary Medical Insurance	Percentage	100%		100%	
Construction sites of China Overseas					
Number of work-related injuries	Case(s)	0		0	
Number of severe work-related injuries	Case(s)	0		0	
Lost days due to work-related injuries	Case(s)	0		0	
Number of work-related fatalities	Day(s)	2019 0	2018 0	2017 0	2016 0
Employee Grievance					
Number of discrimination incidents reported	Case(s)	0		0	
Number of basic human rights, employment and labour rights incidents reported	Case(s)	0		0	

Sustainable Building

Indicator	Unit	2019 Total		2018 Total	
Sustainable Building Certification ⁸					
Number of new green certified buildings during the year	Project(s)		74		–
Additional green certified area during the year	m ²		15,820,000		–
Total number and percentage of green certified buildings	Project(s)	281	69.1%	207 ⁹	–
Total area and percentage of green certified area	m ²	54,860,000	68.1%	–	–
Number of additional healthy building certifications during the year	Project(s)		1		–
Material Consumption					
Total construction material used during the year	m ³		17,955,756		15,319,726
– Concrete					
Total construction material used during the year	Tonnes		2,198,664		1,838,367
– Steel					
Total construction material used during the year	m ³		420,705		365,835
– Wood					

⁸ The Company had started to measure the number and area percentage of green certified buildings since the year, while all the cumulative totals are measured from 2016 to 2019

⁹ Data updates with figures representing the statistics as at the end of 2018

Environmental Management¹⁰

		2019 Total						2018 Total				
Indicator	Unit	Commercial		Offices	Sales	Projects	Innovative	Commercial		Offices	Sales	Projects
		Projects ¹¹	Hotels ¹²	of COLI	Centres	under Construction		Business ¹³	Projects	Hotels	of COLI	Centres
Energy Consumption ¹⁴												
Direct Energy Consumption ¹⁴												
Diesel	L	9,693	46,110	4,080	47,151	837,527	N/A	8,074	114,310	4,883	51,286	1,355,148
Gasoline	L	17,359	110,480	766,288	49,406	310,273	N/A	11,822	69,313	855,075 ¹⁵	175,660	340,101
LPG	kg	3,566	N/A	20,085	N/A	N/A	N/A	3,081	N/A	19,862	N/A	N/A
Natural gas	GJ	79,999	40,489	73,783 ¹⁹	4,247 ¹⁹	N/A	N/A	88,201 ¹⁵	84,386 ¹⁵	8,439 ¹⁵	N/A	N/A
Direct energy	kWh/m ²	7.62	N/A	346.95	8.15	N/A	N/A	11.46 ¹⁵	N/A	144.82 ¹⁵	9.43	N/A
consumption intensity	kWh/guest night	N/A	34.99	N/A	N/A	N/A	N/A	N/A	71.52 ¹⁵	N/A	N/A	N/A
Indirect Energy Consumption												
Purchased electricity	kWh	248,064,483	30,503,700	10,970,384	37,183,468	134,227,189	278,484	177,355,456 ¹⁶	32,711,551 ¹⁵	8,312,922 ¹⁵	12,715,219	97,667,663
Purchased steam	GJ	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,169	139	419	N/A
Purchased hot water	GJ	228,515	2,392	850 ¹⁹	35,164 ¹⁹	N/A	N/A	133,648	N/A	N/A	N/A	N/A
Indirect energy	kWh/m ²	105.52	N/A	141.61	183.44	N/A	50.25	99.40 ¹⁶	N/A	119.67 ¹⁵	58.30	N/A
consumption intensity	kWh/guest night	N/A	85.95	N/A	N/A	N/A	N/A	N/A	95.39 ¹⁶	N/A	N/A	N/A
Water Resources Management												
Water Consumption by Source												
Municipal water supply	m ³	2,083,441	636,126	113,362	1,265,748	7,128,612	1,911	3,250,060 ¹⁵	664,841	194,734	602,736	6,557,339
Other sources of water withdrawal	m ³	N/A	N/A	N/A	N/A	1,171,590	N/A	N/A	N/A	N/A	N/A	175,896
Total water consumption	m ³	2,083,441	636,126	113,362	1,265,748	8,300,202	N/A	3,250,060 ¹⁵	664,841	194,734	602,736	6,730,235
Water consumption	m ³ /m ²	0.71	N/A	1.43	4.95	N/A	0.35	1.51 ¹⁵	N/A	2.79	2.74	N/A
intensity	m ³ /guest night	N/A	1.75	N/A	N/A	N/A	N/A	N/A	1.89	N/A	N/A	N/A

- ¹⁰ The environmental data cover projects that had commenced full-year operation and those under construction during the year
- ¹¹ Covering commercial projects (except hotels) with more than 50% controlling interest held and operated throughout the year by the Company, including offices and shopping centres
- ¹² Covering hotel projects with more than 50% controlling interest held and operated throughout the year by the Company
- ¹³ Covering innovative business projects with more than 50% controlling interest held and operated throughout the year by the Company
- ¹⁴ The unit conversion of purchased hot water is conducted with reference to “the System of Energy and Water Statistical Statements (commonly used by statistical institutions and survey units) (2017 Annual Statistical Report and 2018 Regular Statistical Statement)” issued by the National Bureau of Statistics, and the unit conversion of other types energy is conducted with reference to “the General Rules for Integrated Energy Calculation (GB/T 2589-2008) - Standard Coal Reference Coefficient for Various Energy” issued by the Standardisation Administration
- ¹⁵ The data are restated after verification
- ¹⁶ Update on the unit of energy consumption intensity of the hotels reported in 2018 with figures calculated in the unit of “kWh/guest night”

2019 Total								2018 Total					
Indicator	Unit			Projects								Projects	
		Commercial Projects ¹¹	Hotels ¹²	Offices of COLI	Sales Centres	under Construction	Innovative Business ¹³	Commercial Projects	Hotels	Offices of COLI	Sales Centres	under Construction	
GHG Emissions ¹⁷													
Direct emissions (Scope 1)	tonnes CO2e	28,464	3,616	5,877	471	2,892	N/A	11,951 ¹⁵	6,385 ¹⁵	2,452 ¹⁵	533	4,311	
Indirect emissions (Scope 2)	tonnes CO2e	195,048	18,357	7,355	30,223 ¹⁹	93,818	233	130,907 ¹⁶	19,646 ¹⁵	5,860 ¹⁵	8,684	64,216	
Others (Scope 3) ¹⁸	tonnes CO2e	36	N/A	1,716 ¹⁹	8.35	N/A	N/A	94	1,390	270	N/A	N/A	
Total emissions (Scope 1+2)	tonnes CO2e	223,872	21,973	13,232	30,694	96,710	233	142,858 ^{15, 16}	26,031 ¹⁵	8,312 ¹⁵	9,217	68,527	
Total emission intensity (Scope 1+2)	tonnes CO2e/m ²	0.08	N/A	0.17	0.12	N/A	0.04	0.07 ¹⁵	N/A	0.12 ¹⁵	0.04	N/A	
	tonnes CO2e/guest night	N/A	0.06	N/A	N/A	N/A	N/A	N/A	0.075 ¹⁵	N/A	N/A	N/A	
Waste Management													
Volume of Non-hazardous Waste Disposed of													
Renovation, construction and demolition waste	tonnes	30,842	40	N/A	N/A	487,268	N/A	22,447	41	N/A	N/A	626,913 ¹⁵	
Earthwork/muck	tonnes	N/A	N/A	N/A	N/A	28,667,296	N/A	N/A	N/A	N/A	N/A	14,113,530	
General waste/ domestic waste	tonnes	67,955	1,500	4,899	1,204	10,067	1	68,963 ¹⁵	1,873	1,123	2,621 ¹⁵	23,481	
Horticultural waste	tonnes	220	300	N/A	N/A	389	N/A	117	182	N/A	N/A	7,162	
Grease trap waste	kg	276,128	65,000	N/A	N/A	N/A	N/A	194,991	70,500	N/A	N/A	N/A	
Volume of Non-hazardous Waste Recycled													
Food waste	kg	1,675,859	186,000	37,018	32,913	66,279	N/A	916,125 ¹⁵	200,500	32,324	N/A	454,083	
Metal	kg	69,379	800	279	4,504	1,782,688	N/A	70	220	31	N/A	57,078,481	
Paper	kg	5,294	6,372	3,513	3,205	16,814	54	730	3,402	3,329	N/A	159,777	
Glass	kg	24,972	2,500	N/A	528	5,989	N/A	14,300	2,020	0	N/A	760	
Plastic	kg	1,858	4,800	260	52	50	N/A	200	5,552	43	N/A	7,520	
Total volume of non-hazardous waste generated	tonnes	101,071	2,105	4,940	1,245	29,166,892	1	92,653 ¹⁵	2,378	1,159	2,621 ¹⁵	14,282,787	
Volume of Hazardous Waste Recycled													
Waste oil	kg	51,238	40,000	N/A	N/A	4,931	N/A	21,634	45,700	N/A	N/A	14,497	
Waste fluorescent tubes/ bulbs	kg	3,972	1,750	172	1,252	3,371	N/A	3,232	1,968	1,876	982	3,532	
Electronic waste	kg	315	0	423	158	2,992	N/A	257	0	1,404	101	3,355	
Batteries	kg	324	200	12	366	898	2	101	200	N/A	N/A	1,368	
Total volume of hazardous waste generated	tonnes	56	42	1	2	12	0.002	25	48	3	1	23	

¹⁷ The emission factors of heat supply takes reference to “the Accounting Methods and Reporting Guidelines on Greenhouse Gas Emission for Enterprises in Industry and Other Industries (trial)” issued by the National Development and Reform Commission (NDRC), and other emission factors takes reference to “the Average CO2 Emission Factors of China’s Regional Grid in 2011 and 2012” issued by the NDRC and “How to Prepare an ESG Report - Appendix 2 Reporting Guidance on Environmental KPIs” issued by the Stock Exchange.

¹⁸ Emission from air travel by employees

¹⁹ The scope of statistics for 2019 was expanded, resulting in a relatively large year-on-year change

Report Content Index

General Disclosure

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Pages
Organisational Profile				
102-1		Name of the organisation	2. About this Report	4
102-2		Activities, brands, products and services	3. COLI's Strength	6
102-3		Location of headquarters		
102-4		Location of operations		
102-5		Ownership and legal form	2. About this Report	4
102-6		Markets served	3. COLI's Strength	6
102-7		Scale of the organisation		
102-8	KPI B1.1	Information on employees and other workers	3. COLI's Strength	6
			11. List of Performance Indicators	98
102-9	KPI B5.1	Supply chain	6. Good Products – Creating Enjoyable Space	27
			11. List of Performance Indicators	98
102-10		Significant changes to the organisation and its supply chain	There are no significant changes to the scale, structure and ownership of COLI and its supply chain during this year.	
102-11		Precautionary principle or approach	4. Sustainability Management	9
			8. Good Citizen – Human in Harmony with the Environment	53
102-12		External initiatives	5. Stakeholder Engagement	22
102-13		Membership of associations		
Strategy				
102-14		Statement from senior decision-maker	1. Message from the Chairman	2
Ethics and Integrity				
102-16		Values, principles, standards and norms of behavior	4. Sustainability Management	9
Governance				
102-18		Governance structure	4. Sustainability Management	9

General Disclosure

GRI Standards HKEG ESG Guide	Description	References and Remarks	Pages
Stakeholder Engagement			
102-40	List of stakeholder groups	5. Stakeholder Engagement	22
102-41	Collective bargaining agreements	Employees of COLI are not covered by collective bargaining agreements	
102-42	Identifying and selecting stakeholders	5. Stakeholder Engagement Stakeholders are identified based on their dependence and influence on the Company's decision making	22
102-43	Approach to stakeholder engagement	5. Stakeholder Engagement	22
102-44	Key topics and concerns raised	5. Stakeholder Engagement	22
Reporting Practice			
102-45	Entities included in the consolidated financial statements	2. About this Report 2019 Annual Report – Management Discussion and Analysis	4
102-46	Defining report content and topic boundaries	2. About this Report	4
102-47	List of material topics	5. Stakeholder Engagement	22
102-48	Restatements of information	Certain environmental data in the list of performance indicators has been restated. For details, please refer to the remarks in the table.	
102-49	Changes in reporting	5. Stakeholder Engagement	22
102-50	Reporting period	2. About this Report	4
102-51	Date of the most recent report		
102-52	Reporting cycle		
102-53	Contact information for questions regarding the report	2. About this Report	4
102-54	Statement of reporting in accordance with the GRI Standards		
102-55	GRI content index	12. Report Content Index	109
102-56	External assurance	COLI has yet to obtain external assurance for this Report, and will review the report compilation process and data management status to consider adopting such practice in the future	

Economic Topics

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Pages
Economic Performance				
103-1		Explanation of the material topic and its boundary	1. Message from the Chairman	2
103-2		The management approach and its components	4. Sustainability Management	9
103-3		Evaluation of the management approach	2019 Annual Report – Management Discussion and Analysis, Report of Directors	
201-1	KPI B8.2	Direct economic value generated and distributed	9. Good Effectiveness – Creating Shared Value	76
		Resources contributed to the focus areas	11. List of Performance Indicators	98
201-2		Financial impacts and other risks and opportunities due to climate change	4. Sustainability Management	9
			8. Good Citizen – Human in Harmony with the Environment	53
			Please refer to the sections 4.4 Sustainable Development Strategies and Goals and 8.5.3 Environmental Protection and Actions for Climate Change for the work plans of climate change	
Market Presence				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2		The management approach and its components	9. Good Effectiveness – Creating Shared Value	76
103-3		Evaluation of the management approach	10. Operational Compliance	97
202-2		Proportion of senior management hired from the local community	11. List of Performance Indicators	98
Indirect Economic Impacts				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2		The management approach and its components	6. Good Products – Creating Enjoyable Space	27
103-3		Evaluation of the management approach	8. Good Citizen – Human in Harmony with the Environment	53
203-1	KPI B8.1	Infrastructure investments and supporting services	6. Good Products – Creating Enjoyable Space	27
		Contribution to the focus areas	8. Good Citizen – Human in Harmony with the Environment	53

Economic Topics

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Pages
Anti-corruption				
103-1		Explanation of the material topic and its boundary		
103-2	GD-B7	The management approach and its components	4. Sustainability Management 10. Operational Compliance	9 97
103-3	KPI B7.2	Evaluation of the management approach		
205-3	GD-B7 & KPI B7.1	Confirmed incidents of corruption and actions taken	11. List of Performance Indicators; There was no confirmed incidents or reportings of non-compliance concerning the breach of relevant laws and regulations.	98
Anti-competitive Behavior				
103-1		Explanation of the material topic and its boundary		
103-2		The management approach and its components	4. Sustainability Management 10. Operational Compliance	9 97
103-3		Evaluation of the management approach		
206-1		Legal actions for anti-competitive behavior, anti-trust, and anti-monopoly practices	11. List of Performance Indicators; There was no confirmed incidents or reportings of non-compliance concerning the breach of relevant laws and regulations.	98

Environmental Topics

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Pages
Materials				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-A2; KPI A2.5	The management approach and its components	6. Good Products – Creating Enjoyable Space	27
103-3		Evaluation of the management approach	8. Good Citizen – Human in Harmony with the Environment; COLI's products do not involve the use of packaging materials	53
301-1		Weight or volume of the materials used	8. Good Citizen – Human in Harmony with the Environment	53
			11. List of Performance Indicators	98
Energy				
103-1		Explanation of the material topic and its boundary		
103-2	GD-A2	The management approach and its components	4. Sustainability Management	9
103-3	KPI A2.3	Evaluation of the management approach	8. Good Citizen – Human in Harmony with the Environment	53
302-1	KPI A2.1	Energy consumption within the organisation	11. List of Performance Indicators	98
302-3	KPI A2.1	Energy intensity		
Water				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-A2	The management approach and its components	8. Good Citizen – Human in Harmony with the Environment	53
103-3	KPI A2.4	Evaluation of the management approach	10. Operational Compliance	97
303-1	KPI A2.2	Water withdrawal by source	11. List of Performance Indicators	98
Biodiversity				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-A3	The management approach and its components	8. Good Citizen – Human in Harmony with the Environment	53
103-3		Evaluation of the management approach	10. Operational Compliance	97
304-3		Habitats protected or restored	8. Good Citizen – Human in Harmony with the Environment	53

Environmental Topics

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Pages
Emissions				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-A1	The management approach and its components	8. Good Citizen – Human in Harmony with the Environment	53
103-3	KPI A1.5	Evaluation of the management approach	10. Operational Compliance	97
305-1	KPI A1.1 & KPI A1.2	Direct (Scope 1) GHG emissions		
305-2	KPI A1.1 & KPI A1.2	Energy indirect (Scope 2) GHG emissions	11. List of Performance Indicators	98
305-4	KPI A1.2	GHG emissions intensity		
Effluents and Waste				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-A1	The management approach and its components	8. Good Citizen – Human in Harmony with the Environment	53
103-3	KPI A1.6	Evaluation of the management approach	10. Operational Compliance	97
306-2	KPI A1.3 & KPI A1.4	Total amount of waste by type and disposal method	11. List of Performance Indicators	98
Environmental Compliance				
103-1		Explanation of the material topic and its boundary		
103-2	GD-A3 & KPI A3.1	The management approach and its components	4. Sustainability Management	9
103-3		Evaluation of the management approach	10. Operational Compliance	97
307-1	GD-A1	Non-compliance with environmental laws and regulations	11. List of Performance Indicators; There was no confirmed incidents or reportings of non-compliance concerning the breach of relevant laws and regulations.	98
Supplier Environmental Assessment				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-B5	The management approach and its components	6. Good Products – Creating Enjoyable Space	37
103-3	KPI B5.2	Evaluation of the management approach	8. Good Citizen – Human in Harmony with the Environment	53
308-1	KPI B5.2	New suppliers that were screened using environmental criteria	6. Good Products – Creating Enjoyable Space	27
			11. List of Performance Indicators	98

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GRI Standards	HKEx ESG Guide	Description	References and Remarks	Pages
Employment				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-B1	The management approach and its components	9. Good Effectiveness – Creating Shared Value	76
103-3		Evaluation of the management approach	10. Operational Compliance	97
401-1	KPI B1.2	New employee hires and employee turnover	11. List of Performance Indicators	98
	GD-B4	Description of policies related to prevention of child labour and forced labour and compliance of relevant laws and regulations	4. Sustainability Management 9. Good Effectiveness – Creating Shared Value 10. Operational Compliance	9 76 97
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Child labour and forced labour are insignificant issues for the purpose of employment by COLI	
	KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	9. Good Effectiveness – Creating Shared Value	76
Occupational Health and Safety				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-B2	The management approach and its components	9. Good Effectiveness – Creating Shared Value	76
103-3	KPI B2.3	Evaluation of the management approach	10. Operational Compliance	97
403-2	KPI B2.1 & KPI B2.2	Types of work-related injury, and rates of work-related injuries, occupational diseases, lost days and absenteeism	9. Good Effectiveness – Creating Shared Value 11. List of Performance Indicators There was no case arisen from work-related injuries of our employee by COLI as the recorded lost days arising by work-related injuries was nil.	76 98

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GRI Standards	HKEx ESG Guide	Description	References and Remarks	Pages
Training and Education				
103-1		Explanation of the material topic and its boundary		9
103-2	GD-B3	The management approach and its components	4. Sustainability Management 9. Good Effectiveness – Creating Shared Value	76
103-3		Evaluation of the management approach		
404-1	KPI B3.2	Average hours of training per year per employee	9. Good Effectiveness – Creating Shared Value	76
	KPI B3.1	The percentage of employees trained by gender and employee category	11. List of Performance Indicators During the year, COLI continuously provided tailor-made training for employees of different categories, but did not record the percentage of employees trained by gender and employee category	98
Diversity and Equal Opportunity				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-B1	The management approach and its components	9. Good Effectiveness – Creating Shared Value	76
103-3		Evaluation of the management approach	10. Operational Compliance	97
405-1	KPI B1.1	Diversity of governance bodies and employees	9. Good Effectiveness – Creating Shared Value 11. List of Performance Indicators	76 98
Anti-discrimination				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-B1	The management approach and its components	9. Good Effectiveness – Creating Shared Value	76
103-3		Evaluation of the management approach	10. Operational Compliance	97
406-1	GD-B1	Incidents of discrimination and corrective actions taken	11. List of Performance Indicators	98
Local Communities				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-B8	The management approach and its components	5. Stakeholder Engagement 6. Good Products – Creating Enjoyable Space	22 27
103-3		Evaluation of the management approach	7. Good Services – Full-cycle Customer Management 8. Good Citizen – Human in Harmony with the Environment	42 53
413-1		Operation sites with local community engagement, impact assessments, and development programmes	8. Good Citizen – Human in Harmony with the Environment	53

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GRI Standards	HKEx ESG Guide	Description	References and Remarks	Pages
Supplier Social Assessment				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-B5	The management approach and its components	6. Good Products – Creating Enjoyable Space	27
103-3	KPI B5.2	Evaluation of the management approach	9. Good Effectiveness – Creating Shared Value	76
414-1	KPI B5.2	New suppliers that were screened using social criteria	6. Good Products – Creating Enjoyable Space 11. List of Performance Indicators	27 98
Customer Health and Safety				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-B6; KPI B6.1 & KPI B6.4	The management approach and its components	6. Good Products – Creating Enjoyable Space 7. Good Services – Full-cycle Customer Management	27 42
103-3		Evaluation of the management approach	10. Operational Compliance In light with the nature of businesses and products, the procedure of product recycling is not applicable to COLI	97
416-2		Incidents of non-compliance concerning the health and safety impacts of products and services	6. Good Products – Creating Enjoyable Space 7. Good Services – Full-cycle Customer Management 11. List of Performance Indicators	27 42 98
Marketing and Labeling				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-B6	The management approach and its components	6. Good Products – Creating Enjoyable Space 7. Good Services – Full-cycle Customer Management	27 42
103-3		Evaluation of the management approach	10. Operational Compliance	97
417-2		Incidents of non-compliance concerning product and service information and labeling	11. List of Performance Indicators	98

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GRI Standards	HKEx ESG Guide	Description	References and Remarks	Pages
Customer Privacy				
103-1		Explanation of the material topic and its boundary	4. Sustainability Management	9
103-2	GD-B6	The management approach and its components	6. Good Products – Creating Enjoyable Space	27
103-3	KPI B6.5	Evaluation of the management approach	7. Good Services – Full-cycle Customer Management	42
			10. Operational Compliance	97
418-1	KPI B6.2	Substantiated complaints concerning breaches of customer privacy and losses of customer data	7. Good Services – Full-cycle Customer Management	42
			11. List of Performance Indicators	98
Socioeconomic Compliance				
103-1		Explanation of the material topic and its boundary		
103-2		The management approach and its components	4. Sustainability Management	9
103-3		Evaluation of the management approach	10. Operational Compliance	97
419-1	GD-B1, GD-B2, GD-B4, GD-B6 & GD-B7	Non-compliance with laws and regulations in the social and economic area	11. List of Performance Indicators; There was no confirmed incidents or reportings of non-compliance concerning the breach of relevant laws and regulations.	98
	KPI B6.3	Description of practices relating to preserving and protecting intellectual property rights	4. Sustainability Management	9
			6. Good Products – Creating Enjoyable Space	27



China Overseas Land & Investment Ltd.

10/F, Three Pacific Place, 1 Queen's Road East, Hong Kong
Tel: 2988 0666 Fax: 2865 7517

www.coli.com.hk